

THE LEADING EUROPEAN ENTERTAINMENT NETWORK

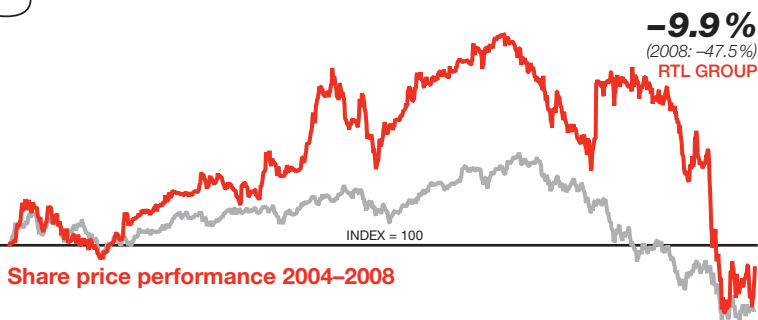
2008

*ANNUAL REPORT*

**RTL**  
GROUP

**Jimmy Marku**  
winner of  
**Britain's  
Strongest Man**  
Read more  
life-changing  
stories inside

# KEY FIGURES 2008



## Ordinary/Extraordinary Dividend per share

2004–2008 (€)

Year	Ordinary	Extraordinary	Total
08	1.40	2.10	3.50
07	1.30	3.70	5.00
06	1.20	1.80	3.00
05	1.05		1.05
04	0.95		0.95

## Adjusted earnings per share<sup>1</sup>

2004–2008 (€)

Year	Adjusted earnings per share
08	3.87
07	3.54
06	3.52
05	2.96
04	2.62

**+9.3%**

## Revenue

2004–2008 (€million)

Year	Revenue
08	5,774
07	5,707
06	5,640
05	5,115
04	4,878

**+1.2%**

## EBITA

2004–2008 (€million)

Year	EBITA
08	916
07	898
06	851
05	758
04	709

**+2.0%**

## Equity

2004–2008 (€million)

Year	Equity
08	5,864
07	6,448
06	6,151
05	5,348
04	4,862

**-9.1%**

## Market capitalisation

2004–2008 (€billion)

Year	Market capitalisation
08	6.6
07	12.5
06	13.1
05	10.5
04	8.5

**-47.5%**

## Revenue per business segment

2008 (€million)

Segment	Revenue
TV	4,394
Content	1,255
Radio	332
Other	64
Eliminations	(271)
<b>Total</b>	<b>5,774</b>

## EBITA per business segment

2008 (€million)

Segment	EBITA
TV	708
Content	164
Radio	88
Other	(44)
<b>Total</b>	<b>916</b>

<sup>1</sup> Adjusted earnings per share represents the net profit for the period adjusted for impairment of goodwill, disposal groups and amortisation of fair value adjustments on acquisitions and gain or loss from sale of subsidiaries, joint ventures and other investments, net of income tax expense and one-off tax effects

<sup>2</sup> Excluding 0.76% which is held collectively as treasury stock by RTL Group and one of its subsidiaries

## Shareholding structure<sup>2</sup>

31 December 2008

RTL Group	Bertelsmann	<b>90.3%</b>
	Public	<b>9.7%</b>

growing

**revenue and EBITA**

for the  
seventh

consecutive

year

PAGE 8  
**CHIEF  
EXECUTIVE'S  
REPORT**



**CORPORATE RESPONSIBILITY PAGE 54**

From big fundraising events such as *Idol Gives Back* (pictured) to helpful programmes and day-to-day actions to improve our environment



**SPECIAL MOMENTS OF 2008 PAGE 44**

People from all walks of life have had their lives changed for the better through their association with one of our shows, events or companies. Here we celebrate some of those successes



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SOME OF THE MAIN STORIES  
OF 2008 FROM ACROSS  
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# CHAIRMAN'S STATEMENT

by Siegfried Luther

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**In the face of a tougher economic climate, I am pleased to confirm that RTL Group generated sound results throughout 2008, with operating profit (EBITA) increasing above €900 million for the first time, while return on sales improved to 15.9 per cent. Mediengruppe RTL Deutschland and FremantleMedia contributed strongly to this. All in all, the Group has made good progress in its declared strategy.**

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During 2008, RTL Group generated revenue and EBITA above last year's record level, despite mixed advertising conditions across Europe, and again showed substantial cash generation. Strong performances from the RTL family in Germany, and globally by FremantleMedia, compensated for negative effects. These include: the slowdown in several advertising markets, particularly in Spain, France and the UK; major programme investments for the European football championship 2008 at Groupe M6 in France; and restructuring charges at RTL Nederland. The revised outlook for the UK TV advertising market also led to a significant impairment of goodwill in Five, affecting the Group's net result.

Of course the world financial crisis and a weak economic outlook have affected all stockmarkets. The RTL Group share price finished the year down 47.5 per cent year on year, from €81 to €42.5. Despite this fact, RTL Group enters 2009 in a very solid position. We have no debt. We have a balanced portfolio, with businesses in many countries. We have broadcasting activities in 11 European countries as well as a worldwide production arm, which makes us less dependent on advertising. This broad and secure set-up, combined with our strong content and brands, is the foundation of RTL Group's reliable business model.

With a view to continuing our selective, strategic geographical expansion, we acquired a 66.6 per cent majority shareholding in Alpha Media Group, Greece's number four broadcasting

company. Another element of our strategy has moved forward with our increasing presence on all digital platforms. We now offer comprehensive catch-up TV services in our major markets, as well as high-quality editorial websites, social networking sites and mobile TV channels.

Finally it goes without saying that the Executive Management could only pursue and achieve its strategy successfully with the right people, of the right capabilities, in place throughout our organisation, and doing their jobs to such high standards. Therefore I would like to thank everyone within our Group companies and at the Corporate Centre for their efforts during 2008.



**Siegfried Luther**  
Chairman



“RTL Group enters 2009 in a very solid position.”

Siegfried Luther, Chairman of the Board of Directors

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# Chief Executive's report

**In 2008 RTL Group increased its revenue and operating result for the seventh year running, despite increasingly difficult advertising markets in Europe. We therefore face the current economic crisis in a position of serenity and strength, helped by the fact that we have no debt and a well-balanced portfolio.**

by Gerhard Zeiler

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In view of an increasingly difficult economy, one thing still holds true: television is and will remain the leading medium. Television delivers great value, for our viewers and for our advertisers. While the structure of RTL Group's business model remains intact, there is a need to continuously optimise our operations, increasing efficiencies and reviewing costs across the board. This will result in a significantly lower cost base in all of our operations.

In 2008 Group revenue increased by 1.2 per cent to €5,774 million (2007: €5,707 million). Adjusted for portfolio changes and at constant exchange rates, underlying revenue was up 2.6 per cent. Reported EBITA exceeded €900 million for the first time and increased by 2.0 per cent to €916 million (2007: €898 million) – despite a tougher economic climate and the special programme investment by Groupe M6 for the European football championship. In particular, strong performances at Mediengruppe RTL Deutschland and FremantleMedia contributed to the increase in profits. The reported EBITA margin improved to 15.9 per cent (2007: 15.7 per cent), the highest ever.

Net profit attributable to RTL Group shareholders decreased to €194 million (2007: €563 million), mainly due to an impairment of goodwill of the UK TV activities amounting to €337 million. This impairment is primarily a result of the significant worsening in the UK advertising market conditions, which we have experienced since September 2008.

## Many successful businesses in many countries

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In Germany, RTL Group's profit centre had its best year ever. EBITA rose 25.6 per cent and Mediengruppe RTL Deutschland significantly strengthened its leading position in the German TV advertising market. Although audience ratings in 2008 were markedly influenced by the European football championship and the Olympic Summer Games in Beijing, as both events were televised by the public broadcasters ARD and ZDF, Mediengruppe RTL Deutschland remained the clear market leader in the key 14 to 49 target group.

The flagship channel RTL Television continued to be the number one among young viewers, by a large margin and for the 16th

consecutive year, while Super RTL celebrated ten years of uninterrupted leadership in Germany's children's television market. With shows such as *Deutschland sucht den Superstar*, *Das Supertalent*, *Ich bin ein Star – Holt mich hier raus!* and the docu-soap *Bauer sucht Frau*, RTL Television once again proved its power to create the talk of the moment. In addition to established hit formats such as *Raus aus den Schulden* and *Die Super Nanny*, RTL Television launched popular new factual programmes in 2008, including *Die Ausreißer – Der Weg zurück* and *Vermisst*. These shows not only attract audiences and advertisers, but also illustrate part of what we consider to be the value of television for society.

In France, Groupe M6 reported stable revenue despite a significant slowdown of the country's TV advertising market. M6 was the only major terrestrial channel with stable audience figures in prime time, benefiting from the record audiences watching the Euro 2008 broadcasts. The France vs Italy football match attracted 13.2 million viewers – a new audience record for M6. In the digital arena, the group's free DTT channel W9 continued its rapid audience and revenue growth and generated positive EBITA for the first time. As a result, the family of channels strategy has paid off for Groupe M6: despite accelerated audience fragmentation, the combined total audience share of M6 and W9 actually increased year on year.

RTL Group's worldwide production arm FremantleMedia reported growing revenue and EBITA figures for the fifth consecutive year. EBITA increased significantly by 18.3 per cent, mainly driven by higher earnings from FremantleMedia North America, the unit's biggest profit contributor. In 2008, FremantleMedia's global network of production companies produced 9,917 hours of award-winning TV programming across 57 countries, making it one of the largest creators of international programme brands. The company distributed its programmes to more than 150 countries.

Many of FremantleMedia's titles hit new audience records during 2008, proving that viewers continue to have an appetite for must-see entertainment and drama programming. Shows from FremantleMedia such as *Idols*, *Got Talent*, *The X Factor* and *The Farmer Wants A Wife* occupied top positions in their genres in key markets such as the US, the UK, Germany, France, the Netherlands and Australia.

Following the asset deal with Talpa Media, the acquisition of Radio 538 and the launch of the fourth free-TV channel RTL 8 in





2007, RTL Nederland announced a new organisational structure in September 2008. The profit centre will become a flatter and more responsive organisation, promoting entrepreneurship with clear-cut responsibilities for its three business units TV, radio and new media. One-time charges in connection with this restructuring, amounting to €18 million, impacted RTL Nederland's EBITA, which was down 17.6 per cent in total.

2008 was a challenging year for all commercial broadcasters in the UK, following a marked downturn in TV advertising. Nevertheless, the Five group of channels actually managed to grow its share of net advertising revenues from 9.3 per cent in 2007 to 9.6 per cent in 2008. In terms of adult share of viewing, it was the only family of channels in the UK to increase its share. In local currency, revenue of the profit centre was stable.

## Portfolio management: geographic expansion...

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In 2008, the leading European entertainment network again grew larger: RTL Group entered the Greek TV market by acquiring a 66.6 per cent majority shareholding in Alpha Media Group. The deal meant the national TV channel Alpha TV, the regional TV channel Kanali 9 Thessaloniki, two radio stations and an in-house production company, all became part of the international RTL family. With currently 45 TV channels in 11 European countries, RTL Group has a very well-balanced portfolio as a TV broadcasting company.

## ...and further diversification

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With 37 per cent of its revenue coming from non-advertising sources, RTL Group also has a well-balanced portfolio in terms of revenue streams. And we will continue to grow our non-advertising revenue through diversification activities and content production.

Content is vital for today's broadcasting industry, and growth prospects are excellent as 'can't afford to miss' content becomes ever more valuable in the digital age. That is why RTL Group aims to grow its production arm FremantleMedia across all markets, with a combination of organic growth and selective acquisitions.

In September 2008, FremantleMedia acquired a 19.99 per cent equity stake in Beyond International, one of Australia's leading television and film producers. And in February 2009, FremantleMedia acquired a 75 per cent stake in the US-based company Original Productions. The deal will allow Original Productions to expand its growing slate of male-oriented factual programming, including the hit format *Ice Road Truckers*, and will strengthen FremantleMedia's position in the US cable network market.

Another move to round off our portfolio and to further diversify revenue streams was the relaunch of the sports rights agency UFA Sports.

Following a strategic review of its portfolio, RTL Interactive sold the German teleshopping channel RTL Shop to industrial investor Aurelius.



## Digital strategy: we move with our audiences

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The digital world offers RTL Group, as both a content company and a brand company, many opportunities for new business models. The Group has defined clear priorities for the digital world: the first is to develop our strong families of TV channels into multi-platform families. We call this 'moving with our audiences'. The second is to make further online investments in all areas with high growth potential that complement the company's core business.

In 2008, our operations significantly stepped up their digital activities with targeted acquisitions and investments in new launches. RTL Group has built up comprehensive catch-up TV services in its major markets Germany, France, the Netherlands and the UK. In total, our online platforms across Europe registered more than 500 million video streams in 2008, which delivered professionally produced content – from highlight clips to complete episodes of shows and series – to our viewers.

In the Netherlands, RTL 24 was launched in June 2008. It is the first exclusive news channel for mobile phones which offers RTL Nederland's most popular news programmes.

In Germany, Mediengruppe RTL Deutschland acquired 100 per cent of the fast-growing social network *Wer-kennt-wen.de* in two steps. The site was one of the big success stories on the web in 2008: its number of registered members grew from around one million in December 2007 to well over five million at the end of 2008. In France, Groupe M6 completed the full acquisition of the Cyréal group. The main activities of Cyréal include three editorial websites – focusing on high technology, video games

and e-business – plus a price comparison site. Thanks to the integration of Cyréalisis, Groupe M6 reached an audience of 13 million unique visitors in November 2008 – two and a half times more than the previous year.

The German channel Vox launched two new thematic websites, one catering to women and a cooking community. Both sites have steadily increased their traffic since launch.

In November 2008, FremantleMedia announced an agreement with YouTube, making it the first global producer to offer two different strands of programming – firstly, new online formats that will be distributed exclusively via YouTube and secondly, utilising YouTube as a web platform for many of FremantleMedia's current and future TV shows. The new relationship enables both companies to share all advertising revenues generated from the FremantleMedia YouTube channels and videos.

## Management changes

At the end of 2008, Andreas Rudas was appointed Executive Vice President Regional Operations & Business Development Central and Eastern Europe at RTL Group's headquarters and has become a member of the RTL Group Executive Committee. Among other responsibilities, Andreas Rudas will explore business opportunities for RTL Group in Central and Eastern Europe as well as in Asia. Thanks to his extensive experience in Eastern European markets, he is excellently qualified to handle this assignment.

In February 2008, Bert Habets took over from Fons van Westerloo as CEO of RTL Nederland. Bert will take on the big opportunities and challenges of the digital world, fully leveraging our strong TV, radio, diversification and internet activities in the Netherlands.

In October 2008, Dawn Airey returned to RTL Group as the new Chair and Chief Executive of Five, the channel she had already successfully led from 2000 to 2003. Dawn is one of the most experienced TV executives of her generation. With her perfect understanding of programmes, audiences and advertisers, she will ensure Five's positioning as a vitalised and entertaining broadcaster that cannot be ignored.

## Dividend

Based on the 2008 results and the cash position, we propose a total dividend of €3.50 per share, including a special dividend of €2.10 per share. This would mean that RTL Group, which is debt-free, will have distributed almost €1.8 billion to its shareholders for the fiscal years 2006 to 2008 alone – and would continue to have a high net cash position.

## Looking ahead

Operating in a very challenging time, we are experiencing a substantial slowdown in advertising bookings. We will respond to

"We are focusing on our core business and we are already in the process of reviewing all costs and structures."

this by focusing on our core business, and by reviewing all costs and structures.

Given the current state of the advertising markets, and the very short-term bookings cycle, it is impossible to give reliable full-year guidance. But it has to be expected that the profitability level will be down compared to 2008.

## The value of television

The basic human need to lean back, relax and be entertained remains unchanged. That is what television does so well, and that is precisely what our customers expect and appreciate – especially in difficult economic times, as rising figures for TV viewing time prove.

RTL Group is a healthy company – profitable, debt-free, with strong cash flows. This is the result of the hard work of our creative and passionate employees and of our excellent management team which knows the needs of our business.

So I'd like to end this report on a high note: in a unique extension of the *Idols* brand, FremantleMedia succeeded in closing a deal to create a TV programme-based attraction at Walt Disney World Resort Florida, called the *American Idol Attraction*, which opened in February 2009. This attraction will make dreams come true – for future pop stars as well as for all of us who believe in the power of television.



**Gerhard Zeiler**  
Chief Executive Officer

# PROFIT CENTRES

## AT A GLANCE

### GERMANY

Television and radio

2008 2007

Revenue	€2,046m	€1,983m
EBITA	€422m	€336m
Advertising market share	46.4%	43.3%
Audience share*	32.9%	33.6%

\*Target: 14-49

### FRANCE

Television

2008 2007

Revenue	€1,354m	€1,357m
EBITA	€196m	€237m
Advertising market share	21.3%	20.4%
Audience share*	17.5%	18.0%

\*Target: housewives <50

### FREMANTLEMEDIA

Content

2008 2007

Revenue	€1,203m	€1,132m
EBITA	€155m	€131m

### NETHERLANDS

Television and radio

2008 2007

Revenue	€436m	€408m
EBITA	€70m	€85m
Advertising market share	39.1%	40.4%
Audience share*	30.5%	29.7%

\*Target: shoppers 20-49 (18-24h)

### UNITED KINGDOM

Television

2008 2007

Revenue	€432m	€499m
EBITA	€(2)m	€10m
Advertising market share	9.6%	9.3%
Audience share*	6.2%	6.2%

\*Target: 16+ (including Five USA and Fiver)

### BELGIUM

Television and radio

2008 2007

Revenue	€216m	€210m
EBITA	€39m	€49m
Advertising market share	70.4%	71.1%
Audience share*	36.0%	35.3%

\*Target shoppers: 18-54 (17-23h)

FRANCE

Radio

2008 2007

Revenue	€ 189m	€ 190m
EBITA	€ 32m	€ 33m
Advertising market share	28.4%	27.8%
Audience share*	19.8%	19.6%

\* Target: 13+

LUXEMBOURG

Television, radio and technical services

2008 2007

Revenue	€ 93m	€ 86m
EBITA	€ 1m	€ 1m

CROATIA

Television

2008 2007

Revenue	€ 50m	€ 48m
EBITA	€ 2m	€ 2m
Advertising market share	42.9%	42.3%
Audience share*	26.4%	28.3%

\* Target: 18-49

SPAIN

Television and radio

2008 2007

EBITA (Group contribution)	€ 19m	€ 40m
Advertising market share	22.9%	24.9%
Audience share*	17.4%	18.3%

\* Target: 13-55

HUNGARY

Television

2008 2007

EBITA (Group contribution)	€ 10m	€ 7m
Advertising market share	46.6%	47.6%
Audience share*	32.6%	34.8%

\* Target: 18-49 (prime time)

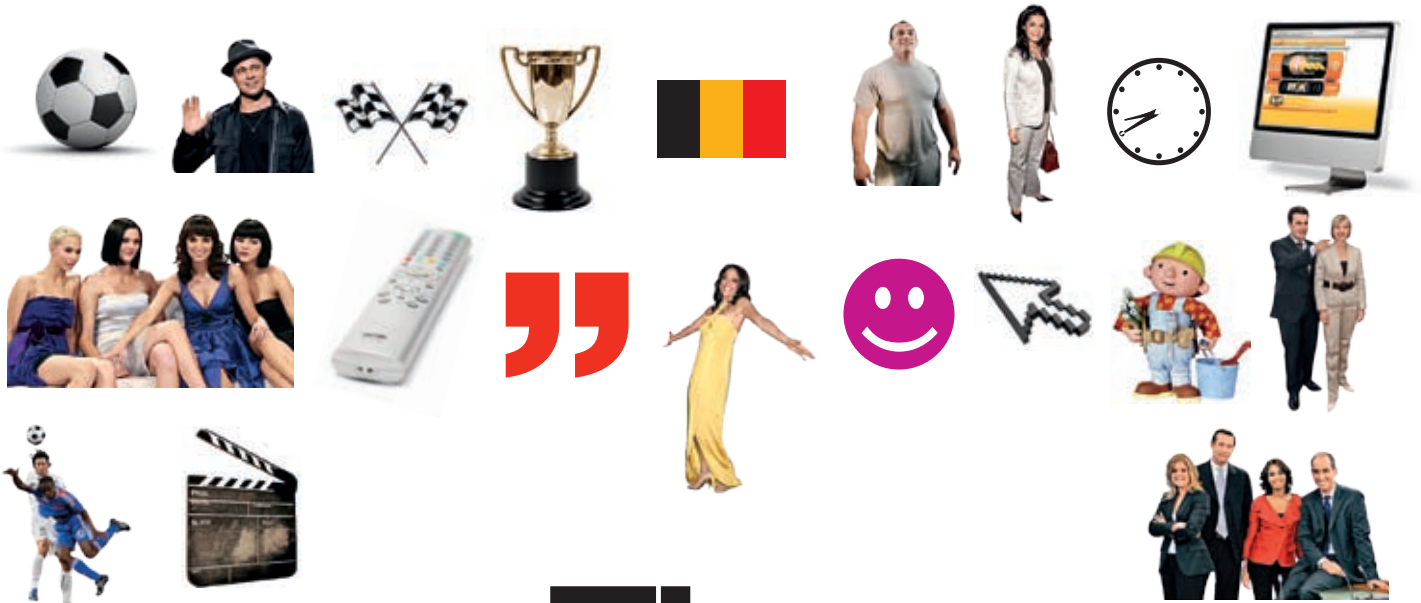
RUSSIA

Television

2008 2007

EBITA (Group contribution)	€ 4m	€ 2m
Advertising market share	5.3%	5.3%
Audience share*	5.4%	5.2%

\* Target: 18-54



# The year in review



From audience shares to page impressions, from established favourites to new hit formats, from jungle fever in Australia and Argentina to an investigative expedition to environmental 'hotspots' around the world – here's a summary of some of the main stories of 2008 from across the RTL Group of TV, radio, internet and production companies.





## France Radio

### Welcome to the movie world



\*\*\* In 2008 RTL Radio was the proud partner of French cinema's biggest ever success. Within days of its release, you could hear dialogue from *Bienvenue chez les Ch'tis* (Welcome To The Sticks) in playgrounds and offices all over France. And within six months of release, the movie had sold over 20 million tickets. \*\*\*\*\* The movie is based on the story of a postman from the French Riviera forced to leave the sunny south to move to the far north of France, seen as hostile. A string of north-south stereotypes are then addressed and ridiculed in hilarious fashion. \*\*\*\*\* As the exclusive radio partner, RTL Radio followed the blockbuster along its dazzling rise from the beginning, through special Ch'tis days in April 2008, right up to the special party to celebrate sales of 20 million. RTL Radio was the main medium chosen by director and actor Dany Boon (pictured above) to promote the movie, and can be said to have truly played a part in the movie's success.



#### RTL Group THE NUMBERS ADD UP

**8/10**

RTL TELEVIIZIJA AIRED EIGHT OF THE TEN MOST-WATCHED MOVIES ON CROATIAN TELEVISION IN 2008.

\*\*\*

**327/366**

DURING 2008, RTL KLUB WAS THE MOST WATCHED CHANNEL IN HUNGARY ON 327 OUT OF 366 EVENINGS.

\*\*\*

**7/7**

RTL TELEVISION BROADCAST ALL OF THE TOP SEVEN US DRAMA SERIES IN GERMANY IN 2008.

\*\*\*

**18/25**

18 OF THE 25 HIGHEST RATED PROGRAMMES IN FRENCH-SPEAKING BELGIUM WERE AIRED ON RTL-TV1 IN 2008.

#### RTL Televizija

# SUPER BRAND



**Croatia** Looking forward to its fifth anniversary in 2009, RTL Televizija had a busy 2008 – it confirmed its position as a leader in the local TV market, launched a new digital channel, and strengthened its information output by opening six regional news centres. No wonder it now proudly enjoys Super-brand status, as one of the leading 100 brands in Croatia.

This year's launch of RTL Plus, a new digital channel on T-Com's Max TV platform, is a major technological step forward and confirms the company's

status as a local trend-setter. Viewers can watch their favourite TV shows time and again, catch up with programmes they missed and enjoy premieres of new films. The launch also creates opportunities for additional sponsorship and advertising packages.

The six regional news centres RTL Televizija opened in 2008 provide first-hand information from around the country to complement the output of the team of journalists, hosts, producers and editors at the main centre in Zagreb. These additional bases have helped improve the quality of coverage, resulting in a 73 per cent increase in the news broadcast ratings.





Swedish dancer  
Isabel Edvardsson  
gets the jungle bug

**Germany** RTL Television kicked off 2008 with a third season of the popular reality show *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity... Get Me Out Of Here!). Up to 7.2 million viewers tuned in to see the celebrity contestants in their new home in the Australian outback. The programme is definitely the talk of the moment, whether in the workplace or at school, and wins strong ratings across all professional and educational backgrounds. And as a major topic of conversation, it also means many people use the video websites *RTLnow.de*, *Clipfish.de* and *RTL.de* to re-live their favourite moments. It really is a genuinely popular success story.



Estelle Denis,  
presenter of the information  
magazine 100% mag

### France Television

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## BUCKING THE TREND

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*The swift expansion of free digital television in France has been attacking the market share of major broadcasters, but M6, “the little channel that’s going places”, showed strong resistance in 2008, thanks to some wise moves in prime time and access prime time programming.*

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With a variety of popular information magazines, shows, factual entertainment formats and drama series, M6 was the only major French channel with stable prime time viewer ratings, reaching an average evening audience for the year of 3.4 million. And two new programmes in the access prime time early evening period – the culinary show *Un dîner presque parfait* and information magazine *100% mag* – helped double M6’s audience in that slot, between December 2007 and December 2008.

RTL Group

# GEOGRAPHICAL EXPANSION

In 2008, the leading European entertainment network again grew larger: RTL Group entered the Greek market by acquiring a 66.6 per cent majority shareholding in Alpha Media Group, the country's fourth largest broadcasting company. The deal meant the national TV channel Alpha TV, the regional TV channel Kanali 9 Thessaloniki, two radio stations and an in-house production company, all became part of the international RTL family.

## RTL goes fashion



*As part of a vintage collection, Adidas is selling replica 1987 Olympique Marseille football shirts featuring the main sponsor at the time – RTL. The original Olympique Marseille shirt was worn during the 1987 French cup, the Coupe de France. With RTL as sponsor the team reached the final, where they were beaten 2:0 by Girondins de Bordeaux – the club that is owned today by Groupe M6. ★*

Germany

# MEET YOU ON WKW

Fabian Jager (left) and Patrick Ohler, co-founders of *Wer-kennt-wen.de*



➤ In February 2008, RTL Interactive acquired a 49 per cent share in *Wer-kennt-wen.de* (*WKW*), the social networking site which, with more than 5.5 million users, is rapidly becoming one of Germany's best-loved sites. So one year later, RTL Interactive completely took over the website.

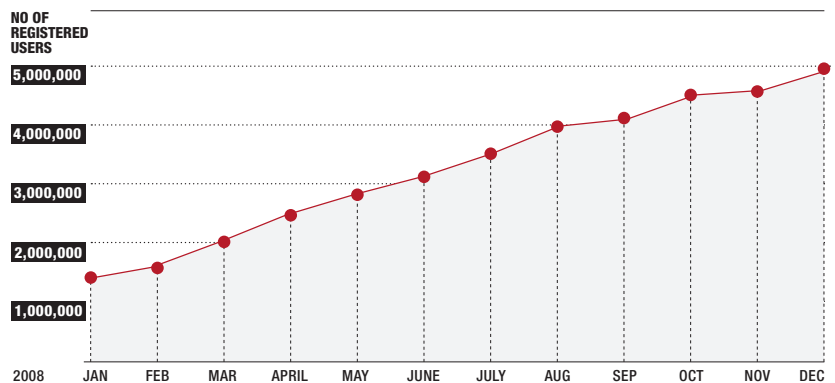
It seems like all internet success stories spring from talented students with creative (but simple) ideas – *WKW* is no exception. Co-founders Fabian Jager (26) and Patrick Ohler (27) met while studying computer mapping – though they also attended lectures on other subjects such as psychology, philosophy and art. This broad learning really seems to have paid off, and the site is accessible to internet novices and computer nerds alike – one

regular user is 95 (and she always drops in “on Tuesdays”).

To join *WKW* you have to be invited by an existing member, and this, along with the fact that users provide their real name, helps to build a strong community atmosphere, where people can meet, find old friends, and communicate in a ‘human’ way. Fabian Jager summarises the site's ambition nicely: “*WKW* aims to reflect real life in all its diversity.”

Following its incredible expansion, the site ranks second in Germany's official IVW online ranking for page impressions. In addition, *WKW* was one of the ten fastest-growing search terms worldwide in 2008. With RTL Interactive's involvement really strengthening the site's advertising prospects, *WKW* continues to go from strength to strength.

## STEADY EXPANSION



# Exciting projects **COMING TO THE BIG SCREEN**

UFA is one of the most prestigious names in German film history, but began shifting its focus to TV production in the 1960s. However, with a range of exciting adaptations in the pipeline, it looks as if UFA is set once again to draw increasing numbers of viewers to the big screen.



**FremantleMedia** In August 2008, the studio announced its line-up of upcoming screen projects, a number of which will be adapted from much-loved books. Wolf Bauer, CEO of UFA Film & TV Produktion, is particularly happy about securing the rights for Noah Gordon's *The Physician*: "For 20 years I've been thinking 'we have to make a film of this.' We spent days chatting with Noah Gordon, and in the end it wasn't about the money – it was our content that convinced him."

And what else is coming up? Highlights include big-screen versions of Bernard Schlink's *The Weekend*, Schiller's *The Robbers* and Julia Franck's *Midday Lady*. There'll even be an adaptation of Enid Blyton's classic *St Clare's* series. The emphasis is on quality and diversity. UFA's resurgence as a major player in German cinema is coming at a promising time, with the market share of domestic output enjoying a sharp rise.

RTL Group's adventures in cinema aren't confined to Germany. In the UK, Talkback Thames is embarking on its first theatrical release, *1939*. Aside from an impressive cast of British actors, the World War II drama also marks the return to cinema of one of Britain's most treasured writers, Stephen Poliakoff.



Noah Gordon (above), author of the bestseller *The Physician*. He and his daughter, Lise Gordon, are writing the screenplay for UFA Cinema's movie version. Below: British children's writer Enid Blyton (left) and Julia Franck, the author of *Midday Lady*



ALSO COMING SOON FROM UFA CINEMA +++ **HEMPEL'S SOFA** comedy adapted from Ralf König's comic of the same name +++ **JUNGLE CHILD** family entertainment adapted from the childhood memories of Sabine Kuegler +++ **MARNIE'S WORLD** 3D computer-generated film adapted from the script by Christoph and Wolfgang Lauenstein +++



Germany

Established superstars (Mariah Carey and judge Dieter Bohlen) and new superstar (Thomas Godoj), united in Germany's most popular talent show

## FIRST: THE SHOW. THEN: THE CHARTS

During 2008, RTL Television ran another season of the wildly popular talent contest *Deutschland sucht den Superstar* (Idols). Almost 30,000 hopefuls auditioned this time round, before Thomas Godoj was eventually crowned the new idol in May. He shot straight to the top of the charts, promptly replacing last year's winner, Mark Medlock.

### France Radio

## First Lady of radio

RTL Radio's host Laurent Boyer had a very special guest in September 2008 – Carla Bruni. "I've known Carla for many years," says Laurent. "And I've followed her career as a model and singer. But now she's our First Lady, I admit I was a little awe-struck." Yet despite her recent rise to a higher level of celebrity, Carla Bruni came across as a modest lady with an enduring love of music. When asked what she would take to a desert island, Carla replied,

"a radio, and lots of batteries, for songs and news."



Carla Bruni with RTL Radio's host Laurent Boyer

FremantleMedia

## Police forces join forces



The *Soko Leipzig* team (left) united with *The Bill*; a German-British collaboration that fights for the right

In a European first, UFA Fernsehproduktion and Talkback Thames combined their flagship police dramas to create a very special TV event. The ambitious idea was basically a simple one; take two successful police shows, *The Bill* from the UK and *Soko Leipzig* from Germany, and see what happens when you mix them together. The plan was to achieve more than great television – it was also about embarking on a unique learning experience for the production teams involved.

