



INTERIM

REPORT

January – September 2016

Highlights



Unconventional. Contradictory. Revolutionary.

In October 2016, the first season of the hotly anticipated series *The Young Pope*, produced by FremantleMedia's Wildside, began its international roll-out. From Academy Award-winning director Paolo Sorrentino, the miniseries features a star-studded cast including two-time Oscar-nominated Jude Law as Pope Pius XIII and Oscar-winner Diane Keaton as Sister Mary.

The Young Pope is a joint production of Sky, HBO and Canal Plus and will be broadcast on Sky Atlantic in five countries including Italy, the United Kingdom, Germany, Ireland and Austria, on Canal Plus in France and on HBO in the US. FremantleMedia International (FMI) holds the international distribution rights to the series and has sold the show globally to more than 80 countries.

New online destination for bold and stylish men

In September 2016, multi-channel network StyleHaul launched Hauk, a new men's lifestyle vertical. Hauk brings together a range of leading male talent to create a hub for the best style, pop culture, sports, gaming and family-focused video and social content. This new vertical is anchored by top creators, including Ali-A (Alastair Aiken), DanTDM (Daniel Middleton), BluMaan (Joe Andrews), Thatcher Joe (Joe Sugg), Adam Saleh and KSI (Olajide Olatunji). Driven by personality and passion, Hauk creators are dedicated to sharing their daily routines with candor and humor, and encourage their viewers to explore and celebrate their unique interests. In total, the platform has approximately 70 creators that generate more than one billion views per month. This cadre of effortlessly cool, confident and grounded guys will bring their authority, wit and authenticity to offer a fresh approach to male-focused content and engagement.



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RTL Group continues strong performance

- January to September 2016: Revenue up 2.1 per cent to €4,230 million; EBITA up 5.6 per cent to €756 million
- Digital revenue grew by 25.0 per cent to €430
- Q3/2016 in line with expectations
- Full-year outlook confirmed

Luxembourg, 10 November 2016 – RTL Group announces its results for the nine months ending 30 September 2016.

Key financial figures January to September 2016

	January to September 2016 € m	January to September 2015 € m	Per cent change
Revenue	4,230	4,141	+2.1
Reported EBITA ¹	756	716	+5.6
Reported EBITA margin (per cent)	17.9	17.3	
EBITDA ²	903	844	+7.0
EBITDA margin (per cent)	21.3	20.4	
Reported EBITA	756	716	
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(11)	(2)	
Re-measurement of earn-out arrangements	–	3	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	4	
EBIT	745	721	
Net financial expense	(7)	(15)	
Income tax expense	(235)	(195)	
Profit for the period	503	511	
Attributable to:			
– Non-controlling interests	60	47	
– RTL Group shareholders	443	464	(4.5)
Reported EPS (in €)	2.88	3.02	

¹ 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

² 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

“RTL Group’s strategy pays off”



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

“During the first nine months of 2016, RTL Group once again demonstrated the sustainable success of its diversified portfolio and growth strategy. Despite two major sport events during the summer, we were able to increase both revenue and EBITA once again. This result was mainly driven by the strong performance of Groupe M6, Mediengruppe RTL Deutschland and our rapidly growing digital business.

As expected, the results in the third quarter were weaker than the year before. This is the result of the expected front-loading we have experienced this year because of the sport events during the summer – namely the Uefa Euro 2016 and the Olympic Games. Nonetheless, we are in line with guidance for the full-year 2016 and on track for yet another record year.

At the presentation of the full-year results 2014, we said that we wanted to grow digital into a strong pillar of our company, with revenue reaching 10 per cent of the Group’s total revenue within the next few years. Looking at the 9-month figures 2016, we are happy to say that our digital businesses make up more than 10 per cent of our total revenue. We have reached this milestone much quicker than expected.”

January to September 2016: Mediengruppe RTL Deutschland and digital drive revenue

- Reported Group **revenue** increased by 2.1 per cent to €4,230 million (January to September 2015: €4,141 million), reaching a new record level. This was driven by higher revenue from Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland and RTL Group's rapidly growing digital businesses
- RTL Group's **digital revenue**³ continued to grow dynamically, up 25.0 per cent to €430 million (January to September 2015: €344 million)
- **Reported EBITA** was up 5.6 per cent to €756 million compared to €716 million in the first nine months of 2015, mainly due to higher profit contribution from Mediengruppe RTL Deutschland and a positive one-off effect at Groupe M6 amounting to €43 million. **EBITA margin** grew to 17.9 per cent (January to September 2015: 17.3 per cent)
- **EBITDA** was up 7.0 per cent to €903 million for the first nine months of 2016 (January to September 2015: €844 million), with an **EBITDA margin** of 21.3 per cent, up year-on-year (January to September 2015: 20.4 per cent)
- Despite significantly higher EBITA, **net profit** attributable to RTL Group shareholders was down year-on-year to €443 million (January to September 2015: €464 million), largely due to higher tax charges
- **Net cash from operating activities** was €625 million, leading to an increased operating cash conversion of 93 per cent (January to September 2015: 75 per cent)
- Following the payment of an interim dividend of €154 million on 8 September 2016, RTL Group had **net financial debt** of €988 million as of 30 September 2016 (30 June 2016: €958 million; 31 December 2015: €670 million)

Segments: Mediengruppe RTL Deutschland and Groupe M6 drive EBITA growth

- RTL Group estimates that the net TV advertising markets were up in all markets in which the Group is active, with the exception of the Netherlands and Hungary. For the full year 2016, RTL Group continues to expect that TV advertising revenue will be geared towards the first half of the year
- During the first nine months of 2016, **Mediengruppe RTL Deutschland's** EBITA increased by 2.4 per cent to €468 million (January to September 2015: €457 million). This improvement was mainly driven by higher TV and digital advertising and platform revenue
- **Groupe M6's** EBITA was up strongly to €173 million (January to September 2015: €136 million), mainly driven by the positive one-off effect from the gradual phase-out of the M6 Mobile contract which more than compensated the impact of the higher programming costs for the Uefa Euro 2016 live broadcasts
- **FremantleMedia's** EBITA decreased to €47 million (January to September 2015: €51 million), due to phasing effects and higher investment in the creative pipeline
- **RTL Nederland's** EBITA was stable at €52 million (January to September 2015: €52 million)

Q3/2016 in line with expectations

- In the third quarter of 2016, reported Group **revenue** was stable at €1,352 million (Q3/2015: €1,353 million), mostly due to negative exchange rate effects and the expected effects of sport events in a traditionally weak quarter, which were offset by RTL Group's dynamic growth in digital
- **Reported EBITA** was down by 3.3 per cent to €176 million (Q3/2015: €182 million), mostly due to lower contribution from RTL Belgium, Mediengruppe RTL Deutschland due to sport events and phasing effects at FremantleMedia. **EBITDA** was up 3.7 per cent to €224 million (Q3/2015: €216 million)
- **Net profit** attributable to RTL Group shareholders decreased by 9.7 per cent to €102 million (Q3/2015: €113 million)

³ Excluding e-commerce, home shopping and platform revenue for digital TV

Good start into the new TV season

- In September, the channels of Mediengruppe RTL Deutschland recorded a combined audience share of 29.7 per cent among viewers aged 14 to 59 and increased the gap to the channels of ProSiebenSat1 to 4.2 percentage points (September 2015: 3.0 percentage points). On Vox, the new season of *Die Höhle der Löwen* was an audience favourite, recording an audience share of 15.0 per cent in the target group
- Groupe M6 also had a good start into the new autumn season with an average audience share of 23.6 per cent among women under 50 responsible for purchases in September – a 1.6 percentage points increase year-on-year. During the summer, M6 broadcast a total of 11 matches of the biggest European football competition – Uefa Euro 2016. The final between Portugal and France achieved a total audience share of 71.8 per cent. This was a new all-time audience record for M6, the most watched programme on French television year-to-date and the fifth largest TV audience ever recorded in France
- Following the summer months, RTL Nederland's channels reported an average audience share of 28.6 per cent among viewers aged 20 to 49 in September – up 0.3 percentage points year-on-year and 11.7 percentage points ahead of the commercial competitor SBS (September 2015: 11.2 percentage points)

RTL Group continues to strengthen creative pipeline

- On 24 August, FremantleMedia announced a deal with Amazon to showcase its ambitious fantasy drama, *American Gods*, on Amazon Prime Video in 2017. The show will be available on Amazon's SVOD platform in Germany, Austria, UK and Japan close to its US premiere on the pay-TV channel Starz
- On 14 October, UFA Fiction, FremantleMedia International and RTL Television announced that the sequel to the nationally and internationally award-winning series *Deutschland 83* will premiere exclusively on Amazon Prime Video in Germany in 2018. RTL Television has secured a first-look option for the linear TV rights and expects to air the sequel on German free-to-air television in 2018/19, after Amazon's first window
- Following the world premiere in Venice, FremantleMedia International announced sales of *The Young Pope* to more than 80 territories. The highly acclaimed series launched in October in Germany, Italy, France and the UK with exceptionally good ratings for pay-TV

Continued growth in dynamic digital business

- RTL Group has a strong and rapidly growing presence across all digital platforms. In the first nine months of 2016:
 - RTL Group's catch-up TV services, websites and MCNs attracted a total 197 billion online video views, up 175 per cent year-on-year (January to September 2015: 71.5 billion)
 - thereof: FremantleMedia's 260 Youtube channels attracted 14.0 billion views, up 45.8 per cent year-on-year (January to September 2015: 9.6 billion)
- RTL Group now generates more than 22 billion online video views per month
- Mediengruppe RTL Deutschland, Groupe M6 and RTL Nederland reported double-digit online video advertising revenue growth rates. Comparing January to September 2016 with January to September 2015: Mediengruppe RTL Deutschland was up 79 per cent, Groupe M6 was up 35 per cent and RTL Nederland was up 48 per cent

Outlook

- RTL Group confirms its outlook on revenue and EBITA for the full-year 2016 as communicated on 25 August 2016
- Assuming there will not be major changes in the economic climate across RTL Group's markets, **the Group 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 and Mediengruppe RTL Deutschland. At the same time, **the Group expects its full-year EBITA to be slightly up (+1.0 per cent to +2.5 per cent)** compared to the full year 2015

Financial review

Revenue

In the first nine months of 2016, RTL Group estimates that the net TV advertising markets increased in all markets in which the Group is active, with the exception of the Netherlands and Hungary. For the full year 2016, RTL Group continues to expect that TV advertising revenue will be geared towards the first half of the year.

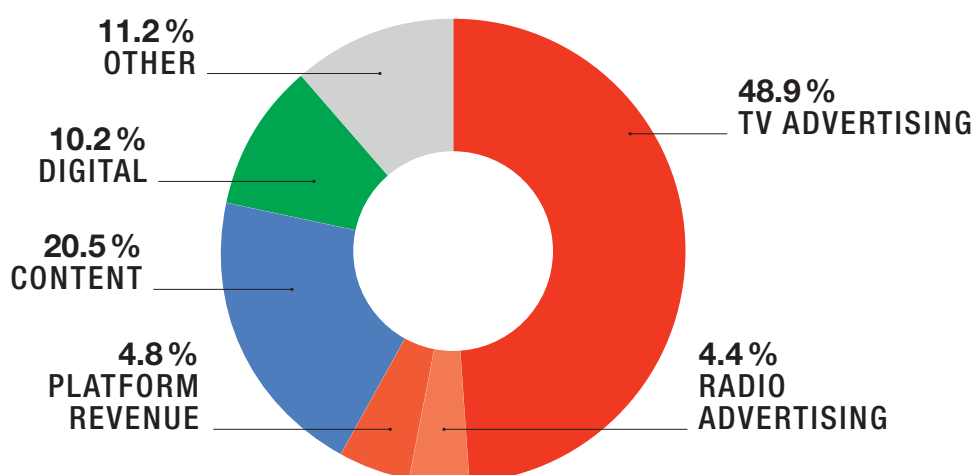
A summary of RTL Group's key markets is shown below, including estimates of net advertising market growth rates and the audience share of the main target audience group.

	Net TV advertising market growth rate January to September 2016 (in per cent)	RTL Group audience share in main target group January to September 2016 (in per cent)	RTL Group audience share in main target group January to September 2015 (in per cent)
Germany	+2.5 to 3.5 ⁴	28.1 ⁵	28.6 ⁵
France	+1.0 ⁶	22.3 ⁷	21.0 ⁷
Netherlands	(0.7) ⁴	31.4 ⁸	31.9 ⁸
Belgium	+2.8 ⁴	35.9 ⁹	36.2 ⁹
Hungary	(3.7) ⁴	33.8 ¹⁰	37.3 ¹⁰
Croatia	+2.6 ⁴	28.0 ¹¹	26.8 ¹¹
Spain	+6.4 ¹²	29.6 ¹³	28.4 ¹³

Revenue was up to €4,230 million (January to September 2015: €4,141 million). On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was up 1.7 per cent to €4,201 million (January to September 2015: €4,132 million).