In some ways, the programmes didn't make for a simple match; their production styles differ greatly, and so do their basic format (*The Bill* is a continuing drama, while *Soko Leipzig* is a serial). Each production team edited the footage themselves to create a finished product which matched their audience's expectations. With all of these differences, collaboration was key to making this joint production a success.

"For us, the teamwork we developed has been extremely inspiring, instructive and fun," reveal German producers Norbert Sauer and Jörg Winger. "We see this project as a real milestone on our way to a broader vision for European programming."

The British broadcast (*The Bill – Proof of Life*) aired in November 2008, winning an outstanding market share of 24 per cent on ITV, while *Soko Leipzig* fans can look forward to their version later in 2009.



## Good husbandry

Germany

The popularity of talent shows might suggest that audiences are hungry for bright lights and glamour only, but the hugely impressive ratings for the TV romance show *Bauer sucht Frau* suggest otherwise. At its peak, **NEARLY 10 MILLION VIEWERS** tuned in to watch lonely farmers find a wife. And perhaps it's no surprise that *Bauer sucht Frau* achieved particularly strong ratings in rural areas.

The uncontested star of season 4 was farmer Heinrich (pictured above). He won himself a place in viewers' hearts after he sang *Das Schäferlied* – a homage to the simple life of a shepherd – on air, and soon had the whole of Germany rooting for him. Though his rendition of the song even became a successful single, Heinrich's search for a wife continues...

+++

# N°1

IN BELGIUM –

EVERY DAY

With a total audience share of 41.9 per cent, RTL-TV's midday news was the leader every day in 2008

+++

Netherlands

## Party time

Every 30 April, Museumplein Square in Amsterdam, plays host to a huge Queen's Day party organised by Radio 538. In 2008, the event – with its impressive line-up and the perennial throng of orange-clad revellers – was recorded by RTL 5 and broadcast the same evening.

Hosted by the Dutch pop queen and RTL 5 presenter EliZe, and Radio 538 DJ Frank Dane the concert coverage took the lively event to a wider audience, and also took RTL 5 viewers backstage for exclusive interviews with the stars – including Kane, Jan Smit and Alain Clark. RTL 5 joining forces with Radio 538, which became part of the RTL family in 2007, was a major success, and collaboration on this year's Queen's Day party is already planned. RTL 5 and Radio 538 are a good match, both appealing to a younger crowd, and they will certainly be looking for more opportunities to bring TV and radio together at big events like this.



RADIO=538

rt(5)

# EURO 2008

EVENT OF THE YEAR



Germany

## Close to the excitement

In June, Radio Center Berlin (RCB) launched a unique web portal to accompany the Euro 2008 finals, accessible via the homepages of no less than 16 German private radio stations. At the heart of the portal, Euro Radio, a web radio station created specifically for the event, brought football fans live coverage of every Germany game and all matches from the knockout stages onwards.

The portal also featured a 'live ticker' with key statistics and background information on every aspect of the event.

"With live games, behind-the-scenes access to teams and players, plus all the latest news and gossip, our online portal meant superb, in-depth coverage for football fans all over Germany.

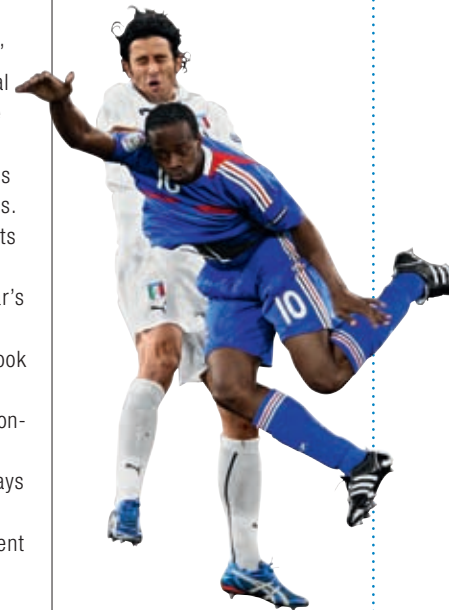
It helped get the fans closer to the incredible excitement and emotion the tournament always generates," says Stephan Schmitter, RCB's Managing Director.

France Television

## M6 ON THE BALL AT EURO 2008

In June, fans of 'Les Bleus' watched the French national football team on M6 for the first time as the channel secured broadcasting rights to 15 key Euro 2008 games. On 17 June, M6 recorded its highest ever audience at 13.2 million – also the year's highest viewer rating of any network – as France took on Italy.

"The European Championship is tremendously important to our image," says Nicolas de Tavernost, Chairman of the Management Board of Groupe M6, "as football is the leading televised sport in France." M6 also hosted a website and mobile phone content dedicated to the event, keeping football fans updated and involved in promotions and competitions. Match highlights, unique aerial footage of games, up-to-the minute tournament news, plus background facts and figures on all the teams competing at Euro 2008 made sure even the most avid football fans weren't left wanting.



*"The European Championship is tremendously important to our image, as football is the leading televised sport in France."*

**NICOLAS DE TAVERNOST,**  
CHAIRMAN OF THE  
MANAGEMENT BOARD  
OF GROUPE M6

13.2m

VIEWERS ON M6



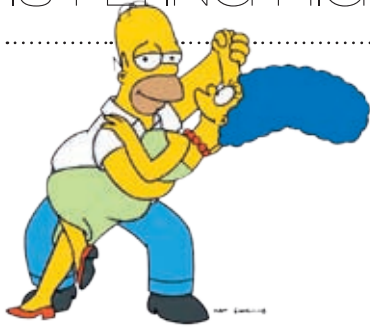
THE YEAR'S HIGHEST VIEWER RATING OF ANY NETWORK IN FRANCE

**19.9%**  
MORE VISITS

## France Television

# W9

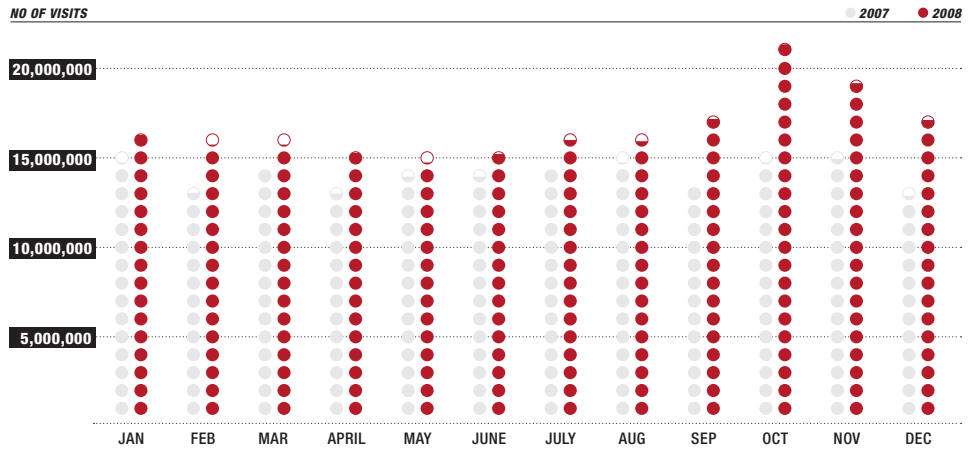
## IS FLYING HIGH



**Doubling its total audience share from 0.9 per cent to 1.8 per cent within a year is a larger rise than that recorded by any other French channel – and shows just how well W9 has established itself in France’s TV landscape.**

Today, more than 27 million viewers tune into W9 each week to enjoy popular series such as *The Simpsons* and a fine selection of blockbuster films. The digital terrestrial TV market, which is where W9 is available, is itself growing fast, and now covers 19.5 million viewers compared to 11.5 million at the end of 2007. W9’s share of this market is even more impressive, standing at 3.8 per cent in 2008. With rapidly growing advertising revenue the channel generated an operating profit for the first time.

## N-TV'S RISING WEB POPULARITY



In a year packed with news, such as the US presidential elections and the financial crisis, visits on N-TV's website were up 19.9 per cent year on year. In October, *N-TV.de* reached a new all-time high, with usage peaking at 21 million visits. N-TV's other platforms – teletext, mobile internet and the interactive TV service N-TV plus – also report strong growth.

## Going digital in Spain



Three years after digital terrestrial television (DTT) was launched in Spain, Antena Neox and Antena Nova have consolidated their leading position among the digital channels. Antena Neox led the digital channels for 10 months, and led for the whole of 2008 in prime time, with Antena Nova as the second most popular digital channel in this slot. The two channels already account for 1 per cent audience share, but among households which receive digital television, Antena Ne-

ox and Antena Nova's audience shares stand respectively at 3.7 per cent and 2.2 per cent. More than 50 programmes were exclusively broadcast by, or produced for, the two channels, more than any other digital channel.

Antena 3 has also expanded its presence on the web with close to 250 million video streams in 2008, especially through *Antena3videos.com*. And the new general website *Antena3.com*, relaunched in September 2008, has boosted unique users and visits to 3 million and 8 million a month respectively.



*Los Hombres de Paco* also runs on the digital channel Antena Neox

## INTERNET FACTS

+++++++ **Germany** The infotainment portal *RTL.de* averaged 40 million visits a month according to the official IWW online ranking – a 27 per cent increase year on year ++++++++ **France** Groupe M6 reached an audience of 13 million unique visitors in November 2008 – two and a half times more than the previous year, with 5.2 million unique visitors ++++++++ **Netherlands** The total number of video viewings on RTL Nederland's websites amounted to 91 million, up 78 per cent year on year ++++++++ **France** The online shop *Mistergooddeal.com* offers 120,000 items. The site has 1.3 million customers and attracts 250,000 visits per day ++++++++





Hungary

THE JOY OF THE TWISTS AND TURNS

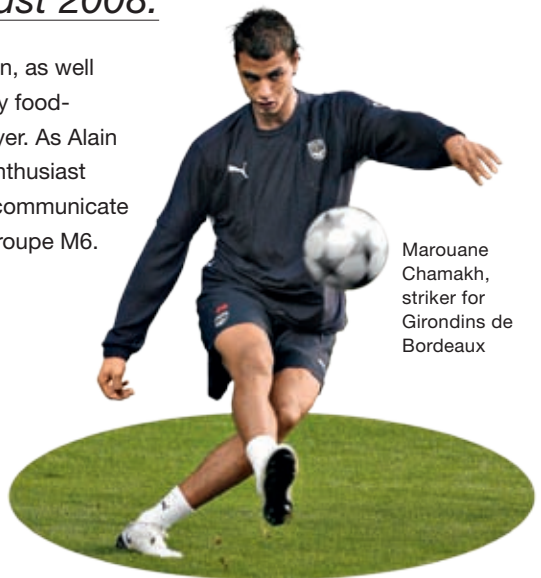
RTL Klub's version of the international hit format *I'm A Celebrity... Get Me Out Of Here!* has further strengthened the channel's status as market leader. The reality show, filmed in the Argentinian rainforest, has shot to the top of the ratings list and earned itself an average market share of 41.4 per cent of the 18 to 49 age group. Following celebrities' progress through a series of gruelling and often stomach-churning missions seems to be compulsive viewing.

Voted for by the public, pop star Mariann Falusi (pictured left) was the first series' queen of the jungle. The second series began just four days after the first had finished, with a brand new batch of ten celebrities helping RTL Klub aim for even greater heights – and the final episode was watched by 49.8 per cent of the target group.

France Television

**Round-the-clock football.** *Football fans – especially loyal Girondins de Bordeaux supporters – now have 24/7 access to the club, thanks to a new M6 channel launched in August 2008.*

Girondins TV shows pre-recorded matches and highlights throughout the season, as well as a daily talk show that monitors and discusses the club's fortunes. And for any food-loving football fan, there's even a cookery programme featuring a Bordeaux player. As Alain Deveseleer, the club's Chief Executive puts it, "Girondins TV takes the soccer enthusiast to the heart of a big club, and allows Girondins de Bordeaux and its players to communicate on a new and exciting level." The football club is a 100 per cent subsidiary of Groupe M6.



Marouane Chamakh, striker for Girondins de Bordeaux

24/7

United Kingdom

Dawn Airey returned to Five as Chair and CEO in October 2008, with some well-documented ideas about building on Five's reputation for entertainment, and a desire to bring more laughs to the channel.

# CREATIVE



# RENEWAL

\_\_\_\_\_ We asked her about her plans, and what she thought Five stood for today. And also about finance. Dawn started with what she found on her return to Five: "We'd become a bit serious," she suggests, "perhaps a bit obsessed with war, history and criminals, with a lot of factual programming. We needed a bit of personality."

\_\_\_\_\_ What sort of personality? "Well, we certainly don't want to be a 'me-too' channel", Dawn replies, "We're soon going to be entering our teens, **so we need to be a challenger, someone with a bit of energy.** What you'll see come through is a wry sense of humour, a channel that likes stirring things up, and not afraid of poking fun, whether that's at ourselves, or the topic, or other broadcasters, even."

\_\_\_\_\_ As if to explain the last point, Dawn mentions *Cowboy Builders* as an example of how the channel will take a well-known TV genre – home makeover shows – and capture the imagination by doing something a little bit different. In this case it's tracking down and punishing builders responsible for inferior work – as well as putting right their poor workmanship. Even just the title of December's successful documentary *Ant & Dec – Where Did It All Go Right?* hints at the channel's cheeky humour. The show tracks the breaks the pair got in their journey from relatively unknown child actors to two of today's highest paid British TV stars. A similar show in the *Where Did It All Go Right?* format displays the mischievous humour Dawn talks about in tracking the rise to fame of superstar girl band Girls Aloud.



Shane Richie and Lex Shrapnel in *Minder* (right). Plus the award-winning press ad for Five's fast turnaround documentary on the Brand and Ross controversy



\_\_\_\_\_ In Dawn's words, **"we are easy to watch, fun, self-confident, optimistic, provocative on occasion and, primarily, entertaining."**

Another good example of the new Five is the 'fast turnaround' documentary format such as the recent look at the Russell Brand and Jonathan Ross controversy. It got lots of attention and a large audience, and for Dawn, "it makes us feel alive as a channel and shows we're aware of what's going on. And it gives the showbiz commentators something to comment on. So it works on multiple levels – good for advertisers, good for journalists and entertaining for viewers. I'd like to do one a week but it's more likely to be one a fortnight."

\_\_\_\_\_ The relaunch of *Minder*, an Eighties classic remade by Talkback Thames, is another success that captures the new personality well.

**"It's done with fun, wit and energy and it's got people talking about the channel again,"** says Dawn, "it's got a big star with a loyal following, in Shane Richie, and we need more big stars on the channel. And London itself stars as well, it's beautifully shot. It's the first original drama on the channel for some time – I can't claim the credit though, it was underway before I returned."

\_\_\_\_\_ So, much more light-heartedness is the order of the day. But is this right for tough economic times? "Oh yes," says Dawn, "it's particularly important now – something that makes you feel good is what's wanted." What about Five's finances? "Times like these do focus your mind on expenditure and value for money," Dawn answers, "There are things we can do – suppliers are keeping prices down, and we've been more analytical about our stock, the repeats we can use. We are also interested in producer or advertiser funded programmes – after all, we have prime time slots to offer." She then adds, "Reappraising costs can allow you to do brave things, and come out stronger. To use a Darwin analogy in this Darwin anniversary year, it's not necessarily the fittest that survive, but the most adaptable."

\_\_\_\_\_ One area that shows this adaptability and flexibility is news. "News is something else we can do differently from others. Our 5 o'clock news is a top-rated early evening news show, and has always been important for us," explains Dawn, **"We've got the agenda right for young people."** The idea is to lead with the story people are talking about. So it might be health, education or a celebrity story rather than what is necessarily the main global or political item. We'll also be starting a one-hour, early evening (18:30, following the soap hour) current affairs magazine show, covering all the day's events in an open, relaxed, chatty style. I think we can continue to do well with a different approach to news."

\_\_\_\_\_ Sport has always been an important part of the mix at Five, and to add to the popular cricket highlights and the late night coverage of top American sports there is a new Uefa package starting in autumn with a significant amount of matches. There's also a fresh look to the family of complementary channels, with the new names of Five USA and Fiver, and both channels growing steadily.

\_\_\_\_\_ To sum up though, Dawn returns to the economic situation: "Every free-to-air broadcaster needs to be thinking about commercial survival at the moment," she says, "so as I mentioned, we are having to take an analytical approach to all our spending. But at the same time, we have to plan for the long term, and ours is a clear strategy of creative renewal."

17

**MILLION VIEWERS**

– nearly one third of the UK population – watched a Talkback Thames show on Saturday 20 September 2008, thanks to *Hole In The Wall* (BBC One), *The X Factor* (ITV 1) and *All Star Family Fortunes* (ITV 1)

Russia

Klub 100

– a fresh look and feel

February saw the launch of a new media brand for Russia and the Commonwealth of Independent States (CIS). Four of Content Union's channels – Russkiy Illusion, Illusion Plus, Zoo Park and Detskiy – covering movies, nature and children's programming, now all have new Klub 100 identities. At the end of 2008, the four channels reached 4.7 million subscribers, up 49 per cent year on year.

Anatoly Sosnovskiy, CEO of Content Union says: "It underlines our aspirations and the values we share with our viewers. We will gradually improve quality and launch new thematic channels, which will mean new job opportunities, especially in programming."



France Television



**LITTLE NICK MAKES IT BIG**

M6 Studio has teamed up with French studio Method Animation to produce 52 twelve-minute episodes of *Le Petit Nicolas* (Little Nick). René Goscinny and animator Jean-Jacques Sempé – creators of *Asterix* – introduced the mischievous schoolboy character in 1959.

*Little Nick's* timeless appeal has entertained generations of children over the last 50 years. "Goscinny's dialogue and humour and Sempé's graphic talent are so subtle and central to the character. So we needed to bring together the finest writers and illustrators in the business to do the character justice," says Natalie Altmann, Head of Children's Programmes for M6.

René Goscinny's daughter, Anne, who handles publishing rights to *Little Nick*, is thrilled with the project. "M6 and Method Animation are doing a wonderful job on the adaptation," she says. "It's a pleasure to work with them."

FremantleMedia



HOLE IN THE WALL

THE WHOLE WORLD'S JUMPING THROUGH HOLES

With the format being snapped up by more than 30 countries across the globe, FremantleMedia's *Hole In The Wall* was one of 2008's real breakthrough stories. Who'd have thought celebrities jumping through holes would be so popular?

The format began on Fuji TV in Japan, and as Vasha Wallace, Senior Vice President of Format Acquisitions at FremantleMedia, explains: "Fuji wanted to create a global brand. They trusted us to do that."

Not surprisingly, a number of people at FremantleMedia expressed some doubts about whether the idiosyncratic format with strange and hilarious physical challenges could support a whole show. But with 'Human Tetris' achieving over 10 million hits on YouTube, the chances for success were in FremantleMedia's favour. One of the secrets behind *Hole In The Wall's* international success is the fact that it's so easy to adapt for different countries. As Rob Clark, Senior EVP, Entertainment and Production at FremantleMedia, says, "People falling in water, people dressed in spandex, people playing silly games – it's funny anywhere."

*Hole In The Wall* has already been bought by a number of flagship broadcasters, such as Fox in the US and BBC One in the UK. And as FremantleMedia's fastest selling international 'roll out' it's certainly a lesson in how the most basic of formats are often the most successful.

105,000 copies sold within one day  
**The X Factor** champion Alexandra Burke's debut single release *Hallelujah* has become the fastest selling download single in history across the whole of Europe.





## France Television

### M6 on the move

Following its successful introduction of M6 web content to French mobile operators in June 2008, M6 Mobile by Orange has taken another big step forward in new media. In November it launched its 3G+ key, a USB device no bigger than a memory stick, which gives users

instant access to the internet anytime and anywhere – even on the move. Just plug it in, and you're online.

Nicolas de Tavernost, Chairman of the Management Board of Groupe M6, says, "It's the next stage in our strong partnership

with Orange. With this launch, we aim to make mobile internet access available to everyone."

Until 31 March 2009, M6's 3G+ key users have unlimited access to a wide range of M6 sites, including *Ozap.com* and *Turbo.fr*.

## FremantleMedia YouTube deal opens doors for online opportunities

FremantleMedia's partnership with YouTube is one of those deals that really makes sense for both parties – YouTube can now play an important role in distributing and promoting FremantleMedia programmes, and FremantleMedia will now be able to fully brand its YouTube output. The two companies will share all advertising revenues generated from the platforms, channels and videos.

Although this isn't the first partnership between YouTube and FremantleMedia (both *Hole in the Wall* and *The X Factor* already have YouTube channels), it's by far the most comprehensive. And FremantleMedia will be one of the first major media companies to make the most of YouTube's Video ID technology, which gives rights owners much more control over how their content is used online.



## Antena 3 Films

# BOX OFFICE LEADER



Founded in 2000 to make top quality movies and television films, Antena 3 Films has since created more than 50 films and achieved great box office success.

Producing films in both English and Spanish, Antena 3 Films is responsible for three of the six most watched films in Spain during 2008. One of these, *Mortadelo y Filemon: Mision salvar la Tierra*, a live-action adaptation of a series of Spanish comic books about a pair of spies, attracted almost 1.4 million viewers. Another Antena 3 Films production, Woody Allen's latest film, *Vicky Cristina Barcelona*, ranked third in number of viewers with over one million.

With so many successful productions under its belt, Antena 3 Films is ahead of its main competitors and currently enjoys the highest box office revenues in Spain.



Javier Bardem, Penélope Cruz, Scarlett Johansson and Woody Allen on the set of the film *Vicky Cristina Barcelona*. Penélope Cruz won the Oscar 2009 for best actress in a supporting role

Germany  
**WORTH PAYING FOR**



Pay-TV channel Passion shows episodes of the popular daily soap *Gute Zeiten, schlechte Zeiten* before they air on the main channel RTL Television

In December 2006, Mediengruppe RTL Deutschland launched **three pay-TV channels** to add to their free-to-air family of channels. RTL Crime, RTL Living and Passion are all themed channels whose output is broadly described by their names. Now, two years on, we look at how they're doing.

To set the context, it's important to point out that the German TV market is very different to many other large European countries in that it already had over 40 free-to-air channels. So launching complementary channels to protect company audience share wasn't necessarily the driving force behind the launch. Identifying gaps in the market in order to create a new revenue stream – that of subscriptions – was more the aim.

More than two million households have signed up for the channels, and RTL Crime and Passion are among the top five pay-TV channels. The aim, according to Klaus Holtmann, RTL Television's Vice President Digital Channels, is "to get on the big pay-TV packages, whether cable or satellite, and we have secured carriage deals with all the major ones – plus platforms in Switzerland and Austria and on a leading mobile network."

Klaus goes on to talk about the choice of channels: "It was a matter of looking at themes that were a match with the RTL brand, which attracted demographic profiles that pay-TV platforms appreciated, and which were perhaps under-represented in the market. For instance there were no thematic channels focusing on crime, yet RTL is very successful with US and German crime series and documentaries." Similarly Vox's cooking shows and RTL's lifestyle and coaching shows fit nicely with RTL Living. Passion is slightly different as it is a joint venture

with UFA, FremantleMedia's subsidiary in Germany. So while RTL Television has its own popular soaps, UFA can contribute soaps produced for other channels, for which it has the rights.

But clearly, while the fit with the RTL brand is important, nobody is going to pay for content they can get free. So Klaus and his team scour the TV world – including their colleagues around the wider RTL Group – for new content that's available, successful, and which will suit the German market. Their purchases include crime series, cooking and gardening shows, travelogues, telenovelas – and now, about 30 per cent of the content the digital channels broadcast has never been seen before on German TV. Another form of exclusive content Klaus looks for is programmes that may not suit the free-TV channels or their advertisers – content which tackles difficult or sensitive subjects, such as *Matrioshki*, a critically acclaimed but nonetheless disturbing Belgian thriller series about sex trafficking victims.

Passion also shows episodes of popular soaps such as *Gute Zeiten, schlechte Zeiten* before they air on the main RTL Television channel, attracting the shows' keenest fans to sign up to a pay-TV package. Says Klaus Holtmann, "Yes, that's key. With 40 free channels to compete with we have to offer something different – some real added value – to get people to choose to pay. As the pay-TV market develops, our subscriber numbers are rising, too."

**MORE THAN TWO MILLION HOUSEHOLDS HAVE SIGNED UP FOR THE CHANNELS**



## RTL Télé Lëtzebuerg at the Beijing Olympics

At five in the morning on Saturday 9 August, three of Luxembourg's finest long-distance cyclists set off from Beijing's Yongdingmen Gate on the 245km test of endurance that was the 2008 Olympics cycling road race event. RTL Télé Lëtzebuerg was there to broadcast the race live as Andy Schleck finished in fifth place. His outstanding performance was watched by thousands of supportive fans back home in Luxembourg, who also enjoyed watching their compatriots on the station's special Olympic magazine programme, broadcast every day from 8 to 24 August.

## France Radio

HIGHLIGHTING SOME OF THE CHALLENGES OUR PLANET FACES

# L'EXPÉDITION RTL

Starting in October 2008, RTL Radio's flagship show L'Expédition RTL sends journalists to nine environmental 'hotspots' worldwide, to report on just some of the many situations that put the security and welfare of the planet – and our future generations – truly in the balance.



The route taken to date by L'Expédition RTL, from Alaska, all the way across the globe to Uzbekistan and Kazakhstan

Jacques Esnous, Head of News at RTL Radio, confirms: "As France's biggest radio station, we have a responsibility to our millions of listeners. Our editorial team has always engaged with environmental subjects, but with *L'Expédition RTL* we wanted to take it a step further – not only to prick our listeners' consciences and alert them to the dangers facing the planet, but also to show how mankind adapts to necessary changes and finds a way to progress."

Each month, an RTL Radio journalist spends a week investigating and reporting on topics such as deforestation, melting ice caps, pollution, flooding and drought. "To really bring home the message, we emphasise how even environmental issues thousands of miles away directly affect us here in France," says Jacques Esnous. The popular show has become the highlight of the 2008/09 season, and runs until June 2009.

56.5%



Belgium

### Breaking news - breaking records

RTL-TVI started 2008 with a clear message. *Le Journal*, its prime time news bulletin, attracted 834,000 viewers in early January. That's 51.2 per cent of the market, and was a new record. They surpassed this one year later, in January 2009, by attracting 56.5 per cent of the viewers.

In between times, RTL-TVI's evening news achieved an average of 46.7 per cent of the viewers, and opened up a commanding gap over its public-service broadcaster rival's offering. So how does Laurent Haulotte, Head of News, explain the channel's success? "By getting closer to the issues people face and talk about every day, we're closer to our viewers," he says.

Perhaps it also has something to do with RTL-TVI sharing its editorial staff with the group's radio and internet activities in Belgium. This means a tighter, more co-operative approach that brings a quality and continuity to RTL-TVI's bulletins – something its viewers are clearly drawn to.



FremantleMedia

### EMOTIONS RUN HIGH

In October 1977, Lufthansa Flight 181 was hijacked by terrorists, and passengers were held captive for five long days. 2008 saw the moving premiere of Teamworx's dramatic re-telling of those terrifying events – *Mogadischu*.



Broadcast in November on the public channel Das Erste, the movie *Mogadischu* was watched by more than 7 million viewers.

The film begins more or less as a documentary, before turning into a reconstruction told from the victims' point of view. For 105 hours they had to endure captivity, uncertainty and many rough landings before being released by a German special unit, in Mogadischu, Somalia.

Not only was this the first time these events have been told in fictional form, but *Mogadischu* also shed light on new evidence about KGB involvement. The film also cleared up the mystery about why pilot Jürgen Schumann died during the siege. Guests at the premiere included surviving hostages and the plane's co-pilot, whose attendance made it an even more emotional affair. When the curtain dropped, the audience had to collect themselves for a few seconds before breaking into applause.

Terrorist Mahmud (Said Taghmaoui) threatens pilot Jürgen Schumann (Thomas Kretschmann)

RED  
CARPET



#### **BAMBI 2008**

Peter Kloeppele at the 2008 Bambi ceremony in Offenburg, with his award for Best German Anchor. That's two Bambis for RTL Group – Leona Lewis, FremantleMedia's *The X Factor* winner of 2006, receiving the other for Shooting Star of the Year.

## **AND THE WINNER IS...**

*A host of famous faces swept along the red carpets in 2008 as leading RTL Group personalities gathered at different events and ceremonies to collect many deserving awards for their wide-ranging achievements.*



RTL Television star Birgit Schrowange and celebrity coiffeur Udo Walz are visibly enjoying the party

SUMMER FEST IN BERLIN

Key figures from politics, business and the media attended RTL Television and N-TV's first joint Summer Fest in Berlin on 18 June 2008. Among them, German Chancellor Angela Merkel, pictured here with Anke Schäferkordt, CEO of RTL Television.

- ★ Among the guests (from left to right): politician Ronald Pofalla (CDU), actress Mariella Ahrens, politicians Guido Westerwelle (FDP) and Hubertus Heil (SPD), RTL Television news presenter Ilka Eßmüller and politician Jürgen Trittin (Bündnis 90/ Die Grünen)



MEDIAWOMAN OF THE YEAR 2008  
ANKE SCHÄFERKORDT

Idol Gives Back 2008

Musician Sheila E arrives at the taping. Rapper Snoop Dogg (below) is one of the performers at the show, Fergie from the Black Eyed Peas (below left) and soul musician John Legend (below right) at the *Idol Gives Back* ceremony



SEVENTH ANNUAL OPERATION SMILE GALA

Formed in 1982, Operation Smile helps improve the lives of children all over the world from its bases in 51 countries. At its 2008 annual gala in Beverley Hills, Gary Carter of FremantleMedia, pictured above with American Idol Elliott Yamin, received the Corporate Humanitarian Award on behalf of the Idol Gives Back Foundation. Over 600 guests helped raise approximately \$2million for Operation Smile.

IDOL GIVES BACK 2008

Kodak Theatre on 6 April 2008 in Hollywood, California

BAVARIAN TV AWARDS

HAPE KERKELING

Among five RTL Group winners at the 2008 Bavarian TV Awards was Hape Kerkeling. Judges were impressed by Hape's handling of the subject matter in *Kerkeling liest – Ich bin dann mal weg* (Kerkeling Reads – Right, I'm Off Then) which documented his pilgrimage to Santiago. A public reading of the book was broadcast on RTL Television.



RED  
CARPET



**FREMANTLEMEDIA AUSTRALIA**

**SCORES AT THE LOGIE AWARDS**

The 2008 Loggies recognised *The Choir of Hard Knocks* as Most Outstanding Factual Series, and Stephen Curry (pictured) as Most Outstanding Actor for his role in *The King*. Both titles were produced by FremantleMedia Australia.



**THE X FACTOR**

**AND THE PRINCE OF WALES**

*The X Factor* runner-up Rhydian Roberts sang for Prince Charles at a fundraising dinner in London recently. "He clearly watches the show," said Rhydian. "I was pleasantly surprised at how much he knows about it."

**PRIZES FOR SUPERSTAR NEWCOMERS**

Music artist Mark Medlock (below) walked away with the Most Successful Newcomer prize at the 2008 Echo Awards following his success in talent show *Deutschland sucht den Superstar* (Idols). One year later, Thomas Godoj (below left), winner of the fifth season, received the same Echo Award.



**NATIONAL TELEVISION AWARD FOR SIMON COWELL**

Simon Cowell received the Special Recognition Prize at the National Television Awards 2008 for revolutionising the talent show format with *Pop Idols*, *The X Factor* and *Britain's Got Talent*. It also honours the success of FremantleMedia's *Idols* and *Got Talent* formats internationally.

Sir Andrew Lloyd Webber (right) poses with winner Simon Cowell at the Royal Albert Hall on 29 October 2008 in London

A PERFECT EVENING –  
**GERMAN TV AWARDS 2008**

RTL Group took 13 of the highest accolades at the 2008 German TV Awards, often referred to as "the German Emmy". *Doctor's Diary* won Best Series, Veronica Ferres won Best Actress for her role in *Die Frau vom Checkpoint Charlie* (The Woman From Checkpoint Charlie), a UFA Fernsehproduktion production, while RTL Television's *Die Ausreißer* (The Runaways) took Best Reality Show (pictured below: social worker Thomas Sonnenburg on the left and Executive Producer Kirstin Benthous-Gebauer at the microphone).