RTL Group revenue split

RTL Group's revenue is well diversified with 48.9 per cent from TV advertising, 20.5 per cent from content, 10.2 per cent from digital activities, 4.8 per cent from platform revenue (€203 million), 4.4 per cent from radio advertising and 11.2 per cent other revenue.



⁴ Industry and RTL Group estimates

⁵ Source: GfK, Target group: 14–59

⁶ Source: Groupe M6 estimate

⁷ Source: Médiamétrie.

Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9 and 6ter)

⁸ Source: SKO.

Target group: 20–49, 18h–24h

⁹ Source: Audimétrie.

Target group: shoppers 18–54, 17–23h

¹⁰ Source: AGB Hungary.

Target group: 18–49, prime time (including cable channels)

¹¹ Source: AGB Nielsen Media Research.

Target group: 18–49, prime time

¹² Source: Infoadex.

¹³ Source: TNS Sofres.

New commercial target group: viewers aged 25–59 (previously 16–54)

EBITA and EBITDA

Reported EBITA was €756 million, up 5.6 per cent when compared to €716 million in January to September 2015. This also resulted in an increase in the EBITA margin to 17.9 per cent (from 17.3 per cent as at 30 September 2015). The main contributors to the Group's improved EBITA were Groupe M6, which benefited from the contractual indemnity from Orange due to the gradual phase-out of the M6 Mobile contract and Mediengruppe RTL Deutschland, following a positive revenue development.

The Group's EBITDA was also up at €903 million (January to September 2015: €844 million), resulting in an EBITDA margin of 21.3 per cent (January to September 2015: 20.4 per cent).

Group operating expenses were at €3,607 million in January to September 2016 compared to €3,484 million in January to September 2015.

Net debt position and cash conversion

The consolidated net debt position at 30 September 2016 was €988 million (30 June 2016 net debt of €958 million; 30 September 2015: net debt of €1,099 million; 31 December 2015: net debt of €670 million) after the Group paid a final 2015 dividend amounting to €460 million (€3.00 per share) on 28 April 2016 and an interim dividend amounting to €154 million on 8 September 2016.

The Group continues to generate significant operating cash flow with an EBITA to cash conversion ratio of 93 per cent (January to September 2015: 75 per cent).

	As at 30 September 2016 €m	As at 31 December 2015 €m
Net debt position		
Gross balance sheet debt	(1,357)	(1,129)
Add: cash and cash equivalents	365	448
Add: cash deposit and others	4	11
Net debt position	(988)¹⁴	(670)

¹⁴ Of which €123 million held by Groupe M6 (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*.

Smartclip

On 22 April 2016, Mediengruppe RTL Deutschland acquired a 93.75 per cent majority stake in 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.

Mandarin Cinéma

On 22 July 2016, Groupe M6 acquired 100 per cent of Mandarin Cinéma SAS. Mandarin Cinéma holds a catalogue of 32 feature films. With this targeted acquisition, Groupe M6's catalogue now contains almost 1,300 feature films.

Investments accounted for using the equity method

The total contribution of these investments increased to a profit amounting to €41 million (January to September 2015: €36 million).

Interest expense

Net interest expense amounted to €16 million (January to September 2015: expense of €18 million) for the nine months ended 30 September 2016.

Income tax expense

In the first nine months of 2016, the tax expense was €235 million (January to September 2015: expense of €195 million), reflecting the lower level of commission income received (€11 million as at 30 September 2016 versus €42 million as at 30 September 2015).

Profit attributable to RTL Group shareholders

The profit for the period attributable to RTL Group shareholders was €443 million (January to September 2015: €464 million), a decrease of 4.5 per cent year-on-year.

Earnings per share

Reported earnings per share, based upon 153,566,511 shares, was €2.88 (January to September 2015: €3.02 per share based upon 153,593,380 shares).

Major related party transactions

The major related party transactions can be found in note 16 to the condensed consolidated interim financial information.

Subsequent Events

See note 17 to the condensed consolidated interim financial information.

Outlook

RTL Group confirms its outlook on revenue and EBITA for the full-year 2016 as communicated on 25 August 2016:

Assuming there will not be major changes in the economic climate across RTL Group's markets, the Group 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 and Mediengruppe RTL Deutschland. At the same time, the Group expects its full-year EBITA to be slightly up (+1.0 per cent to +2.5 per cent) compared to the full year 2015.

Q3/2016 Financial review

	Q3/2016 €m	Q3/2015 €m	Per cent change
Revenue	1,352	1,353	(0.1)
Reported EBITA	176	182	(3.3)
Reported EBITA margin (per cent)	13.0	13.5	(0.5)
Reported EBITDA	224	216	+3.7
Reported EBITDA margin (per cent)	16.6	16.0	+0.6
Reported EBITA	176	182	
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(3)	(4)	
EBIT	173	178	
Net financial expense	(8)	(5)	
Income tax expense	(52)	(50)	
Profit for the period	113	123	
Attributable to:			
– Non-controlling interests	11	10	
– RTL Group shareholders	102	113	(9.7)
Reported EPS (in €)	0.66	0.74	

Revenue

During the third quarter of 2016, revenue was stable at €1,352 million (Q3/2015: €1,353 million). This was largely the results of negative exchange rate effects and the expected effects of sport events in a traditionally weak quarter partly offset by the dynamic growth in digital. Accordingly, Mediengruppe RTL Deutschland reported slight revenue decrease of 1.9 per cent mainly due to lower TV advertising revenue. RTL Nederland reported strong revenue growth of 5.7 per cent, driven by the distribution business. Revenue growth in the “Other Segments” was 34.3 per cent in the quarter, once again driven by the Group’s digital businesses, BroadbandTV, StyleHaul and SpotX.

EBITA and EBITDA

Reported EBITA decreased moderately by 3.3 per cent to €176 million (Q3/2015: €182 million). Group operating expenses were at €1,194 million (Q3/2015: €1,184 million). Reported EBITDA increased moderately 3.7 per cent to €224 million (Q3/2015: €216 million).

Review by segments

Nine months to 30 September (January to September)

Revenue	January to September 2016 €m	January to September 2015 €m	Per cent change
Mediengruppe RTL Deutschland	1,501	1,466	+2.4
Groupe M6	910	898	+1.3
FremantleMedia	962	1,014	(5.1)
RTL Nederland	347	331	+4.8
RTL Belgium	141	147	(4.1)
RTL Radio (France)	120	113	+6.2
Other segments	387	329	+17.6
Eliminations	(138)	(157)	–
Total revenue	4,230	4,141	+2.1

EBITA	January to September 2016 €m	January to September 2015 €m	Per cent change
Mediengruppe RTL Deutschland	468	457	+2.4
Groupe M6	173	136	+27.2
FremantleMedia	47	51	(7.8)
RTL Nederland	52	52	–
RTL Belgium	26	32	(18.8)
RTL Radio (France)	8	6	+33.3
Other segments	(18)	(17)	–
Eliminations	–	(1)	–
Reported EBITA	756	716	+5.6

EBITA margin	January to September 2016 per cent	January to September 2015 per cent	Percentage point change
Mediengruppe RTL Deutschland	31.2	31.2	–
Groupe M6	19.0	15.1	+3.9
FremantleMedia	4.9	5.0	(0.1)
RTL Nederland	15.0	15.7	(0.7)
RTL Belgium	18.4	21.8	(3.4)
RTL Radio (France)	6.7	5.3	+1.4
RTL Group	17.9	17.3	+0.6

Review by segments

Three months to 30 September (July to September)

Revenue	Q3/2016 €m	Q3/2015 €m	Per cent change
Mediengruppe RTL Deutschland	462	471	(1.9)
Groupe M6	262	266	(1.5)
FremantleMedia	344	377	(8.8)
RTL Nederland	111	105	+5.7
RTL Belgium	37	43	(14.0)
RTL Radio (France)	36	35	+2.9
Other segments	141	105	+34.3
Eliminations	(41)	(49)	–
Total revenue	1,352	1,353	(0.1)

EBITA	Q3/2016 €m	Q3/2015 €m	Per cent change
Mediengruppe RTL Deutschland	106	114	(7.0)
Groupe M6	34	31	+9.7
FremantleMedia	17	23	(26.1)
RTL Nederland	26	25	+4.0
RTL Belgium	4	6	(33.3)
RTL Radio (France)	(3)	(1)	–
Other segments	(8)	(16)	–
Reported EBITA	176	182	(3.3)

EBITA margin	Q3/2016 per cent	Q3/2015 per cent	Percentage point change
Mediengruppe RTL Deutschland	22.9	24.2	(1.3)
Groupe M6	13.0	11.7	+1.3
FremantleMedia	4.9	6.1	(1.2)
RTL Nederland	23.4	23.8	(0.4)
RTL Belgium	10.8	14.0	(3.2)
RTL Radio (France)	(8.3)	(2.9)	(5.4)
RTL Group	13.0	13.5	(0.5)

Mediengruppe RTL Deutschland

Financial results

In the reporting period, the German net TV advertising market was estimated to be up between 2.5 and 3.5 per cent year-on-year. Mediengruppe RTL Deutschland grew its revenue by 2.4 per cent to €1,501 million (January to September 2015: €1,466 million), driven by higher TV and digital advertising, the scope entry of Smartclip and platform revenue. Accordingly, EBITA was also up by 2.4 per cent to €468 million (January to September 2015: €457 million). The business unit's EBITA margin was stable at 31.2 per cent (January to September 2015: 31.2 per cent).

	January to September 2016 € m	January to September 2015 € m	Per cent change
Revenue	1,501	1,466	+2.4
EBITDA	477	467	+2.1
EBITA	468	457	+2.4

Audience ratings

The combined average audience share of **Mediengruppe RTL Deutschland** in the target group of viewers aged 14 to 59 was almost stable at 28.1 per cent in the first nine months of 2016 (January to September 2015: 28.6 per cent), despite the competition from the Uefa Euro 2016 and the Olympic Games in Rio being broadcast on public channels. Over the first nine months, the German RTL family of channels increased the lead over its main commercial competitor, ProSiebenSat1 (25.1 per cent), to 3.0 percentage points (January to September 2015: lead of 1.9 percentage points).

With an audience share of 11.9 per cent in the target group of viewers aged 14 to 59 during the first nine months of 2016 (January to September 2015: 12.3 per cent), **RTL Television** remained the clear market leader in the target group – ahead of ZDF (8.9 per cent), ARD/Das Erste (8.8 per cent), Sat 1 (8.6 per cent) and ProSieben (7.8 per cent).

The most watched programme on RTL Television in the first nine months of 2016 was the finale of *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity – Get Me Out Of Here!) which had an audience share of 43.4 per cent in the target group of viewers aged 14 to 59 and 8.69 million total viewers. The tenth season of the jungle show attracted an average audience share of 37.3 per cent in the target group, up from the season in 2015 (35.9 per cent). In fiction, the story about Adi and Rudi Dassler, *Duell der Brüder – Die Geschichte von Adidas und Puma* (Brothers' Duel – The Story Of Adidas And Puma) was watched by 4.96 million total viewers and on average 21.2 per cent of viewers aged 14 to 59 tuned in to the movie on Good Friday. In July, *Ninja Warrior* Germany recorded an average audience share of 15.9 per cent in the target group. Other audience favourites were *Wer wird Millionär?* (Who Wants To Be A Millionaire?) which reached 5.4 million viewers (2015: 5.4 million) for an average audience share of 14.9 per cent (2015: 15.2 per cent) in the target group and *Deutschland sucht den Superstar* (Idols) with an average audience share of 19.1 per cent in the target group of viewers aged 14 to 59.

In the first nine months of the year, **Vox's** average audience share in the target group of viewers aged 14 to 59 increased slightly to 6.6 per cent (January to September 2015: 6.5 per cent). *Die Höhle der Löwen*



developed into an audience favourite, clearly above the channel average. The show kicked off in September and was watched by an average 15.5 per cent of viewers until the end of the reporting period. Also successful were *Sing meinen Song – Das Tauschkonzert* with an average share of 9.8 per cent and the cooking shows *Grill den Henssler* with an average audience share of 9.4 per cent, up compared to the 2015 season (2015: 8.4 per cent), and *Kitchen Impossible* with an average audience share of 8.8 per cent in the target group.

During the first nine months of 2016, **RTL II** attracted 4.9 per cent of the viewers aged 14 to 59 (January to September 2015: 5.3 per cent). In prime time, *Daniela Katzenberger – Mit Lucas im Hochzeitsfieber* (7.4 per cent) and *Daniela & Lucas – Die Hochzeit* (13.7 per cent) were very popular among viewers aged 14 to 59.