RTL Television's in-house production *Doctor's Diary* won Best Series. Main actress Diana Amft (pictured below) alias Dr Gretchen Haase is congratulated by her two male colleagues Florian David Fitz (left) and Kai Schumann (right)



Veronica Ferres won Best Actress. Tom Sanger (pictured on the left), Head of Entertainment, Show and Daytime at RTL Television accepted Best Show for *Deutschland sucht den Superstar* (Idols)



## RTL Group

### US elections in full

#### RTL FOLLOWS THE RACE TO BE THE MOST POWERFUL LEADER IN THE WORLD

On 4 November 2008, US citizens voted for their next president. TV channels, radio stations and websites from all over the world followed one of the most exciting presidential campaigns for decades, culminating in Barack Obama's historic victory.

Such a major event in world politics – one that affects the wider world as much as the American voters – merits close attention. RTL Group brought the best possible coverage of the gripping build-up and the election night to its viewers across Europe, with correspondents in key locations across the United States. In Germany, RTL Television teamed up with the N-TV news channel to broadcast live from New York.

**BETWEEN 00:30 AND 03:00, THE AVERAGE MARKET SHARE IN THE TARGET DEMOGRAPHIC WAS 15.4 PER CENT, PUTTING THE TWO CHANNELS WELL AHEAD OF THE PUBLIC BROADCASTERS ZDF AND ARD.**

In Belgium, RTL-TVI's reports were in the style of road movies; in the UK, Five's Jonathan Samuels reported via a blog, *How America Works*; while in the Netherlands, RTL 4 visited and interviewed Dutch celebrities in California. The high point was, as ever, election night, when RTL Radio in France broadcast a nine-and-a-half-hour live special, *La Nuit Americaine*, following all the votes as they came in, and the drama unfolded.

## France Television

### THE WEB IS GROWING!



Groupe M6's determination to grow into one of the leading web players in France took several big steps forward in 2008. In April it secured a 100 per cent stake in internet specialist Cyréalisis while later in the year launching or re-launching new thematic sites based on its programme brands.

While the Cyréalisis deal brings a wealth of experience and four successful websites, already receiving over five million hits a month between them, M6 Web has also focused this year on developing its thematic portals.

*Turbo.fr* is backed by 20 years of Turbo TV programming and is for those who love motor cars. It features video clips, technical forums and advice on buying and selling new and used models. Based on the successful M6 programme *D&Co*, *Deco.fr* focuses on the world of interior design. As well as offering do-it-yourself advice and easy-to-follow tips for the home, it offers access to extracts from the TV shows and hundreds of useful references for any home DIY need. As Valéry Gerfaud, CEO of M6 Web, sums up the overall strategy, "We're developing our web experience along two paths. Firstly, broadcasting sites and channels, and then our thematic portals. Some are related to our TV shows, and some radically different, such as the Cyréalisis sites Clubic, for technology news, and *Jeuxvideo.fr*, the video gaming portal."

## Netherlands

### WHO IS THE CHEF? GOES INTERNATIONAL

☆☆☆ In August 2008 RTL Nederland and production company Eyeworks reached a long-term agreement on distribution rights to *Wie is de Chef?* (Who Is The Chef?), a daily cooking show developed in-house. The successful format will now reach an international audience. It is already showing in Turkey and should soon hit the screens in France. The entertainment show combines food, people and mystery. Each week, four people – each with a passion for cooking – get together and create great dishes for each other. But there's a professional chef among them, trying to keep it a secret, though the viewers already know. So throughout the week, each participant has to try and figure out: who is the chef? And for the final show on Fridays, they all convene at the professional chef's restaurant.

Closely tailored to the needs of large advertisers, *Wie is de Chef?* was a huge hit for RTL 4 in summer 2008. In August, RTL 5 took over the format, helping bring the popular show to a younger audience. Bert Habets, CEO of RTL Nederland, says, "We are very proud the Netherlands is again perceived as a test market for trend-setting genres." Reinout Oerlemans, CEO at Eyeworks, is equally pleased: "This has universal appeal, and we expect it to be a winner all over the world." ☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆



EMBODYING THE  
**AMERICAN  
 DREAM**



**FREMANTLEMEDIA**

At the turn of the 21st century, FremantleMedia's North American business was primarily a distributor of daytime TV and game shows in a TV landscape where programming was increasingly being produced for niche audiences. Today, it's the production company behind the world's most popular network TV show. **HOW DID THAT HAPPEN? WE ASKED THE CEO BEHIND THE TRANSFORMATION, CECILE FROT-COUTAZ.**

“FremantleMedia North America has seen superior growth and creative success over the last few years,” says Frot-Coutaz, “which began with a judicious restructuring and repositioning of the company about a decade ago. At that time, it became apparent to us that syndication was no longer a growth business. So, slowly but surely, we restructured and refocused our core business as a genuine production company for prime time and cable network programming. Financially, that transition took us from a negative margin to being the highest-contributing profit centre to FremantleMedia.”

Today, FremantleMedia North America (FMNA) produces some of the most successful programming brands in the US market. In the game show category, *The Price is Right* remains the most-watched and longest-running game show in daytime; and the company's new prime time offerings, *Celebrity Family Feud* and *Million Dollar Password*, have both surpassed ratings expectations. Now in its fourth season, *America's Got Talent*, averaged 13 million viewers per episode last summer and ranked in the top five in virtually all meaningful categories.”

However, it's fair to say that *American Idol*, arguably the number one TV show in history, was very much the engine of this growth. “Yes, it has played a very big role,” says Frot-Coutaz. “It took a while, but once it took off it has been sort of a self-fulfilling prophecy – a huge and popular show helps you attract better people and better companies. Success begets success, really. We've had numerous successful shows since, but it's true to say they have been helped by our position in the marketplace.”

Initially Fox only wanted *American Idol* if FremantleMedia and 19 would fund it. But as fate would have it, while Cecile and her team were lining up sponsors, *Pop Idol* became a huge hit in the UK and shortly thereafter, Fox agreed to license the US version. Today, this arrangement remains the company's business model for most if not all of its major shows. They are all fully funded by the networks, providing little to no financial risk to the company.

With the benefit of hindsight, one can see there was no real risk of failure for *American Idol*. The format has proven itself time and time again in territories all over the world, but the acclaim is much larger and more sustained in the US. There are good reasons for this outlines Frot-Coutaz, “The show embodies the American dream and the ‘rags to riches’ story. It's empowering to viewers of all ages. First season champion Kelly Clarkson was very important. Not only was she the cocktail waitress who became a star, but she truly had star quality, which gave the show such credibility. And then there was the shock factor of Simon Cowell that offered something different and never seen before. Americans are very polite. Audiences aren't used to that bluntness, but ironically it appeals to them.”

Last year's finale attracted approximately 32 million viewers, which is quite an achievement in our current, changing, fragmenting TV landscape. “We can still regularly deliver 26 million plus people two nights a week,” says Frot-Coutaz. What keeps the show fresh and appealing? “Just small changes really, an extra judge, a new venue... we've also found that, for the moment, people like the positive stories that make them feel good, so we've played down the ‘bad singer routine’, and similar other quirks.”

What's on the horizon? “Well, we're always looking at other avenues,” offers Frot-Coutaz. “Being part of a larger group helps. We have financial backing, access to formats and a library spanning the globe, so we can exchange ideas and resources. Networks look globally now, and we can offer them that global perspective.” What about other genres? “We've had recent successes in comedy and we're looking at scripted drama... so stay tuned,” she adds with the air of someone who, having overseen one decade of success, has her mind set firmly on the next.

**“A HUGE AND POPULAR SHOW HELPS YOU  
 ATTRACT BETTER PEOPLE AND BETTER  
 COMPANIES. SUCCESS BEGETS SUCCESS, REALLY.”**  
**CECILE FROT-COUTAZ**



.....  
*WHATEVER  
WHEREVER  
WHENEVER*  
.....

# CATCH-

## Video on demand – simply another distribution channel for our brands and content



Digitalisation is changing the way people watch TV – and in particular increasing the power of viewers to watch what they want, when they want. Which of course, suits today's busy lifestyles. Video on demand, and its sub-category, catch-up TV, is just one of the many ways people can exercise this choice, and for companies around the RTL Group, it's another market opportunity, and another growing distribution platform.

It's also another pointer to the fact that, despite predictions to the contrary, TV consumption will continue to increase – but not necessarily through traditional TV sets. In this case it's generally a computer with a broadband internet connection, and it's the increasing penetration of broadband that is making this growing market possible. Though, paradoxically, it won't be long before broadband internet does, in fact, bring the picture to our TV screens.

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The lion's share of Video on demand is currently the catch-up service – where broadcast shows become available free online for a certain period of time once they have been shown on regular TV. But there are also pay options, either for selecting archived shows and films, or for watching episodes – for example of soaps – before they are broadcast. As for advertising revenue, the portal itself can host ads, and all operators are still learning about how the public will take to obligatory adverts before (pre-roll) and during (mid-roll) each video. As the take-up from viewers grows and grows, so will the interest from advertisers – after all, it is the same 'eyeballs' online as for the traditional TV broadcast, and usage patterns show that viewers are accepting advertising as a normal part of their online viewing experience.

### Germany

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With broadband penetration at 75 per cent in Germany, viewing video online

- 1 Watch RTL Now, now
- 2 Don't miss a thing on RTL Gemist
- 3 Replay M6 Replay
- 4 Videos any time on Antena3videos.com

# CATCH-UP TV



has now reached mass market proportions and sites from Mediengruppe RTL Deutschland offer viewers a wide choice. RTL Now is the prime catch-up service and generates 10 million views of complete episodes of shows or series each month. There's an extensive programme guide by format, alphabetically or by time of broadcast, and new shows are added as soon as they have aired. There's also a successful pre-TV screening pay offering. RTL Television offers a comprehensive selection of clips on the main *RTL.de* site, as well as *Clipfish.de* which was once principally user-generated video but now contains more and more professional short video content linked to hit series.

## France

In March 2008, Groupe M6 launched catch-up TV service M6 Replay which offers viewers the chance to see most of M6's programmes for free up to seven days after their first

broadcast. With content presented in four major categories, viewers are never more than a couple of clicks from their favourite show. M6 is looking to add major sports and other events to its offering. M6 Replay now serves more than 1.9 million unique monthly visitors and has streamed more than 40 million programmes since its launch.

## The Netherlands

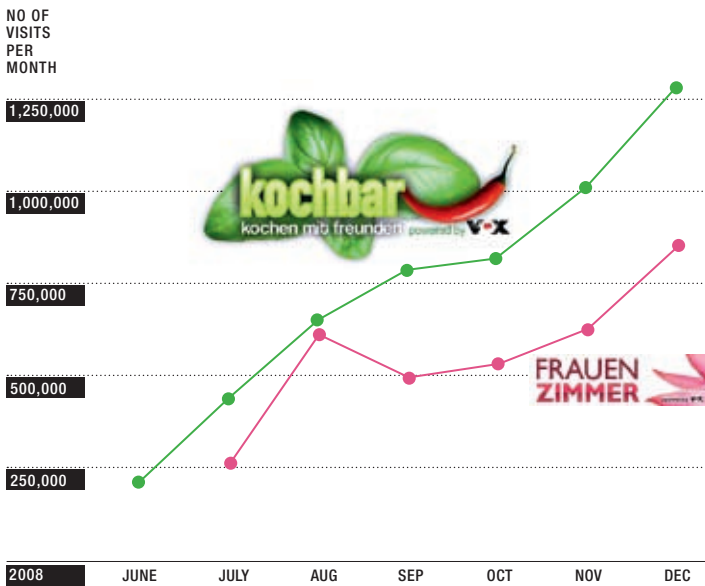
RTL Gemist is a free service offering catch-up TV highlights of the past week. RTL Video offers feature films, comedy, drama and other entertainment for a few euros a time. Both are accessible through the main *RTL.nl* site which was relaunched with a new design in 2008. The new launch attracted many more viewers and the two services streamed 91 million clips during the year, the majority being catch-up TV. Viewers' selections are automatically linked with similar shows they may also wish to see.

## UK

Having been the UK's first terrestrial broadcaster to offer a download service with Five Download in 2006, Five upped the stakes in 2008 with the launch of Demand Five. Available through the main *Five.tv* site, the majority of content is available free, including a 30-day catch-up service for a significant percentage of Five's peak time schedule, as well as other archived programming.

## Spain

Antena 3's new video portal *Antena3videos.com* launched in October 2008 and is gradually building an at-a-glance library of the broadcaster's most popular series as well as highlights from news and magazine shows. The site offers users the option of sending small excerpts to friends, and of interacting easily through social networks such as Facebook to share their thoughts about the videos they are watching.



## Germany

### COOKING UP SOME NEW BRANDS

Where there's a strong idea or popular programme, there's usually potential for developing a brand that can grow in its own right – for example, with a user-friendly website. With the successful launch of *Frauenzimmer.de* for women and *Kochbar.de* for food lovers, 2008 was a really strong year for this kind of diversification.

*Frauenzimmer.de* is packed with celebrity news, entertainment and various fun features, a great site for modern women – and for advertisers looking to reach them. Launched just weeks before it was *Kochbar.de*. One of the highlights here is its 'visual cookbook', set up in partnership with RTL Living, the digital lifestyle channel. Everyone can post their own favourite recipes, and rate other people's. But it's not just about learning from each other – professional chefs also offer step-by-step guides for preparing delicious dishes.

Both sites, produced by RTL Interactive in close coordination with Vox, now boast steadily increasing visitor numbers and are high up the rankings for their respective target audiences.



### RTL Nederland – helping homeowners

As a helping hand for despairing homeowners, RTL 4's *Uitstel van Executie* (Stay Of Execution) has been a major hit in the Netherlands – and not just with its huge audience. The programme helps people having a hard time with their mortgages – through redundancy, personal injury or other unforeseen events that mean they default on payment.

To save their homes from the foreclosure auctions, Martijn Krabbé and his team – including an architect, an estate agent and a professional budget coach – step in. First they negotiate more time – the 'stay of execution'. Then they do the property up and look for a sensible market price instead of the low, quick sale price the owners would otherwise face.

On 30 September, the big-hearted and public-spirited programme attracted an audience share of 22.8 per cent in the main commercial target group of shoppers aged 20 to 49.

Says Bert Habets, CEO of RTL Nederland, "The show really taps in to the financial crisis, and shows how it affects innocent people. Besides bringing these personal dramas to the surface, the show comes up with solutions for them, which is of great importance to today's viewers."

## RTL Group

# SPORTING COME-BACK

In April 2008, RTL Group announced it will relaunch its sports marketing agency, UFA Sports. The agency's main focus will be on the international marketing of media rights to high-profile sporting events. Elmar Heggen, CFO of RTL Group says, "Diversification of revenues is part of our strategy and our re-entry into sports rights marketing makes perfect sense in rounding off our portfolio."

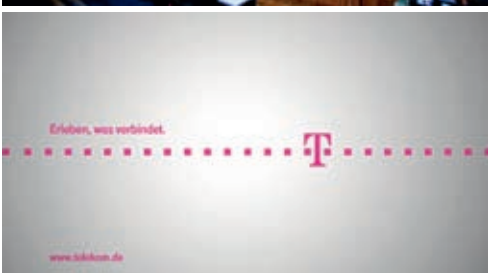
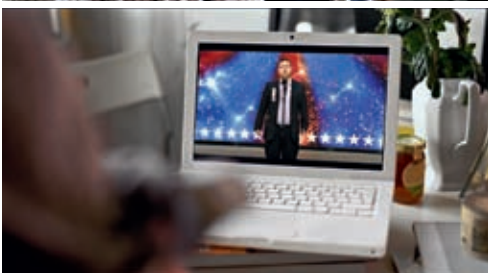
Philip Cordes, previously CEO of Sportfive Group, has joined UFA Sports to manage the proposed expansion. He says, "RTL Group clearly recognises how important this area of business is to its future plans and success. I'm very confident we can soon re-establish UFA Sports as a major player in the market." Later in 2008 Robert Müller von Vultejus and Stefan Felsing joined Philip Cordes in running UFA Sports. They had already worked closely with Philip Cordes at Sportfive.

#### The management team of UFA Sports:





FremantleMedia



# Great TV is for sharing

**In 2007, Britain's Got Talent contestant Paul Potts made TV history with his emotional audition and fairytale rise to fame. One year later, Deutsche Telekom used the famous footage as the basis for their 'Life is for Sharing' campaign.**

According to Deutsche Telekom's Head of Brand Strategy and Marketing Communication, Hans-Christian Schwingen, the campaign centres on "the understanding that life holds a vast number of personal experiences, large and small, that people want to share with each other." The advertisement shows a wide range of people watching the broadcast, with each one visibly moved.

As well as being an example of a clear and effective marketing tool, the advertisement also highlights FremantleMedia's rich archive of historic media. Head of Archive Sales, Gordon Craig, explains: "The archive contains a myriad of rarely seen photographs and exclusive footage, which can be licensed and utilised across many platforms."

It goes without saying that the advertisement relies on viewers already knowing something about the *Got Talent* format. But considering the show's staggering success throughout Europe, South America and the USA – not to mention the 26 million YouTube hits for Paul Potts' audition – it was a safe bet for Deutsche Telekom.

Paul Potts' voice has everyone – judges included – spellbound



# 100 million

PAGE IMPRESSIONS A MONTH

**Toggo**

Germany

Many activities add up to the big picture in children's TV

Super RTL may be celebrating ten years of market leadership in children's television. But don't think of it as simply a TV channel. Rather, think of it as a marketing organisation.

So says CEO, Claude Schmit, "We offer a high-flying 360° entertainment product to children, though TV is the main platform. We will have a presence wherever our target group is."

About one quarter of Super RTL's revenue now comes from non-TV sources. And while new media activities such as the *Toggo.de* website are a huge success, themed 'old world' events such as the Toggo Tour, as well as print magazines, give children the opportunity to interact physically with the TV content they are so familiar with. This is what Schmit means when he talks about 360° entertainment.

## Ren TV FREEDOM IN THE NEWS

Ren TV's regular news bulletin *24*, which reaches an average of over 800,000 viewers a day, celebrated its **tenth anniversary** in September 2008. It's referred to by many as 'the only serious news programme on Russian television'.



Ilya Doronov presenting Ren TV's main news bulletin 24

On the occasion of the anniversary, Russian newspaper *Sobesednik* spoke to *24*'s host, Ilya Doronov, about the channel's unique approach to news. "Since coming to Ren TV in summer 2003 I have been constantly hearing from our ill-wishers predictions like: 'They will close you guys down soon. You talk too much.' But we go on working and talking more than others, and I believe this is one of our biggest advantages," Ilya says. "When I prepare my programme, nobody is trying to put pressure on me. We

independently choose our topics and invite our guests." For example, *24* was the only news channel to broadcast details of the rebellion in Kopeisk in the Chelyabinsk region. It sees no value in hiding important stories from viewers. And it was *24* that aired an interview with Government-critical Harry Kasparov.

Another factor that sets *24* apart from its competitors is its neutrality. "The way we see it, news is about giving people the facts, and both sides of the story," says Ilya on behalf of all the anchormen and women who are involved in creating Ren TV's news programmes.

The internet activities are clearly a great success though, in many ways. *Toggo.de* has 100 million page impressions a month, and can offer children something over and above a TV show – news bulletins for older children, for example. It also means Super RTL can offer its business customers new marketing channels, and link these to their traditional advertising packages. And Super RTL has bucked a trend in showing that subscription models can work on

"We offer a high-flying 360° entertainment product to children, though TV is the main platform. We will have a presence wherever our target group is."

Claude Schmit, CEO Super RTL

the internet. Toggolino Club for pre-school children attracts 70,000 parents who each pay €69 a year for an entertaining education for their children, while the Toggo Clever Club for 7 to 9-year-olds has 60,000 subscribers.

Belgium

## Young brand with a spin: Plug TV has become Plug RTL



**From its launch in 2004, initially as an alternative channel aimed at youth, Plug TV soon established its own niche in the Belgian TV landscape. But now, as it grows older, its viewers are growing older with it, and it is now positioning itself to break through the 5 per cent audience share barrier.**

A new name, a new logo and plenty of exciting new programming – all part of Plug TV's August 2008 makeover. The new name alone – Plug RTL – suggests big plans and a bright future for the channel and its viewers. Its 'second coming' involves taking its popularity into mainstream territory, but the key to its continued

success will be staying in touch with what made it such a hit in the first place, by retaining some of its rebellious streak.

Plug RTL launched its latest season with a lifestyle theme featuring programming new to the channel, such as the cooking shows *Top Chef*, *Un dîner presque parfait* and *Le Chef contre attaque*, as well as home design shows like *D&Co* and the American concept *Top Design*. Many of these formats have already proved their success on RTL Group's French channel M6. However, the theme is captured best in the TV magazine actually called *Lifestyle*, produced in-house and presented by Agathe Lecaron, a well-known personality from RTL-TVI.

Each week the Plug RTL team also produces

*Sampler*, a music show, and covers special events on shows like *Plug Tribus*, the extreme sports show. All of this is presented within a graphic style that sets the tone and showcases the new Plug RTL.

As Freddy Tacheney, General Manager of RTL Belgium puts it, "This is a renaissance and a significant development for Plug RTL – now we are moving into a second phase." And it's working, too. From September to December 2008, Plug RTL's share of the younger viewers rose from 3.2 per cent to 6.2 per cent. It also seems there was no poaching from RTL-TVI either, as the combined share of young viewers of the Belgian RTL family of channels during the same period was 39.9 per cent, compared to 35.7 per cent for the earlier part of the year.



The TV magazine *Lifestyle* is presented by Agathe Lecaron who is always on the spot



## THE TRAIN'S DUE IN FIVE MINUTES – JUST TIME TO CATCH THE SPORTS NEWS

**Netherlands** → There are more mobile phones than people in the Netherlands. And more and more of them are being used to watch TV. RTL 24 is the first news channel to offer content exclusively for this audience.

Launched in June 2008, RTL 24 presents a rolling one-hour carousel of the latest news, gossip, sports and financial information. It's one of ten TV channels, including RTL 4, carried by mobile network KPN, but the only one that doesn't simply broadcast their regular shows.

According to Bert Habets, CEO of RTL Nederland,

**"Our research shows that of the people who watched, about a quarter tuned in daily, usually for 10 to 30 minutes while waiting for something, but sometimes even at home."**

The platform is in its infancy of course, and it remains to be seen exactly what sort of service it will turn into. As Bert says, "We're looking at everything, whether it will be like broadcasting or the internet, when the real prime time will be, and how we can build a broader range of programmes specifically for the medium. We're looking at how advertisers take to it, perhaps being able to enjoy real interactivity with their consumers. For now we're airing regular commercials and banner and ticker-style ads. But I think it will grow fast, and we're expecting to see healthy revenue in the future."

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SPECIAL  
**MOMENTS**

..... OF .....

2008

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*Throughout 2008, people from all walks of life have had their lives changed for the better through their association with one of our shows, events or companies. Offering opportunities, making people happy – here we celebrate some of those successes.*

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## Hallelujah – We have a double winner! ✨

At first, **Alexandra Burke** failed. Back in 2005, she did her first audition, and judge Louis Walsh decided not to put her forward for the final stages. Then Alexandra said: “If at first you don’t succeed, try and try again”. And so she did. In the second run she became the crowned winner of *The X Factor* in 2008, singing a highly emotional *Hallelujah*. The show made her also a winner in private life: after 14 years not seeing him, Alexandra accepted her father David back into her life: “He was very supportive when I was on the show,” she says, “and it helped bring us close again.” ✨



★  
★  
★

## Lifting the title – and a lot more besides

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★

After just two years on the strongman circuit, Albanian-born **Jimmy Marku** has surprised many of his rivals by winning Five's *Britain's Strongest Man*. Already seen as an ambassador for the sport – and one of the most competitive athletes around – Jimmy came to London 12 years ago. “I like to beat everyone – that’s my game,” he laughs. “And I’m proud to be giving something back to my adopted homeland.”



## Christian Rach rescues Blue Duck from extinction

Heartbroken **Kerstin** and **Hubert Eschweiler** were on the verge of closing their beloved restaurant *Blaue Ente* (Blue Duck) in Berlin – a dream in which Kerstin had invested her inheritance. But thanks to accepting the professional advice of *Rach, der Restauranttester*, many more people are now aware of Hubert's undeniable skills as a chef, and the newly famous Blue Duck is no longer an endangered species.



★  
★ ★

## Modest Sabina gets green light to modelling career ★

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Civil traffic engineering student **Sabina Behlic** always dreamt of a career in modelling, but never thought she'd stand a chance in the first season of RTL Televizija's hugely popular series, *Croatia's Next Top Model*. But her dream came true. "I love every single thing about it," she says. "As well as being recognised as a model, I'm really enjoying travelling and meeting so many interesting people!"





## Highlighting a plight

In 2004, **Victorine Dikobo**, a nanny from Cameroon, was granted French residency after meeting a partner and having a baby. The child died tragically at three months, causing the authorities to send a letter revoking her visa. RTL Radio campaigned vigorously on Victorine's behalf, and on hearing of her plight, the French Minister for Immigration looked further into her case and reinstated her visa. Victorine can now call France home.





## Quick step to a new dancing career ★

Born in Belarus, 19-year-old **Ivan** was voted the overall winner of RTL 5's *So You Think You Can Dance* 2008 finals. He began dancing at seven years old, and thanks to RTL Nederland – and his natural talent – he can now focus on becoming fully professional. As well as €20,000, Ivan has a role in the musical *Footloose* in Amsterdam and a place on a prestigious international dance course.



## Father and son stay on the rails through Latin America ★

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**Gérard** and his son **Cédric**, from Nice, were the winning pair aboard M6's reality game show *Pékin express: la route des Incas* in 2008. The show demonstrates how various couples deal with the extreme challenges faced during a long-distance race across unfamiliar countries. As well as the language barrier, couples have to cope with a budget of just €1 a day. Covering 8,000 kilometres across Brazil, Bolivia and Peru by train, hitchhiking and on foot, Gérard and Cédric's father-son bonding shone through – despite a few heated rows and trailing way behind their closest rivals at the start of the final day.



## Michael's moving story puts him streets ahead

An accident left truck driver **Michael Hirte** in a coma for two months, partially blind and out of work. Not sure what else to do, in 2004 he took his harmonica and started busking in Potsdam. Local fans encouraged him to audition for *Das Supertalent*. Not only did Michael make the show, but just before Christmas he won the final with a heart-rending performance of *Ave Maria* which had judge Dieter Bohlen – and most of the audience – close to tears. Michael's rags to riches story now continues with a successful album, tour and autobiography.

# THE GOOD LIST

**In 2008, RTL Group companies again made significant efforts to fight against poverty, cancer, Aids, discrimination and pollution – whether by organising major fundraising events for good causes, broadcasting helpful and thought-provoking programmes or offering free advertising space.**

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## RAISING AWARENESS

With such a strong presence in so many parts of the world, RTL Group has the responsibility to make the most of its platform, and takes that responsibility very seriously. As well as broadcasting and producing high-quality programmes, we also believe it's vital to ensure our output carries positive and supportive messages.

The key to raising awareness is to make the message indistinguishable from the entertainment, and the popular 'coaching' formats of RTL Television such as *Die Ausreißer* (The Runaways) and *Die Super Nanny* are a great example of this. In 2008, the prestigious German news magazine *Der Spiegel* ran an article on these programmes, revealing that their presenters can act as very positive role models. Peter Zwegat, the debt adviser in *Raus aus den Schulden*, is a case in

point – he offers solid, professional advice, caring for people and their individual problems.

Awareness of obesity has grown in recent years, as the World Health Organisation has officially categorised it as an epidemic. But informing people of the problem is only the first step – in France, M6's celebrity chef Cyril Lignac believes that the next step should be teaching people how to cook for themselves. In *Le chef contre-attaque*, Lignac visits people from all walks of life, to teach them how to cook great food while also keeping an eye on their health.

Another important aspect in promoting good health is the education of young people, and the second series of *Vinz et Lou mettent les pieds dans le plat* was a light-hearted approach to doing just that. A joint project



- 1 Inka Bause with little Simon. The TV presenter supports the construction of a centre for children's palliative care with the *RTL Spendenmarathon* funds.
- 2 Since 2005, RTL Group has been a member of the FTSE4Good index, evidence of its consistent commitment to sustainability.
- 3 Thomas Gottschalk won the €1 million question at RTL Television's charity edition of *Wer wird Millionär?*.
- 4 There is always a good lesson to be learnt: Five's *Milkshake* opens up kids' minds to the world.

- 5 Super RTL is convinced that "Reading is fun"!
- 6 Pop star Shakira inaugurates a school in Columbia, with a significant amount funded by *RTL Spendenmarathon*.
- 7 *Ponle Freno* hits the brakes on Spanish roads to save lives.
- 8 Money raised during Vox's *Machen Sie Schule* campaign directly goes to support the building of schools in Ethiopia.
- 9 Peter Zwegat, "modern hero of social work", chases overspendings.

- 10 German Chancellor Angela Merkel with actors from RTL Television's daily soap *Gute Zeiten, schlechte Zeiten*.
- 11 Vinz et Lou motivate kids to eat well.
- 12 Celebrity cook Cyril Lignac (M6) goes on a crusade against unhealthy eating.
- 13 Five's *Banged Up* offers a whole new perspective on the youth crime debate.
- 14 Rupert Bear (Super RTL) loves the nature.
- 15 The event channel *Télévie 20 ans* increased the buzz around the fight against leukaemia and cancer.

## € 273 MILLION AND COUNTING

### DONATIONS

In €

Charity initiative	Company	Launch	2008	Since its launch
<b>TÉLÉVIE</b>	RTL Belgium and RTL Lëtzebuerg	1989	<b>8,100,000</b>	92,500,000
<b>RTL SPENDENMARATHON</b>	RTL Television, Germany	1996	<b>7,100,000</b>	70,000,000
<b>IDOL GIVES BACK</b>	FremantleMedia North America	2007	<b>49,400,000</b>	108,200,000
<b>MACHEN SIE SCHULE</b>	Vox, Germany	2004	<b>260,000</b>	2,100,000
<b>TOTAL</b>			<b>64,860,000</b>	<b>272,800,000</b>

of M6 with the French Ministry of Agriculture and Fisheries, the animated series also marked the 19th year of *Semaine du Goût* (national tasting week), where schools and restaurants all over France set out to promote the importance and pleasures of taste. The whole project was a good example of how to communicate the message of health awareness to young people in an entertaining way.

Some issues, such as obesity, are problems shared by countries throughout the world, but others are particular to certain countries. In the past few years, juvenile behaviour and rehabilitation has been a contentious issue in the UK, and in 2008, Five responded by commissioning the ground-breaking series *Banged Up*. In it, former Home Secretary David Blunkett heads the 'parole board' in a simulated prison that mixes reformed criminals with juveniles verging on a life of crime. Blunkett explains the concept behind the Five programme:

**“With ever-increasing numbers of prisoners, longer sentences and lingering disquiet about the ‘revolving door’ of re-offending, anything that can add to a range of measures for educating people and helping them to grasp reality is definitely worth investigating.”**

Of course, positive messages don't have to be at the forefront of a programme for them to have an impact. In Germany, the producers of RTL Television soap *Unter Uns* endeavoured to completely exclude cigarettes from the show, and so were awarded the 'Smoke-Free Seal' by the Non-Smokers' Action Alliance and the Federal Centre for Health Education. Because media role models have been so central to the glamorisation of smoking over the years, it makes perfect sense that popular television dramas can play an important part in the battle against smoking.

*Gute Zeiten, schlechte Zeiten (GZSZ)*, Germany's most successful daily soap, broadcast on RTL Television for 16 years, also aimed to raise awareness, but this time in a much more direct way. The programme tackled the difficult subject of drug addiction with the support of both the German Federal Health Minister Ulla Schmidt, and the Federal Government's Drug Commissioner Sabine Bätzing. "It's good when TV series deal seriously with such matters," explains Schmidt. "Let's make no bones about it: drugs destroy people's lives."

In fact, the story had such an impact that Ulla Schmidt invited the team behind *GZSZ* to Berlin, where Chancellor Angela Merkel took the opportunity to commend the programme and its commitment to the battle against drugs.