During the first nine months of 2016, the average audience share of **RTL Nitro** was slightly down to 1.7 per cent in the target group of viewers aged 14 to 59 (January to September 2015: 1.9 per cent). With 25 hours and 50 minutes' airtime, the longest live broadcast, the *ADAC Zurich 24h – Race*, achieved a world record for RTL Nitro in May 2016. The average audience share among viewers aged 14 to 59 was 2.4 per cent.

Super RTL recorded an average daytime audience share of 20.8 per cent in its target group of children aged 3 to 13 (January to September 2015: 19.5 per cent, 6:00 to 20:15) and continued to be the most popular children's channel in Germany, ahead of Kika (19.3 per cent), Disney Channel (9.7 per cent) and Nickelodeon (8.1 per cent).

The news channel **N-TV** attracted 1.1 per cent of viewers aged 14 to 59 (January to September 2015: 1.0 per cent). During the morning, an average 1.9 per cent of all viewers tuned in to N-TV.

RTL Plus, the latest addition to Mediengruppe RTL Deutschland's family of channels, was launched on 4 June 2016. Although distribution has been limited, it achieved an audience share of 0.4 per cent in the 14 to 59 target demographic in its first month. In September, the channel's audience share was already up to 0.8 per cent.

Digital and diversification

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. 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 and consequently Smartclip has been fully consolidated since the gain of control.

RTL Interactive is Mediengruppe RTL Deutschland's subsidiary for digital and other diversification products, including online video. During the first nine months of 2016, Mediengruppe RTL Deutschland – combining the unit's catch-up TV services, TV sites, thematic websites, YouTube channels, pages on Facebook and the video streaming service Clipfish – generated a total of 912 million video views of professionally produced content (January to September 2015: 878 million, excluding YouTube and Facebook).

Groupe M6

Financial results

The French net TV advertising market was up by an estimated 1.0 per cent compared to the first nine months of 2015. While Groupe M6's TV channels clearly outperformed the market and the company's rights-trading business SND reported significantly higher revenue, Groupe M6's distance-selling unit Ventadis reported lower revenue. As a result, Groupe M6's total revenue was up 1.3 per cent to €910 million (January to September 2015: €898 million).

Groupe M6's EBITA increased strongly to €173 million (January to September 2015: €136 million), mainly driven by the positive one-off effect from the gradual phase-out of the M6 Mobile contract (positive EBITA impact of €43 million) which more than compensated the impact of the higher programming costs for the Uefa Euro 2016 live broadcasts. In addition, Groupe M6 reported higher EBITA contributions from its rights business and the football club Girondins de Bordeaux.

	January to September 2016 € m	January to September 2015 € m	Per cent change
Revenue	910	898	+1.3
EBITDA	270	219	+23.3
EBITA	173	136	+27.2

Audience ratings

Thanks to its improved programme line-up, **Groupe M6's** family of free-to-air channels increased its average audience share of the commercial target of women under 50 responsible for purchases to 22.3 per cent (January to September 2015: 21.0 per cent), and to 14.2 per cent in the total audience demographic (January to September 2015: 13.7 per cent). This made it one of the only groups to achieve year-on-year growth in each of the two targets.

In the first nine months of 2016, the flagship channel **M6** recorded an audience share of 16.2 per cent (January to September 2015: 15.2 per cent), registering the strongest growth of all French TV channels in the commercial target group.

M6 clearly benefited from the record audiences achieved by broadcasting a total of 11 matches, including the final, of the biggest European football competition – Uefa Euro 2016. The 11 live matches aired on M6 were watched by 9.7 million viewers on average, representing 39.4 per cent of total audience. The final between Portugal and France on 10 July 2016 achieved the same audience as the final of the World Cup in 1998 between Brazil and France, namely 20.8 million viewers which represented a total audience share of 71.8 per cent, the best audience figure of the tournament. This also was a new all-time audience record for M6 since its creation, the most watched programme on French television year-to-date and the fifth largest TV audience ever recorded in France. In prime time, M6 launched successful new shows like *À l'état sauvage* (Running Wild), which scored an audience share of 26.9 per cent among women under 50 responsible for purchases and *Garde à Vous* (23.6 per cent). *Scènes de Ménages* remained the most-watched programme in the target group in access prime time (Mondays to Fridays) with an average audience share of 20.3 per cent.

W9 was the second ranked DTT channel throughout the entire day in the commercial target group of women under 50 responsible for purchases with a stable 3.8 per cent audience share (January to September 2015: 3.8 per cent). **6ter** was leading among the DTT channels launched in December 2012, with a 2.3 per cent audience share in the commercial target of women under 50 responsible for purchases (January to September 2015: 2.0 per cent).



Digital and diversification

Thanks to the performance of [M6 Web](#), Groupe M6 confirmed its position of leading French TV group online with 20.3 million unique users a month on average¹⁵ across its network and across all devices (PC, tablet and mobile). During the reporting period, Groupe M6's total online video views grew significantly to almost 1.3 billion (January to September 2015: 871 million), mainly driven by the success of the digital entertainment platform 6play and the development of Groupe M6's multi-channel networks. 6play already has more than 13 million registered users, with a rapidly growing audience and on average more than 110 million video views per month across all screens.

On 22 July 2016, Groupe M6 acquired 100 per cent of Mandarin Cinéma SAS. Mandarin Cinéma holds a catalogue of 32 feature films. With this targeted acquisition, Groupe M6's catalogue now contains almost 1,300 feature films.

¹⁵ Source Médiamétrie,
January to September 2016

FremantleMedia

Financial results

Revenue at RTL Group's content arm, FremantleMedia, decreased by 5.1 per cent to €962 million in the first nine months of 2016 (January to September 2015: €1,014 million). The decrease is mainly due to exchange rate and phasing effects with some lower revenue from North America. This was, however, partly balanced by growth in Europe, including scope effects following the consolidation of recent acquisitions, as the company seeks to strengthen its content pipeline. FremantleMedia's EBITDA decreased by 7.8 per cent to €47 million (January to September 2015: €51 million), due to phasing effects and higher investment in the creative pipeline.

	January to September 2016 €m	January to September 2015 €m	Per cent change
Revenue	962	1,014	(5.1)
EBITDA	61	64	(4.7)
EBITA	47	51	(7.8)

Non-scripted

The farewell season of FremantleMedia's *American Idol* performed strongly on Fox in the US. Throughout the season, the iconic show that shaped an entire genre of entertainment formats 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, which was the number one entertainment show on Fox for eight consecutive years, ranked number one or two for total audience across every single episode. In August, *American Idol* received the prestigious Governors' Award from the Television Academy. 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 rating¹⁶.

In the UK, the tenth season of *Britain's Got Talent* on ITV reached an average audience share of 49.7 per cent among adults aged 16 to 34. *Britain's Got Talent* is the highest rated show on ITV so far this year and the second highest rated programme in the UK across all broadcasters. In September 2016, ITV signed a new three-year deal for *Britain's Got Talent* and *The X Factor*, which will see two of the UK's biggest television formats continuing on Britain's leading commercial channel until at least 2019.

After eight years, *Idols* returned to the Netherlands, airing on RTL 5. The launch episode was the channel's highest-rated programme since 2006 and the series registered an average audience share of 29.9 per cent among viewers aged 20 to 34.

Scripted

FremantleMedia North America and the US channel Starz began shooting the adaptation of Neil Gaiman's acclaimed contemporary fantasy novel, *American Gods*. The series is scheduled to be delivered and air on pay-TV channel Starz in spring 2017.

In July, Foxtel in Australia commissioned a fifth season of *Wentworth*, while a Flemish-language adaptation was commissioned by commercial Belgian broadcaster Vier. In September, Foxtel also commissioned FremantleMedia Australia to produce *Picnic at Hanging Rock*, a new, premium drama based on the popular Australian novel of the same name by Joan Lindsay.



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

In September, much acclaimed *The Young Pope* – produced by FremantleMedia's Wildside for Sky, HBO and Canal Plus – celebrated its world premiere at the Venice Film Festival.

FremantleMedia International

In April 2016, FremantleMedia International announced it had sold over 1,000 hours of content from all genres to key Asian SVOD platforms Iflix, Doonee and iQiyi Taiwan. Titles include entertainment formats *American Idol*, *Britain's Got Talent* and *The X Factor UK*; factual shows *Grand Designs*, *Jamie's Food Revolution* and *Oliver Stone's The Untold History Of The United States*; and dramas such as *Merlin* and *Blue*.

In August, FremantleMedia International announced a deal with Amazon to showcase its above mentioned ambitious fantasy drama, *American Gods*, on Amazon Prime Video in 2017. The show will be available on Amazon's SVOD platform in Germany, Austria, UK and Japan close to its US premiere on Starz.

Kids & Family Entertainment

In February 2016, FremantleMedia Kids & Family Entertainment 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. A second season of *Danger Mouse* was commissioned by the BBC on 19 May 2016.

At the end of September, FremantleMedia Kids & Family Entertainment announced the first project from its co-production deal with leading Thai production company Shellhut Entertainment, *Tasty Tales of the Food Truckers*, a food-themed, animated comedy series.

Digital and Branded Entertainment

In the first nine months of 2016, FremantleMedia strongly increased its online video views, with content recording 14 billion views on YouTube – up from 9.6 billion in the first nine months of 2015. Additionally, FremantleMedia's number of YouTube subscribers grew by 10 million to 36 million subscribers across 260 channels (January to September 2015: 26 million). FremantleMedia content registered 212 million fans across YouTube, Facebook, Twitter and Instagram.

In the first nine months of 2016, Europe's leading multi-channel network, Divimove, increased its video views to 14.3 billion (January to September 2015: 10.6 billion views), attracted 170 million subscribers (January to September 2015: 115 million subscribers) and 350 million social media fans (January to September 2015: 250 million fans) across its 1,200 digital influencers in Germany, Spain, the Netherlands, Italy, Poland and France (January to September 2015: 1,600 influencers).

RTL Nederland

Financial results

The Dutch net TV advertising market was estimated to be slightly down 0.7 per cent in the first nine months of 2016. In the third quarter, the TV advertising market was estimated to be down 5.2 per cent. RTL Nederland increased revenue to €347 million (January to September 2015: €331 million), mainly driven by growing platform and sponsoring revenue and higher revenue from the company's live entertainment operations which typically generates lower margins compared to TV broadcasting. This, along with higher programme investments and higher personnel costs, resulted in a stable EBITA of €52 million (January to September 2015: €52 million).

	January to September 2016 € m	January to September 2015 € m	Per cent change
Revenue	347	331	+4.8
EBITDA	60	58	+3.4
EBITA	52	52	–

Audience ratings

During the first nine 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 almost stable at 31.4 per cent (January to September 2015: 31.9 per cent), clearly ahead of the public broadcasters (26.4 per cent) and the SBS group (20.1 per cent), and despite of the effect of the Uefa Euro 2016 and the Olympic Games.

RTL Nederland's flagship channel, RTL 4, registered an average audience share of 18.0 per cent in the target group of shoppers aged 20 to 49 (January to September 2015: 18.9 per cent). Popular programmes included *The Voice Of Holland*, *Dance Dance Dance*, *Holland's Got Talent*, *Divorce*, *The Voice Kids*, *Linda's Zomerweek* and the daily drama *Goede Tijden, Slechte Tijden*.

RTL 5 achieved an audience share of 5.9 per cent among viewers aged 20 to 34 in the reporting period (January to September 2015: 6.2 per cent). The relaunch of *Idols* was a big success on RTL 5, but *Expeditie Robinson* was by far the most watched programme this year so far. Other successful programmes included *Temptation Island*, *Holland's Next Top Model*, and *Battle On The Dancefloor*.

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 nine months of 2016 (January to September 2015: 6.3 per cent). The Europa League Football match between Fenerbahce Istanbul and Feyenoord Rotterdam attracted a 37.0 per cent audience share, while the movie *Casino Royale* scored 21.4 per cent of the target group.

During the first nine months of 2016, the women's channel RTL 8 attracted an average audience share of 3.6 per cent among women aged 20 to 49 (January to September 2015: 3.5 per cent). Among the most popular formats were crime series such as *CSI: New York*, *CSI: Miami* and *Bones*, as well as movies such as *It Takes Two* and *Memory Keeper's Daughter*.

Business and news channel RTL Z scored an audience share of 0.7 per cent in the target group of viewers with upper social status aged 25 to 49 (September 2015: 0.4 per cent).