In Spain, the focus has been on road safety. The Federation of Associations for People with Physical Disabilities, and the City of Madrid, named Grupo



Antena 3 'Communications Medium of the Year' – on the strength of its far-reaching road safety campaign *Ponle Freno*. The campaign has attracted massive support from both organisations and popular celebrities, and was promoted across a range of Antena 3's programmes, including *El internado*, *Los hombres de Paco*, *El síndrome de Ulises* and *La familia Mata*.

The campaign went beyond raising awareness, and actually conducted important research into various road-safety-related issues. One survey, on motorways and safety, canvassed more than 5,000 Spaniards, and found that more than half would support reducing the legal alcohol limit for drivers. *Ponle Freno* also looked into particular places that could prove dangerous for road users in the future, and in November submitted a report detailing over 1,000 potentially hazardous traffic sites.

These are just some of many examples. From Fan 3 (the Spanish channel dedicated to hospitalised children) to 'Toggolino – Lies mir vor!' (Super RTL's campaign for reading out loud), 2008 was a great year for RTL Group's unwavering dedication to good causes of all shapes and sizes.

#### FUNDRAISING

Raising awareness is vitally important, and something RTL Group will continue to embrace. However, the bottom line is that good causes always need financial support. In 2008, RTL Group continued its tradition of leading a variety of fundraising ventures – focusing in

**€64.9m**  
**raised for charity**  
**initiatives in 2008**

particular on our belief that children are our future and have a right to look forward to life – and in 2008 we raised almost €65 million.

One of the highlights was also an old favourite – *Télévie*. Since its inception in 1989, *Télévie* has raised over €92.5 million for the fight against cancer, and 2008 saw a bigger campaign than ever before, based around the slogan 'Together we'll save lives!'. With no fewer than 300 volunteer-organised events in Luxembourg alone, and even a dedicated TV channel in Belgium, it was a huge success, raising the amazing sum of €8.1 million for scientific research.

The channel *Télévie* 20 ans was on air for the crucial two weeks in April, and celebrated the campaign's proud history of fundraising over the last two decades. *Télévie* was initially established by RTL-TVI in Belgium, before RTL Lëtzebuerg joined in 2001, and has managed to support a great deal of valuable work and medical research. This year's funds are currently supporting 86 new research projects – to add to the 1,200 established since *Télévie*'s start 20 years ago.

# THE GOOD LIST



Behind the success of *Idol Gives Back* – a whole nation and numerous stars. Actress Teri Hatcher (1) sings with all her heart, Brad Pitt (2) brings his full support, singer Annie Lennox (4) performs on the piano. For once, *American Idol* judges Randy Jackson, Paula Abdul and Simon Cowell (3) are not in the mood to criticise

In Luxembourg, the *Télévie* appeal has doubled funding for cancer research since 2002.

RTL Television in Germany again aired *RTL Spendenmarathon*, the annual 24-hour fundraiser which each year focuses on a different cause. This year, for the 13th telethon, the €7.1 million raised went towards children's relief projects in Africa and the struggle against child poverty in Germany.

For viewers, one of the highlights of the event was the special celebrity edition of *Wer wird Millionär?*. As well as the fun of seeing celebrities sweat it out under the pressure, there was the added drama of someone cracking the million-Euro-question. Thomas Gottschalk initially seemed stumped by a question about Franz Kafka's companion, before turning to the book-loving TV star Marcel Reich-Ranicki on the end of the phone, and winning €1 million for the cause.

But it wasn't all fun and games for the celebrities. A number of high-profile patrons, including Annie Lennox and Princess Madeleine of Sweden, poured their efforts into particular relief projects. Annie Lennox, for example, committed herself to the founding of an Aids-prevention centre in the suburbs of Cape Town, and spoke about her experiences on the evening itself. Over the past 12 years, the foundation 'Stiftung RTL –

Wir helfen Kindern' has raised more than €70 million, and helped thousands of children.

RTL Group's fundraising projects take all shapes and sizes. Some, such as *RTL Spendenmarathon*, offer an exciting mix of activities, personalities, entertainment and good causes. In the USA, *Idol Gives Back*, however, is more a case of one incredibly successful programme mobilising its popularity. The combined takings from 2007 and 2008 go beyond \$140 million, all of which is going to disadvantaged children in both the US and Africa.

In 2007, the man behind *American Idol* – Simon Fuller – decided that the programme's immense popularity should somehow be directed towards good causes, although even he couldn't have predicted quite how successful the fundraising would be over the next two years. With appearances and performances by a long list of national and international musicians, actors, politicians and other celebrities, *Idol Gives Back* really displays the energising and emotional power of popular television at its best.

Continuing RTL Group's dedication to improving the lives of struggling young people, Vox's *Machen Sie Schule* fundraising drive raised €260,000 in 2008. It was the third such event organised by the German

channel, and following on from successful school-building projects in Swaziland and Mali, the initiative will now turn its focus to Ethiopia, one of the world's poorest countries.

Vox presenter Judith Adlhoch visited Ethiopia, and managed to get first-hand experience of the difficulties facing young people there. But she also got the chance to appreciate the good work *Machen Sie Schule* made possible:

**“On my trip through Ethiopia, I saw the children’s amazing will to learn. Thanks to Vox’s viewers, many children are now being given the chance to do so – and it will open up a whole new world for them. Going to school is the first step into a better future, as education means a chance for change and development.”**

RTL Radio, France’s number one radio station has, for the best part of 20 years, been lending its support, in the shape of dedicated programming and free advertising space, to the *Pièces Jaunes* campaign. By challenging children throughout the country to collect as many coins as possible, the initiative manages to generate huge amounts of money (€4 million in 2008) and get plenty of young people directly involved. The funds raised are currently supporting more than 400 projects for sick children and adolescents up and down the country.

Another vital campaign that RTL Radio France gets involved in is *Restos du Cœur*, which provides meals to people who can no longer manage to eat every day. As with *Pièces Jaunes*, the main support comes in the shape of coverage. One broadcast focused on the involvement of the volunteers, and the stories behind those remarkable individuals who dedicate themselves to the cause. Overall, the campaign managed to provide an astonishing 91 million meals in 2008.



#### **TOUGH TIMES PROVIDE A TRUE TEST FOR SOCIAL DIALOGUE**

**The European Works Council (EWC) is a committee of personnel representatives from RTL Group profit centres in the European Union. It meets Group senior management regularly to discuss issues which may have consequences for employees and their families. Thus, employees have a line of communication with Group management.**

In these difficult economic times, the EWC has an even more important role. Kai Brettmann, recently re-elected EWC Chairman for another four years, confirms: “Yes, the management has to plan for how they will operate in a tougher economic climate, and we have an important role in emphasising how management and employees must act responsibly towards each other. In some industries, manufacturing for example, the reflex action is to reduce staff. I try to point out that our personnel costs are relatively small, compared to programming costs, and so there are other avenues to explore for cutting costs. We have to find the right balance.”

Kai continues, “For me, the most important thing is that we are invited into the discussion early, and that dialogue is meaningful and collaborative. There is a new European directive that gives us more rights of information and consultation. But really, true and constructive social dialogue is not something that can be prearranged – it is something which develops over time.” Recent restructuring at RTL Nederland, which included job losses, was a concrete example. “The personnel representatives were informed as soon as possible and brought into open discussions,” says Kai, “and as a result they were able to affect the strategy of the restructuring favourably.”

# THE GREEN LIST



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**For RTL Group, 2008 was an important year in establishing environmental concern as a major aspect of the business. In November, CEO Gerhard Zeiler welcomed employees in Luxembourg to the first 'environMINDday' with the message 'Be part of the solution' – a rallying call for everyone involved in RTL Group to realise the power they have to make a difference.**

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The event focused on the importance of small-scale improvements while always emphasising the massive scale of the environmental challenges ahead. Activities on the day included film screenings, quizzes and workshops on topics such as 'Buying Green', an eco-driving competition, and eco-friendly choices in the company restaurant. Employees attended in large numbers, and most are eagerly awaiting a second such event. However, despite the urgency of the issues, Gerhard Zeiler has been keen to emphasise that it won't be a case of everybody working towards exactly the same solution. "We make no claim to perfection," he explains. "As is the case in other fields, there is no one-and-only truth in environmental protection. Especially with topics like energy, food or motor traffic there are often diverging

opinions. Besides, the facts are changing continually." It's this spirit of flexibility that underpins a new website, dubbed 'environMIND', dedicated to sharing information, useful suggestions and ongoing discussion, rather than a list of rules and regulations.



**RTL Group CEO Gerhard Zeiler tests an electric car during the 'environMINDday' in Luxembourg**

## AT RTL GROUP, WE CARE

Sustainable management is part of our will to paying back to society: RTL Group is committed to effectively combine business success with responsible action towards environmental protection. We strive for the prudent use of natural resources in all our operations and the continuous minimisation of adverse environmental impacts, over and above a simple compliance with regulations. As a decentralised organisation, RTL Group expects also in this field each profit centre to take responsibility.

Talkback Thames also organised its own Environmental Awareness Day. Similarly, it was an event which combined big ambitions with day-to-day actions, including the thoroughly enjoyable sampling of organic beer and wine. Although it's important for people to understand their own impact on the environment, respecting the planet isn't only about changing individual routines – it's also about helping other people do their bit, too. In November, RTL 4 in the Netherlands devoted a week to Unicef's new campaign 'Clear Water for Every Child', with both educational programmes on the subject and direct fundraising. Erland Galjaard, Programme Director of RTL 4, explains the project: "We're not just supporting Unicef with a single programme, but instead generate attention for the organisation through several well-established programmes. We think a big TV station has a responsibility to society, to bring relevant problems to the audience's attention – and help with the solutions."



**In India, Maya sorts the copper wire in scrap motors. She is interviewed by RTL Radio reporter Anne-Claire Danel**

In France, the RTL Radio programme *L'Expédition RTL* cast its net as wide as possible, organising 15 in-depth surveys, lasting a whole week, in various locations around the globe, such as Mali and India. The first investigation focused on the Arctic, where rising temperatures are having a catastrophic effect on the whole ecological make-up of the region. In Mali, reporter Chloé Triomphe investigated the effects of deforestation and desertification, and visited villages whose very existence is threatened by over-consumption of wood. Anne-Claire Danel reported on the challenges of waste management in India.

Throughout November, *RTL II News* in Germany ran a daily report on particular aspects of climate change, from rising sea levels to the dangers of plastic to excessive water consumption. Working in conjunction with

this broad survey, the website *RTL2.de* listed tips on how people can reduce their own energy consumption, calculate their own carbon footprint and find out more about the issues from various environmental groups.

In the effort to raise awareness about environmental problems, there's always a balance to be found between promoting those everyday measures we can all take and drawing attention to the large-scale devastation wrought by irresponsible industry. In October, shooting began on *Geheimnis der Wale*, a Teamworx movie shedding light on the largely overlooked issue of noise pollution in the oceans. Companies scouting for oil and natural gas often do so using sound waves, which can have a catastrophic effect on dolphins and whales.



**Ismael from Burkina Faso was at the centre of the Unicef campaign 'Clear Water for Every Child', supported by RTL 4**

Finally, it's important to remember that environmental challenges are here to stay, which makes it doubly important to communicate the issues to younger viewers. In Germany, Super RTL's Rupert Bear has been the face of a campaign encouraging children and parents to spend time together counting birds in a local habitat. It's a fun idea, but one that also gets children paying attention to the wonder of their natural surroundings.

# OPERATIONS

	TELEVISION		
	FREE-TV	PAY-TV	TV SERVICES
<b>GERMANY</b>	RTL Television ..... 100% Vox ..... 99.7% RTL II ..... 35.9% Super RTL ..... 50% N-TV ..... 100%	RTL Crime ..... 100% RTL Living ..... 100% Passion ..... 100%	CBC ..... 100% Info Network ..... 100%
<b>FRANCE</b>	M6 ..... 48.5% W9 ..... 48.5% RTL 9' ..... 35%	Paris Première ..... 48.5% Téva ..... 48.5%	
<b>NETHERLANDS</b>	RTL 4' ..... 73.7% RTL 5' ..... 73.7% RTL 7' ..... 73.7% RTL 8' ..... 73.7%		
<b>UNITED KINGDOM</b>	Five ..... 100% Five USA ..... 100% Fiver ..... 100%		
<b>BELGIUM</b>	RTL-TVI' ..... 66% Club RTL' ..... 66% Plug RTL' ..... 66%		
<b>LUXEMBOURG</b>	RTL Télé Lëtzebuerg ..... 100% Den 2. RTL ..... 100%		BCE ..... 100% Enex ..... 76.4%
<b>CROATIA</b>	RTL Televizija ..... 74%		
<b>GREECE</b>	Alpha TV ..... 66.6% Kanali 9 Thessaloniki ..... 66.6%		
<b>SPAIN</b>	Antena 3 ..... 21.2% Antena Neox ..... 21.2% Antena Nova ..... 21.2%		
<b>HUNGARY</b>	RTL Klub ..... 49%		
<b>RUSSIA</b>	Ren TV ..... 30%	Klub 100 ..... 50%	
<b>USA</b>			
<b>AUSTRALIA</b>			
<b>ITALY</b>			
<b>SCANDINAVIA</b>			

This chart illustrates the structure of RTL Group's principal businesses and undertakings as at 31 December 2008. The name of each company is followed by an indication of the percentage held directly or indirectly by RTL Group.

<b>RADIO</b>	<b>CONTENT</b>		
	<b>PRODUCTION<sup>2</sup></b>	<b>RIGHTS<sup>2</sup></b>	
<b>104.6 RTL Berlins Hit-Radio</b> ..... 100% <b>105.5 Spreeradio</b> ..... 100% <b>RTL Radio – Die besten Hits aller Zeiten<sup>1</sup></b> ..... 100% <b>Antenne Bayern</b> ..... 16% <b>Radio Hamburg</b> ..... 29.2%	<b>UFA Film &amp; TV Produktion<sup>3</sup></b> ..... 100% <b>Grundy LE<sup>3</sup></b> ..... 100% <b>Grundy UFA<sup>3</sup></b> ..... 100% <b>Phoenix Group<sup>3</sup></b> ..... 51% <b>Teamworx<sup>3</sup></b> ..... 100% <b>UFA Entertainment<sup>3</sup></b> ..... 100%	<b>Universum Film</b> ..... 100% <b>UFA Sports</b> ..... 75.1%	<b>GERMANY</b>
<b>RTL<sup>1</sup></b> ..... 100% <b>RTL 2</b> ..... 100% <b>Fun Radio</b> ..... 100% <b>RTL L'Equipe</b> ..... 50%	<b>FremantleMedia France<sup>3</sup></b> ..... 100% <b>Be Happy<sup>3</sup></b> ..... 100% <b>TV Press<sup>3</sup></b> ..... 100% <b>20H50 Television<sup>3</sup></b> ..... 100%		<b>FRANCE</b>
<b>Radio 538</b> ..... 73.7%	<b>Blue Circle<sup>3</sup></b> ..... 100% <b>Fremantle Productions<sup>3</sup></b> ..... 50%	<b>FremantleMedia Operations<sup>3</sup></b> ..... 100%	<b>NETHERLANDS</b>
	<b>Talkback Thames<sup>3</sup></b> ..... 100%	<b>FremantleMedia Worldwide<sup>3,4</sup></b> ..... 100%	<b>UNITED KINGDOM</b>
<b>Bel RTL</b> ..... 44.2% <b>Radio Contact</b> ..... 44.2%	<b>FremantleMedia Belgium<sup>3</sup></b> ..... 100%		<b>BELGIUM</b>
<b>RTL Radio Lëtzebuerg</b> ..... 100%		<b>CLT-UFA International<sup>4</sup></b> ..... 100%	<b>LUXEMBOURG</b>
	<b>Fremantle Produkcija<sup>3</sup></b> ..... 100%		<b>CROATIA</b>
<b>Alpha 98.9</b> ..... 66.6% <b>Palmos 96.5</b> ..... 66.6%	<b>Fremantle Productions<sup>3</sup></b> ..... 100% <b>Plus Productions</b> ..... 66.6%		<b>GREECE</b>
<b>Onda Cero</b> ..... 21.2%	<b>Fremantle Producciones<sup>3</sup></b> ..... 100%		<b>SPAIN</b>
	<b>Magyar Grundy UFA<sup>3</sup></b> ..... 100%		<b>HUNGARY</b>
			<b>RUSSIA</b>
	<b>FremantleMedia North America<sup>3</sup></b> ..... 100% <b>Fremantle Productions Latin America<sup>3</sup></b> ..... 100%		<b>USA</b>
	<b>FremantleMedia Australia<sup>3</sup></b> ..... 100%		<b>AUSTRALIA</b>
	<b>Grundy Productions Italy<sup>3</sup></b> ..... 100%		<b>ITALY</b>
	<b>Blu, Denmark<sup>3</sup></b> ..... 75% <b>Fremantle Entertainment, Finland<sup>3</sup></b> ..... 100% <b>Fremantle Sverige, Sweden<sup>3</sup></b> ..... 100%		<b>SCANDINAVIA</b>

Principal businesses – extended list on pages 166 to 173. (1) Programmes broadcast by CLT-UFA under a Luxembourg license

(2) FremantleMedia has operations in 22 countries, including Brazil, India, Indonesia, Japan, Mexico, Poland, Portugal, Russia, Turkey (3) A FremantleMedia company (4) Global

# HOW WE WORK

## LEARN FROM SOMEONE ELSE'S EXPERIENCE

Each RTL Group profit centre is led by its own CEO. This allows each CEO to be an entrepreneur, and act quickly and flexibly in his or her local market. However, in an increasingly globalised environment, it seems that consumer behaviour from market to market becomes very similar. Therefore each profit centre has much to gain by exchanging knowledge, ideas and experience with colleagues at other profit centres.

"It's important not to underestimate the value of the information we generate and exchange through our network," says Elmar Heggen, Chief Financial Officer of RTL Group and Head of the Corporate Centre. "Of course in the current economic climate, best practice learnings are even more essential, and financial benchmarking across the Group helps us compare and advise. But I believe a good example of how we exchange information is in how we react to technological advances – for example, catch-up TV." So, how does the process work?

## CATCH UP QUICKLY WITH A NEW PHENOMENON

Catch-up TV is growing in popularity, especially in the numbers of viewers watching an entire programme online – when they choose, rather than when it's broadcast. "We believe we are near the time when catch-up TV numbers are accepted as 'hard currency' by our advertisers – that is, the audience figure of a show is the broadcast and the catch-up totals combined," explains Elmar Heggen. "As many of our profit centres are operating these services and believe it is part of their future, there is much to be gained from discussing their different approaches."

The initial forum for discussion and decision is the Operations Management Committee (OMC), where all profit centre CEOs and senior executives from the Corporate Centre meet regularly. In discussing the overall digital strategy, the OMC identified specific areas for study by the Synergy Committees (Sycos), the next layer down in a classic pyramid structure. The Sycos include relevant specialists from the various operations. In the case of catch-up TV, it falls to a specially formulated Online Task Force to look in greater detail at the possibilities open to the Group. This year they have been exchanging ideas on how to manage and monetise the profit centres' rights and assets, what sort of services are useful to advertisers, and the costs and technology involved. "The deals, negotiations and details will be different for each profit centre," says Elmar Heggen, "but they are able to follow a common agreed strategy, and will understand the important points to focus on. After all, we are seeing common patterns of consumer behaviour in all markets. So this is a good example of how our balance between autonomy and a Corporate Centre works."

## SHARING A WIDE RANGE OF INFORMATION

Of course a digital strategy isn't the only thing on the OMC's agenda, and they will delegate many different topics to the Sycos. Aside from

the three major Sycos – Programming, Radio and Business Models – project groups in 2008 have discussed news and current affairs, advertising sales, rights acquisitions and media research. In March 2008 there was also a first Pitch & Meet session, a forum for the exchange of ideas between the creative directors of Europe's leading production companies, and RTL Group's programming directors. It was a unique opportunity for the two sides of the business relationship to come together to discuss new concepts and formats.

A further possibility for the exchange of ideas is to have executives from one profit centre sitting on the board of another. This is particularly useful when markets mature at different times, such as having the experience of Gerhard Zeiler on the Groupe M6 Board when building a family of channels. "It is hard to quantify the benefits of these collaborations," says Elmar Heggen, "but we can clearly see how we are learning from each other, not only by sharing best practices, but also by avoiding making the same mistake twice. So we are constantly improving how we work together as many different organisations within one."

## OPERATIONS MANAGEMENT COMMITTEE

<b>Gerhard Zeiler</b> .....	Chief Executive Officer, RTL Group Member of the Bertelsmann AG Executive Board
<b>Dawn Airey</b> .....	Chair and Chief Executive Officer, Five
<b>Alain Berwick</b> .....	Chief Executive Officer, RTL Radio and Télé Lëtzebuerg
<b>Tony Cohen</b> .....	Chief Executive Officer, FremantleMedia
<b>Philippe Delusinne</b> .....	Chief Executive Officer, TVI
<b>Vincent de Dorlodot</b> .....	General Counsel
<b>Axel Duroux</b> .....	Chief Executive Officer, RTL Radio (France)
<b>Dirk Gerken</b> .....	Chief Executive Officer, RTL Klub
<b>Bert Habets</b> .....	Chief Executive Officer, RTL Nederland
<b>Elmar Heggen</b> .....	Chief Financial Officer, Head of the Corporate Centre
<b>Oliver Herrgesell</b> .....	Executive Vice President, Corporate Communications and Marketing
<b>Hans Mahr</b> .....	Supervisory Board, Ren TV; Synergies
<b>Christoph Mainusch</b> .....	Chief Executive Officer, RTL Televizija
<b>Romain Mannelli</b> .....	Executive Vice President, Corporate HR
<b>Andreas Rudas</b> .....	Executive Vice President Regional Operations & Business Development Central and Eastern Europe
<b>Anke Schäferkordt</b> .....	Chief Executive Officer, RTL Television and Mediengruppe RTL Deutschland
<b>Rick Spinner</b> .....	Chief Executive Officer, Alpha Media Group
<b>Nicolas de Tavernost</b> .....	Président du Directoire, Groupe M6
<b>Gert Zimmer</b> .....	Chief Executive Officer, RTL Radio Deutschland
<b>Eduardo Zulueta</b> .....	Antena 3





Each RTL Group profit centre is led by its own CEO. This allows each CEO to be an entrepreneur, and act quickly and flexibly in his or her local market. However, each profit centre has much to gain by exchanging knowledge, ideas and experience



RTL Group's initial forum for discussion and decision is the Operations Management Committee (OMC), where all profit centre CEOs and senior executives from the Corporate Centre meet regularly. In discussing the overall strategy, the OMC identifies specific areas for study by the Synergy Committees (Sycos), which include relevant specialists from the various operations



# CORPORATE GOVERNANCE

The RTL Group Board of Directors recognises the importance of, and is committed to, high standards of corporate governance. The principles of good governance adopted by RTL Group have been applied in the following way. They are in line with the ten principles of corporate governance issued by the Luxembourg stock exchange. A section on the company's website (*RTLGroup.com*) is fully dedicated to this topic and can be found in the 'About us' section. Shareholders have access to the 'RTL Group Charter on Corporate Governance', which contains all the rules of good governance applied for years by the company.

## Shareholders

The share capital of the Company is set at €191,900,551 divided into 154,787,554 shares with no par value, each fully paid up.

## Shareholding structure

31 December 2008\*

RTL Group	Bertelsmann	<b>90.3%</b>
	Public	<b>9.7%</b>

\*Excluding 0.76% which is held collectively as treasury stock by RTL Group and one of its subsidiaries

## Board of Directors and Chief Executive Officer

On 31 December 2008 the Board of RTL Group had eight members: one executive director, and seven non-executive directors. The non-executive directors elected at the General Meeting of Shareholders on 19 April 2006 were appointed for a period of three years. The executive director elected at the General Meeting of Shareholders on 19 April 2006 was appointed for a period of five years. The biographical details of the directors are set out on pages 70 to 72. Three of the non-executive directors – Onno Ruding, Jacques Santer and Martin Taylor – are independent of management and other outside interests that might interfere with the exercise of their independent judgement.

The Board of Directors has to review, if requested with the assistance of an expert, that any transaction between RTL Group or any of its subsidiaries and any of the shareholders is at arm's length terms. The responsibility for day-to-day management of the Company is delegated to the CEO, but the Board, which meets at least four times a year, has a formal schedule of matters reserved to it including approval of the annual overall Group budget, significant acquisitions and disposals, and the Group's financial statements. The Board of Directors met four times in 2008 – with an average attendance rate of 94 per cent – and adopted some decisions by circular resolution on matters presented and discussed at a previous Board meeting.

An evaluation of the Board of Directors' activities, as well as the activities of its committees, was performed early in 2008. A report on the results was presented at the Board of Directors' meeting in March 2008.

## The following Board committees are established

### Nomination and Compensation Committee

The Nomination and Compensation Committee is made up of four non-executive directors, one of them being an independent director, and meets at least twice a year. The Nomination and Compensation Committee met three times in 2008, with an average attendance rate of 75 per cent.

The Nomination and Compensation Committee consults with the CEO on the appointment and removal of executive directors and senior management and determines the Group's compensation policy.

#### Audit Committee

The Audit Committee is made up of four non-executive directors, two of whom are independent, and meets at least three times a year.

The committee's plenary meetings are attended by the CEO, the CFO and the Head of Internal Audit with or without the external auditors. The Audit Committee met three times in 2008, with an average attendance rate of 100 per cent.

The committee reviews the overall risk management and control environment, financial reporting and standards of business conduct.

The Head of Internal Audit and the external auditors have direct access to the Chairman of the Audit Committee.

#### Directors' fees

In 2008 a total of €0.53 million (2007: €0.6 million) was allocated in the form of fees to the non-executive members of the Board of Directors and the Committees that emanate from it (see note 8.4. to the consolidated financial statements).

Neither options nor loans have been granted to Directors.

#### Market abuse

The Company has taken appropriate measures in order to ensure compliance with the provisions of the Luxembourg law on market abuse, as well as with the Circulars of the Commission de Surveillance du Secteur Financier (CSSF) concerning the application of this legislation.

## How we manage risks

By their nature, media businesses are exposed to risk. Television and radio channels can lose audiences rapidly as new competitive threats emerge, with consequent loss of revenue. Broadcasters and producers are also exposed to legal risks, such as litigation by aggrieved individuals or organisations. Moreover, media businesses are more exposed than most to economic cycles – advertising is usually one of the first casualties in an economic downturn. RTL Group's international presence exposes it to further risks, such as adverse currency movements.

RTL Group has robust risk management processes in place, designed to ensure that risks are identified, monitored and controlled. Risk management is an essential part of our Group's system of internal controls and is founded on a specific policy and clearly defined set of procedures.

#### Definition of risk

RTL Group defines a risk as the danger of a negative development arising that could endanger the solvency or existence of a profit centre, or impact negatively on the income statement of the Group.

## Risk reporting framework

We have developed a framework for the reporting of risks and related controls, in line with good corporate practice. This framework is based on a number of key principles:

- Comprehensive scope of risk assessment: risks are assessed within a framework of defined key risk categories. Regular risk assessments are undertaken to include a description of the risk, an indication of the potential financial impact, and the approach taken to mitigate the risk.
- Regular reporting: RTL Group's system of internal controls ensures that risks will be addressed, reported and mitigated when they arise. Within the specific risk reporting framework all significant risks are comprehensively assessed and reported to RTL Group management on a bi-annual basis. This ensures that the necessary actions are undertaken to manage, mitigate or offset the risks within the Group.
- Bottom-up approach: we assess risks at the level where they arise, i.e. in our operations.
- Harmonised reporting tool: our operations report on their risk assessment using a common reporting tool thus ensuring consistency in scope and approach.
- Consolidated Group matrix: we gain a comprehensive view of significant risks for the Group through the consolidation of the local risk assessments. A Risk Management Committee, chaired by the CFO and comprising senior Group management, prepares and reviews this consolidated Group risk matrix which is then submitted to RTL Group's Audit Committee.
- Audit approach: both the processes of local risk assessments as well as the consolidated Group risk matrix are regularly reviewed by the external auditors.

#### Going forward

RTL Group's risk management framework is constantly challenged, at both operations and Group level through the Risk Management Committee, in order to ensure it reflects the risk profile of the Group at any given moment.

Risk management framework	
1	Goals and objectives based on company mission
2	Risk assessment at operations and headquarters
3	Mitigation measures and action plans to control risks
4	Risk management reporting
5	Consolidation of risk management report and review by Risk Management Committee. Reporting to Audit Committee
6	Actions at Group/local level

TYPE OF RISKS	DESCRIPTION AND AREAS OF IMPACT
---------------	---------------------------------

#### EXTERNAL AND MARKET RISKS

LEGAL	The local and European media regulations are subject to change. Some changes could alter businesses and revenue streams (for example, a ban of certain types of advertisements, opening of markets, deregulation of markets, cancellation of restrictions, limitation of advertising minutes).
AUDIENCE AND MARKET SHARE	A decrease in audience and/or market share may have a negative impact on RTL Group's revenue.
STRATEGIC DIRECTION	Wrong strategic decisions could lead to potential losses of revenue. Also, wrong strategic investment decisions and overpricing could imply the risk of an impairment of goodwill (apart from the cash cost of an overly expensive investment).
CYCLICAL DEVELOPMENT OF ECONOMY	Economic development directly impacts the advertising market and therefore RTL Group revenue.

#### MARKET RISKS

NEW ENTRANTS AND MARKET FRAGMENTATION	As countries move towards digital switchover, market entry barriers are reduced. New entrants will also provide further choice to the viewer. Higher competition in programme acquisition, fragmentation due to thematic channels, and expansion of platform operators may impact RTL Group's position.
TECHNOLOGICAL CHALLENGES/INNOVATION	New broadcasting technologies becoming more and more important over the coming years (for instance digital broadcasting, internet, video on demand) may imply not only opportunities, but also threats for RTL Group.

#### RISKS IN KEY BUSINESS

CUSTOMERS	Bad debts or loss of customers may negatively impact RTL Group's financial statements.
SUPPLIERS	The supply of certain types of content is limited and may lead to a rise in costs. Over-reliance on one supplier may also cause costs to rise in the long term.
INVENTORIES	There is a risk of over-accumulation of stock that would be unused or could become obsolete. This may imply that write offs/impairments are necessary.

#### FINANCIAL RISKS

FOREIGN EXCHANGE EXPOSURE	Effective management of foreign exchange risk is an important factor. The operating margin and broadcasting costs are impacted by foreign exchange volatility, especially if there is a strong increase of the USD versus EUR (feature films or sport/distribution rights purchases).
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## MITIGATION ACTIVITIES

### EXTERNAL AND MARKET RISKS

RTL Group tries to anticipate any changes in legislation and to act accordingly by developing and exploiting new revenue sources.

New talent and formats are developed or acquired. Performance of existing shows is under constant review with the aim of driving audience share performance and hence future revenue. Moreover, RTL Group remains constantly proactive in the monitoring of international market trends.

Prudent investment policies are followed, underpinned by realistic and conservative business plans, approval levels being followed ensuring the relevant degree of management 'sign-off', solid valuation models and regular strategic planning sessions. A regular review of strategic options is undertaken ensuring that the strategic course of the Group is well understood and consistent over time.

RTL Group tries to diversify the revenue base through regional expansion as well as new products and services generating non-advertising revenue.

### MARKET RISKS

RTL Group's strategy is to embrace new digital opportunities by ensuring its channels and stations are platform neutral (available on the widest possible choice) and that we develop strong families of channels for the digital age based around our leading brands.

RTL Group remains proactive on new technological and broadcasting trends and develops digitalisation activities to offset the removal/loss of analogue activities.

### RISKS IN KEY BUSINESS

Credit analysis of all new advertisers is systematically undertaken to prevent such a risk. Depending on the customer's credit worthiness credit insurances may be used. This risk is also mitigated by broadening the advertiser base.

The Group tries wherever possible to diversify its sources of supply. RTL Group benchmarks purchasing terms and conditions to identify best practices with the aim of reducing costs via, for example, joint purchasing. RTL Group selects high quality and solid suppliers for key services or equipment to reduce the risk of bankruptcy of business partners.

RTL Group has strict commercial policies, very close follow-up of existing inventories and strict criteria for approval of investment proposals for rights.

### FINANCIAL RISKS

RTL Group has in place a strict policy regarding foreign exchange management, which is monitored and followed up by Group Treasury, using plain vanilla hedge instruments to mitigate volatility on the income statement.

# THE BOARD

*On 31 December 2008, the RTL Group Board of Directors had eight members: one executive director, and seven non-executive directors.*

## EXECUTIVE DIRECTOR



**Gerhard Zeiler**  
Chief Executive Officer

Gerhard Zeiler, born in 1955 in Vienna (Austria), joined RTL Group in November 1998 when he was appointed Chief Executive Officer (CEO) of RTL Television in Cologne. In this capacity, Zeiler was responsible for the German RTL family of channels (RTL Television, Vox, RTL II, Super RTL, N-TV). In March 2003 Gerhard Zeiler was additionally appointed CEO of RTL Group. He handed over the management of RTL Television to Anke Schäferkordt in September 2005 to fully concentrate on RTL Group's international entertainment network.

In his function as CEO of RTL Group, Gerhard Zeiler is a member of the Supervisory Boards of Groupe M6 in France and RTL Television in Germany, member and Vice-Chairman of the Board of Alpha Media Group in Greece and Chairman of the Board of M-RTL in Hungary. He has been a member of the Bertelsmann AG Executive Board since October 2005.

Gerhard Zeiler began his career as a freelance journalist and then became press spokesman for the Austrian Minister for Education and the Arts, Dr Fred Sinowatz, whom he eventually followed to the Federal Chancellor Office in 1983. Later he continued working in the same capacity for Federal Chancellor Dr Franz Vranitzky. In 1986 he became Secretary-General of the Austrian public broadcaster ORF in Vienna. After a two-year period as CEO of Tele 5 and a further two-year period as CEO of RTL II, he was elected Chief Executive Officer of ORF in 1994 and stayed in this position until November 1998.

*Appointed: 4 March 2003*

## NON-EXECUTIVE DIRECTORS



**Siegfried Luther**  
Chairman

Siegfried Luther, born in 1944, was Chief Financial Officer (since 1990) and Deputy Chairman (since 2002) of Bertelsmann AG, Gütersloh. He retired at the end of 2005. Between 1974 and 1990 he held various senior positions at Bertelsmann AG in taxes, group accounting and treasury, and corporate finance. He graduated as a doctor of law from the University of Münster (Germany).

*Appointed: 24 July 2000*

### Committee membership:

Audit, Nomination and Compensation

### Mandates in listed companies:

Member of the Supervisory Boards of Infineon Technologies AG, Munich; WestLB AG, Düsseldorf; Wintershall Holding AG, Kassel; and Evonik Industries AG, Essen. Non-executive member of the Board of Directors of Compagnie Nationale à Portefeuille SA, Loverval



**Martin Taylor**  
Vice-Chairman;  
Independent Director

Martin Taylor, born in 1952, began his career as a financial journalist with Reuters and the *Financial Times*. He then joined Courtaulds PLC, becoming a director in 1987, and then Chief Executive of Courtaulds Textiles PLC on its demerger in 1990. He moved to Barclays PLC in 1993 as Chief Executive, a post he held until the end of 1998. From 1999 to 2003 he was Chairman of WH Smith PLC and from 1999 to 2005 International Advisor to Goldman Sachs. Currently he is Chairman of the Board of Syngenta AG. He has worked on various projects for the British Government and served for five years as a member of its Council for Science and Technology. Appointed as independent, non-executive director in July 2000 (when RTL Group was created), he took over the responsibilities of Vice-Chairman of the Board in December 2004.

*Appointed: 25 July 2000*

**Committee membership:**  
Audit, Nomination and Compensation  
(Chairman)

**Mandates in listed companies:**  
Chairman of the Board of Syngenta AG (CH)

**Günther Grüger**  
Executive Vice President  
Corporate Controlling and  
Strategy of Bertelsmann AG



Günther Grüger, born in Germany in 1951, is currently Executive Vice President Corporate Controlling and Strategy of Bertelsmann AG. From 1983 until 1997 he held various positions at Bertelsmann. Before joining Bertelsmann he worked in the Corporate Controlling Department of Oetker Group. He holds a diploma and a doctorate in Economics from the University of Münster (Germany).

*Appointed: 29 August 2006*



**Hartmut Ostrowski**  
Chairman of the  
Executive Board and  
CEO, Bertelsmann AG

After having studied business administration at the University of Bielefeld, Hartmut Ostrowski, born in 1958, joined Bertelsmann in 1982 as Executive Assistant in what was then Bertelsmann Distribution. A year later, he was head of the credit management division. In 1988, he became Managing Director of a German subsidiary of Security Pacific, at the time the fourth-largest bank in the United States. In April 1990, he returned to Bertelsmann Distribution as head of a business unit. In July 1992, he was appointed Managing Director, and in July 1995, he became CEO of the newly formed Bertelsmann Services Group. Hartmut Ostrowski was appointed to the Arvato Executive Board in 1996, and became CEO of Arvato AG and a member of the Bertelsmann AG Executive Board in September 2002. He has been Chairman and CEO of Bertelsmann AG since 1 January 2008.

*Appointed: 7 December 2007  
(effective 1 January 2008)*

**Committee membership:**  
Nomination and Compensation

**NON-EXECUTIVE DIRECTORS**



**Thomas Rabe**  
Member of the Bertelsmann AG Executive Board and Chief Financial Officer of Bertelsmann AG

Thomas Rabe, born in Luxembourg-Ville in 1965, holds a diploma and a doctorate in economics from the University of Cologne (Germany). He started his career in 1989 at the European Commission in Brussels. From 1990 to 1996 he held various senior positions at Forrester Norall & Sutton (now White & Case) in Brussels as well as the state privatisation agency Treuhandanstalt and a venture capital fund in Berlin. In 1996, he joined Cedel International (Clearstream, following the merger with Deutsche Börse Clearing) where he was appointed Chief Financial Officer and member of the Management Board in 1998. In 2000, Thomas Rabe became Chief Financial Officer and member of the Executive Committee of RTL Group. In March 2003 he was also appointed Head of the Corporate Centre with responsibility for the Luxembourgish activities of RTL Group. He has been Chief Financial Officer and Head of the Corporate Centre of Bertelsmann AG since January 2006.

*Appointed: 12 December 2005  
(effective 1 January 2006)*

**Committee membership:**  
Audit, Nomination and Compensation

**Onno Ruding**  
Chairman of the Board of the Centre for European Policy Studies; Independent Director



Born in 1939, Onno Ruding served as the Minister of Finance of The Netherlands for the Christian Democratic Party (CDA) from November 1982 until November 1989. In July 1990, he became Vice-Chairman of Citicorp, and in March 1992, he was appointed Vice-Chairman of Citicorp/Citibank in New York. He retired in September 2003. In January 2002, he became Chairman of the Board of the Centre for European Policy Studies (CEPS) in Brussels, the largest independent think-tank in Europe addressing subjects related to European integration.

*Appointed: 12 September 2000*

**Committee membership:**  
Audit (Chairman)

**Mandates in listed companies:**  
Corning, Holcim



**Jacques Santer**  
Chairman of the Board of CLT-UFA; Independent Director

Before Jacques Santer, born in 1937, became Chairman of the Board of CLT-UFA in May 2004, his distinguished career covered a variety of political roles including Member of the European Parliament (1974 to 1979 and 1999 to 2004), Prime Minister of Luxembourg (1984 to 1995) and President of the European Commission (1995 to 1999).

*Appointed: 9 December 2004*



# EXECUTIVE COMMITTEE



**Gerhard Zeiler**  
Chief Executive Officer

Further to his roles as Executive Director and CEO of RTL Group, Gerhard Zeiler is in charge of programme and synergies throughout all operations. He oversees the operations in Germany (television), France (television), UK, Greece and FremantleMedia. RTL Group Corporate Communications & Marketing also reports to him, as does Human Resources, which also reports to the CFO.

**Elmar Heggen**  
Chief Financial Officer  
and Head of  
the Corporate Centre



Elmar Heggen, born in 1968, holds a diploma in business administration from the European Business School and graduated as Master of Business Administration (MBA) in finance. In 1992, he started his career at the Felix Schoeller Group, becoming Vice President and General Manager of Felix Schoeller Digital Imaging in the UK in 1999. Elmar Heggen first joined the RTL Group Corporate Centre in 2000 as Vice President Mergers and Acquisitions. In January 2003, he was promoted to Senior Vice President Controlling and Investments. From July 2003 until December 2005 he was Executive Vice President Strategy and Controlling.

Since January 2006, Elmar Heggen has served on the RTL Group Executive Management team, and since 1 October 2006 he has been CFO and Head of the Corporate Centre of RTL Group. In this capacity, he controls Finance, Strategy and Business Development, Online Strategy and Legal. He also oversees the operations in the Netherlands, France (radio), Luxembourg, Spain and UFA Sports.

**Andreas Rudas**  
Executive Vice President  
Regional Operations &  
Business Development Central  
and Eastern Europe



Andreas Rudas, born in 1953, worked with the Austrian public broadcaster ORF from 1986 to 1997, being its Secretary-General from 1994 to 1997. In this role, he was responsible for business planning, media politics, marketing and satellite broadcasting. Starting in 2000, he held various positions at Magna International Europe, being member of the Management Board from 2001 to 2005. Since December 2005, Andreas Rudas was Executive Director of WAZ Ost Holding (subsidiary of WAZ Media Group), responsible for Austria, South Eastern Europe and Vietnam.

Andreas Rudas was appointed a new member of the RTL Group Executive Committee with effect from 1 January 2009. In this capacity, he oversees the operations in Belgium, Croatia, Hungary, Russia, Germany (radio) and explores business opportunities in Central and Eastern Europe, and in Asia.

Each month, the Executive Committee informs the Board of Directors on the results of the Group and its main profit centres. The compensation of the members of the Executive Committee is determined by the Nomination and Compensation Committee, and is composed of a fixed and a variable part (see note 8.3. to the consolidated financial statements). Some members of the Executive Committee also benefit from the Company's share option programme, established by the Board of Directors on 25 July 2000. During 2008, none of the members of the Executive Committee exercised any option (see note 5.15.8. to the consolidated financial statements) and no additional options or loans were granted.



Mark Medlock, winner of season 4 of *Deutschland sucht den Superstar* (Idols), performing at the Echo Awards ceremony on 15 February 2008 in Berlin where he was recognised as the Most Successful Newcomer

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# DIRECTORS' REPORT

# AUDITORS' REPORT

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# DIRECTORS' REPORT

## HIGHLIGHTS

**The Directors are pleased to present their report to the shareholders, with details on the businesses and the development of the Group, together with the financial statements for the year ended 31 December 2008 on pages 112 to 173.**

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>Revenue</b>	<b>5,774</b>	<b>5,707</b>	<b>+1.2</b>
<b>Underlying revenue<sup>1</sup></b>	<b>5,748</b>	<b>5,603</b>	<b>+2.6</b>
<b>Reported EBITA<sup>2</sup></b>	<b>916</b>	<b>898</b>	<b>+2.0</b>
Restructuring costs and non-recurring items	32	(3)	
Start-up losses <sup>3</sup>	23	38	
<b>Adjusted EBITA</b>	<b>971</b>	<b>933</b>	<b>+4.1</b>
Reported EBITA margin (%)	15.9	15.7	
Adjusted EBITA margin (%)	16.8	16.3	
<b>Reported EBITA</b>	<b>916</b>	<b>898</b>	<b>+2.0</b>
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	(31)	(19)	
Impairment of goodwill and disposal groups	(364)	(133)	
Impairment of goodwill on associates	(12)	–	
(Loss)/Gain from sale of subsidiaries, joint ventures and other investments	(9)	76	
Net financial income	28	22	
Income tax expense, of which:	(232)	(170)	
– Current tax expense	(195)	(267)	
– Deferred tax (expense)/income	(37)	97	
<b>Profit for the year</b>	<b>296</b>	<b>674</b>	
Attributable to:			
– Minority interest	102	111	
– RTL Group shareholders	194	563	
<b>Adjusted EPS (in €)<sup>4</sup></b>	<b>3.87</b>	<b>3.54</b>	<b>+9.3</b>
<b>Proposed/paid ordinary dividend per share (in €)</b>	<b>1.40</b>	<b>1.30</b>	<b>+7.7</b>
<b>Proposed/paid extraordinary dividend per share (in €)</b>	<b>2.10</b>	<b>3.70</b>	<b>(43.2)</b>

1 Adjusted for scope changes and at constant exchange rates

2 EBITA represents earnings before interest and income tax expense excluding impairment of goodwill, disposal groups and amortisation and impairment of fair value adjustments on acquisitions and gain or loss from sale of subsidiaries, joint ventures and other investments

3 Primarily launch costs of digital television channels in the UK and other minor projects

4 Adjusted earnings per share represents the net profit for the period adjusted for impairment of goodwill, disposal groups and amortisation of fair value adjustments on acquisitions and gain or loss from sale of subsidiaries, joint ventures and other investments, net of income tax expense and one-off tax effects

## RTL Group headlines

- Reported EBITA of €916 million, up 2.0 per cent, despite a tougher economic climate
- Reported Group revenue up 1.2 per cent to €5,774 million; underlying revenue, at constant exchange rates, up 2.6 per cent
- Reported EBITA margin improved to 15.9 per cent
- Net profit attributable to RTL Group shareholders down to €194 million (2007: €563 million), mainly due to an impairment of goodwill of the UK TV activities amounting to €337 million
- Net cash from operating activities of €1,065 million resulting in an operating cash conversion of 114 per cent
- Proposed ordinary dividend for 2008 up to €1.40, from €1.30 for 2007; once again proposed extraordinary dividend of €2.10 for 2008 (€3.70 for 2007)
- Increasingly challenging advertising conditions across Europe

## Profit centre highlights

- Mediengruppe RTL Deutschland with its best year ever; EBITA up 25.6 per cent; leading position on the German TV advertising market significantly strengthened
- FremantleMedia reports growing revenue and EBITA figures for the fifth consecutive year, driven by its slate of international prime time hit formats; EBITA up 18.3 per cent
- EBITA of Groupe M6 in France impacted by a major programme investment for the European football championship 2008; free DTT channel W9 continued its rapid audience and revenue growth and generated positive EBITA for the first time
- RTL Nederland implemented a restructuring programme at the end of 2008; EBITA down 17.6 per cent also due to these one-time restructuring charges

## Selective acquisitions and launches to strengthen core business activities

- Acquisition of a 66.6 per cent majority shareholding in Alpha Media Group, Greece's number four broadcasting company
- RTL Group builds up comprehensive catch-up TV services in Germany (*RTLnow.de*), France (*M6replay.fr*), the Netherlands (*RTLgemist.nl*) and in the UK (*Demand.Five.tv*)
- Investments to strengthen RTL Group's internet portfolio
  - Mediengruppe RTL Deutschland acquired the fast-growing social network *Wer-kennt-wen.de*
  - Groupe M6 acquired a 100 per cent stake in the Cyréal group
- Launch of exclusive mobile TV channel RTL 24 in the Netherlands
- Relaunch of marketing agency UFA Sports to round off RTL Group's portfolio and to further diversify revenue streams

## REVENUE

**Overall advertising market conditions were increasingly challenging across Europe in 2008 with negative growth in all markets, with the exception of the Netherlands which was only slightly up. A summary of RTL Group's key markets is shown opposite including estimates of net advertising market growth rates and net advertising market shares, plus the audience share of the main target audience group.**

- 5 Industry/IREP and RTL Group estimates  
 6 Target group: 14–49  
 7 Source: Groupe M6 estimate  
 8 Target group: housewives under 50  
 9 Target group: 16+ (including digital channels)  
 10 Target group: shoppers 20–49, 18–24h  
 11 Source: IP estimate  
 12 Target group: shoppers 18–54, 17–23h  
 13 Source: Infoadex  
 14 Target group: 13–55

	2008 net TV advertising market growth rate (in per cent)	RTL Group advertising market share 2008 (in per cent)	RTL Group advertising market share 2007 (in per cent)	RTL Group audience share in main target group 2008 (in per cent)	RTL Group audience share in main target group 2007 (in per cent)
Germany	(1.8) <sup>5</sup>	46.4	43.3	32.9 <sup>6</sup>	33.6 <sup>6</sup>
France	(3.5) <sup>7</sup>	21.3	20.4	17.5 <sup>8</sup>	18.0 <sup>8</sup>
UK	(5.0) <sup>5</sup>	9.6	9.3	6.24 <sup>9</sup>	6.15 <sup>9</sup>
Netherlands	+0.5 <sup>5</sup>	39.1	40.4	30.5 <sup>10</sup>	29.7 <sup>10</sup>
Belgium	(3.0) <sup>11</sup>	70.4	71.1	36.0 <sup>12</sup>	35.3 <sup>12</sup>
Spain	(11.0) <sup>13</sup>	22.9	24.9	17.4 <sup>14</sup>	18.3 <sup>14</sup>

Revenue increased by 1.2 per cent to €5,774 million (2007: €5,707 million). On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was up 2.6 per cent.

Revenue	Year to December 2008 €m	Year to December 2007 €m	Per cent change
Television	4,394	4,418	(0.5)
Content	1,255	1,176	+6.7
Radio	332	279	+19.0
Other	64	65	(1.5)
Eliminations	(271)	(231)	+17.3
<b>Total</b>	<b>5,774</b>	<b>5,707</b>	<b>+1.2</b>

## EBITA

**With reported EBITA increasing by 2.0 per cent to €916 million (2007: €898 million), RTL Group grew its operating result for the seventh consecutive year. The improvement was driven by exceptionally strong performances at RTL Group's German television business and at FremantleMedia. On an adjusted basis, after stripping out restructuring costs, non-recurring items and start-up losses, EBITA was up 4.1 per cent to €971 million (2007: €933 million).**

EBITA	Year to December 2008 €m	Year to December 2007 €m	Reported EBITA margin 2008 (%)	Reported EBITA margin 2007 (%)
Television	708	731	16.1	16.5
Content	164	126	13.1	10.7
Radio	88	79	26.4	28.3
Other	(44)	(38)	(69.8)	(58.5)
<b>Total</b>	<b>916</b>	<b>898</b>	<b>15.9</b>	<b>15.7</b>

Adjusted EBITA	Restructuring costs and non-recurring items 2008 €m	Start-up losses 2008 €m	Adjusted EBITA 2008 €m	Adjusted EBITA 2007 €m	Adjusted EBITA margin 2008 (%)	Adjusted EBITA margin 2007 (%)
Television	26	22	756	772	17.2	17.5
Content	4	–	168	126	13.4	10.7
Radio	–	–	88	73	26.4	26.2
Other	2	1	(41)	(38)	(65.1)	(58.5)
<b>Total</b>	<b>32</b>	<b>23</b>	<b>971</b>	<b>933</b>	<b>16.8</b>	<b>16.3</b>

Group operating expenses were down 0.2 per cent at €4,942 million in 2008 compared to €4,950 million in 2007 despite significant programme investments.

## REVIEW BY PROFIT CENTRE

	Year to December 2008 €m	Year to December 2007 €m	Per cent change	Per cent of total 2008	Per cent of total 2007
<b>Revenue</b>					
Germany: TV and radio	2,046	1,983	+3.2	35.4	34.8
France: TV	1,354	1,357	(0.2)	23.4	23.8
FremantleMedia: content	1,203	1,132	+6.3	20.8	19.8
Netherlands: TV and radio	436	408	+6.9	7.6	7.2
UK: TV	432	499	(13.4)	7.5	8.7
<i>in local currency (GBP)</i>	341	341	0.0	–	–
Belgium: TV and radio	216	210	+2.9	3.7	3.7
France: radio	189	190	(0.5)	3.3	3.3
Luxembourg: TV, radio, technical services	93	86	+8.1	1.6	1.5
Croatia: TV	50	48	+4.2	0.9	0.8
Greece: TV and radio	4	–	n.a.	0.1	–
Others	31	29	+6.9	0.5	0.5
Eliminations	(280)	(235)	+19.1	(4.8)	(4.1)
<b>Total revenue</b>	<b>5,774</b>	<b>5,707</b>	<b>+1.2</b>	<b>100.0</b>	<b>100.0</b>

	Year to December 2008 €m	Year to December 2007 €m	Per cent change	Per cent of total 2008	Per cent of total 2007
<b>EBITA</b>					
Germany: TV and radio	422	336	+25.6	46.1	37.4
France: TV	196	237	(17.3)	21.4	26.4
FremantleMedia: content	155	131	+18.3	16.9	14.6
Netherlands: TV and radio	70	85	(17.6)	7.6	9.5
UK: TV	(2)	10	n.a.	(0.2)	1.1
<i>in local currency (GBP)</i>	(2)	7	n.a.	–	–
Belgium: TV and radio	39	49	(20.4)	4.2	5.5
France: radio	32	33	(3.0)	3.5	3.7
Luxembourg: TV, radio, technical services	1	1	0.0	0.1	0.1
Croatia: TV	2	2	0.0	0.2	0.2
Spain: TV and radio	19	40	(52.5)	2.1	4.4
Greece: TV and radio	(2)	–	n.a.	(0.2)	–
Others	(24)	(19)	+26.3	(2.6)	(2.1)
Eliminations	8	(7)	n.a.	0.9	(0.8)
<b>Reported EBITA</b>	<b>916</b>	<b>898</b>	<b>+2.0</b>	<b>100.0</b>	<b>100.0</b>

## TELEVISION AND RADIO

# GERMANY



Revenue in Germany increased by 3.2 per cent to €2,046 million (2007: €1,983 million), driven by higher advertising sales following the successful introduction of a new sales model by IP Deutschland, RTL Group's advertising sales house in Germany. EBITA of RTL Group's biggest profit contributor grew strongly to €422 million, from €336 million in 2007, mainly reflecting the growing advertising business of Mediengruppe RTL Deutschland which bundles the German TV broadcasting activities.

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>Revenue</b>			
TV	2,020	1,966	+2.7
Radio	26	17	+52.9
<b>Total</b>	<b>2,046</b>	<b>1,983</b>	<b>+3.2</b>
<b>EBITA</b>			
TV	416	333	+24.9
Radio	8	7	+14.3
Start-up losses	(2)	(4)	(50.0)
<b>Total</b>	<b>422</b>	<b>336</b>	<b>+25.6</b>

The channels marketed by IP Deutschland (RTL Television, Vox, Super RTL and N-TV) clearly outperformed the net TV advertising market, which was estimated to have decreased by 1.8 per cent in 2008. RTL II's advertising sales – which are not marketed by IP Deutschland – also grew strongly. As a result, the combined estimated net share of Mediengruppe RTL Deutschland (including RTL II) increased significantly to 46.4 per cent (2007: 43.3 per cent).

Audience ratings in 2008 were markedly influenced by the European football championship (June 2008) and the Olympic Summer Games in Beijing (August 2008) as both events were televised by the public broadcasters ARD and ZDF. With a combined average audience share of 32.9 per cent (2007: 33.6 per cent) in the key 14 to 49 target group, Mediengruppe RTL Deutschland remained the clear market leader, ahead of its main commercial competitor ProSiebenSat1 (29.3 per cent) and the public channels (24.8 per cent).

### RTL Television

Source: GfK. Target: 14–49.

### TV audience share

2004–2008 (%)

08		15.7
07		16.0
06		15.6
05		16.0
04		16.8

RTL Television continued to be the number one among young viewers aged 14 to 49 – by a large margin and for the 16th consecutive year. With a 15.7 per cent audience share (2007: 16.0 per cent) in its main target group, the channel came in well ahead of ProSieben (11.8 per cent) and Sat1 (10.8 per cent). With 11.7 per cent, RTL Television also remained the leading commercial channel in terms of total audience share (2007: 12.4 per cent).

RTL Television's show highlights *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity... Get Me Out Of Here!), *Deutschland sucht den Superstar* (Idols) and *Das Supertalent* (Got Talent) performed strongly



in prime time. In January 2008, the third season of the 'jungle show' *Ich bin ein Star – Holt mich hier raus!* surpassed the 30 per cent threshold (average audience share 14 to 49: 31.7 per cent). The fifth season of *Deutschland sucht den Superstar* – broadcast from January to May 2008 – was an audience favourite as well, scoring an average market share of 29.4 per cent in the 14 to 49 age group. This year's winner, Thomas Godoj, went straight to the top of the German charts with both his single and his album. Season two of the talent show *Das Supertalent* also scored high ratings (average audience share 14 to 49: 27.9 per cent).

Factual entertainment formats were another important success factor in RTL Television's programme grid. Season 4 of *Bauer sucht Frau* (The Farmer Wants A Wife) was, with an average audience share of 26.1 per cent among young viewers, the most watched real-life format on German television in 2008. In addition to established hit formats such as *Raus aus den Schulden* (Get Out of Debt), *Rach – Der Restauranttester* and *Die Super Nanny*, RTL Television launched popular new factual programmes in 2008, including *Die Ausreißer – Der Weg zurück* (The Runaways) and *Vermisst* (Missed You).

*Dr. House* remained the most successful US series on German television (average audience share 14 to 49: 26.8 per cent), followed by *CSI: Miami* (average audience share 14 to 49: 23.2 per cent). Together with *Monk*, *CSI: Den Tätern auf der Spur*, *Bones*, *Law & Order* and *Psych*, RTL Television broadcast all of the top seven US drama series in Germany.

The channel also continues to lead in local drama: *Alarm für Cobra 11 – Die Autobahnpolizei* (average audience share 14 to 49: 17.2 per cent) was the most-watched German drama series by a large margin, while the new comedy *Doctor's Diary* (average audience share 14 to 49: 16.5 per cent) received the German TV Award and the Comedy Prize 2008. *Gute Zeiten, schlechte Zeiten* (Good Times, Bad Times), the most successful daily soap in Germany, improved its average audience share among young viewers by 1.9 percentage points to 23.1 per cent. The daily soap *Alles was zählt* (All That Matters) attracted an average audience share of 17.5 per cent in 2008 (2007: 16.1 per cent).

Sports events on RTL Television proved as captivating as ever in 2008, with the boxing matches of Vitali and Wladimir Klitschko drawing more than 9 million viewers each. With 8.8 million viewers and a total audience share of 31.5 per cent, the Brazil Grand Prix on 2 November was the most watched Formula One race of 2008. Across all 18 races, RTL Television achieved an average audience share of 36.7 per cent in the 14 to 49 target group.

RTL Television's various news programmes – including the midday news *Punkt 12*, the main news programme *RTL Aktuell* at 18:45, and the night-time news show *RTL Nachtjournal* – were once again way ahead of the competition among young viewers and in terms of total audience share. *RTL Aktuell* remained the number one news choice among young audiences for the 16th consecutive year. With an average of 3.74 million viewers, it also surpassed ZDF's *Heute* in terms of total audience for the first time. *Stern TV* with Günther Jauch remained the most popular prime time magazine (average audience share 14 to 49: 19.1 per cent).

## Vox

Source: GfK. Target: 14–49.

## TV audience share

2004–2008 (%)

08		7.5
07		7.9
06		7.1
05		6.4
04		5.5

**Vox** ended 2008 with an audience share of 7.5 per cent in the target group of 14 to 49-year-old viewers (2007: 7.9 per cent), on the same level or even above the main public channels ARD (7.5 per cent) and ZDF (7.0 per cent), which presented both Euro 2008 and the Olympic Summer Games. Vox's ratings performance continues to be driven by popular entertainment formats – especially in the cooking genre – high-quality US drama series and movies.

The weekdayly format *Das perfekte Dinner* (Come Dine With Me) has become one of Vox's signature programmes. For three consecutive years, the format drew large audiences in access prime time (average audience share 14 to 49: 12.6 per cent). The channel's cookery credentials are enhanced by the celebrity spin-off *Das perfekte Promi Dinner*, broadcast on Sunday evenings, the weekdayly format *Unter Volldampf* (Pressure Cooking) and the prime time show *Kocharena* (Cooking Arena). In the last quarter of 2008, Vox launched *Mein Restaurant* (My Restaurant Rules). This series was the channel's biggest original production so far, scoring an average audience share of 7.3 per cent among young viewers. Vox continued to broadcast numerous documentaries in 2008, a highlight of which was *9/11 Mysteries – Die Zerstörung des World Trade Centers*, which drew 19.2 per cent of the target demographic.

US series continue to be key to Vox's success in prime time, consistently generating high audience shares on Mondays and Wednesdays. The law series *Shark*, starring James Woods, enhanced the Monday line-up (average audience share 14 to 49:



“2008 was the best year ever for Mediengruppe RTL Deutschland.”

**Anke Schäferkordt,**  
CEO, RTL Television and  
Mediengruppe RTL Deutschland

9.3 per cent), while *CSI: NY* (average audience share 14 to 49: 13.1 per cent) and *Criminal Intent* (average audience share 14 to 49: 10.6 per cent) continued to score double-digit ratings.

Movies are the third pillar in Vox's programme grid: 19.4 per cent of the target demographic watched *Independence Day*, 17.3 per cent tuned in for *Jurassic Park 3* and 16.0 per cent saw *Herr der Ringe – Die Gefährten* (Lord Of The Rings – The Fellowship Of The Ring).

On the internet, Vox launched two new thematic websites: *Frauenzimmer.de*, a site catering to women aged between 25 and 45, and the cooking community *Kochbar.de*. Both websites have steadily increased their traffic since launch and have each gone straight to the top echelons of the rankings in their respective target audiences.

**RTL II TV audience share**  
Source: GfK. Target: 14–49. 2004–2008 (%)

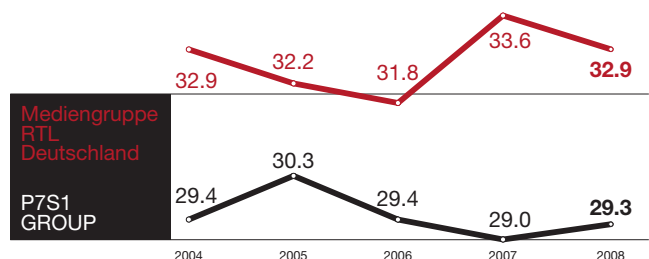
08	6.1
07	6.3
06	6.0
05	6.5
04	7.5

**RTL II** achieved a 6.1 per cent audience share in the 14 to 49 target group, slightly down from 6.3 per cent in 2007. The audience share among 14 to 29-year-olds increased to 7.4 per cent (2007: 7.2 per cent).

Docu-soaps continued to be one of the brand-defining genres of RTL II. Led by the two highest-rated episodes since launching in May 2005, the new season of the cookery docu-soap *Die Kochprofis – Einsatz am Herd* (Chefs On A Mission) scored an average audience share of 9.2 per cent

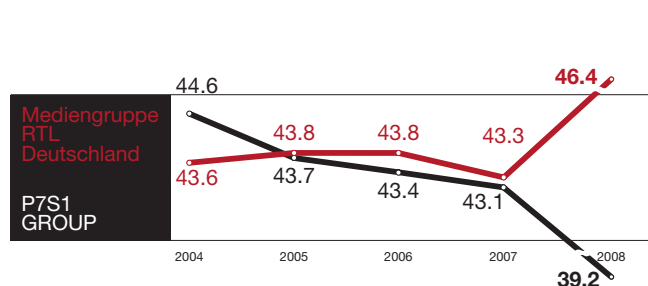
**TV audience share**

Source: GfK. Target: 14–49. 2004–2008 (%)



**TV advertising share**

Source: RTL Group estimates. 2004–2008 (%)



for first-run prime time episodes. Other popular formats were *Zuhause im Glück* (Happy At Home) and the long-running *Frauentausch* (Wife Exchange). The eighth season of the iconic reality show *Big Brother* improved its audience share versus last season in the key 14 to 49 age group from 8.2 per cent to 8.5 per cent.

Early in 2008, the first season of the multiple award-winning US mystery series *Heroes* attracted an 8.2 per cent share among young viewers. On Thursdays, *Law & Order: New York* (Law & Order: Special Victims Unit) improved its market share by 26 per cent over the previous year (average audience share 14 to 49: 7.3 per cent).

On Saturday afternoons, the comedy series *Dead Like Me – So gut wie tot*, which RTL II screened as a German free-to-air premiere, attracted an average audience share among young viewers of 6.9 per cent, while the adventures of young Superman, Clark Kent, in *Smallville* captured 8.4 per cent of the target audience.