Digital and diversification

RTL Nederland's network of websites generated a total 1,077 million video views¹⁷ (including YouTube) in the first nine months of 2016, an increase of 98 per cent year-on-year (January to September 2015: 543 million). The most popular formats in 2016 were *Goede Tijden*, *Slechte Tijden*, *The Bold & The Beautiful* and *RTL Nieuws*. The new soap *Nieuwe Tijden*, which started this summer, was the second most-watched programme online in Q3 after *Goede Tijden*, *Slechte Tijden*.

In February 2016, RTL Nederland announced a collaboration with StukTV to develop content targeting younger viewers. StukTV is the largest online entertainment channel in the Netherlands with 1.2 million subscribers and 11 million video views a month on YouTube. Through this agreement RTL MCN has become the largest Dutch premium multi-channel network in the field of entertainment with over 48 million video views a month.

¹⁷ Playlist starts

RTL Belgium

Financial results

In the first nine months of 2016, the net TV advertising market in French-speaking Belgium was estimated to be up 2.8 per cent. RTL Belgium's revenue was down to €141 million (January to September 2015: €147 million), due to lower TV and radio advertising. EBITA was down to €26 million (January to September 2015: €32 million), reflecting a lower profit contribution from the radio business and higher TV programming investments.

	January to September 2016 €m	January to September 2015 €m	Per cent change
Revenue	141	147	(4.1)
EBITDA	29	35	(17.1)
EBITA	26	32	(18.8)

Audience ratings

The combined prime-time audience share of RTL Belgium's family of TV channels in the target group (shoppers aged 18 to 54) was 35.9 per cent (January to September 2015: 36.2 per cent) despite sport events. RTL Belgium's lead over the public channels remained high, at 14.8 percentage points (January to September 2015: 17.7 per cent).

The market-leading channel in French-speaking Belgium, **RTL-TVI**, achieved an average prime-time audience share of 26.2 per cent in the target group (January to September 2015: 25.9 per cent), 10.2 percentage points ahead of the second highest-rated channel, the French commercial broadcaster TF1. **Plug RTL** reported a prime-time audience share of 6.5 per cent among young viewers aged 15 to 34 (January to September 2015: 7.4 per cent), while **Club RTL** ended the first nine months of 2016 with a prime-time audience share of 6.2 per cent in its main target group of male viewers aged 18 to 54 (January to September 2015: 6.0 per cent).

According to the most recent CIM audience survey, covering April to June 2016, the Belgian radio family had a combined audience share of 30.5 per cent (April to June 2015: 27.0 per cent). **Radio Contact** is the leading music radio station (audience share April to June: 15.9 per cent) and **Bel RTL** is the number one general-interest radio station in the French community (audience share April to June: 14.6 per cent).

Digital and diversification

In the first nine months of 2016, the number of unique visitors on the *RTL.be* website has increased to 292,491 a day (January to September 2015: 275,324). RTL Belgium reached an average of 8.5 million video views a month (January to September 2015: 10 million), for a total of 76 million video views in the reporting period (January to September 2015: 89 million).



RTL Radio (France)

Financial results

The net radio advertising market in France decreased by an estimated 0.3 per cent compared to the same period in 2015. Based on its continued strong audience performance, the French RTL radio family significantly outperformed the market, with revenue increasing by 6.2 per cent to €120 million (January to September 2015: €113 million). EBITA was also up, reaching €8 million (January to September 2015: €6 million).

	January to September 2016 €m	January to September 2015 €m	Per cent change
Revenue	120	113	+6.2
EBITDA	13	9	+44.4
EBITA	8	6	+33.3

Audience ratings

In the latest audience survey by Médiamétrie for the period July to August 2016, the average audience share of the flagship station **RTL Radio** increased to 11.9 per cent (July to August 2015: 11.3 per cent). RTL Radio attracted an average of 5.7 million listeners a day (July to August: 5.6 million listeners a day) and, in audience share, is 5.5 percentage points ahead of the next commercial competitor (January to August 2015: 4.4 percentage points).

RTL 2 reached an average audience share over the period increase to 3.7 per cent (January to August 2015: 3.4 per cent). It recorded 2.3 million listeners a day in cumulated audience (July to August 2015: 2.4 million).

Following a disputed allegation that **Fun Radio** had influenced the audience results unfairly, Médiamétrie published the radio audience figures of the survey covering the period April to June 2016 without Fun Radio and also republished the figures for the previous period January to March 2016 and the following period July to August 2016 without Fun Radio. Therefore, RTL Radio is not in a position to publish audience shares for Fun Radio for the first nine months of 2016.

Digital and diversification

According to the latest available Médiamétrie results, covering the first nine months of the year 2016, **RTL.fr** has confirmed its position as the leading radio website in France, achieving an average of 2.7 million unique visitors per month compared to 3.0 million for the same period of 2015.



Other segments

This section comprises the fully consolidated businesses RTL Hungary, RTL 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 BroadbandTV, StyleHaul and SpotX, bundled in the RTL Digital Hub.

In the first nine months of 2016, the Hungarian net TV advertising market was estimated to be down by 3.7 per cent. **RTL Hungary** more than compensated lower TV advertising revenue with higher platform revenue, ultimately increasing its revenue to €71 million (January to September 2015: €68 million). The unit's EBITA decreased to €7 million (January to September 2015: €17 million), reflecting lower TV advertising sales, higher programming costs and, above all, the lack of positive one-off effects in the reporting period. In the first nine months of 2015, the EBITA of RTL Hungary was indeed impacted by positive one-off effects amounting to €8 million – this included the partial reversal of stock valuation allowance and the re-claim of the advertising tax paid in 2014.

With a combined average prime-time audience share of 33.8 per cent among viewers aged 18 to 49 (January to September 2015: 37.3 per cent), the gap between the market-leading Hungarian RTL family of channels and its second-placed competitor TV2 Group was 17.7 percentage points (January to September 2015: 22.7 percentage points). Flagship channel **RTL Klub** attracted an average 18.3 per cent of viewers aged 18 to 49 in prime time (January to

September 2015: 20.0 per cent), 8.3 percentage points ahead of its closest commercial competitor TV2 with an audience share of 10.0 per cent (January to September 2015: 11.1 per cent). The news show *Híradó* was watched by an average 19.1 per cent of the target group (January to September 2015: 21.0 per cent), making it the most popular news show in the country. **RTL Hungary's cable channels** achieved a combined prime-time audience share of 15.5 per cent in the target group (January to September 2015: 17.3 per cent).

The catch-up TV service **RTL Most** is the leading local brand for professionally produced online video content. The service registered 23.4 million video views in the reporting period (January to September 2015: 25 million video views).

In Croatia, the net TV advertising market was estimated to be up 2.6 per cent. **RTL Croatia** significantly outperformed the market and grew its revenue to €25 million (January to September 2015: €23 million). EBITA was down to minus €2 million, reflecting higher programming costs (January to September 2015: minus €1 million).

RTL Croatia's channels increased their combined prime-time audience share to 28.0 per cent in the target demographic 18 to 49 (January to September 2015: 26.8 per cent). The flagship channel **RTL Televizija**, recorded a prime-time audience share of 17.9 per cent (January to September 2015: 19.2 per cent). **RTL 2's** audience share increased to 7.1 per cent (January to September 2015: 6.6 per cent). Free-to-air children's channel **RTL Kockica** had the biggest growth, from 1.0 per cent in January to September 2015 to 3.0 per cent in January to September 2016 among viewers aged 18 to 49. In day time (07:00 to 20:00) it achieved 18.5 per cent (January to September 2015: 15.2 per cent) in the target group of children aged 4 to 14. In July, RTL Croatia launched RTL Croatia World, the first channel dedicated to Croats living outside the country.

In the first nine months of 2016, RTL Croatia's digital platforms recorded an increase of 36 per cent in video views to over 15.4 million (January to September 2015: 11.4 million), including 1.9 million video views from its catch-up TV platform RTL Sada (January to September 2015: 2.2 million).



Atresmedia in Spain: The Spanish net TV advertising market was estimated to be up 6.4 per cent year-on-year. Driven by higher TV advertising sales, Atresmedia's total revenue increased by 6.0 per cent to €740 million (January to September 2015: €698 million), while first-half operating profit (EBITDA) grew by 25.8 per cent to €151 million (January to September 2015: €120 million). The EBITDA growth was based on significantly higher profit contributions from Atresmedia's TV channels. The company's net profit for the reporting period was €102 million, up strongly from €69 million in the first nine months of 2015. The profit share of RTL Group (EBITA contribution) was €19 million (January to September 2015: €14 million).

In the first nine months of 2016, Atresmedia's family of channels recorded an audience share of 29.6 per cent in its new target group, viewers aged 25 to 59 (January to September 2015: 28.4 per cent)¹⁸. The increase was driven by the two channels Mega and Atreseries, which were launched in the second half of 2015. Flagship channel **Antena 3** achieved an audience share of 12.8 per cent in the new target group (January to September 2015: 13.2 per cent) and Atresmedia's second largest channel, **La Sexta**, scored an audience share of 8.1 per cent in the new target audience (January to September 2015: 8.0 per cent).

RTL Radio Deutschland reported growing revenue at €37 million (January to September 2015: €35 million), reflecting higher radio advertising revenue. As a result, EBITA increased to €5 million (January to September 2015: €4 million).

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

In early 2016, **BroadbandTV** became the largest multi-channel network worldwide, with now 95,000 content creators and 17.7 billion monthly views. In the first nine months of 2016, BroadbandTV registered a total of 144.4 billion video views – up 279 per cent from January to September 2015 (38.1 billion video views). During the reporting period, BroadbandTV's revenue was up 133.3 per cent year-on-year.

With over 5,000 channels, **StyleHaul** is the largest global style community of content creators. In the first nine months of 2016, StyleHaul registered a total of 18.9 billion video views – up 66 per cent compared to January to September 2015 (11.4 billion video views). In the reporting period, StyleHaul increased its revenue by 46.4 per cent.

SpotX's overall revenue was up 10.5 per cent in the first nine months of 2016. Revenue from its programmatic services around its video inventory management platform continued to grow, as the industry continues to shift toward programmatic buying/selling. In addition, ad serving revenue nearly tripled for the nine month period compared to the same period in 2015. Largely due to the shift to programmatic buying, revenue from its non-programmatic "Managed Services"¹⁹ declined in the reporting period. For the full year 2016, SpotX expects its revenue to grow by double-digit rates. In the reporting period, SpotX registered 170 million ad impressions each day, up 49 per cent (September 2015: 114 million). More than 8 billion video ad decisions were processed daily via SpotX, an increase of 60 per cent (September 2015: 5 billion).

¹⁸ The previous commercial target group was viewers aged 16 to 54.

¹⁹ Managed Services means that SpotX works together with inventory buyers/advertisers that do not use programmatic tools to deliver defined campaign objectives.

Condensed consolidated interim income statement

for the periods to 30 September

Notes	Three months ended 30 September		Nine months ended 30 September	
	2016 € m	2015 € m	2016 € m	2015 € m
Revenue	1,352	1,353	4,230	4,141
Other operating income	7. 9	6	92	26
Consumption of current programme rights	(446)	(459)	(1,372)	(1,396)
Depreciation, amortisation, impairment and valuation allowance	(48)	(39)	(150)	(135)
Other operating expenses	(700)	(686)	(2,085)	(1,953)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(3)	(4)	(11)	(2)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	–	–	4
Profit from operating activities	164	171	704	685
Share of results of investments accounted for using the equity method	9	7	41	36
Earnings before interest and taxes ("EBIT")	173	178	745	721
Interest income	1	1	4	5
Interest expense	(6)	(8)	(20)	(23)
Financial results other than interest	8. (3)	2	9	3
Profit before taxes	165	173	738	706
Income tax expense	(52)	(50)	(235)	(195)
Profit for the period	113	123	503	511
Attributable to:				
RTL Group shareholders	102	113	443	464
Non-controlling interests	11	10	60	47
Profit for the period	113	123	503	511
EBITA²⁰	176	182	756	716
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(3)	(4)	(11)	(2)
Re-measurement of earn-out arrangements	–	–	–	3
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	–	–	4
Earnings before interest and taxes ("EBIT")	173	178	745	721
EBITDA²¹	224	216	903	844
Depreciation, amortisation and impairment	(51)	(38)	(158)	(130)
Re-measurement of earn-out arrangements	–	–	–	3
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	–	–	4
Earnings before interest and taxes ("EBIT")	173	178	745	721
Earnings per share (in €)				
– Basic	0.66	0.74	2.88	3.02
– Diluted	0.66	0.74	2.88	3.02