RTL II also did well with feature films in 2008. Last year's highlights included the action thriller *Lethal Weapon 4* (audience share 14 to 49: 14.6 per cent), the moving drama *The Green Mile* (audience share 14 to 49: 13.8 per cent) and the iconic film *The Matrix* (audience share 14 to 49: 13.8 per cent).

Based on their compact and modern presentation, the channel's daily *RTL II News* and *Das Nachrichtenjournal* on Sundays continued to attract young viewers. The human-interest series *Die RTL II Schicksalsreportage*, launched in 2007, is growing in popularity: the two series of the programme aired in 2008 achieved an average audience share of 9.1 per cent in the 14 to 49 target group.

The channel's contribution to RTL Group's EBITA increased significantly to €12 million from €3 million in 2007.

### Super RTL

Source: GfK. Target: 3–13.

### TV audience share

2004–2008 (%)

08	20.4
07	23.2
06	23.7
05	25.6
04	24.1

In 2008 **Super RTL** celebrated 10 years of uninterrupted leadership in Germany's children's television market. As well as being the best-known children's TV channel, a recent survey found Super RTL to be children's favourite station. The audience share of Super RTL in the key target group of 3 to 13-year-olds decreased to 20.4 per cent (2007: 23.2 per cent), mainly due to stronger competition. However, the channel retained its clear lead over its two competitors Kika (audience share 3 to 13: 15.2 per cent) and Nick (audience share 3 to 13: 8.9 per cent).

In the pre-school age, Super RTL's top audience favourites include established audience favourites such as *Bob der Baumeister* (Bob the Builder), and new formats such as *Rupert Bär* (Rupert Bear), *Wow! Wow! Wubbzy!* and *Pinky Dinky Doo*. Super RTL's popularity during access prime time was driven by live-action formats targeted at older children aged 6 to 13, such as *Disney's Hotel Zack & Cody* (The Suite Life of Zack & Cody; average audience share 3 to 13: 25.7 per cent) and *Hannah Montana* (average audience share 3 to 13: 26.4 per cent). In prime time, background magazines for popular entertainment shows from RTL Television such as *Das Supertalent – Backstage* and *DSDS – Das Magazin* performed well.

In 2008, Super RTL's network of various websites (including *SuperRTL.de*, *Toggo.de*, *Toni.de* – the download portal for children's audiobooks – and the *ElementGirls.de* community) registered an average of 156 million page impressions per month. At the end of 2008, the two educational sites – *Toggolino Club* (children 3 to 6 years) and *Toggo Clever Club* (children 7 to 10 years) – counted more than 131,000 subscribers (end of 2007: 120,000 subscribers), proving that parents are willing to pay for premium content online.

Following a well-received launch in 2007, nearly 3,000 children participated in the Toggo Summer Camp 2008, a series of week-long stays for children filled with activities during the summer holidays. Super RTL has also successfully entered the print sector with a variety of magazines to complement its major brands and on-air formats (*Toggo Magazin*, *Bob der Baumeister Magazin*,

### National audience breakdown

Source: GfK. Target: 14–49.

2008 (%)



RTL Television	15.7
Vox	7.5
RTL II	6.1
Super RTL	2.7
N-TV	0.9
Pro 7	11.8
Sat 1	10.8
ARD	7.5
ZDF	7.0
Kabel 1	5.5
Others	24.5

“Despite a challenging year for the German radio market, RTL Radio Deutschland increased its operating result.”

**Gert Zimmer,**  
CEO,  
RTL Radio Deutschland



*Toggolino Mix Magazin*), with a total print run of over four million copies per year.

The revenue share of activities not directly related to classical TV advertising remained stable at around 25 per cent of Super RTL's total revenue.

**N-TV** reached a daily average of 6.0 million viewers aged 14 and over during 2008 (2007: 5.6 million), the highest figure since it first went on air. The news channel closed the year with a 0.9 per cent audience share in both its target demographics – adults over the age of 14, and viewers aged 14 to 49 – representing a year-on-year increase of 0.2 percentage points. N-TV's audience performance was driven by its clear daytime and prime time positioning: by day, N-TV scored with news, business reports and coverage of live events, while during evenings and weekends the channel enhanced its programming with features and magazines such as *Deluxe* and *N-TV History*.

With usage peaking at 141 million page impressions and 21 million visits, *N-TV.de* reached a new all-time high in October 2008. In total, visits were up 19.9 per cent and page impressions increased by 12.6 per cent year on year.

Within Mediengruppe RTL Deutschland, **RTL Interactive** is responsible for diversification activities plus digital content and services. In 2008, the share of professionally produced – and hence marketable to advertisers – content more than doubled on the *Clipfish.de* video clip portal, and now accounts for nearly half of all views. The infotainment portal *RTL.de* averaged 40 million visits a month according to the official IVW online ranking, a 27 per cent increase year on year. Views generated on the catch-up TV service *RTLnow.de* more than tripled last year, averaging 10 million views of complete episodes of series or shows per month.

In two steps, RTL Interactive acquired 100 per cent of the fast-growing internet platform *Wer-kennt-wen.de*. The social network was included in the official IVW monthly online rankings for the first time in July 2008, soaring immediately to number three in the rankings. According to the AGOF, the network currently reaches 4.56 million unique users and generates as many as 148 million visits per month (IVW). The number of registered members grew from around 1 million in December 2007 to well over 5 million at the end of 2008.

Following a strategic review of its portfolio, RTL Interactive sold the teleshopping channel RTL Shop to industrial investor Aurelius.

In a challenging year for the German radio market, **RTL Radio Deutschland** – RTL Group's German radio holding company – focused on its core business and achieved an EBITA of €8 million (2007: €7 million). The result was driven by the strong performance of flagship stations 104.6 RTL and Antenne Bayern, as well as the development of Hit-Radio Antenne Niedersachsen and Radio Hamburg.

In the highly competitive Berlin radio market, 104.6 RTL remained the number one station, especially in its key target group of listeners aged 14 to 49 in which it achieved an audience share of 16.0 per cent (2007: 13.9 per cent).

Six shareholdings of RTL Radio Deutschland (Radio NRW, Antenne Thüringen, Hitradio RTL Sachsen, Sachsen Funkpaket, 104.6 RTL and 105.5 Spreeradio) became new partners of the Digital 5 radio consortium, founded in autumn 2006 as an alliance of radio stations to bundle their activities in the digital world.

Coordinated by Radio Center Berlin (RCB), 16 commercial German radio stations reported live from the European football championship 2008. 50 reporters covered the major sports event, reaching over 20 million listeners each day and more than four million listeners in an average hour. In addition, 104.6 RTL hosted Germany's biggest public viewing event, the 'Fan Fest' in front of the Brandenburg Gate, where 500,000 people watched the finale between Germany and Spain.

At the end of 2008, RTL Group's German radio portfolio comprised investments in 20 stations, most of which are minority holdings because of constraints on media ownership in Germany. All portfolio stations reach 26.6 million listeners per day and have a combined average audience of almost five million listeners per hour.

# TELEVISION FRANCE



**Reported revenue of Groupe M6 was stable at €1,354 million (2007: €1,357 million), as higher advertising revenue compensated for lower revenue from the diversification businesses, namely publishing, and music and video sales. Reported EBITA decreased to €196 million (2007: €237 million), reflecting the major one-time programme investment of €50 million for half of the Euro 2008 matches.**

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>Revenue</b>	<b>1,354</b>	<b>1,357</b>	<b>(0.2)</b>
<b>Adjusted EBITA</b>	<b>206</b>	<b>246</b>	<b>(16.3)</b>
Restructuring costs and start-up losses	(10)	(9)	+11.1
<b>Reported EBITA</b>	<b>196</b>	<b>237</b>	<b>(17.3)</b>

The net TV advertising market was estimated to be down 3.5 per cent in 2008. Groupe M6's net market share increased to 21.3 per cent (2007: 20.4 per cent). Total advertising revenue at Groupe M6 (M6 main channel, digital channels, other media) was up 1.3 per cent, mainly driven by the strong growth of the DTT channel W9.

Free digital terrestrial television (DTT) continued its rapid expansion in France throughout 2008. Today, 19.5 million TV viewers live in homes exclusively equipped with DTT reception offering 18 free-TV channels (end of 2007: 11.9 million). As a result of the growing competition from DTT channels, all major analogue channels lost audience share in 2008.

In this increasingly competitive environment, the main channel **M6** showed strong resistance and demonstrated its ability to draw large audiences. In prime time, M6 was the only major terrestrial channel with stable audience figures, reaching an average of 3.4 million viewers every evening. In addition, M6 was the most watched channel in France on 29 evenings in 2008, compared to seven

evenings in 2007 – a new all-time high. In the commercial target group of housewives aged under 50, M6 maintained its position as the second most popular channel in France with an audience share of 17.5 per cent (2007: 18.0 per cent), and also reduced the gap to the market leader TF1.

M6 clearly benefited from the record audiences watching the Euro 2008 broadcasts. The nine live matches of the championship aired during prime time were watched by an average of 6.5 million viewers. The France vs Italy match attracted 13.2 million viewers – a new audience record for M6 and the most watched programme on French television during 2008. The channel's landmark information magazines also reached new heights: in January 2008, the magazine *Capital* covered the topic of purchasing power and reached 6.4 million viewers, the highest viewing figure since its launch in 1993. Other audience favourites in prime time included the factual entertainment formats *L'amour est dans le pré* (The Farmer Wants A Wife), *D&Co* and *Pékin Express*.

## M6 TV audience share

Source: Médiamétrie. Target: housewives < 50. 2004-2008 (%)

08	17.5
07	18.0
06	19.3
05	19.1
04	18.6

In February 2008, M6 successfully launched a new weekday access prime time line-up with the factual entertainment show *Un dîner presque parfait* (Come Dine With Me) and the news show *100% mag* both scoring high ratings. Within a year, M6 had doubled its audience in the 17:50 to 19:40 time slot (December 2008 vs December 2007). As a result, the audience share of M6 in peak time (18:00-23:00) remained high among housewives aged under 50 (19.7 per cent).

Groupe M6's digital channels continued their dynamic revenue growth, driven by **W9**. For the



“With regard to the accelerated audience fragmentation in France, the strategy of Groupe M6’s family of channels has paid off: the combined total audience share of M6 and W9 increased year on year.”

**Nicolas de Tavernost,**  
Président du Directoire, Groupe M6

first time, W9 achieved a positive operating profit on an annual basis. The channel doubled its total audience share to 1.8 per cent (2007: 0.9 per cent) and was the leading ‘new’ free DTT channel among young viewers. With regard to the accelerated audience fragmentation in France, the strategy of Groupe M6’s family of channels has paid off: the combined total audience share of M6 and W9 increased to 12.8 per cent over the reporting period from 12.4 per cent the previous year.

In March 2008, Groupe M6 launched a new catch-up TV platform called **M6 Replay**. The service

enables viewers to watch most of M6’s programmes for free on the internet at any time for seven days after their first airing. The service currently reaches over 1.9 million unique visitors each month. In total, more than 40 million programmes have been watched since its launch.

On 30 April 2008, Groupe M6 – through its subsidiary **M6 Web** – completed the full acquisition of the Cyréal group. The move significantly strengthened the market position of M6 Web. The main activities of Cyréal include three editorial websites *Clubic.com* (high technology), *Jeuxvideo.fr* (video games) and *Neteco.com* (e-business) plus *Achetezfacile.com*, a price comparison site. Thanks to the integration of Cyréal, Groupe M6 reached an audience of 13 million unique visitors in November 2008 – two and a half times more than the previous year, with 5.2 million unique visitors.

At the end of 2008, **M6 Mobile by Orange** had more than 1.5 million clients who can now benefit from unlimited live mobile access to six Groupe M6 channels via an exclusive portal for television and multimedia. In November, M6 Mobile by Orange launched the first 3G+ key that is dedicated to the youth market. Thanks to this ready-to-use USB key, clients now can access the web from a PC – anywhere and at any time.

At the end of December 2008, Groupe M6 announced that it was merging its mail-order and retail activities into a separate unit named **Ventadis**. Groupe M6 plans to use Ventadis to strengthen its retail activities – which currently consist of the teleshopping channel M6 Boutique and the e-commerce platform *Mistergooddeal.com*. The shopping channel now has over two million customers – to whom it offers 1,500 new products each year – and currently generates 25 per cent of its revenue via its own website. The online shop *Mistergooddeal.com* offers 120,000 items, including goods for the home and garden, electronics, media and gift items. The site has 1.3 million customers and attracts 250,000 visits per day.

#### National audience breakdown

Source: Médiamétrie. Target: housewives < 50.

2008 (%)

<b>M6</b> .....	<b>17.5</b>
TF1 .....	30.9
France 2 .....	13.1
France 3 .....	7.9
Canal Plus .....	3.1
France 5 .....	2.2
Arte .....	0.9
Others .....	24.4

# CONTENT

# FREMANTLEMEDIA



**RTL Group's production arm, FremantleMedia, reported growing revenue and EBITA figures for the fifth consecutive year, driven by international prime time hit formats. EBITA increased strongly by 18.3 per cent to €155 million (2007: €131 million), mainly driven by higher earnings from FremantleMedia North America, the unit's biggest profit contributor. Revenue was up 6.3 per cent to €1,203 million (2007: €1,132 million).**

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>Revenue</b>	<b>1,203</b>	<b>1,132</b>	<b>+6.3</b>
<b>Adjusted EBITA</b>	<b>161</b>	<b>131</b>	<b>+22.9</b>
Restructuring costs and start-up losses	(6)	–	n.a.
<b>Reported EBITA</b>	<b>155</b>	<b>131</b>	<b>+18.3</b>

In 2008, FremantleMedia's global network of production companies produced nearly 10,000 hours of award-winning TV programming across 57 countries, making it one of the largest creators of international programme brands. The company distributed its programmes to more than 150 countries.

Despite increasing audience fragmentation in all major TV markets, many of FremantleMedia's titles hit new audience records during 2008, proving that viewers continue to have an appetite for must-see entertainment and drama programming. Programmes from FremantleMedia occupied top positions in their genres in key markets such as the US, the UK, Germany, France, the Netherlands and Australia.

### Worldwide production

FremantleMedia's talent shows continued to dominate schedules around the world in 2008. *Idols* is still a ratings hit in 43 territories, while *Got Talent* (now in 27 territories) and *The X Factor* (now in 16 territories) also continued to do well globally. In terms of acquired formats, *Hole In The Wall*, a Japanese game show, has been sold to 32 countries and has become FremantleMedia's fastest selling title ever and the most travelled format of 2008. In addition, the company has a strong roster of popular daily soaps, telenovelas, drama series and factual entertainment formats.

In the **US**, *American Idol* remained the most successful entertainment series on television. Season 7 of the show, broadcast by the Fox network, attracted an average audience share of 26.1 per cent in the key target group of 18 to 49-year-old viewers. It launched with an audience of 33.4 million viewers, making it the highest rated show of the 2007/08 season. The third season of *America's Got Talent* reached a peak of 13.8 million viewers, making it NBC's highest rated entertainment series. *The Price Is Right* (CBS) continued to rank number one as the most watched daytime show in the US. During 2008, FremantleMedia North America also successfully launched new shows on major networks, including *Celebrity Family Feud* on NBC and *Million Dollar Password* on CBS, which became number one in its time slot with 10.6 million viewers.

In the **UK**, Talkback Thames, FremantleMedia's UK production arm, once again delivered numerous top-rated programmes for the country's major channels. The fifth season of *The X Factor* on ITV 1 reached an average audience of 10.7 million viewers, while the final results show – which boasted 14.1 million viewers and an audience share of 55 per cent – proved to be the UK's highest rated entertainment show of 2008. The programme was also the country's most popular talent show this decade, followed by the finale of the second season of *Britain's Got Talent* with 13.9 million viewers. Talkback Thames was especially successful on Saturday evenings. Thanks to *Hole In The Wall* (BBC One), *The X Factor* (ITV 1) and *All Star Family Fortunes* (ITV 1), 17 million viewers watched a Talkback Thames show on Saturday 20 September 2008 – nearly one third of the UK population.

Other hit formats in the UK included *The Apprentice*, BBC One's second highest rated entertainment show of 2008 (average audience: 7.1 million viewers), *Grand Designs* on Channel 4, and the long-running daily soap, *Neighbours*, which has become Five's highest rated daytime programme with a peak audience of 2.6 million viewers.

In **Germany**, *Gute Zeiten, schlechte Zeiten* (Good Times, Bad Times) on RTL Television – which celebrated its 4,000th episode on 2 June 2008 – remained the most watched serial drama in Germany, increasing its audience share in the 14 to 49 target group to 23.1 per cent (2007: 21.2 per cent). The anniversary programme attracted an impressive 4.5 million viewers, making it the best performing episode in 2008. Season 5 of *Deutschland sucht den Superstar* (Idols) was once again the top-rated entertainment show in Germany in 2008 among viewers aged 14 to 49. Event movies produced by UFA subsidiary companies

#### Number of hours produced

Programmes	2008	2007
New	2,451	2,165
Returning	7,466	7,916
Total	9,917	10,081

#### Breakdown of hours produced by main markets

	2008	2007
Germany	1,309	1,398
USA	916	1,050
Spain	632	314
UK	455	559
France	354	553
Italy	261	257

again drew large audiences: *Die Gustloff*, on public channel ZDF, was the most watched TV movie in Germany, with an audience of 8.4 million viewers. Also in the top three was *Das Wunder von Berlin* (The Miracle Of Berlin) with 8 million viewers.

In **France** (M6), the **Netherlands** (Ned 1) and **Belgium** (VTM), the local versions of *The Farmer Wants A Wife* again scored excellent ratings. *Sara*, the local adaptation of the telenovela *Betty La Fea* gave VTM its best ratings for 10 years. One quarter of the population tuned in to the final episode in June, making it VTM's highest rated programme of 2008.

In **Australia**, *Neighbours*, broadcast on Network Ten, remained the highest rated prime time serial drama for young viewers (average audience share 16 to 39: 39.6 per cent). FremantleMedia Australia also occupied number one positions in the reality TV and entertainment genres. With 1.9 million viewers, *The Biggest Loser* finale, broadcast on Network Ten, was the highest rated reality programme and the second most watched programme overall in 2008, while *So You Think You Can Dance* (Season 1 on Network Ten) was the number one light entertainment series of the year. In September 2008, FremantleMedia acquired a 19.99 per cent equity stake in Beyond International, one of Australia's leading television and film producers.

During 2008 FremantleMedia also stepped up its New Media activities and business ventures. In September, FremantleMedia Gaming was created to extend and develop the company's activities in the global games market, building on its experience in gaming and licensing, both on and offline. FremantleMedia Gaming will develop games around its own hit shows, as well as exploring other commercial opportunities across the industry, including third party brands.

In November 2008, FremantleMedia's cross platform division FMX announced an agreement with YouTube, making it the first global producer to offer two different strands of programming which (1) create a multitude of new online formats that will be distributed exclusively via YouTube and (2) utilise YouTube as a web platform for many of its current and future TV shows. The new relationship enables both companies to share all advertising revenues generated from the FremantleMedia YouTube channels – such as Australia's *Hole In The Wall* and *The X Factor* in the UK – and videos.

#### FremantleMedia Enterprises

FremantleMedia Enterprises (FME) is responsible for exploiting and developing FremantleMedia's properties off-screen in areas such as merchandising, the internet or gaming, and is also active in



ancillary rights businesses such as licensing, home entertainment and music publishing.

The performance of FME's licensing activities was driven by key properties such as the *Idols* franchise, which has generated almost 3 billion phone votes so far worldwide, with a new world record of 98 million votes for the finale of *American Idol* season 7 in the US. In a unique extension of the *Idols* brand, FME succeeded in closing a deal to create a TV programme-based attraction at Walt Disney World Resort Florida, called the *American Idol Attraction*. The site opened in February 2009.

FME also closed many important distribution deals including the UK drama series *Merlin*, sold to the American network NBC and over 100 further countries, the Australian drama *Satisfaction* and the British period drama *Fanny Hill*, both sold to over 20 countries, and celebrity titles including *Oprah's Big Give* and *Britney: For The Record* which have also sold to 20-plus countries.

Other FME activities included new US content relationships agreed with Original Productions, the Travel Channel and Spike TV. Lastly, Comedy Central ordered six episodes of *Atomicwedgetv.com's Secret Girlfriend*, which demonstrates how engaging content can evolve from a digital to a broadcast platform as the worlds of both new and established media continue to converge.



“FremantleMedia reported growing revenue and EBITA figures for the fifth consecutive year, driven by the creativity commercialism and collaboration of all parts of the company.”

**Tony Cohen,**  
CEO, FremantleMedia

## TELEVISION AND RADIO

# NETHERLANDS

rt(4) rt(5) rt(7) rt(8) **538**

Total revenue at RTL Nederland was up 6.9 per cent to €436 million (2007: €408 million), resulting from the consolidation of Radio 538 as of 1 October 2007. Total EBITA of the profit centre decreased to €70 million (2007: €85 million) mainly due to lower earnings from the TV business and restructuring charges.

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>Revenue</b>			
TV	372	389	(4.4)
Radio	64	19	>100.0
<b>Total</b>	<b>436</b>	<b>408</b>	<b>+6.9</b>
<b>EBITA</b>			
TV	59	69	(14.5)
Radio	29	16	+81.2
Restructuring costs	(18)	–	n.a.
<b>Total</b>	<b>70</b>	<b>85</b>	<b>(17.6)</b>

Following the asset deal with Talpa Media, the acquisition of Radio 538 and the launch of the fourth free-TV channel RTL 8 in 2007, RTL Nederland announced a new organisational structure in September 2008, to focus on TV, radio and new media. The unit, which has outsourced the technical support services of the company's Broadcast Operations division, will become a flatter and more responsive organisation.

The Dutch TV advertising market was estimated to be slightly up (0.5 per cent), with RTL Nederland taking 39.1 per cent of the market, down from 40.4 per cent in 2007.

As in other countries with participating national teams, audience ratings in 2008 were significantly impacted by the European football championship, aired by the public broadcasters in the Netherlands. However, RTL Nederland's family of channels

achieved a combined prime time audience share of 30.5 per cent in the main commercial target group of shoppers aged 20 to 49 (2007: 29.7 per cent), ahead of the public broadcasters (28.5 per cent) and the SBS Group (27.6).

### RTL 4 TV audience share

Source: SKO. Target: shoppers 20–49 (18–24h).

2004–2008 (%)

08	14.9
07	14.8
06	15.8
05	17.6
04	18.2

The flagship channel **RTL 4** achieved a prime time audience share of 14.9 per cent (2007: 14.8 per cent) in the target group of shoppers aged 20 to 49. The channel's most watched programme of 2008 was the finale of *Idols*, which attracted a total audience of 2.6 million viewers. The fourth season of the talent show achieved an average audience share of 22.7 per cent in the target group. As a family channel, RTL 4 scored high ratings across all genres, including the new reality format *Uitstel van Executie* (Stay Of Execution) helping despairing homeowners, the new family entertainment show *Ik Hou van Holland*, the local drama series *Gooische Vrouwen*, the long-running daily soap *Goede Tijden, Slechte Tijden* (Good Times, Bad Times) and programmes featuring the famous Dutch chef, Herman den Blijker, such as *Mijn Tent Is Top* and *Herrie Aan De Horizon*.

### RTL 5 TV audience share

Source: SKO. Target: 20–34 (18–24h).

2005–2008 (%)

08	9.1
07	10.1
06	11.0
05	9.0

\*12 August–31 December 2005

**RTL 5** finished the year with a 9.1 per cent audience share in the 20 to 34-year-old demographic (2007:

10.1 per cent), with blockbuster movies and reality formats such as *De Gouden Kooi* and *Holland's Next Top Model* scoring high ratings among young viewers. The channel's most popular show last year was the finale of *De Gouden Kooi*, which was watched by 1.5 million viewers (6+) and reached an impressive audience share of 40.4 per cent among viewers aged 20 to 34.

In August, RTL 5 took over *Wie is de Chef?* (Who Is The Chef?) from RTL 4, a weekly factual entertainment format combining food, people and mystery. With an average audience share of 13.5 per cent among young viewers, the format became one of the most successful new programmes in the Netherlands in 2008. In August, RTL Nederland and the TV production company Eyeworks closed a long-term agreement over the international distribution rights of the new format.

**RTL 7 TV audience share**  
Source: SKO. Target: men 20-49 (18-24h). 2005-2008 (%)

08	6.9
07	6.7
06	5.4
05	4.8

\*12 August-31 December 2005

RTL 7's audience share in its main target demographic (men aged 20 to 49) increased from 6.7 per cent in 2007 to 6.9 per cent in 2008. The live broadcasts of football games, Formula One motor races and male-oriented movies contributed to this improvement. In addition, the channel's access prime time programming – including *The A-Team*, *Knight Rider* and *Married With Children* – remained popular with male viewers.

RTL 8, launched in August 2007, achieved an average prime time audience share of 3.4 per cent in its key target group of women aged 20 to 49. This compares with 3.3 per cent in the period from August to December 2007. During 2008, the channel increasingly developed its profile with programmes such as *Fashion Trix*, *Liefdesmakelaar* and *Irish Matchmaker*. In addition, more and more female viewers tuned in to *Oprah* and *Dr Phil* in the early evenings and watched late-night editions of the US soap *As The World Turns*.

RTL 24, launched in June 2008, is the first exclusive news channel for mobile phones which offers RTL Nederland's most popular news programmes such as *RTL Nieuws*, *RTL Z*, *Editie NL* and *RTL Boulevard*. Both RTL 24 and RTL 4 are broadcast to mobile phones, using high-quality images, via the DVB-H standard by the mobile operator KPN.



“With RTL 24 we launched the first exclusive news channel for mobile phones which offers RTL Nederland's most popular news programmes.”

**Bert Habets,**  
 CEO, RTL Nederland

On the internet, the network of RTL Nederland's websites attracted an average of 3.9 million unique visitors every month, an increase of 20.4 per cent compared to 2007. The total number of video viewings amounted to 91 million, up 78 per cent year on year. This improvement was driven by closer interaction between TV and internet for popular formats such as *Idols* and *Mijn Tent Is Top*, and the renewal of the *RTLgemist.nl* video site.

Radio 538 is a hit radio station targeting listeners aged between 10 and 39. The station plays a range of contemporary and recent chart music, plus dance music and R&B, hosted by the Netherlands' most popular DJs. Radio 538 maintained its leading position among listeners aged 20 to 34 with an average audience share of 20.4 per cent (2007: 20.8 per cent). The station's share of the net radio advertising market was 26.9 per cent, up from 25.9 per cent in 2007. The highly profitable radio station generated revenue of €64 million and EBITA of €29 million in 2008, which translates to a 45 per cent profit margin. On a pro-forma basis, both revenue and EBITA increased by €4 million compared to the same period in 2007.

**National audience breakdown**

Source: SKO. Target: shoppers 20-49 (18-24h). 2008 (%)

RTL 4	14.9
RTL 5	7.8
RTL 7	4.8
RTL 8	3.0
Nederland 1	16.3
SBS 6	13.7
Nederland 3	7.9
Net 5	7.8
Veronica	6.0
Nederland 2	4.3
Others	13.5

# TELEVISION UNITED KINGDOM



*In 2008, revenue of the Five Group decreased by 13.4 per cent to €432 million (2007: €499 million), solely due to adverse currency effects. In local currency, revenue remained stable at £341 million. Adjusted EBITA before restructuring costs was €2 million, while reported EBITA was minus €2 million, mainly due to investments in programmes at the main channel.*

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>Revenue</b>	<b>432</b>	<b>499</b>	<b>(13.4)</b>
<i>Revenue in local currency</i>	<i>341</i>	<i>341</i>	<i>0.0</i>
EBITA Five main channel	16	35	(54.3)
EBITA Five digital channels	(14)	(25)	(44.0)
Restructuring costs	(4)	–	n.a.
<b>Reported EBITA</b>	<b>(2)</b>	<b>10</b>	<b>n.a.</b>
<i>EBITA Five main channel in local currency</i>	<i>12</i>	<i>24</i>	<i>(50.0)</i>
<i>EBITA Five digital channels in local currency</i>	<i>(11)</i>	<i>(17)</i>	<i>(35.3)</i>
<i>Restructuring costs in local currency</i>	<i>(3)</i>	<i>–</i>	<i>n.a.</i>
<i>Reported EBITA in local currency</i>	<i>(2)</i>	<i>7</i>	<i>n.a.</i>

2008 was a challenging year following a marked downturn in television advertising in the UK. Whereas TV advertising was estimated to be down 1.0 per cent in the first half of the year, it was severely hit by the economic downturn in the third and fourth quarters of 2008, resulting in a year-on-year decrease of 5.0 per cent. Nevertheless, in Europe's most competitive TV market, the Five group of channels actually managed to grow its share of net advertising revenues from 9.3 per cent in 2007 to 9.6 per cent in 2008.

As in the previous year, all UK's main terrestrial channels lost audience share in 2008, largely due to increasing penetration of digital TV. However, Five experienced the least decline of all commercial channels. At the end of the third quarter of 2008, multi-channel penetration had reached 88.2 per

## Five Group\*

Source: BARB. Target: 16+.

## TV audience share

2004–2008 (%)

08	6.2
07	6.2
06	6.0
05	6.6
04	6.7

\*Including Five USA and Fiver, launched in October 2006

cent of homes, up from 86.1 per cent at the end of the third quarter of 2007.

In terms of adult share of viewing, the Five group of channels was the only family of channels in the UK to increase its share, from 6.15 per cent in 2007 to 6.24 per cent in 2008, while the adult share of viewing of the **Five** main channel was 5.1 per cent (2007: 5.3 per cent).

February 2008 saw the launch of soap opera *Neighbours*, a high profile acquisition from FremantleMedia, which was supported by a major marketing campaign. As a result, Five's daily reach increased by almost two million viewers and the series achieved an average audience share of 12.2 per cent (16+), rising to 15.0 per cent among 16 to 34-year-old viewers for its main early evening broadcast. That same month *Five News* was refreshed when one of Britain's most popular news presenters, Natasha Kaplinsky, joined as anchor. Throughout the year, viewing of *Five News* continued to rise. Overall, audiences for the flagship early evening bulletin (now at 17:00, formerly at 17:30) grew an impressive 55 per cent, comparing the period 18 February to 31 December 2008 with the same period in 2007.

The most popular programme of the year on Five was *CSI* on Tuesday 12 February, which averaged 4.4 million viewers and achieved a 17.7 per cent total audience share. This show was immediately followed by a switch-over episode of *Without A Trace* on Five US, which attracted 2.7 million viewers and a 20.1 per cent share, making it the most popular US drama ever to have aired on a digital channel. Other top performing pro-

grammes on Five in 2008 included acquisitions such as *Ice Road Truckers*, and new, original, commissioned programming including *Extraordinary People: Half Man, Half Tree*, *Paul Merton In India* and *Warship*.

In June, Five announced an exclusive three-year deal with Uefa for the 2009 to 2012 Uefa Europa League (formerly the Uefa Cup), giving the channel first pick of the matches in each round and exclusive UK rights to the Uefa Europa League Final.

2008 was also marked by ongoing brand refresh work across all of Five's channels. In October, the main channel launched its new on-air identity and logo, supported by a TV campaign, while in the digital arena, Five Life was relaunched as **Fiver** in April 2008. Fiver's ratings showed a 33 per cent increase in audience share when comparing the period May to December 2008 with the same period in 2007. Meanwhile, Five US enjoyed audience growth of 14 per cent year-on-year. In January 2009, the company announced that Five US will be renamed **Five USA** as of 16 February 2009 as part of the rebranding project.

Additionally, the main channel gained carriage on the Freesat platform in November 2008 which means Five now has a presence on all cable, satellite and terrestrial television platforms available to UK television viewers.

At the end of June 2008, Five relaunched its video-on-demand service as **Demand Five**. The new 30-day catch-up service provides viewers with online access to much of Five's peak time schedule, including acquired content such as *CSI* and *Neighbours*, and originated programming such as *Fifth Gear*, *The Hotel Inspector* and *Extraordinary People*, with the majority of content available free. Since the relaunch the number of unique users has grown by 429 per cent to 334,502 individuals. During the year the number of average monthly visits to the main website *Five.tv* increased by almost a million, from 1.7 million in the first quarter to 2.6 million in the fourth quarter.