20 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

21 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 periods to 30 September

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2016 € m	2015 € m	2016 € m	2015 € m
Profit for the period		113	123	503	511
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Re-measurement of post-employment benefit obligations		(12)	1	(33)	6
Income tax		3	–	7	(1)
		(9)	1	(26)	5
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		1	(7)	(6)	23
Effective portion of changes in fair value of cash flow hedges	14. 3.	(11)	(11)	(28)	23
Income tax		4	3	9	(8)
		(7)	(8)	(19)	15
Change in fair value of cash flow hedges transferred to profit or loss	14. 3.	(1)	(9)	(1)	(23)
Income tax		–	3	–	7
		(1)	(6)	(1)	(16)
Fair value gains / (losses) on available-for-sale financial assets		1	(2)	3	(2)
Income tax		–	(1)	–	–
		1	(3)	3	(2)
		(6)	(24)	(23)	20
Other comprehensive income / (loss) for the period, net of income tax		(15)	(23)	(49)	25
Total comprehensive income for the period		98	100	454	536
Attributable to:					
RTL Group shareholders		87	89	397	487
Non-controlling interests		11	11	57	49
Total comprehensive income for the period		98	100	454	536

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

Condensed consolidated interim statement of financial position

	Notes	30 September 2016 € m	31 December 2015 € m
Non-current assets			
Programme and other rights		111	85
Goodwill		2,996	2,959
Other intangible assets		228	215
Property, plant and equipment		355	352
Investments accounted for using the equity method	10.	418	400
Loans and other financial assets		166	207
Deferred tax assets		330	370
		4,604	4,588
Current assets			
Programme rights		1,339	1,093
Other inventories		19	19
Income tax receivable		38	34
Accounts receivable and other financial assets	16. 1.	1,631	2,014
Cash and cash equivalents		365	449
		3,392	3,609
Assets classified as held for sale	11.	2	–
Current liabilities			
Loans and bank overdrafts		830	605
Income tax payable		52	45
Accounts payable	16. 1.	2,592	2,742
Provisions		110	132
		3,584	3,524
Liabilities directly associated with non-current assets classified as held for sale	11.	–	–
Net current assets/(liabilities)		(190)	85
Non-current liabilities			
Loans	16. 1.	527	524
Accounts payable		391	443
Provisions		275	235
Deferred tax liabilities		45	62
		1,238	1,264
Net assets		3,176	3,409
Equity attributable to RTL Group shareholders		2,731	2,954
Equity attributable to non-controlling interests		445	455
Equity		3,176	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 periods to 30 September

Notes	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 2015	192	(45)	(149)	42	77	2,711	2,828	447	3,275
Total comprehensive income:									
Profit for the period	–	–	–	–	–	464	464	47	511
Foreign currency translation differences	–	–	22	–	–	–	22	1	23
Effective portion of changes in fair value of cash flow hedges, net of tax 14. 3.	–	–	–	15	–	–	15	–	15
Change in fair value of cash flow hedges transferred to profit or loss, net of tax 14. 3.	–	–	–	(16)	–	–	(16)	–	(16)
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	–	–	–	–	–	4	4	1	5
	–	–	22	(1)	(2)	468	487	49	536
Capital transactions with owners:									
Dividends	–	–	–	–	–	(691)	(691)	(71)	(762)
Equity-settled transactions, net of tax	–	–	–	–	–	3	3	3	6
(Acquisition)/disposal of treasury shares 14. 2.	–	(3)	–	–	–	–	(3)	–	(3)
Transactions on non-controlling interests without a change in control 15.	–	–	–	–	–	(5)	(5)	2	(3)
Transactions on non-controlling interests with a change in control 15.	–	–	–	–	–	(6)	(6)	2	(4)
Derivatives on equity instruments	–	–	–	–	–	(1)	(1)	(1)	(2)
	–	(3)	–	–	–	(700)	(703)	(65)	(768)
Balance at 30 September 2015	192	(48)	(127)	41	75	2,479	2,612	431	3,043
Balance at 1 January 2016	192	(47)	(117)	48	73	2,805	2,954	455	3,409
Total comprehensive income:									
Profit for the period	–	–	–	–	–	443	443	60	503
Foreign currency translation differences	–	–	(5)	–	–	–	(5)	(1)	(6)
Effective portion of changes in fair value of cash flow hedges, net of tax 14. 3.	–	–	–	(19)	–	–	(19)	–	(19)
Change in fair value of cash flow hedges transferred to profit and loss, net of tax 14. 3.	–	–	–	(1)	–	–	(1)	–	(1)
Fair value gains/(losses) on available-for-sale financial assets, net of tax	–	–	–	–	3	–	3	–	3
Re-measurement of post-employment benefit obligations, net of tax	–	–	–	–	–	(24)	(24)	(2)	(26)
	–	–	(5)	(20)	3	419	397	57	454
Capital transactions with owners:									
Dividends 14. 4.	–	–	–	–	–	(614)	(614)	(71)	(685)
Cancellation of shares 14. 1.	–	–	–	–	–	(2)	(2)	–	(2)
Equity-settled transactions, net of tax	–	–	–	–	–	4	4	3	7
Transactions on non-controlling interests without a change in control 15.	–	–	–	–	–	(4)	(4)	(1)	(5)
Transactions on non-controlling interests with a change in control 15.	–	–	–	–	–	(3)	(3)	1	(2)
Derivatives on equity instruments	–	–	–	–	–	1	1	1	2
Transactions on treasury shares of associates	–	–	–	–	–	(2)	(2)	–	(2)
	–	–	–	–	–	(620)	(620)	(67)	(687)
Balance at 30 September 2016	192	(47)	(122)	28	76	2,604	2,731	445	3,176

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

Condensed consolidated interim cash flow statement

for the periods to 30 September

Notes	Three months ended 30 September		Nine months ended 30 September	
	2016 €m	2015 €m	2016 €m	2015 €m
Cash flows from operating activities				
Profit before taxes	165	173	738	706
Adjustments for:				
– Depreciation and amortisation	52	38	154	138
– Value adjustments, impairment and provisions	(6)	12	62	39
– Share-based payments expenses	3	3	7	7
– Re-measurement of earn-out arrangements	–	–	–	3
– Gain on disposal of assets	(3)	(3)	(20)	(7)
– Financial results including net interest expense and share of results of investments accounted for using the equity method	16	3	23	17
Use of provisions	(21)	(23)	(57)	(83)
Working capital changes	48	(5)	(60)	(129)
Income taxes paid	(32)	(12)	(222)	(210)
Net cash from operating activities	222	186	625	481
Cash flows from investing activities				
Acquisitions of:				
– Programme and other rights	(25)	(29)	(95)	(77)
– Subsidiaries, net of cash acquired	6. (9)	(19)	(57)	(64)
– Other intangible and tangible assets	(40)	(36)	(94)	(95)
– Other investments and financial assets	10. (4)	(6)	(35)	(23)
	(78)	(90)	(281)	(259)
Proceeds from the sale of intangible and tangible assets	5. 5	5	47	15
Disposal of other subsidiaries, net of cash disposed of	–	–	–	2
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets	4	3	5	47
Interest received	1	1	3	4
	10	9	55	68
Net cash used in investing activities	(68)	(81)	(226)	(191)
Cash flows from financing activities				
Interest paid	(1)	(2)	(16)	(18)
Transactions on non-controlling interests	(7)	(9)	(8)	(2)
Acquisition of treasury shares	–	(1)	–	(3)
Term loan facility due to shareholder	16. 1. 53	38	215	278
Proceeds from loans	16. 2. 7	7	34	14
Repayment of loans	(6)	(3)	(14)	(7)
Dividends paid	(165)	(167)	(686)	(764)
Net cash used in financing activities	(119)	(137)	(475)	(502)
Net increase/(decrease) in cash and cash equivalents	35	(32)	(76)	(212)
Cash and cash equivalents and bank overdrafts at beginning of period	329	310	444	479
Effect of exchange rate fluctuation on cash held	(2)	(2)	(6)	9
Effect of cash in disposal group held for sale	(1)	–	(1)	–
Cash and cash equivalents and bank overdrafts at end of period	361	276	361	276

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 on 9 November 2016 by the Audit Committee upon delegation granted by the Board of Directors.

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”²²;
- 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”²²;
- Amendments to IAS 1, “Disclosure Initiative”²²;
- 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 correlated²². The application of the amendments to IAS 38 did not generate any significant impact for the Group on the basis of the high correlation between revenue and consumption of the economic benefits embodied in the programme and other rights;
- Amendment to IAS 27, “Equity method in separate financial statements”²²;
- 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 2016²²;
- Amendment to IFRS 11, “Joint arrangements” on acquisition of an interest in a joint operation²²;

²² The application of these standards, interpretations and amendments had no significant impact for the Group

- 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”²³.

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 today²⁴;
- IFRS 14, “Regulatory deferral accounts” – effective from 1 January 2016²⁵;
- 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 2018²⁴;
- Amendment to IAS 7, “Statement of cash flows”, Disclosure initiative – effective from 1 January 2017²⁴;
- Amendment to IAS 12, “Income taxes”, recognition of deferred tax assets for unrealised losses – effective from 1 January 2017²⁴;
- 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 leases of satellite transponders qualifying as service agreements are no more reported in operating leases. 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 2019²⁴;
- Amendments to IFRS 2, “Share-based payment”, Classification and Measurement of Share-based Payment Transactions – effective from 1 January 2018²⁴;
- Amendments to IFRS 4, “Insurance contracts”, applying IFRS 9 “Financial instruments” with IFRS 4 – effective from 1 January 2018²⁴.

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.

²³ The application of these standards, interpretations and amendments had no significant impact for the Group

²⁴ These standards and interpretations have not yet been endorsed by the European Union

²⁵ The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard

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.

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; it should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2015. 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

Except for the long-term loan arrangement with BeProcurement Sàrl, the fair value of each class of financial assets and liabilities approximates 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 €565 million (31 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
Assets				
Available-for-sale investments	57	10	–	47
Derivatives used for hedging ²⁶	77	–	77	–
Derivatives in relation to call options	5	–	–	5
At 30 September 2016	139	10	77	52
Liabilities				
Derivatives used for hedging ²⁷	33	–	33	–
Liabilities in relation to put options on non-controlling interests	28	–	–	28
At 30 September 2016	61	–	33	28

There were no transfers between Levels 1, 2 and 3 during the nine month period ended 30 September 2016.

	Total € m	Level 1 € m	Level 2 € m	Level 3 € m
Assets				
Available-for-sale investments	55	8	–	47
Derivatives used for hedging ²⁸	102	–	102	–
Derivatives in relation to call options	6	–	–	6
At 31 December 2015	163	8	102	53
Liabilities				
Derivatives used for hedging ²⁹	22	–	22	–
Liabilities in relation to put options on non-controlling interests	28	–	–	28
At 31 December 2015	50	–	22	28

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

26 Out of which €37 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 applied

Out of which €40 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

27 Out of which €5 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 applied

Out of which €28 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

28 Out of which €52 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 applied

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

29 Out of which €5 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 applied

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

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 publicly traded peers.

The following tables present the change in Level 3 instruments for the period ended 30 September:

	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
Balance at 1 January 2016	6	47	53	28
Gains and losses recognised in profit or loss ("Financial results other than interest")	(1)	–	(1)	–
Balance at 30 September 2016	5	47	52	28
Total gains/(losses) for the period included in profit or loss for assets held at the end of the reporting period	(1)	–	(1)	–
	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
Balance at 1 January 2015	–	50	50	30
Effect of movements in foreign exchange	–	–	–	2
Acquisitions and additions	–	–	–	7
Gains and losses recognised in other comprehensive income	–	(2)	(2)	–
Balance at 30 September 2015	–	48	48	39

5. SEGMENT REPORTING

	Three months ended 30 September	Mediengruppe RTL Deutschland		Groupe M6	
		2016 €m	2015 €m	2016 €m	2015 €m
Revenue from external customers		462	469	262	265
Inter-segment revenue		–	2	–	1
Total revenue		462	471	262	266
Profit/(loss) from operating activities		101	109	33	30
Share of results of investments accounted for using the equity method		5	4	–	–
EBIT		106	113	33	30
EBITDA		109	117	63	52
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)		(3)	(3)	(29)	(21)
EBITA		106	114	34	31
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		–	(1)	(1)	(1)
Re-measurement of earn-out arrangements		–	–	–	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree		–	–	–	–
EBIT		106	113	33	30
Interest income					
Interest expense					
Financial results other than interest					
Income tax expense					
Profit for the period					

	Nine months ended 30 September	Mediengruppe RTL Deutschland		Groupe M6	
		2016 €m	2015 €m	2016 €m	2015 €m
Revenue from external customers		1,500	1,463	905	889
Inter-segment revenue		1	3	5	9
Total revenue		1,501	1,466	910	898
Profit/(loss) from operating activities		445	433	168	131
Share of results of investments accounted for using the equity method		22	23	1	1
EBIT		467	456	169	132
EBITDA		477	467	270	219
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)		(9)	(10)	(97)	(83)
EBITA		468	457	173	136
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(1)	(1)	(4)	(3)
Re-measurement of earn-out arrangements		–	–	–	(1)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree		–	–	–	–
EBIT		467	456	169	132
Interest income					
Interest expense					
Financial results other than interest					
Income tax expense					
Profit for the period					

Notes to the condensed consolidated interim financial information

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m
313	340	111	105	37	43	35	34	132	97	–	–	1,352	1,353
31	37	–	–	–	–	1	1	9	8	(41)	(49)	–	–
344	377	111	105	37	43	36	35	141	105	(41)	(49)	1,352	1,353
16	23	26	25	4	6	(3)	(1)	(13)	(21)	–	–	164	171
1	–	–	–	–	–	–	–	3	3	–	–	9	7
17	23	26	25	4	6	(3)	(1)	(10)	(18)	–	–	173	178
22	26	30	27	4	7	(1)	–	(3)	(13)	–	–	224	216
(5)	(3)	(4)	(2)	–	(1)	(2)	(1)	(5)	(3)	–	–	(48)	(34)
17	23	26	25	4	6	(3)	(1)	(8)	(16)	–	–	176	182
–	–	–	–	–	–	–	–	(2)	(2)	–	–	(3)	(4)
–	–	–	–	–	–	–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–	–	–	–	–	–	–
17	23	26	25	4	6	(3)	(1)	(10)	(18)	–	–	173	178
												1	1
												(6)	(8)
												(3)	2
												(52)	(50)
												113	123

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m
862	902	347	329	140	146	118	111	358	301	–	–	4,230	4,141
100	112	–	2	1	1	2	2	29	28	(138)	(157)	–	–
962	1,014	347	331	141	147	120	113	387	329	(138)	(157)	4,230	4,141
47	58	52	54	26	32	8	6	(42)	(28)	–	(1)	704	685
–	(1)	–	(2)	–	–	–	–	18	15	–	–	41	36
47	57	52	52	26	32	8	6	(24)	(13)	–	(1)	745	721
61	64	60	58	29	35	13	9	(7)	(7)	–	(1)	903	844
(14)	(13)	(8)	(6)	(3)	(3)	(5)	(3)	(11)	(10)	–	–	(147)	(128)
47	51	52	52	26	32	8	6	(18)	(17)	–	(1)	756	716
–	–	–	–	–	–	–	–	(6)	2	–	–	(11)	(2)
–	6	–	–	–	–	–	–	–	(2)	–	–	–	3
–	–	–	–	–	–	–	–	–	4	–	–	–	4
47	57	52	52	26	32	8	6	(24)	(13)	–	(1)	745	721
												4	5
												(20)	(23)
												9	3
												(235)	(195)
												503	511

	Mediengruppe RTL Deutschland		Groupe M6	
	September 2016 €m	December 2015 €m	September 2016 €m	December 2015 €m
Segment assets (assets classified as held for sale and investments accounted for using the equity method excluded)	1,653	1,540	1,541	1,508
Investments accounted for using the equity method	68	75	10	6
Assets classified as held for sale	–	–	–	–
Segment assets	1,721	1,615	1,551	1,514
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	1,032	999	553	572
Segment liabilities	1,032	999	553	572
Invested capital	689	616	998	942
Segment assets				
Deferred tax assets				
Income tax receivable				
Other assets				
Cash and cash equivalents				
Total assets				
Segment liabilities				
Deferred tax liabilities				
Income tax payable				
Other liabilities				
Total liabilities				

Notes to the condensed consolidated interim financial information

FremantleMedia ³⁰		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments ³¹		Eliminations		Total Group	
September 2016 €m	December 2015 €m	September 2016 €m	December 2015 €m	September 2016 €m	December 2015 €m	September 2016 €m	December 2015 €m	September 2016 €m	December 2015 €m	September 2016 €m	December 2015 €m	September 2016 €m	December 2015 €m
1,916	1,903	424	423	161	168	145	165	716	715	(118)	(120)	6,438	6,302
32	17	7	7	–	–	–	–	301	295	–	–	418	400
–	–	1	–	–	–	–	–	–	–	–	–	1	–
1,948	1,920	432	430	161	168	145	165	1,017	1,010	(118)	(120)	6,857	6,702
546	539	160	153	96	102	55	63	368	384	(114)	(116)	2,696	2,696
546	539	160	153	96	102	55	63	368	384	(114)	(116)	2,696	2,696
1,402	1,381	272	277	65	66	90	102	649	626	(4)	(4)	4,161	4,006
												6,857	6,702
												330	370
												38	34
												408	642
												365	449
												7,998	8,197
												2,696	2,696
												45	62
												52	45
												2,029	1,985
												4,822	4,788

30 FremantleMedia has sale and leaseback arrangements for €2 million with a maturity in March 2017

31 The impact of RTL City project on the invested capital of the Group is €108 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 AND DISPOSALS

6. 1. Acquisitions and increases in interests held in subsidiaries

Had the business combinations occurred at the beginning of the year, the revenue and the profit attributable to RTL Group shareholders would not have materially changed.

6. 2. Details of main acquisitions and disposals, increases in interests held in subsidiaries

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 to €7 million, net of cash acquired, and includes a top-up adjustment based on the level of profitability realised in 2015. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. Goodwill of €8 million mainly represents the value of creative talent and market competence of Abot Hameiri's workforce and 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 FremantleMedia does not exercise the option, the non-controlling shareholders have a drag-along right and a call option. The fair value of the related derivative was € nil million at completion date and remains unchanged at 30 September 2016.

Transaction-related costs of €0.3 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)
Net assets acquired	–
Goodwill	8
Total purchase consideration	8
Cash and cash equivalents in operations acquired	(1)
Cash outflow on acquisition	7

Smartclip

On 11 March 2016, RTL Group Vermögensverwaltungs GmbH 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 Group gained the control of Smartclip.

The purchase consideration amounts to €37 million, net of cash acquired. Intangible assets include the trade name (€1 million) and customer contracts (€4 million). A corresponding deferred tax liability amounts to €1 million. Goodwill of €38 million is attributable to the skills and market competence of Smartclip's workforce and the synergies expected. The goodwill arising from the acquisition is not tax deductible. Smartclip is allocated to the Mediengruppe RTL Deutschland cash generating unit.

The remaining 6.25 per cent are subject to symmetrical put and call options exercisable in 2017. The strike price of the put option is based on a variable component and capped at €200 million on a 100 per cent basis. The related amount has been initially recognised as a financial liability for €3 million through equity for the present value of the redemption amount. The financial liability subsequently measured at amortised cost remains unchanged at 30 September 2016. Any further re-measurement of the liability will be recorded through the income statement.

Transaction-related costs of €0.2 million, mainly consisting of legal fees and due diligence costs, are reported in "Other operating expenses" (12 months ended 31 December 2015: €0.4 million).

	Fair value at date of gain of control € m
Cash and cash equivalents	11
Other intangible assets	9
Accounts receivable and other financial assets	12
Accounts payable	(20)
Net deferred tax liabilities	(1)
Non-controlling interests	(1)
Net assets acquired	10
Goodwill	38
Total purchase consideration	48
Cash and cash equivalents in operations acquired	(11)
Cash outflow on acquisition	37

Mandarin Cinéma

On 22 July 2016, Groupe M6 acquired 100 per cent of Mandarin Cinéma SAS ("Mandarin Cinéma"). Mandarin Cinéma, which is based in France, holds a catalogue of 32 feature films. With this targeted acquisition, M6 Group continues the consolidation of its activities of distribution of audiovisual rights by extending its catalogue, which now contains almost 1,300 full-length feature films. The transaction qualifies as a business acquisition since RTL Group gained the control of Mandarin Cinéma.

The purchase consideration amounts to € 11 million, net of cash acquired. In addition the purchase agreement includes an earn-out mechanism based on a variable performance component; the contingent consideration has been estimated and recognised for € 1 million. The fair value of identified assets has been allocated to the catalogue for € 9 million and to accounts receivable for € 7 million. A corresponding deferred tax liability has been recognised for € 2 million. Goodwill is € nil million. Mandarin Cinéma is allocated to Groupe M6 cash-generating unit.

Transaction-related costs are insignificant.

	Fair value at date of gain of control € m
Cash and cash equivalents	3
Non-current programme and other rights	9
Accounts receivable and other financial assets	12
Accounts payable	(4)
Loans	(3)
Net deferred tax liabilities	(2)
Net assets acquired	15
Total purchase consideration	15
Contingent consideration	(1)
Deferred consideration	(2)
Cash and cash equivalents in operations acquired	(3)
Cash outflow on acquisition	9

Other

A second instalment of the SpotX earn-out was paid during the second quarter 2016 for an amount of € 4 million (30 September 2015: € 7 million).

The fair value of the derivative related to the SpotX call option has been decreased to € 2 million at 30 June 2016 and remains unchanged at 30 September (31 December 2015: € 3 million). The related expense of € 1 million is reported in "Financial results other than interest" (see note 8).

The consideration recognised in November 2013 at the time of the gain of control of Miso Film and related to the 49 per cent non-controlling interests had been initially recognised as a financial liability through equity for the present value of the redemption amount. The financial liability has been re-measured from € 5 million to € 6 million at 30 June 2016 and remains unchanged at 30 September. The related expense of € 1 million is reported in "Financial results other than interest" (see note 8). At 31 December 2015, an income of € 4 million had been recognised.

Since the gain of control of 495 Productions on 26 March 2014 by RTL Group, the minority shareholder holds a put option on the remaining 25 per cent non-controlling interests. The financial liability has been re-measured to € 3 million at 30 June 2016 and remains unchanged at 30 September (31 December 2015: € 7 million) in line with the future performance plan. The related income of € 4 million is reported in "Financial results other than interest" (see note 8).

Since the gain of control in June 2013, RTL Group holds a call option on the BroadbandTV Corp. (“BBTV”) non-controlling interests measured at fair market value. RTL Group started the process for a potential exercise of the call option in June 2016. As part of that process, the fair market value of BBTV has to be determined, after which RTL Group has to decide whether or not it will actually exercise its call option. Such decision is due by the end of January 2017. Should RTL Group decide not to exercise its call, the non-controlling shareholders would be entitled to start an exit mechanism within a 2-year period thereafter by first offering their stake to RTL Group and, if RTL Group does not accept the offer, by dragging RTL Group’s stake in a 100 per cent sale of the company at a consideration per share at least equal to the consideration offered to RTL Group.

September 2015 (updated at 30 September 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 generates 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, to €6 million, corresponding to the reimbursement of a loan previously granted to Oxygem by the seller. 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 liability 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 was allocated to the Groupe M6 cash generating unit.

The transaction-related costs of €0.2 million were 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)
Net assets acquired	3
Goodwill	17
Total purchase consideration	20
Loan previously granted by the seller	6
Cash and cash equivalents in operations acquired	(2)
Cash outflow on acquisition	24

YoBoHo

On 1 April 2015, BroadbandTV Corp. ("BBTV") acquired 87.6 per cent (71.3 per cent on a fully diluted basis) of YoBoHo New Media Private Limited and its subsidiary YoBoHo New Media Inc. ("YoBoHo"). RTL Group consequently held an interest of 50.3 per cent (36.9 per cent on a fully diluted basis) in YoBoHo. YoBoHo, which is based in Mumbai, produces kids-and-family oriented video for distribution across digital platforms. The acquisition of YoBoHo supported RTL Group's ambitions to secure a leading position in the global online video market. The transaction qualified as a business combination since RTL Group gained the control over YoBoHo.

The purchase consideration, partly contributed to YoBoHo, amounted to €8 million, net of cash acquired and was contingent on a cash-and-debt free position adjusted for normalised working capital. The identified intangible assets amounted to €4 million and reflected the value placed in original characters (€2 million) and trade names and a non-compete agreement (€2 million). A corresponding deferred tax liability was recognised for €1 million. The goodwill of €6 million corresponded to the value of creative talent, workforce and synergies. It is not tax deductible. YoBoHo was allocated to the BBTV cash generating unit.

BBTV also benefits from a call option for the remaining non-controlling interests. The call window opens two years from 2015 closing and ends 18 months thereafter; the non-capped strike price is determined on the basis of the fair value of YoBoHo.

The transaction-related costs of €0.3 million were reported in "Operating expenses" at 30 September 2015 (€0.5 million at 31 December 2015).