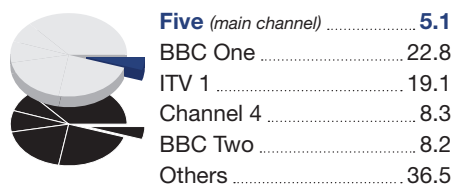
“We are easy to watch, fun, self-confident, optimistic, provocative on occasion and, primarily, entertaining.”

**Dawn Airey**,  
Chair and CEO, Five

**National audience breakdown**

Source: BARB. Target: 16+.

2008 (%)



## TELEVISION AND RADIO

# BELGIUM



Revenue at the Belgian profit centre, which includes TV and radio activities, increased to €216 million (2007: €210 million) mainly due to higher revenue from cable operators, while total EBITA decreased to €39 million (2007: €49 million). It should be noted that last year's EBITA included a one-time gain of €10 million on the disposal of the new RTL building in Brussels, following a sale and leaseback transaction. This gain was shown as part of the profit centre's TV activities. Stripping out this effect, EBITA was in line with the previous year.

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>Revenue</b>			
TV	164	158	+3.8
Radio	52	52	0.0
<b>Total</b>	<b>216</b>	<b>210</b>	<b>+2.9</b>
<b>EBITA</b>			
TV	20	30	(33.3)
Radio	19	19	0.0
<b>Total</b>	<b>39</b>	<b>49</b>	<b>(20.4)</b>

The RTL family of TV channels enhanced its position as the leader in French-speaking Belgium with an average prime time audience share of 36.0 per cent in the target group of shoppers aged 18 to 54 (2007: 35.3 per cent). This result underlines the complementary positioning of RTL-TVI (general-interest), Club RTL (sport, children's programming and alternative fiction) and Plug TV (young viewers aged 15 to 34), which was rebranded Plug RTL in September 2008.

**RTL-TVI** achieved an average audience share of 26.3 per cent (2007: 26.8 per cent) – again markedly ahead of its competitors – notably thanks to its news programmes, which regularly beat ratings records. With a total audience share of 41.9 per cent, the midday news was the leader every day in 2008, while the main news bulletin *Le Journal*

was number one on all but four evenings, with an average audience share of 46.7 per cent (4+).

### RTL-TVI TV audience share

Source: Audimétrie. Target: shoppers 18–54 (17–23h). 2006–2008 (%)

08		26.3
07		26.8
06		26.6

RTL-TVI also scored high ratings in the target group of shoppers aged 18 to 54 with its early-evening information programmes such as *Images à l'appui* (average audience share: 28.0 per cent), *Enquêtes* (26.3 per cent), *Coûte que Coûte* (26.9 per cent), *Tout s'explique* (25.8 per cent), *Reporters* (25.8 per cent), the emblematic *Place Royale* (33.6 per cent) and *Docs de choc* (25.4 per cent).

In prime time, the most popular of today's US series are aired by RTL-TVI, including *Desperate Housewives* (average audience share shoppers 18–54: 32.1 per cent), *CSI: Miami* (29.3 per cent), *Dr House* (30.1 per cent), *CSI: NY* (28.4 per cent), and *NCIS Enquêtes Spéciales* (27.1 per cent). On Thursday evenings, traditionally reserved for films, RTL-TVI recorded an average audience share of 28.0 per cent in its main target group.

### Club RTL TV audience share

Source: Audimétrie. Target: men 18–54 (17–23h). 2006–2008 (%)

08		7.2
07		7.1
06		6.7

**Club RTL** continued to focus on children's programmes during the day and sports in the evening. The channel drew large audiences with its football show *La Coupe* covering Belgian Cup matches, the animated sitcom *Les Simpson* (The Simpsons), French comedy series *Camera Café* and films. Club RTL ended the year 2008 with a prime time audience share of 7.2 per cent (2007: 7.1 per cent)

**Plug RTL TV audience share**

Source: Audimétrie. Target: shoppers 15-34 (17-23h). 2006-2008 (%)

08		4.4
07		3.7
06		3.9

in its main target group of male viewers aged 18 to 54.

Plug TV, the channel targeted at a 15 to 34-year-old audience, launched in 2004, was renamed **Plug RTL** at the start of September 2008. The relaunch aimed to emphasise the channel's ties to the Belgian RTL family and to entice viewers to (re)discover the channel. The channel's prime time audience share in its key target group increased from 3.7 per cent in 2007 to 4.4 per cent in 2008. This improvement was clearly driven by the successful relaunch, as the channel increased its audience share among young viewers every month from September (3.2 per cent) to December (6.2 per cent). The channel's flagship formats include popular entertainment programmes from Groupe M6 such as *D&Co*, *Pékin Express*, *Un dîner presque parfait* and *Nouvelle Star* plus repeats of hit US series such as *CSI: Miami*, *Lost* and *Heroes*.



“Following its successful relaunch, Plug RTL increased its audience share among young viewers every month from September to December 2008.”

**Philippe Delusinne,**  
CEO, TVI

**Bel RTL Radio audience share**

Source: Cim Radio (Spring Wave). Target: 12+. 2004-2008 (%)

08		19.5
07		19.6
06		19.6
05		21.1
04		18.8

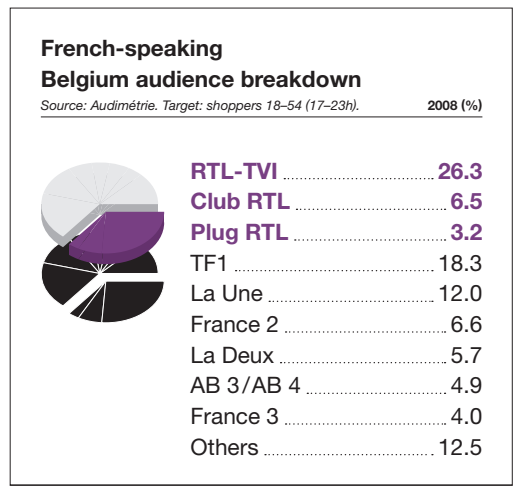
**Radio Contact Radio audience share**

Source: Cim Radio (Spring Wave). Target: 12+. 2004-2008 (%)

08		15.1
07		13.6
06		15.0
05		15.6
04		12.6

According to the CIM audience survey covering the period January to June 2008, **Bel RTL** confirmed its top spot among French-speaking Belgian radio stations with an audience share of 19.5 per cent, slightly down from the previous survey (19.6 per cent). **Radio Contact** is in second place with an audience share of 15.1 per cent, up from 13.6 per cent. The pop-rock radio station **Mint**, launched in January 2007, stopped broadcasting at the end of July 2008, after the CSA – the media regulator for

the French-speaking community – decided not to reassign a frequency to the station. This decision came despite Mint's growing success, which was backed up by the fact that more than 70,000 people, including several well-known artists, signed a petition against the closure of the station.



# RADIO FRANCE



In 2008, the French radio advertising market was affected by the emerging worldwide financial crisis. Year on year, the market was down by an estimated 5.1 per cent. The decline was mainly driven by the telecoms sector – which continued the trend observed in 2007 – and the automotive sector. In this challenging context, RTL Radio in France held up well: reported revenue of the profit centre decreased by 0.5 per cent to €189 million (2007: €190 million), while reported EBITA amounted to €32 million (2007: €33 million). The RTL radio family's net share of the radio advertising market increased to 28.4 per cent, up from 27.8 per cent in 2007.

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
Revenue	189	190	(0.5)
Reported EBITA	32	33	(3.0)

As in the previous year, the profit centre's outperformance of the radio market is based on its strong audience appeal. RTL Radio, RTL 2 and Fun Radio achieved a combined average audience share of 19.8 per cent, up 0.2 percentage points on 2007. As a result, the RTL radio family's lead ahead of the radio families of NRJ (15.9 per cent; down 1.1 percentage points on 2007) and Lagardère (14.2 per cent, down 0.3 percentage points on 2007) increased significantly year on year.

The flagship station **RTL Radio** confirmed its vigour by delivering an average audience share of 13.0 per cent (2007: 12.8 per cent). This improvement came despite a less favourable news context as 2007 was shaped by the presidential and general elections in France. The general-interest station thus again achieved its best audience result since the extension of the ratings survey to include 13-year-olds in 2002. It also remained the unchallenged leader in the other key ratings criteria – daily cumulated audience and time spent listening.

## RTL Radio

Source: Médiamétrie. Target: 13+.

## Radio audience share

2004–2008 (%)

08		13.0
07		12.8
06		11.7
05		11.5
04		11.7

In 2008, for the first time in the history of French radio, the President of the French Republic, Nicolas Sarkozy, visited RTL Radio for his first live interview outside the Elysée Palace. This exclusive interview – which underlined RTL Radio's status as the number one French radio station – was broadcast live during the morning news, in a slot that attracted 3.9 million listeners and scored a 14.2 per cent total audience share.

Several key programme slots such as *Ça peut vous arriver*, hosted by Julien Courbet, the quiz show *La Bonne Touche*, co-hosted by Jean-Pierre Foucault and Cyril Hanouna, and the legendary afternoon show *Les Grosses Têtes*, hosted by Philippe Bouvard, continued to perform strongly and increased their audience shares.

## Fun Radio

Source: Médiamétrie. Target: 13+.

## Radio audience share

2004–2008 (%)

08		3.8
07		3.8
06		3.4
05		3.1
04		3.2

**Fun Radio**, the dance music station, stabilised its audience share at 3.8 per cent (2007: 3.8 per cent). In September 2008, Fun Radio made significant changes to its morning and evening talk shows. Manu Levy took over the morning show, offering a cocktail of college humour and dance music, and immediately achieved audience shares comparable to those earned by his predecessors. Meanwhile,



Morgan, in charge of the evening slot, aims to breathe new life into late-night programming for young adults and has already delivered some promising rating gains.

In November 2008, Britney Spears chose Fun Radio to promote her new album in France. The artist granted an exclusive interview to the station and met selected listeners during her European promotion tour. Fun Radio also developed an amateur DJ contest (Fun DJ selection) in 2008, which attracted more than 25,000 contestants.

**RTL 2 Radio audience share**

Source: Médiamétrie. Target: 13+. 2004-2008 (%)

08	■	3.0
07	■	3.0
06	■	2.8
05	■	3.0
04	■	2.7

**RTL 2**, the pop-rock station, ended 2008 with an average audience share of 3.0 per cent, flat year on year, while the overall audience share of music stations decreased by 1.8 percentage points. RTL 2 owes its audience appeal primarily to its ongoing focus on pop-rock music combined with light entertainment – such as the popular *Le Grand Morning sur RTL 2*, now co-hosted by Christophe Nicolas and Agathe Lecaron – and exclusive live events that bring together the finest French and international pop-rock artists.

In October 2008, the French media regulator, Conseil Supérieur de l'Audiovisuel (CSA), closed the bidding for digital radio frequencies. A total of 377 applications were received. The RTL radio family submitted applications for two new digital concepts, RTL L'Equipe and Radio 128. RTL L'Equipe, currently available via the internet, is a 50/50 joint venture with the leading French sports daily, *L'Equipe*. Launched in October 2007, the online station is dedicated to sports and news. In 2008, it offered full coverage of all the major sporting events of the year (including the Roland Garros tennis tournament, Tour de France, Summer Olympic Games and the French football league) and significantly increased its online audience year on year.

Radio 128 is a new radio concept developed by Fun Radio. The station will target young urban audiences with R&B and contemporary French urban sounds.

The CSA plans to announce the results from the application process in the first half of 2009.

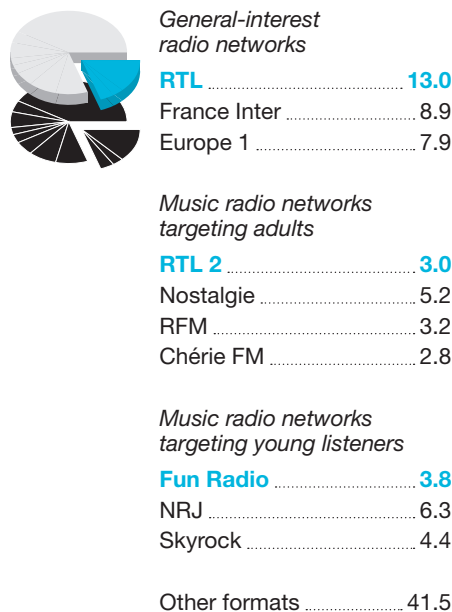


“Our flagship station RTL Radio again remained the unchallenged leader in all key ratings criteria – audience share, daily cumulated audience and time spent listening.”

**Axel Duroux,**  
CEO, RTL Radio (France)

**National audience breakdown**

Source: Médiamétrie. Target: 13+. 2008 (%)



## TELEVISION, RADIO AND TECHNICAL SERVICES

# LUXEMBOURG



The Luxembourg business comprises the Luxembourg radio and television companies, the technical services provider Broadcasting Center Europe (BCE), IP Network, the radio station RTL Radio – Die besten Hits aller Zeiten, the group's participation in RTL 9, and the rights trading activity CLT-UFA International.

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>Revenue</b>	<b>93</b>	<b>86</b>	<b>+8.1</b>
CLT-UFA International	7	6	+16.7
Other Luxembourg activities	86	80	+7.5
<b>Reported EBITA</b>	<b>1</b>	<b>1</b>	<b>0.0</b>
CLT-UFA International	0	0	0.0
Other Luxembourg activities	1	1	0.0

**RTL Télé Lëtzebuerg** recorded a prime time audience share of 56 per cent (12+, Monday to Friday, 19:00 to 20:00), up from 55 per cent in 2007. In autumn 2008, RTL Télé Lëtzebuerg switched to the 16/9 widescreen format. All programmes, including the TV news and social magazines, are now produced and broadcast in enhanced quality. In anticipation of the special broadcasts of the 2009 general election in Luxembourg, the channel's news studio underwent a facelift. With 5 minutes RTL Télé Lëtzebuerg launched a new five-minute express TV news bulletin in French, and also continued providing subtitles in French and German for the main news programme in Luxembourgish language.

**RTL Radio Lëtzebuerg** remains the country's reference station for both news and entertainment, with 181,000 listeners tuning in every day. The station's audience share (12+, Monday to Friday, 5:00 to 24:00) was 69 per cent (2007: 72 per cent).

The combination of RTL Lëtzebuerg's three media channels – TV, radio and internet – achieved an impressive daily reach of 73.6 per cent of all Luxembourgers aged 12 years and over. On the internet, the unit continued to pursue its strategy to offer more and more of its TV and radio content online. Live stream broadcasts of major sporting events, such as the Tour de France, were particularly popular. In the Sunday news segment – in which no Luxembourgish media actor invested before – RTL Lëtzebuerg launched its *Sonndeszeitung* in September. The free internet newspaper is published on *RTL.lu* every Saturday at 15:00 and currently attracts 50,000 readers each weekend.

**BCE**, RTL Group's technical services provider in Luxembourg, launched the first tapeless distribution network via secured web interfaces – called Movie2Me – which connects BCE to major distributors such as Twentieth Century Fox, CBS and Sony and makes it the biggest European content hub. Based on the same technology, BCE developed a new cost-effective way to broadcast thematic channels across the world with its decentralised server technology. The engineering department completed the installation of the *Big Brother*



“The combination of RTL Lëtzebuerg’s three media channels – TV, radio and internet – achieved an impressive daily reach of 73.6 per cent of all Luxembourgers aged 12 years and over.”

**Alain Berwick,**  
CEO, RTL Radio and Télé Lëtzebuerg

infrastructure for Nova Television in Bulgaria as well as multimedia installations for the new European Investment Bank, for Arcelor Mittal and for the new conference centre in Luxembourg-Kirchberg. The postproduction team created the design of Klub 100, RTL Group’s joint venture for thematic cable channels in Russia. The IT department became the most important internet service provider in Luxembourg, hosting 25 telecom operators in its carrier hotel. BCE is currently extending its digitisation services to Group subsidiaries such as FremantleMedia, as well as to external clients such as the European Parliament and the Centre National de l’Audiovisuel in Luxembourg.

**CLT-UFA International (CUI)** manages a portfolio of film rights, series and other rights. The unit continued to operate on a low level, in line with the strategic decision to wind down the business over time and not to invest in additional rights.

# TELEVISION CROATIA



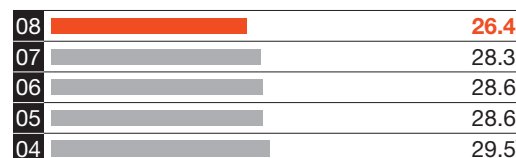
**In a growing TV advertising market, revenue of RTL Televizija increased by 4.2 per cent to €50 million (2007: €48 million), while EBITA remained at €2 million, mainly due to higher programme costs in a more competitive landscape.**

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
Revenue	50	48	+4.2
Reported EBITA	2	2	0.0

In 2008 the channel maintained its leading position among young viewers for the third consecutive year. However, at 26.4 per cent, the audience share in the key 18 to 49 target group was down compared to 2007 (28.3 per cent), as the two major sporting events of 2008 – the European football championship and the Olympic Summer Games – were broadcast on the public channels. RTL Televizija's net advertising market share was 42.9 per cent, slightly up from 42.3 per cent in 2007.

## RTL Televizija TV audience share

Source: AGB Nielsen Media Research. Target: 18–49. 2004–2008 (%)



\*Launched in April 2004

RTL Televizija's audience appeal is based on a programme grid with hit formats in all genres, from news and factual entertainment to sports and drama.

Following the major facelift of its main news bulletin, *Vijesti*, in 2007, RTL Televizija continued to invest in its news programming. With a view to providing as much first-hand topical daily information and content and as many interesting stories as possible from various locations, the channel opened six regional news centres in 2008, all directly linked by satellite to the channel's headquarter in Zagreb. *Vijesti* became the most watched news show among young viewers in the period September to December 2008, with an average audience share of 40.8 per cent.

Local adaptations of international hit formats are a cornerstone of RTL Televizija's programme grid. The first season of *Hrvatski Top Model* (Croatian Top Model) achieved an average audience share of 32.3 per cent in the key 18 to 49 target group, while the domestic version of *The Farmer Wants A Wife* scored 32.7 per cent. The fifth season of the reality show *Big Brother* – set in Thailand – remained

highly popular on Croatian television (average audience share 18 to 49: 31.7 per cent).

During 2008, RTL Televizija adapted its weekday access prime time line-up, giving the popular cooking format *Vecera za 5* (Come Dine With Me) a more prominent time slot at 19:00. The main news bulletin, *Vijesti*, screened at 18:30, is now followed by the showbiz magazine *Exkluziv* (average audience share 18 to 49: 36.1 per cent), and a one-hour cooking slot featuring *Vecera za 5* and *Punom parom* (Pressure Cooking). The channel's audience share in the time slot has increased significantly since the makeover.

The most popular US series on Croatian television were broadcast by RTL Televizija in 2008. These included *Desperate Housewives*, *CSI*, *CSI: NY* and *Surface*, all of which scored excellent ratings of above 31.0 per cent, as well as new seasons of *Nip/Tuck*, *Prison Break*, *Grey's Anatomy*, *Bones* and *Cold Case*. Movies have also continued to be an important part of RTL Televizija's schedule. The channel aired eight of the ten most-watched movies on Croatian television in 2008.

In March 2008, RTL Televizija launched the IPTV channel **RTL Plus**, which gives viewers the chance to watch their favourite television shows again, to catch up with programmes they missed, and to enjoy premieres of new films. The channel is broadcast exclusively on T-Com's Max TV platform, the first interactive digital TV provider in Croatia. Its basic package offers users more than 65 TV channels and a digital video-on-demand service containing more than 1,000 films.

In 2008, RTL Televizija secured broadcast rights to the English Premier League for the 2008/09 and 2009/10 seasons and, as host broadcaster, to the 2009 Handball World Cup.



“RTL Televizija’s audience appeal is based on a programme grid with hit formats in all genres, from news and factual entertainment to sports and drama.”

**Christoph Mainusch,**  
CEO, RTL Televizija

#### National audience breakdown

Source: AGB Nielsen Media Research. Target: 18–49. 2008 (%)



# TELEVISION AND RADIO SPAIN



**Following the introduction of digital terrestrial television (DTT) in 2005 and the launch of two new general-interest channels in 2006 (Cuatro and La Sexta) audience fragmentation and competition in the Spanish TV market continued to intensify throughout 2008.**

While the traditional major analogue channels fought to maintain their audience shares, DTT gained ground almost on a daily basis: at the end of 2008, DTT penetration had reached 42.9 per cent of TV households, up from 24.7 per cent at the end of 2007. In this environment, Antena 3's audience share in the key commercial target group of 13 to 55-year-old viewers decreased to 17.4 per cent (2007: 18.3 per cent).

Following the economic downturn, the Spanish net TV advertising market fell by an estimated 11.0 per cent in 2008 (2007: increase of 8.7 per cent). Antena 3's advertising revenue decreased by 17.9 per cent and its share of the TV advertising market fell to 22.9 per cent (2007: 24.9 per cent).

### Antena 3 TV audience share

Source: TNS. Target: 13-55.

2004-2008 (%)

08		17.4
07		18.3
06		20.7
05		22.8
04		21.9

In 2008, **Antena 3** continued to broadcast the Uefa Champions League, which achieved an excellent average audience share of 33.0 per cent in the 13 to 55 target group. The channel's news show, *Antena 3 Noticias*, continued to draw large audiences with both its afternoon and evening slots. The channel's in-house produced fiction series, including *Los Hombres de Paco*, *La Familia*

*Mata* and *El Internado* – which scored an average audience share of 24.7 per cent among 13 to 55-year-old viewers – demonstrated the growing interest for local fiction among Spanish viewers. With almost 4 million viewers, *El Castigo*, an in-house produced TV movie, was one of the most-watched fiction programmes of 2008.

**Antena Neox** and **Antena Nova** consolidated their leading position among the digital channels in Spain. In households that receive digital TV, Antena Neox and Antena Nova's total audience shares are 3.7 per cent and 2.2 per cent respectively.

The two radio stations of Grupo Antena 3 – **Onda Cero** (general interest) and **Europa FM** (hit music) – continued to improve their audience performance in 2008. In the most recent ratings survey, Onda Cero is Spain's number two radio station with more than 2 million listeners.

On a 100 per cent basis, the EBITDA of Grupo Antena 3 declined to €164 million (2007: €334 million) and the net profit to €91 million (2007: €200 million).

The profit share of RTL Group was €19 million (2007: €40 million).

RTL Group increased its shareholding in Grupo Antena 3 to 21.2 per cent in 2008.

### National audience breakdown

Source: TNS. Target: 13-55.

2008 (%)

<b>Antena 3</b> .....	<b>17.4</b>
Telecinco .....	18.6
TVE (TVE 1 + La 2) .....	17.9
Forta .....	11.8
Cuatro .....	10.4
La Sexta .....	6.6
Others .....	17.3

# OTHERS



*This profit centre comprises the Corporate Centre, participations in RTL Klub (Hungary) and Ren TV (Russia), the newly launched sports rights business UFA Sports and other minor investments.*

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>Revenue</b>	<b>31</b>	<b>29</b>	<b>+6.9</b>
<b>Reported EBITA</b>	<b>(24)</b>	<b>(19)</b>	<b>+26.3</b>
Corporate Centre	(38)	(28)	+35.7
RTL Klub	10	7	+42.9
Ren TV	4	2	+100.0



“Viewers spoke for themselves: RTL Klub was the most watched channel in Hungary on 327 out of 366 evenings.”

**Dirk Gerken,**  
CEO, RTL Klub

**RTL Klub** finished 2008 with an average prime time audience share of 32.6 per cent (2007: 34.8 per cent) in the key target group of 18 to 49-year-old viewers, 7.9 percentage points ahead of its closest rival TV 2. RTL Klub was the most watched channel in Hungary on 327 out of 366 evenings. The channel's clear audience leadership was achieved by its broad range of programmes, including established audience favourites such as the daily soap *Barátok Közt* (Between Friends),

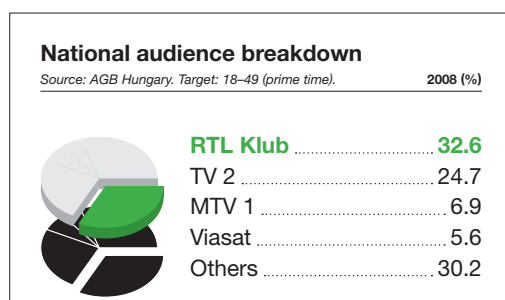
which celebrated its 10th anniversary in 2008, Formula One motor racing, game shows such as *Poker Face*, *Who Wants To Be A Millionaire* and *Take It or Leave It*, the tabloid news magazine *Fókusz* and the daily news show *Hirek*. In drama, RTL Klub scored high ratings with movies, the German action series *Alarm für Cobra 11* and high-quality US drama series such as *ER*, *CSI: Miami*, *CSI: NY* and *Grey's Anatomy*. RTL Klub's biggest hit on screen in 2008 was the local version of *I'm A Celebrity... Get Me Out Of Here!* filmed in the rainforest in Argentina. The two consecutive seasons of the reality show, broadcast in October and November 2008, attracted impressive average audience shares of 41.4 per cent (season 1) and 42.5 per cent (season 2).

**RTL Klub** **TV audience share**  
Source: AGB Hungary. Target: 18-49 (prime time). 2004-2008 (%)

08		32.6
07		34.8
06		34.4
05		36.5
04		36.5

RTL Klub's share of the net TV advertising market decreased from 47.6 per cent in 2007 to 46.6 per cent in 2008.

RTL Group's share of the results was €10 million (2007: €7 million).



In Russia, RTL Group holds a 30 per cent stake in **Ren TV**. The channel's main target demographic are viewers aged 30 to 45, mainly men, so most prime time formats cater to them, including Ren TV's original series *Soldaty* (Soldiers), the court show *Chas suda* (Court Time), the weekly programme *Voennaya tayna* (War Secret) and comedy shows with Mikhail Zadornov. Ren TV is also a generalist channel with a broad offering that includes the Russian adaptation of the factual entertainment format *Come Dine With Me* and award-winning news programming and documentaries such as the daily news show *24*, the

evening news show *Vechers Tigranom Keosayanom* (Evening with Tigran Keosayan), and the analytical programme *Nedelya s Mariannoy Maksimovskoy* (This Week With Marianna Maksimovskaya), which is famous for its independent views.

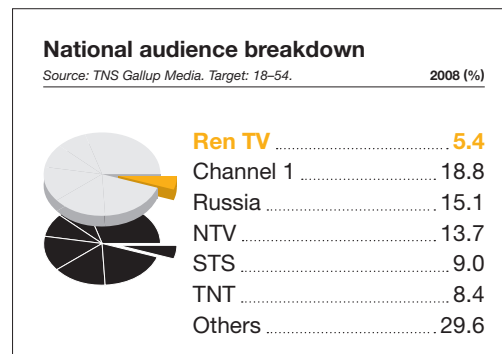
In December 2008, Ren TV relaunched its website *Ren-TV.com* to offer videos from its 24 news programme and different new services aimed to promote the channel's prime time content on the internet.

In the age group 18 to 54, Ren TV achieved an audience share of 5.4 per cent (2007: 5.2 per cent).

The advertising market once again performed strongly, up an estimated 21 per cent on 2007, driven largely by pricing effects as the new advertising regulations – applicable from 1 January 2008 – came into effect. This new law, which restricts on-screen advertising to nine minutes per hour, led to a reduction of advertising inventory by around 30 per cent. Ren TV finished the year with an estimated TV advertising market share of 5.3 per cent (2007: 5.3 per cent).

**Ren TV** **TV audience share**  
Source: TNS Gallup Media. Target: 18-54. 2004-2008 (%)

08		5.4
07		5.2
06		4.7
05		5.8
04		5.7



RTL Group's share of the results was €4 million (2007: €2 million).

In April 2008, RTL Group announced that it will be investing in attractive segments of sports rights marketing again, and has successfully re-established the marketing agency **UFA Sports**. The company has its headquarters in Hamburg and is mainly active in international marketing of media rights to sports events.



### Main portfolio changes

On 30 April 2008, Groupe M6 – through its subsidiary M6 Web – completed the full acquisition of the Cyréal group. The main activities of Cyréal include three editorial websites *Clubic.com* (high technology), *Jeuxvideo.fr* (video games) and *Neteco.com* (e-business) plus *Achetezfacile.com*, a price comparison site.

In August 2008, RTL Group exited from its German teleshopping activities through the sale of RTL Shop to Aurelius, resulting in a loss on disposal of €13 million.

On 23 September 2008, RTL Group announced that it had signed an agreement to acquire a 66.6 per cent majority shareholding in the Greek broadcasting company Alpha Media Group for a purchase consideration of €131 million corresponding to a net cash outflow of €125 million. The deal closed on 16 December 2008.

### Share of results of associates

	Year to December 2008 €m	Year to December 2007 €m	Per cent change
<b>EBITA</b>			
– Antena 3	19	40	(52.5)
– RTL Klub	10	7	+42.9
– RTL II	12	3	>100.0
– Ren TV	4	2	+100.0
Others	(11)	8	n.a.
<b>Total</b>	<b>34</b>	<b>60</b>	<b>(43.3)</b>

The total contribution of the associated companies decreased to €34 million (2007: €60 million). The main reasons for this decline were the weaker results at Antena 3 and impairments amounting to €12 million on other equity participations, primarily German radio, reflecting a weaker radio advertising market environment. This was partially compensated by significant improvements at RTL II, RTL Klub and at Ren TV in Russia.

### Interest income/(expense) and financial results other than interest

Net interest income amounted to €21 million (2007: expense €4 million). This improvement is largely due to the one-off discount effect on long term payables recorded in 2007 and improved interest income resulting in the continued strong cash position. It also includes interest charges on pension and lease liabilities.

The financial results other than interest include impairments on financial assets as well as fair value adjustments on embedded derivatives and put options.

### Amortisation of fair value adjustments on acquisitions of subsidiaries, joint ventures and associates

This heading includes the costs related to the amortisation of fair value adjustments on the acquisitions of Five, M6 and Radio 538. The majority of the expense relates to M6 and Five.

### Impairment of goodwill

An impairment of goodwill was recorded at 31 December 2008 amounting to €364 million.

An impairment amounting to €337 million has been made against the carrying value of the Group's UK television activities and reflects the following:

- A significant slowdown in television advertising growth rates in the short-term
- Weaker audience share development in an increasingly fragmented UK television market, affecting all established broadcasters

Based on the above, and using the fair value less costs to sell approach, determined on the basis of revised cash flow projections (using a perpetual growth rate of 3 per cent and a discount rate of 9.2 per cent), an impairment loss has been recorded as at 31 December 2008 which has been fully allocated to goodwill.

An impairment has also been made against the Group's German wholly owned radio activities (€26 million). This impairment reflects the following:

- A weaker German radio advertising market environment
- Continued structural issues reflecting the lack of a nationwide radio market

### Loss from sale of subsidiaries, joint ventures and other investments

There was a net loss from sale of subsidiaries, joint ventures and other investments in 2008 amounting to €9 million (2007: gain of €76 million), mainly resulting from the loss on disposal of RTL Shop.

### Income tax expense

The normalised Group tax rate was approximately 29 per cent (2007: 29 per cent).

In 2008 the tax expense was €232 million (2007: expense of €170 million).

Following the PLP agreement (see heading "Related party transactions") which was approved by the Board on 26 June 2008 a commission income of €61 million, representing 50 per cent of the tax benefit generated at the level of Bertelsmann AG, has been recorded in the tax charge for the year (2007: €0 million).

A detailed re-assessment of the underlying conditions supporting all the deferred tax assets within the Group has been completed. Following this review a partial reversal, amounting to €49 million, has been recorded against the deferred tax assets initially recorded in 2007 in Luxembourg (€89 million).

#### Profit for the year attributable to RTL Group shareholders

The profit for the year attributable to RTL Group shareholders was €194 million (2007: €563 million).

#### Earnings per share

Reported earnings per share, based upon 153,618,853 shares, was €1.26 per share (2007: €3.67 per share). The adjusted earnings per share, taking into account the amortisation of fair value adjustments on acquisitions and impairment of goodwill, gain or loss from sale of subsidiaries, joint ventures and other investments, net of income tax expense and one-off tax effects, increased 9.3 per cent to €3.87 (2007: €3.54) per share.