	Fair value at date of gain of control € m
Non-current programme and other rights	2
Other intangible assets	2
Accounts receivable and other financial assets	1
Accounts payable	(1)
Net deferred tax liabilities	(1)
Non-controlling interests	(1)
Net assets acquired	2
Goodwill	6
Total purchase consideration	8
Cash outflow on acquisition	8

UFA Sports

On 20 April 2015, RTL Group agreed with Lagardère Unlimited Germany GmbH ("Lagardère Unlimited") to fully dispose of the interests held in UFA Sports GmbH and some of its subsidiaries ("UFA Sports"). The subsidiaries apareo Holding GmbH, apareo Deutschland GmbH and UFA Sports Asia Pte Ltd were excluded from the deal and remained with RTL Group. The German competition authorities approved the transaction on 15 June 2015. In consequence, RTL Group lost control over UFA Sports and derecognised all related assets and liabilities. In conjunction with the disposal, UFA Sports repaid the net amounts owed to and by RTL Group of €11 million thanks to the reserve contribution made by the acquirer Lagardère Unlimited (€6 million). At the same time, RTL Group equalised the net cash position of UFA Sports for €2.5 million, of which €1.4 million for a guarantee granted for commercial bad debts.

	2015 € m
Cash and cash equivalents	(1)
Intangible assets	(6)
Loans and other financial assets	(3)
Accounts receivable	(11)
Accounts payable	6
Employee benefit obligations	1
Loans	1
Net assets disposed	(13)
Capital reserve injection by the acquirer	6
Incremental costs associated with the disposal	(3)
Waiver of financial liability	3
Loss on the disposal	(7)
Waiver of financial liability	(3)
Cash and cash equivalents in operations disposed	(1)
Cash inflow on disposal	2

Wildside

On 7 August 2015, FremantleMedia Group Ltd ("FremantleMedia") acquired a 62.5 per cent stake in Wildside Srl and its 100 per cent affiliates ("Wildside"). Wildside is an Italian television and feature film production entity. The acquisition enhanced FremantleMedia's scripted presence in the Italian market and bolsters the global content pipeline of the Group overall. The transaction qualified as a business combination since RTL Group gained the control of Wildside.

The purchase consideration amounted to €34 million, including €9 million bank overdrafts, net of cash. Identified intangible assets had been recognised for €3 million, reflecting the value placed in non-compete agreements (€1 million), trade name and customer contracts (€2 million). A corresponding deferred tax liability had been recognised for €1 million. Goodwill of €22 million represented the value of creative talent and skills of Wildside's workforce. The goodwill is not tax deductible. Wildside was allocated to the FremantleMedia cash generating unit.

The remaining 37.5 per cent interest is subject to call and put options exercisable at the latest in 2020. The strike prices are based on a variable component. The consideration for 100 per cent of Wildside is capped at €75 million excluding working capital funding required. The put option had been recognised at the acquisition date for an amount of €8 million (nominal value) through equity as a liability representing the present value of the redemption amount. The financial liability is subsequently measured at amortised cost and remains unchanged at 30 September 2016. The fair value of the call option of € nil million at 31 December 2015 remains unchanged at 30 September 2016.

Transaction-related costs of €0.7 million at 30 September 2015 (€0.8 million at 31 December 2015), mainly consisting of legal fees and due diligence costs, were reported in "Other operating expenses".

Other

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 Nederland 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 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.

On 1 April 2015, RTL Nederland BV ("RTL NL") acquired 100 per cent of Grand Gear Media BV, which operates a Dutch digital platform named Bright, a cross-media platform operating in the field of innovative lifestyle related-content and the Bright Assets and all Bright digital platforms and databases such as *Bright.nl*, *Uitpakparty*, *Bright Ideas*, *Bright Store* and events. The transaction qualified as a business combination since RTL Group gained control. Goodwill was € nil million. Grand Gear Media BV merged into RTL Nederland BV in 2015.

On 1 April 2015, RTL Group gained the control of Dutch Learning Company BV ("DLC") through a capital increase of €1 million. From that date, RTL Group holds 80.3 per cent of the share capital of DLC. As a result, a goodwill of €1 million was recognised. The goodwill is not tax deductible. Before 1 April 2015, DLC was accounted for using the equity method. The measurement at fair value of the 37.8 per cent interest previously held was insignificant. Since 1 August 2015, RTL Group holds 100 per cent of the share capital of DLC.

On 7 April 2015, the non-controlling interests of The Entertainment Group BV ("TEG") agreed with RTL Nederland Interactief BV ("RTL Interactief") on the transfer of the remaining 35 per cent held in the share capital for an amount of €3 million fully paid at 30 June 2015. On 22 July 2013, RTL Group had gained the control of TEG, which had been consolidated at 100 per cent.

On 7 September 2015, FremantleMedia Overseas Holdings BV acquired a controlling interest of 51 per cent in Fontaram SAS, a recently launched company. This opportunity enabled FremantleMedia to develop new drama content. The purchase consideration was € nil million. FremantleMedia has the ability to buy the remaining 49 per cent shares through a "promise to sell" mechanism where the founders undertake to sell their shares to FremantleMedia. The strike price is based on a variable component. If FremantleMedia does not accept the offer, the non-controlling shareholders will have the option to acquire the shares held by the Group. The fair value of the related derivative was € nil million at 31 December 2015 and remains unchanged at 30 September 2016. The consideration for 100 per cent of Fontaram is capped at €20 million.

On 11 September 2015, FremantleMedia Netherlands BV ("FremantleMedia") acquired 75 per cent of No Pictures Please Productions BV ("NPP"), a Dutch programming youth orientated factual producer. NPP sits alongside FremantleMedia's entertainment and scripted businesses in the Netherlands. The transaction qualified as a business combination since RTL Group gained the control of NPP. The purchase consideration amounted to below €1 million, net of cash acquired. The goodwill of €1 million is not tax deductible. FremantleMedia and the non-controlling shareholder entered into an agreement that permits FremantleMedia to purchase the remaining 25 per cent in the first half of 2020. The strike price is based on a variable component. If RTL Group does not exercise the call option, the non-controlling shareholder will have the option to acquire the 75 per cent stake. The fair value of the related derivatives was € nil million at 31 December 2015 and remains unchanged at 30 September 2016. The transaction-related costs of €0.1 million, mainly consisting of legal fees, were reported in "Other operating expenses".

The contingent consideration related to Best of TV, acquired on 7 January 2014, had been paid during the first half of 2015 (€6 million).

An amount of €4 million had been received by the Group at 30 June 2015 following the completion of the true-up exercise on StyleHaul.

6. 3. Assets and liabilities acquired

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

	2016 € m
Purchase consideration:	
– Cash paid	72
– Contingent consideration	1
– Deferred consideration	2
– Payments on prior years' acquisitions	(4)
Total purchase consideration	71
Less:	
Fair value of net assets acquired	(25)
Goodwill	46

6. 4. Cash outflow on acquisitions

The fair value of the net assets and liabilities arising from the acquisitions are as follows:

	2016 Fair value € m
Cash and cash equivalents	15
Non-current programme and other rights	9
Other intangible assets	9
Current programme rights	7
Accounts receivable and other financial assets	25
Accounts payable	(33)
Loans	(3)
Net deferred tax liabilities	(3)
Non-controlling interests	(1)
Net assets acquired	25
Goodwill	46
Total purchase consideration	71
Contingent consideration	(1)
Deferred consideration	(2)
Payments on prior years' acquisitions	4
Cash and cash equivalents in operations acquired	(15)
Cash outflow on acquisition	57

7. OTHER OPERATING INCOME

As announced on 27 May 2016, Groupe M6 and Orange have jointly agreed to gradually transfer M6 Mobile customers to Orange services. M6 mobile by Orange customers will keep their services as well as all the related benefits, such as the management of the customer community by Groupe M6, until their transfer. As such, Groupe M6 will continue to manage and benefit from the account holder base and trademark licence until 30 June 2019. In addition, Groupe M6 has recognised and cashed-in a contractual compensation of €50 million at 30 September 2016.

8. FINANCIAL RESULTS OTHER THAN INTEREST

	September 2016 € m	September 2015 € m
Cash flow hedges ineffectiveness	9	4
Net gain on other financial instruments at fair value through profit or loss	(1)	–
Other financial results	1	(1)
	9	3

9. IMPAIRMENT TEST

During the first six months of 2016, RTL Group's management conducted impairment tests on some cash generating units ("CGU") and investments accounted for using the equity method where indications of a possible change in recoverable amount arose and on those that had the most limited headroom as at 31 December 2015.

RTL Group management consider that there was no indication during the third quarter to change the conclusions disclosed in the June 2016 interim report.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**Main changes in the Group's ownership interest in associates****September 2016**

On 14 April 2016, 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 continues to have a significant influence in Divimove GmbH. On 15 June 2016, the shareholders decided to amend the option agreement related to the last 24.5 per cent. The fair value of the derivative related to the call option remains unchanged at 30 September 2016 (€3 million).

On 25 April 2016, FremantleMedia Ltd ("FremantleMedia") entered with a 25 per cent stake into the share capital of Dr Pluto Films Ltd ("Dr Pluto"), a newly created production company that will develop concepts across all genres and platforms. The carrying amount of Dr Pluto is below GBP 1 million at 30 September 2016. In addition, FremantleMedia granted a loan facility of GBP 0.5 million to Dr Pluto. 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 exercises its 2021 call option but not the 2023 one, the other shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain conditions. In the event that FremantleMedia does not exercise the call options, the holders of the 75 per cent interest have the option to acquire the shares held by the Group or drag FremantleMedia shares to a sale with a third party. The fair value of the derivatives is € nil million at 30 September 2016.

Atresmedia implemented a share buy-back programme in the second quarter of 2016 to acquire shares for the remuneration plan of directors and senior management. The programme was approved at the Ordinary General Meeting of Shareholders held on 20 April 2016. Consequently a total of 791,880 shares were acquired by Atresmedia. In June, Atresmedia met its commitment to deliver shares to Gala Desarrollos Comerciales, S.L. linked to the merger with La Sexta's shareholders; Atresmedia transferred 789,738 treasury shares. This was the final delivery of shares under this agreement.

On 30 November 2015, FremantleMedia Ltd and Squawka Ltd (“Squawka”) entered in a contractual arrangement and a loan agreement for a total of €2 million, of which less than €1 million was paid at 31 December 2015. Once the full amount of the loan was paid, FremantleMedia had the option to convert it and to acquire a minority shareholding in Squawka and an additional option to acquire a further minority shareholding through a capital injection. At 31 December 2015, FremantleMedia was not a shareholder but jointly controlled Squawka on the basis of the contractual arrangement. The initial contractual arrangement was modified in 2016 and as a result FremantleMedia no longer has the joint control but can exercise significant influence. The conversion of the loan (GBP 1.5 million) and a capital injection of GBP 3.5 million on 26 April 2016 provided a 35 per cent stake to FremantleMedia. FremantleMedia holds call options on the remaining 65 per cent shares exercisable in 2017 and 2020. The strike price of the options is based on a variable component. If FremantleMedia exercises its 2017 call option but not the 2020 one, the other shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain conditions.

On 13 May 2016, FremantleMedia Ltd entered with a 25 per cent stake into the share capital of Wild Blue Productions Ltd (subsequently renamed Wild Blue Media Ltd, “Wild Blue”), a newly created production company that will develop, produce and sell international non-scripted formats across factual, factual entertainment and live events genre. The carrying amount of Wild Blue is below GBP 1 million at 30 September 2016. In addition, FremantleMedia granted Wild Blue a loan facility of GBP 0.5 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2020 and 2022. The strike price of the options is based on a variable component. If FremantleMedia exercises its 2020 call option but not the 2022 one, the other shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain conditions. In the event that FremantleMedia does not exercise the call options, the holders of the 75 per cent interest have the option to acquire the shares held by the Group or drag FremantleMedia shares to a sale with a third party. The fair value of the derivatives is € nil million at 30 September 2016.

On 25 May 2016, Fremantle Productions North America Inc (“FPNA”) acquired for €2 million, a 25 per cent stake in Eureka Productions LLC, a production company, incorporated on 16 December 2015, and its 100 per cent held subsidiary Eureka Productions Pty Ltd (“Eureka”). Eureka develops, sells and produces unscripted travelling formats (for instance reality competitions) and docu-series for leading broadcasters and cable networks in the US and Australia. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. In addition, FPNA granted Eureka a loan facility of USD 6 million; the loan receivable amounts to USD 4 million at 30 September 2016. FPNA holds call options on the remaining 75 per cent shares exercisable in 2020 and 2022. The strike price of the options is based on a variable component. If FPNA exercises its 2020 call option but not the 2022 one, the other shareholders will have the option to require FPNA to purchase all the remaining shares, subject to certain conditions. In the event that FPNA does not exercise the call options, the holders of the 75 per cent interests have the option to acquire the shares held by the Group or drag FPNA shares to a sale with a third party. The fair value of the derivatives is € nil million at 30 September 2016.

On 7 June 2016, FremantleMedia Ltd entered with a 25 per cent stake into the share capital of Dancing Ledge Productions Ltd (“Dancing Ledge”), a newly created production company that will develop, produce and sell international scripted formats across the US and UK markets. The carrying amount of Dancing Ledge is below GBP 1 million at 30 September 2016. 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 exercises its 2021 call option but not the 2023 one, the other shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain conditions. In the event that FremantleMedia does not exercise the call options, the holders of the 75 per cent interests have the option to acquire the shares held by the Group or drag FremantleMedia shares to a sale with a third party. The fair value of the derivatives is € nil million at 30 September 2016.

On 27 September 2016, Groupe M6 acquired a 34 per cent non-controlling stake in Elephorm SAS (“Elephorm”). Elephorm based in France, is a leader in the production of e-learning video content. The deal allows Groupe M6 to enter the online learning market. The related carrying amount is €3 million at 30 September 2016. In addition Groupe M6 holds call options on the remaining 66 per cent exercisable from 2018. The fair value of the related derivative is € nil million at 30 September 2016.

September 2015 (updated at 30 September 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 is € nil million at 30 September 2016 (€ 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 remains unchanged at 30 September 2016.

On 8 April and 5 June 2015, RTL Group acquired a 19.5 per cent (17.4 per cent on a fully diluted basis) non-controlling interest in CLYPD, Inc. ("Clypd"). Clypd is a programmatic TV start-up based in Boston that focuses on the development of an audience-buying platform for linear TV. The company is complementary to the programmatic online video advertising marketplace that SpotX operates. The investment amount was €10 million. Although RTL Group holds less than 20 per cent of the equity shares of Clypd, management consider that the Group exercises a significant influence in Clypd in view of the representation of RTL Group on the Board of Clypd. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities.

The ownership of RTL Group in Atresmedia decreased from 19.2 per cent at 31 December 2014 to 18.6 per cent at 30 June 2015. This transaction resulted in a dilution of RTL Group's interest generating a gain of €10 million reported in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

On 15 June 2015, FremantleMedia Group Ltd took a 35.3 per cent (31.6 per cent on a fully diluted basis) non-controlling interest in UMI Mobile, Inc ("UMI"), a new gaming company in Canada. The related carrying amount was below €1 million at 31 December 2015, unchanged at 30 September 2016. FremantleMedia is entitled, via a call option, to buy the remaining shares of the controlling shareholders at the market value.

On 14 September 2015, FremantleMedia Ltd entered with a 25 per cent stake, into the share capital of Naked Entertainment Ltd ("Naked"), a UK start-up television production company focusing on high-end factual entertainment series. The carrying amount of Naked was below €1 million at 31 December 2015, unchanged at 30 September 2016. In addition, FremantleMedia granted a loan facility of €1 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 holders of the 75 per cent interests will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain criteria, or an option to acquire the shares held by the Group. The fair value of the related derivatives was € nil million at 31 December 2015 and remains unchanged at 30 September 2016.

Main changes in the Group's ownership interest in joint ventures**September 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 has been 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 30 September 2016.

RTL Nederland Ventures BV granted in June 2016 to Miinto Nederland Holding BV a short-term loan of €3 million which has been reimbursed during the third quarter.

September 2015 (updated at 30 September 2016)

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 related carrying amount of Buurtfacts is € nil million at 30 September 2016 (€ nil million at 31 December 2015). 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 remains unchanged at 30 September 2016.

On 24 March 2015, RTL Nederland Ventures BV ("RTL NL") announced the acquisition of 34.8 per cent stake in Reclamefolder.nl BV ("Reclamefolder") holding a platform for online brochures and offers *Reclamefolder.nl*. RTL NL continues to focus on investments in companies currently in the transition phase from offline to online, with an increasing emphasis on mobile. The transaction was completed on 15 July 2015 once the clearance from the European Commission was obtained. RTL NL and the company also entered into a media exposure agreement. The transaction qualified as a joint arrangement as RTL Group jointly controls the company. In July 2015, RTL NL contributed €2 million to the share capital of the company. The carrying amount of Reclamefolder of €2 million at 31 December 2015 remains unchanged at 30 September 2016.

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

In addition to Couverts Reserveren BV (see note 17.), Pepper BV ("Pepper"), whose full disposal has been approved in early October, is presented as a disposal group at 30 September 2016.

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.

12. SEASONALITY OF OPERATIONS

The Group's broadcast business is subject to strong seasonal fluctuations and hence the results for the first nine months of 2016 do not necessarily permit predictions as to its future performance. Advertising revenue is impacted by underlying economic conditions and the cyclical demand for advertising – which during the important fourth quarter normally offset the traditionally weaker summer months. Advertisers appear to have front loaded their bookings into the first six months of 2016, in order to avoid the summer sports events, the 2016 Summer Olympics in Rio and the UEFA European Football Championships. Accordingly, quarter four advertising revenue may not be on a similar level as to the prior year.

The Group's content arm, FremantleMedia, usually generates a higher proportion of both revenue and EBITA in the second half of the year partly due 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 and the timing of the delivery of certain high value drama productions may further exaggerate this tendency when compared to 2015.

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €443 million (September 2015: €464 million) and a weighted average number of ordinary shares outstanding during the period of 153,566,511 (September 2015: 153,593,380) calculated as follows:

	September 2016	September 2015
Profit attributable to RTL Group shareholders (in € million)	443	464
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	154,787,554	154,787,554
Capital decrease	(21,067)	–
Effect of treasury shares held	(1,168,701)	(1,168,701)
Effect of liquidity programme	(31,275)	(25,473)
Weighted average number of ordinary shares	153,566,511	153,593,380
Basic earnings per share (in €)	2.88	3.02
Diluted earnings per share (in €)	2.88	3.02

14. EQUITY

14. 1. Share capital, reserves and retained earnings

The Extraordinary General Meeting (EGM) of the Company, held on 25 May 2016, acknowledged that 44,748 physical shares of RTL Group had not been registered in accordance with the provisions of the law of 28 July 2014 regarding the immobilisation of bearer shares in Luxembourg ("Immobilisation Law"). The EGM acknowledged that the Board of Directors set the price of the cancelled shares at €32.96 per share in accordance with article 6 (5) of the law.

As a consequence, at 30 September 2016, the subscribed capital is represented by 154,742,806 (31 December 2015: 154,787,554) fully paid-up ordinary shares, without nominal value; the equity of the Company was reduced by €2 million deposited on 15 July 2016 in escrow with the Caisse of consignment in accordance with the legal provisions.

14. 2. 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 Kepler Capital Markets SA (the "Liquidity Provider"). During the period ended 30 September 2016, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 458,607 shares at an average price of €75.09; and
- sold 459,219 shares at an average price of €75.41, in the name and on behalf of the Company.

At 30 September 2016, a total of 34,807 (31 December 2015: 35,419) RTL Group shares are held by the Company and €7.9 million (31 December 2015: €7.7 million) are in deposit with the Liquidity Provider under the terms of the Liquidity Agreement.

14. 3. Hedging reserves

The hedging reserve (equity attributable to non-controlling interests included) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Between 31 December 2015 and 30 September 2016, the hedging reserve decreased by €29 million before tax effect. This consists of:

- decrease by €34 million due to foreign exchange contracts that existed at 2015 year end and which were still hedging off-balance sheet commitments at 30 September 2016;
- decrease by €1 million due to foreign exchange contracts that existed at 2015 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2016 from the hedging reserve to income statement;
- increase by €6 million due to foreign exchange contracts entered into in 2016 hedging new off-balance sheet commitments.

Between 31 December 2014 and 30 September 2015, the hedging reserve increased by € nil million before tax effect. This consists of:

- increase by €28 million due to foreign exchange contracts that existed at 2014 year end and which were still hedging off-balance sheet commitments at 30 September 2015;
- decrease by €23 million due to foreign exchange contracts that existed at 2014 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2015 from the hedging reserve to income statement;
- decrease by €5 million due to foreign exchange contracts entered into in 2015 hedging new off-balance sheet commitments.

14. 4. Dividends

On 20 April 2016, the Annual General Meeting of Shareholders decided, after having taken into account the interim dividend of €1.00 per share paid on 10 September 2015, to distribute a final dividend of €3.00 per share. Accordingly, an amount of €460 million was paid out on 28 April 2016.

On 24 August 2016, RTL Group's Board of Directors authorised the distribution of an interim dividend of €1.00 per share. The payment on 8 September amounted to €154 million.

15. NON-CONTROLLING INTERESTS**Transactions on non-controlling interests without a change in control****September 2016**

- CBS Studios International contributed for €1million in a capital increase in RTL CBS Asia Entertainment Network LLP, proportionally to its 30 per cent share;
- RTL Group has been diluted by 3.3 per cent to 67.5 per cent in the share capital of SpotX following the exercise by employees of their options;
- Groupe M6 has acquired and disposed of own shares in respect to the employee share option plans, the forward purchase contract and the liquidity programme (€-3 million).

September 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;
- On 1 August 2015, RTL Nederland Ventures BV had increased its interest in the e-learning company Dutch Learning Company BV ("DLC") from 80.3 per cent to 100 per cent;
- CBS Studios International had contributed below €2 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.

Transactions on non-controlling interests with a change in control**September 2016**

This relates to Smartclip (see note 6.2.).

September 2015

This related to YoBoHo and Wildside (see note 6.2.).

16. RELATED PARTY TRANSACTIONS

16.1. 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 Bertelsmann España SL;
 - All its interests in the German limited liability partnership Gruner + Jahr GmbH & Co. KG;
 - All shares of its wholly owned British subsidiary Bertelsmann UK Ltd.

At 30 September 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 (September 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 30 September 2016 and 31 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 (30 September 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 30 September 2016, the net balance of the cash pooling receivable and payable amounts to € nil million (31 December 2015: € nil million). The interest income/expense for the period is insignificant (30 September 2015: insignificant).

Loans from Bertelsmann SE & Co. KGaA and BeProcurement Sàrl

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 30 September 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 30 September 2016, the total of revolving and swingline loan amounts to €757 million (31 December 2015: €542 million).

On 23 June 2016, the term loan facility of €500 million has been transferred from Bertelsmann SE & Co. KGaA to BeProcurement Sàrl controlled by Bertelsmann Luxembourg Sàrl.

The interest expense for the period amounts to €12 million (30 September 2015: €13.0 million). The commitment fee charge for the period amounts to €0.4 million (30 September 2015: €0.3 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. 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 30 September 2016, the balance payable to BCH amounts to €354 million (31 December 2015: €583 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €271 million (31 December 2015: €472 million).

For the period ended 30 September 2016, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €94 million (30 September 2015: €94 million). The Commission amounts to €11 million (30 September 2015: €42 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 €2 million (30 September 2015: €2 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.

16. 2. Main transaction with investments accounted for using the equity method

At 30 September 2016, RTL Group owed a cash pooling payable to RTL Disney Fernsehen GmbH & Co. KG for an amount of €15 million (31 December 2015: €5 million).

17. SUBSEQUENT EVENTS

On 27 September 2016, Magyar RTL Televízió Zártkörűen Működő Részvénytársaság ("RTL Hungary") entered into an agreement to acquire 30 per cent stake representing 51 per cent of the voting rights in Central Digital Media Kft ("Central Digital Media"), one of the leading web publishers in Hungary. Central Digital Media Kft. is operating a number of websites and mobile apps. Central Digital Media is ranked as one of the top three online media companies in Hungary, based on web analytics. The acquisition, subject to approval by the Hungarian competition authority, will significantly accelerate the Group's strategy to increase RTL Hungary's presence in the digital media market. The transaction will qualify as a business combination since M-RTL will gain control of Central Digital Media. The purchase consideration, which amounts to €5 million, is determined on a cash and debt free basis. RTL Hungary holds call options on the remaining 70 per cent shares exercisable 18 months after the deal completion. The strike price of the options is based on a variable component. In the event that RTL Hungary does not exercise the call options, each party will have the option to require RTL Hungary to exit.

On 26 October 2016, RTL NL has completed the disposal of Couverts Reserveren BV to TripAdvisor for an amount of €6 million.

On 26 October 2016, RTL Group entered into an agreement with a third party to sell Media Properties Sàrl ("Media Properties"). Media Properties owns RTL Group's new buildings that are still under construction at 30 September 2016. These new buildings ("RTL City"), which RTL Group will leaseback, will host the Corporate Centre and the other operations of the Group in Luxembourg. The disposal is expected to be completed during the second quarter of 2017.

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————— RTL Group
45, Bd Pierre Frieden
L – 1543 Luxembourg
Luxembourg

RTLGroup.com

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Further information

Media ————— Oliver Fahlbusch
Corporate Communications
Phone: +352 2486 5200
oliver.fahlbusch@rtlgroup.com

Investor relations ————— Andrew Buckhurst
Investor Relations
Phone: +352 2486 5074
andrew.buckhurst@rtlgroup.com