#### Net cash position

The consolidated net cash position at 31 December 2008 was €876 million (2007: reported net cash €1,059 million). The Group continues to generate significant operating cash flow with an EBITA cash conversion of 114 per cent (2007: 110 per cent).

	As at 31 December 2008 €m	As at 31 December 2007 €m
Gross balance sheet debt	(111)	(105)
Less: loans receivable <sup>15</sup>	2	5
<b>Gross financial debt</b>	<b>(109)</b>	<b>(100)</b>
Add: cash	383	535
Add: cash deposit	602	624
<b>Net cash position</b>	<b>876<sup>16</sup></b>	<b>1,059</b>

#### Own shares

RTL Group has an issued share capital of €191,900,551 divided into 154,787,554 fully paid up shares with no defined nominal value.

RTL Group directly and indirectly holds 0.76 per cent (2007: 0.76 per cent) of RTL Group's shares.

#### Related party transactions

##### Financing

As at 31 December 2008 RTL Group had various deposits (overnight and up to three months) amounting to €602 million (2007: €624 million) with Bertelsmann AG. These deposits bear an interest rate of either EONIA or EURIBOR plus 10 basis

points depending on the duration of the deposit. The overnight deposit has subsequently been rolled over. The total interest income on these deposits for the period ending 31 December 2008 amounted to €23 million (2007: €24 million).

Bertelsmann AG granted to RTL Group pledges on all shares of its wholly owned French subsidiary Media Communication SAS and of its wholly owned Spanish subsidiary Media Finance Holding SL as security for all payments due by Bertelsmann AG. The total amount of the deposit does not exceed 60 per cent of the fair value of the pledge assets, which are revalued on a regular basis.

In October 2008, Bertelsmann AG granted to RTL Group a further pledge covering all the shares of its 73.4 per cent owned German subsidiary Gruner + Jahr AG & Co. KG as security for all payments due by Bertelsmann AG. The total amount of the deposit does not exceed 60 per cent of the fair value of the pledged asset, which is revalued on a regular basis.

In November 2008, Bertelsmann AG granted to RTL Group a further pledge covering all the shares of its wholly owned UK subsidiary Bertelsmann UK Limited as security for all payments due by Bertelsmann AG. The total amount of the deposit does not exceed 60 per cent of the fair value of the pledged asset, which is revalued on a regular basis.

##### 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 AG.

To that effect, RTL Group, through RGD, entered into a Profit and Loss Pooling Agreement ("PLP Agreement") with BCH for a six-year period starting 1 January 2008. Simultaneously, Bertelsmann AG entered into a Compensation Agreement ("Compensation Agreement") with CLT-UFA, a direct subsidiary of RTL Group, providing for the payment to CLT-UFA 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 AG 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

<sup>15</sup> The loans receivable relate to TCM (via Groupe M6)

<sup>16</sup> Of which €36 million held by Groupe M6 (2007: €97 million)

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 have the right to request the early termination of the PLP and Compensation Agreements under certain conditions.

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 AG 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 utilised 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.

These agreements increase the net profit.

As at 31 December 2008, the balance payable to BCH amounts to €298 million and the balance receivable from Bertelsmann AG amounts to €237 million.

For the period ended 31 December 2008 the current German income tax in relation to the tax pooling with Bertelsmann AG amounts to €126 million.

The Commission amounts to €61 million.

The UK Group relief of the Five Group and FremantleMedia Group to Bertelsmann Group resulted in a tax income of €7 million (2007: €8 million).

#### Share option plan

On 25 July 2000, RTL Group launched a share option plan for the directors, senior management and employees of the Group. Under the terms of the plan, the option price reflects the market value of the shares on the date that they are granted. The market value is defined as the average stock price on the Brussels exchange for the 20 working days preceding the grant, or as otherwise decided by the Board of Directors. The options vest in equal tranches on the second, third and fourth anniversary of the date of grant and lapse after 10 years. The total number of options granted and accepted by the beneficiaries at the end of 2008 was 129,550 (2007: 139,050).

#### Significant litigations

RTL Group has been made a party to litigation between several of its minority shareholders on the one hand and Bertelsmann and GBL on the other hand in relation to the acquisition by Bertelsmann of the RTL Group shares previously owned by GBL. On 8 July 2003, the Luxembourg Civil Court rejected the claim of the minority shareholders. The judgement was appealed.

In September 2002, the minority shareholders filed a lawsuit against RTL Group, its Directors, Bertelsmann, BWTV and WAZ with regard to the free float. They were seeking a Court decision obliging RTL Group to increase the free float and prohibiting other defendants to make additional purchases of RTL Group shares.

The minority shareholders also dispute the decision by RTL Group to de-list its shares from the London Stock Exchange. On 31 December 2002, the Court of Appeal of Luxembourg, sitting in summary proceeding, confirmed the Court decision pronounced in summary proceeding on 25 October 2002 that held the claim inadmissible. The de-listing of RTL Group's shares from the London Stock Exchange took effect from 31 December 2002. As a consequence of the de-listing, the minority shareholders requested the Luxembourg Civil Court to order the re-listing of the shares on the London Stock Exchange. On 30 March 2004 the Court decided to join both claims (free float and de-listing) and dismissed the claims of the minority shareholders. The judgement was appealed.

On 12 July 2006, the Court of Appeal of Luxembourg decided to join the claims (swap, free-float and de-listing) and confirmed the judgements of the court of first instance. The minority shareholders lodged to the Luxembourg Supreme Court ("Cour de Cassation") a final appeal against this judgement, restricted to a limited set of legal issues not involving RTL Group but linked to the acquisition by Bertelsmann of RTL Group shares previously owned by GBL.

On 21 February 2008, the Luxembourg Supreme Court decided to refer the matter to the European Court of Justice for a preliminary ruling procedure. The proceedings before the Luxembourg Supreme Court are stayed, pending the outcome of the procedure before the European Court of Justice.

RTL Group believes that whatever the outcome of that litigation it should not have any direct impact on the Group, because it has not been a party to the original transaction (swap) and its involvement is limited to solely entering any transfer of shares into the shareholders register.

In the autumn of 2007, the Dutch Public Prosecutor initiated criminal investigations against, amongst others, RTL Nederland, claiming that these companies violated in 2006 and 2007 the Act on Games of Chance by providing the opportunity to participate in dial-in games without the necessary permit and by promoting the participation in such games, both in violation of the conditions set in the Code of Conduct on Promotional Games of Chance. The Public Prosecutor has announced that he will initiate criminal proceedings and forfeiture proceedings. In these proceedings he can claim criminal fines and forfeiture of all allegedly illegal gains received from dial-in games. A forfeiture decision, however, can only be taken after the court will have irrevocably convicted RTL Nederland in criminal proceedings, which have not yet started. No final decision on the merits of this investigation is expected before 2010. A precise assessment of the case and its possible financial impact is not possible at this early stage of the procedure.

RTL Group's Board of Directors is not aware of any other significant litigation.

#### **Profit appropriation (RTL Group SA)<sup>17</sup>**

The statutory accounts of RTL Group SA show a profit for the financial year 2008 of €113,064,016 (2007: profit of €311,063,897). Taking into account the profit carried forward as at 31 December 2008 of €953,606,323, the share premium (€5,782,185,577) and the profit for the year (€113,064,016), the amount available for distribution is €6,848,855,916. The Board of Directors recommends to the General Meeting of Shareholders on 15 April 2009 the distribution of a gross final dividend per share of €3.50, including an extraordinary dividend of €2.10 per share (2007: €5.00 per share, including an extraordinary dividend of €3.70 per share).

If the General Meeting of Shareholders accepts this proposal, RTL Group will distribute for the financial year 2008 a total dividend of €541 million.

#### **Principal risks and uncertainties**

Principal risks and uncertainties are disclosed either in note 6. to the consolidated financial statements for the financial risks (pages 154 to 159) and in the section "Corporate Governance" for the external and market risks (pages 68 to 69).

#### **Outlook**

Operating in a very challenging time, RTL Group is experiencing a substantial slowdown in advertising bookings. The Group will respond to this by focusing on its core business, and by reviewing all costs and structures. This will result in a significantly lower cost base in all of RTL Group's operations.

Given the current state of the advertising markets, and the very short-term bookings cycle, it is impossible to give reliable full-year guidance. But it has to be expected that the profitability level will be down compared to 2008.

*11 March 2009*

*The Board of Directors*

<sup>17</sup> Amounts in € except where stated

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## Management Responsibility Statement

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We, Gerhard Zeiler, Chief Executive Officer, and Elmar Heggen, Chief Financial Officer, confirm, to the best of our knowledge, that the consolidated financial statements which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of RTL Group and the undertakings included in the consolidation taken as a whole and that the Directors' report includes a fair review of the development and performance of the business and the position of RTL Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 11 March 2009



**Gerhard Zeiler**  
Chief Executive Officer



**Elmar Heggen**  
Chief Financial Officer

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# AUDITORS' REPORT



400, route d'Esch  
B.P. 1443  
L-1014 Luxembourg



9, allée Scheffer  
L-2520 Luxembourg

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TO THE SHAREHOLDERS OF RTL GROUP SA

## REPORT OF THE RÉVISEURS D'ENTREPRISES ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of RTL Group SA and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2008 and the consolidated income statement, consolidated statement of recognised income and expense and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 112 to 173.

## BOARD OF DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## RESPONSIBILITY OF THE RÉVISEURS D'ENTREPRISES

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Institut des Réviseurs d'Entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseurs d'Entreprises, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseurs d'Entreprises consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### OPINION

In our opinion, the consolidated financial statements set out on pages 112 to 173 give a true and fair view of the consolidated financial position of the Group as of 31 December 2008, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The consolidated Directors' report, which is the responsibility of the Board of Directors is consistent with the consolidated financial statements.

Luxembourg, 11 March 2009



*PricewaterhouseCoopers S.à r.l.  
Réviseur d'Entreprises  
Pascal Rakovsky*



*KPMG Audit S.à r.l.  
Réviseurs d'Entreprises  
Philippe Meyer*

# CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2008

	Notes	2008 €m	2007 €m
Revenue	4. 1.	5,774	5,707
Other operating income		37	71
Consumption of current programme rights		(2,053)	(2,048)
Depreciation, amortisation and impairment		(203)	(213)
Other operating expense	4. 2.	(2,685)	(2,689)
Impairment of goodwill and amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures	5. 2. 5. 10.	(395)	(142)
Gain/(loss) from sale of subsidiaries, joint ventures and other investments	4. 3.	(9)	76
<b>Profit from operating activities</b>		<b>466</b>	<b>762</b>
Share of results of associates	5. 4.	34	60
<b>Earnings before interest and taxes ("EBIT")</b>		<b>500</b>	<b>822</b>
Net interest income/(expense)	4. 4.	21	(4)
Financial results other than interest	4. 5.	7	26
<b>Profit before taxes</b>		<b>528</b>	<b>844</b>
Income tax expense	4. 6.	(232)	(170)
<b>Profit for the year</b>		<b>296</b>	<b>674</b>
Attributable to:			
RTL Group shareholders		194	563
Minority interest		102	111
<b>Profit for the year</b>		<b>296</b>	<b>674</b>
<b>EBITA*</b>		<b>916</b>	<b>898</b>
Impairment of goodwill of subsidiaries and joint ventures and of disposal group	5. 2. 5. 10.	(364)	(133)
Impairment of goodwill of associates	5. 4. 2.	(12)	-
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures		(31)	(19)
Gain/(loss) from sale of subsidiaries, joint ventures and other investments	4. 3.	(9)	76
<b>Earnings before interest and taxes ("EBIT")</b>		<b>500</b>	<b>822</b>
<b>Earnings per share (in €)</b>			
- Basic	4. 7.	1.26	3.67
- Diluted	4. 7.	1.26	3.67

The accompanying notes form an integral part of these consolidated financial statements.

\* 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 and gain or loss from sale of subsidiaries, joint ventures and other investments



# CONSOLIDATED BALANCE SHEET

as at 31 December 2008

	Notes	2008 €m	2007* €m
<b>Non-current assets</b>			
Programme rights	5. 1.	109	80
Goodwill	5. 1. 5. 2.	2,839	3,147
Other intangible assets	5. 1.	305	357
Property, plant and equipment	5. 3.	347	341
Investments in associates	5. 4.	442	466
Loans and other financial assets	5. 5.	589	542
Deferred tax assets	5. 6.	503	559
		<b>5,134</b>	<b>5,492</b>
<b>Current assets</b>			
Programme rights	5. 7.	1,137	1,293
Other inventories		32	40
Income tax receivable		105	117
Accounts receivable	5. 8.	2,154	1,833
Cash and cash equivalents	5. 9.	383	535
Assets classified as held for sale	5. 10.	–	18
		<b>3,811</b>	<b>3,836</b>
<b>Current liabilities</b>			
Loans and bank overdrafts	5. 11.	18	14
Income tax payable		229	238
Accounts payable	5. 12.	2,108	1,913
Provisions	5. 13.	135	113
Liabilities directly associated with non-current assets classified as held for sale	5. 10.	–	12
		<b>2,490</b>	<b>2,290</b>
<b>Net current assets</b>		<b>1,321</b>	<b>1,546</b>
<b>Non-current liabilities</b>			
Loans	5. 11.	93	91
Accounts payable	5. 12.	294	306
Provisions	5. 13.	121	110
Deferred tax liabilities	5. 6.	83	83
		<b>591</b>	<b>590</b>
<b>Net assets</b>		<b>5,864</b>	<b>6,448</b>
<b>Equity attributable to RTL Group shareholders</b>		<b>5,277</b>	<b>5,876</b>
<b>Equity attributable to minority interest</b>		<b>587</b>	<b>572</b>
<b>Equity</b>	5. 15.	<b>5,864</b>	<b>6,448</b>

The accompanying notes form an integral part of these consolidated financial statements.

\* Restated (see note 5.1.)

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2008

	Notes	2008 €m	2007 €m
<b>Cash flows from operating activities</b>			
Profit before taxes		528	844
Adjustments for:			
– Depreciation and amortisation		164	170
– Value adjustments, impairment and provisions		532	227
– Equity-settled share-based payments expenses		7	13
– Loss/(Gain) on disposal of assets		1	(104)
– Financial results including net interest expense and share of results of associates		59	(45)
Use of provisions	5. 13.	(52)	(78)
Working capital changes		(39)	89
Income taxes paid		(135)	(256)
<b>Net cash from operating activities</b>		<b>1,065</b>	<b>860</b>
<b>Cash flows from investing activities</b>			
Acquisitions of:			
– Programme rights		(71)	(48)
– Subsidiaries and joint ventures net of cash acquired	3. 4.	(151)	57
– Other intangible and tangible assets		(109)	(143)
– Other investments and financial assets		(102)	(168)
Current deposit with shareholder	5. 8. 8. 1.	–	(134)
		(433)	(436)
Proceeds from the sale of intangible and tangible assets		22	67
Disposal of:	3. 6.		
– RTL Shop, net of cash disposed of	3. 2.	(11)	–
– Other subsidiaries and joint ventures net of cash disposed of		6	3
Proceeds from the sale of other investments and financial assets		17	285
Current deposit with shareholder	5. 8. 8. 1.	22	–
Interest received		63	48
		119	403
<b>Net cash used in investing activities</b>		<b>(314)</b>	<b>(33)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(29)	(32)
Proceeds from capital increase of subsidiaries		4	–
Proceeds from loans		4	5
Repayment of loans		(9)	(66)
Net change in bank overdraft		–	(1)
Dividends paid		(856)	(537)
<b>Net cash used in financing activities</b>		<b>(886)</b>	<b>(631)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(135)</b>	<b>196</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>535</b>	<b>348</b>
Effect of exchange rate fluctuation on cash held		(17)	(9)
<b>Cash and cash equivalents at end of year</b>		<b>383</b>	<b>535</b>

The accompanying notes form an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

*for the year ended 31 December 2008*

	Notes	2008 €m	2007 €m
Foreign currency translation differences		(67)	(6)
Change in fair value of cash flow hedges		76	(35)
Change in fair value of available-for-sale financial assets	5. 4. 5. 5.	(6)	2
Defined benefit plan actuarial gains	5. 14.	4	9
Income tax on income and expense recognised directly in equity		(16)	3
<b>Income and expense recognised directly in equity</b>		<b>(9)</b>	<b>(27)</b>
Profit for the year		296	674
<b>Total recognised income and expense for the year</b>	5. 15. 1.	<b>287</b>	<b>647</b>
Attributable to:			
RTL Group shareholders		184	537
Minority interest		103	110
<b>Total recognised income and expense for the year</b>		<b>287</b>	<b>647</b>

The accompanying notes form an integral part of these consolidated financial statements.

# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

RTL Group SA (the “Company”) is a company domiciled in Luxembourg. The consolidated financial statements of the Company for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates and jointly controlled entities. RTL Group is the parent company of a multinational television, radio and production Group, holding, directly or indirectly, investments in 623 companies. The Group operates television channels and radio stations in Europe and produces television content such as game shows and soaps. The list of the principal Group undertakings as at 31 December 2008 is set out in note 12.

The Company is listed on the Brussels and Luxembourg Stock Exchanges. Statutory accounts can be obtained at its registered office.

The ultimate parent company of RTL Group SA preparing consolidated financial statements, Bertelsmann AG, includes in its consolidated financial statements those of RTL Group SA. Bertelsmann AG is a company incorporated under German law whose registered office is established at Carl-Bertelsmann-Strasse 270, D-33311 Gütersloh, Germany. Consolidated financial statements for Bertelsmann AG can be obtained at their registered office.

The financial statements were authorised for issue by the Board of Directors on 11 March 2009.

#### 1. 1.

##### Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

#### 1. 2.

##### Basis of preparation

#### 1. 2. 1.

##### Consolidated financial statements

The consolidated financial statements are pre-

sented in millions of Euro, which is the Company’s functional and presentation currency, and have been prepared under the historical cost convention except in respect of available-for-sale investments, financial assets at fair value through profit or loss, and derivative financial instruments which are shown at fair value, as well as assets and liabilities which have been revalued by applying the purchase accounting method. The carrying amount of recognised assets and liabilities that are hedged in accordance with IAS 39 (fair value hedge) is adjusted to record changes in the fair value attributable to the risks that are being hedged.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 10.

The accounting policies have been consistently applied by Group enterprises and are consistent with those used in the previous year.

The following amendments and interpretations, which are mandatory for accounting periods beginning on or after 1 January 2008, did not have any effect on the financial statements of the Group and did not give rise to additional disclosures:

- IFRIC 11 “Group and Treasury Share Transactions”;
- IFRIC 14 “IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction”.

The interpretation IFRIC 12 “Service Concession Arrangements”, which is mandatory for accounting periods beginning on or after 1 January 2008 but not yet endorsed by the European Union and not adopted by the Group, is not expected to have any effect on the financial statements of the Group and to give rise to additional disclosures.

The IASB has issued the following standards, amendments to standards and interpretations that will be effective for the Group as from 1 January 2009 or after. The Group has not elected to early adopt these standards, amendments to existing standards or interpretations. Some of these standards or amendments to existing standards or interpretations have not yet been endorsed by the European Union:

- IFRS 8 “Operating Segments” sets out requirements for disclosure of information about an entity’s operating segments and also about the entity’s products and services, the geographical areas in which they operate, and its major customers. IFRS 8 will require additional disclosures on these items;
- IAS 23 (Amendment), “Borrowing Costs”. The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (Amended) from 1 January 2009 but the standard is currently not applicable to the Group as there are no qualifying assets;
- IAS 1 (Revised) “Presentation of Financial Statements” is aimed at improving users’ ability to analyse and compare the information given in financial statements. IAS 1 (Revised) will affect the presentation of owner changes in equity and of comprehensive income;
- IFRS 3 (Revised) “Business Combinations”. IFRS 3 (Revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently remeasured

at fair value through income. Goodwill may be calculated based on the parent’s share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. IFRS 3 (Revised) will have an impact on how the Group will report on acquisitions;

- IAS 27 (Revised) “Consolidated and Separate Financial Statements”. IAS 27 (Revised) provides mainly guidance on changes in the ownership interests. In particular, changes in a parent’s ownership interest in a subsidiary that do not result in the loss of control will be accounted for within equity, as it is the current policy of the Group;
- IAS 32 (Amendment) “Financial Instruments: Presentation” and IAS 1 (Amendment) “Presentation of Financial Statements”. These amendments to the standards require that some puttable financial instruments and some financial instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. The Group does not expect any material impact from the application of this amendment;
- IFRS 2 (Amendment) “Share-based Payment – Vesting Conditions and Cancellations”. These amendments clarify the definition of vesting conditions, introduce the concept of non-vesting conditions, require non-vesting conditions to be reflected in grant-date fair value and provide the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for the Group’s 2009 consolidated financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment;
- IFRS 1 (Amendments) “First-time Adoption of International Financial Reporting Standards” and IAS 27 (Amendment) “Consolidated and Separate Financial Statements” respond to constituents. These amendments allow first-time adopters, in their separate financial statements, to use a deemed cost option for determining the cost (in accordance with paragraph 38(a) of IAS 27) of an investment in a subsidiary, jointly controlled entity or associate. They will have no impact on the Group’s consolidated financial statements;
- IAS 39 (Amendment – “Eligible Hedged Item”) “Financial Instruments: Recognition and Measurement”. The amendment clarifies how the existing principles underlying hedge accounting should be applied for a one-sided risk in a hedged item for inflation in a financial hedged item. The Group does not expect any significant impact from application of this amendment;
- IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement” and IFRS 7 (Amendment) “Financial Instruments: Disclosures”. These amendments permit the reclassification of some financial instruments. The Group

does not expect any significant impact from application of this amendment.

- IFRS 1 (Revised) “First-time Adoption of International Financial Reporting Standards”. The revised version of this standard has an improved structure but does not contain any technical changes;
- IFRIC 13 “Customer Loyalty Programmes”. IFRIC 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the consideration receivable from the customer is allocated between the components of the arrangement in using fair values. IFRIC 13 is not relevant to the Group’s operations because none of the Group’s companies operates any loyalty programmes;
- IFRIC 15 “Agreements for Construction of Real Estates”. The interpretation clarifies whether IAS 18 “Revenue”, or IAS 11 “Construction Contracts”, should be applied to particular transactions. It is likely to result in IAS 18 being applied to a wider range of transactions. IFRIC 15 is not relevant to the Group’s operations as all revenue transactions are accounted for under IAS 18 and not IAS 11;
- IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”. The interpretation clarifies the accounting treatment in respect of net investment hedging. This includes the fact that net investment hedging relates to differences in functional currency not presentation currency, and hedging instruments may be held anywhere in the Group. It is not expected to have a material impact on the Group’s financial statements;
- IFRIC 17 “Distributions of Non-cash Assets to Owners”. The interpretation clarifies that a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity, that an entity should measure the dividend payable at the fair value of the net assets to be distributed and that an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. The Group does not expect any significant impact from application of this interpretation;
- IFRIC 18 “Transfers of Assets from Customers”. This interpretation clarifies the accounting for arrangements where an item of property, plant and equipment, which is provided by the customer, is used to provide an ongoing service. This is particularly relevant to the utility sector with the provision of the service being that of, for example, gas or electricity. The Group does not expect any significant impact from application of this interpretation.

As part of its annual improvements project published in May 2008, the IASB has slightly amended

various standards. The improvements focused on areas of inconsistencies in IFRS or where clarification of wording was required. The effective dates of these amendments vary depending on the standards concerned but are generally 1 January 2009. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

### 1. 3.

#### Principles of consolidation

### 1. 3. 1.

#### Subsidiaries

Subsidiaries are those undertakings controlled by the Company. Control exists when the Company has the power or ability (“de facto control”), directly or indirectly, to govern the financial and operating policies of an undertaking so as to obtain benefits from its activities. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity. Directly or indirectly held subsidiaries are consolidated from the date on which control is transferred to the Company and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Company’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

When an acquisition is completed by a series of successive transactions, each significant transaction is considered individually for the purpose of the determination of the fair value of the identifiable assets, liabilities and contingent liabilities acquired and hence for the goodwill associated with the acquisition.

The fair values of the identifiable assets and liabilities acquired can vary at the date of each transaction. When a transaction results in taking control over the entity the interests previously held in that entity are re-valued on the basis of the fair values of the identifiable assets and liabilities at

that date. The contra posting for this revaluation is recorded directly in shareholders' equity.

Subsequent purchases, after the Group has obtained control, are treated as the acquisition of shares from minority interest: the identifiable assets and liabilities of the entity are not subject to a further revaluation and the positive or negative difference between the cost of such subsequent acquisitions and the net value of the additional proportion of the interest acquired is recorded directly in equity.

For disposals of minority interests, differences between any proceeds received and the relevant share of minority interest are also recorded in equity.

The full consolidation method is used, whereby the assets, liabilities, income and expenses are fully incorporated. The proportion of the net assets and net income attributable to minority interest is presented separately as a minority interest in the consolidated balance sheet and in the consolidated income statement.

#### 1. 3. 2.

##### Joint ventures

A joint venture is an entity where the control of economic activity is contractually shared with one or more parties whereby no party on its own exercises effective control.

The purchase method of accounting is used to account for the acquisition of joint ventures by the Company.

Joint ventures are accounted for using proportionate consolidation. Under this method the Group includes its proportionate share of the joint venture's income and expenses, assets and liabilities, and cash flows in the relevant components of the consolidated financial statements, on a line-by-line basis.

#### 1. 3. 3.

##### Associates

Associates are defined as those investments, not classified as either subsidiaries or joint ventures, where the Group is able to exercise a significant influence. Such investments are recorded in the consolidated balance sheet using the equity method of accounting. Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against "Investments in associates".

The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### 1. 3. 4.

##### Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the undertaking. Unrealised gains resulting from transactions with associates are eliminated against the investment in the associates. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

#### 1. 4.

##### Foreign currency translation

#### 1. 4. 1.

##### Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Euro at foreign exchange rates ruling at the date the fair value was determined.

#### 1. 4. 2.

##### Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill, except for goodwill arising from acquisitions before 1 January 2004, and fair value adjustments arising on consolidation, are translated

to Euro using the foreign exchange rate prevailing at the balance sheet date. Income and expenses are translated at the average exchange rate for the year under review. The foreign currency translation differences resulting from this treatment and those resulting from the translation of the foreign operations' opening net asset values at year-end rates are recognised directly in a separate component of equity.

Exchange differences arising from the translation of the net investment in a foreign operation or associated undertaking and financial instruments, which are designated and qualified as hedges of such investments, are recognised directly in a separate component of equity. On disposal or partial disposal of a foreign operation, such exchange differences or proportion of exchange differences are recognised in the income statement as part of the gain or loss on sale.

#### 1. 5.

### Derivative financial instruments and hedging activities

#### Fair value

Derivative financial instruments are initially recognised at fair value in the balance sheet at the date a derivative contract is entered into and are subsequently re-measured at fair value.

#### Hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges in respect of on-balance sheet assets and liabilities are recorded in the income statement, along with any change in the fair value of the hedged asset or liability that is attributable to the hedged risk.

The accounting treatment applied to cash flow hedges in respect of off-balance sheet assets and liabilities can be summarised as follows:

- For qualifying hedges, the effective component of fair value changes on the hedging instrument (mostly foreign currency forward contracts or cash balances in foreign currencies) is deferred in "Hedging reserve";
- Amounts deferred in "Hedging reserve" are subsequently released to the income statement in the periods in which the hedged item impacts the income statement or are used to adjust the carrying value of assets purchased (basis adjustment). When hedging forecast purchases of programme rights in foreign currency, releases from equity via a basis adjustment occurs when the programme right is recognised on balance sheet in accordance with the Group's policy;
- The ineffective component of the fair value changes on the hedging instrument is recorded directly in the income statement.

The fair value of foreign currency forward contracts is determined by using forward exchange market rates at the balance sheet date.

Certain financial derivative transactions, while constituting effective economic hedges under the Group's risk management policy, do not qualify for hedge accounting under the specific rules in IAS 39. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting under IAS 39 are recognised immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting under IAS 39, any cumulative gain or loss included in the "Hedging reserve" is deferred until the committed or forecast transaction ultimately impacts the income statement. However, if a committed or forecast transaction is no longer expected to occur, then the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

For qualifying hedge relationships, the Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking the hedge. This process includes linking all derivatives designated as hedges to specific assets and liabilities or to specific firm commitments or forecast transactions. The Group also documents, both at the hedge inception and on an ongoing basis, its assessment of whether the hedging derivatives are effective in offsetting changes in fair values or cash flows of the hedged items.

#### 1. 6.

### Current/non-current distinction

Current assets are assets expected to be realised or consumed in the normal course of the Group's operating cycle (normally within one year). All other assets are classified as non-current assets.

Current liabilities are liabilities expected to be settled by use of cash generated in the normal course of the Group's operating cycle (normally within one year) or liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

#### 1. 7.

### Intangible assets

#### 1. 7. 1.

### Owned non-current programme rights

Non-current programme rights are initially recognised at acquisition cost or production cost which includes staff costs and an appropriate por-



tion of relevant overheads, when the Group controls, in substance, the respective assets and the risks and rewards attached to them.

Non-current programme rights include (co-)productions and audiovisual rights acquired, with the primary intention to broadcast or sell them as part of the Group's long-term operations. Non-current programme rights are amortised based on expected revenue. The amortisation charge is based on the ratio of net revenue for the period over total estimated net revenue. Estimates of total net revenue are reviewed periodically and additional impairment losses are recognised if appropriate.

#### 1.7.2.

##### Goodwill

Acquisitions are accounted for by application of the purchase method of accounting. Goodwill arising from applying this method represents the difference between the cost of the acquisition of subsidiaries, associates and joint ventures and the Group's share of the fair value of net identifiable assets acquired. Goodwill on acquisitions of subsidiaries and joint ventures is recognised as an intangible asset. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of the cash generating units represents the Group's investment in a geographical area of operation by business segment except for the content business, which is considered as a sole cash-generating unit for worldwide operations.

No goodwill is recognised on an acquisition of minority interest.

Goodwill on acquisitions of associates is included in "Investments in associates".

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

#### 1.7.3.

##### Other intangible assets

Other intangible assets with a definite useful life, which are acquired by the Group, are stated at cost less accumulated amortisation and impairment losses. They comprise licences (other than (co-) production, audiovisual and sport rights), trademarks and similar rights as well as EDP software. They are amortised on a straight-line basis over their estimated useful life as follows:

- Licences: seven to 20 years
- Software: maximum three years

Brands, unless an indefinite useful life can be justified, and customer relationships acquired through

business combinations are amortised on a straight-line basis over their estimated useful life.

Other intangible assets with an indefinite useful life are tested annually for impairment and whenever there is an indication that the intangible asset may be impaired.

#### 1.8.

##### Property, plant and equipment

#### 1.8.1.

##### Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of the assets as follows:

- Land: nil
- Buildings: ten to 25 years
- Technical equipment: four to ten years
- Other fixtures and fittings, tools and equipment: three to ten years

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Depreciation methods and useful lives, as well as residual values, are reassessed annually.

#### 1.8.2.

##### Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Assets held under finance leases and the related obligations are recognised on the balance sheet at the lower of their fair value and the present value of minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Such assets are depreciated on the same basis as owned assets (see note 1.8.1.). Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the outstanding finance balance. The corresponding lease obligations, net of finance charges, are included in loans payable. The interest element of the finance charge is charged to the income statement over the lease period.

Leases where all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

**1. 8. 3.****Subsequent expenditure**

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised, with the carrying amount of the component that is to be replaced being written off. Other subsequent expenditure is capitalised only when it increases the future economic benefits that will be derived from the item of property, plant and equipment. All other expenditure is expensed as incurred.

**1. 9.****Loans and other financial assets**

Loans are recognised initially at fair value plus transaction costs. In subsequent periods, loans are stated at amortised cost using the effective yield method, less any valuation allowance for credit risk. Any difference between nominal value, net of transaction costs, and redemption value is recognised using the effective interest method in the income statement over the period of the loan.

Non-current and current investments comprise available-for-sale assets and other financial assets at fair value through profit or loss.

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale and are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Available-for-sale investments are subsequently carried at fair value. Cost of purchase includes transaction costs. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are included, net of deferred income tax, in "Revaluation reserve" in equity in the period in which they arise.

Financial instruments are at fair value through profit or loss if they contain one or more embedded derivatives which cannot be measured separately. Changes in fair value are recognised in profit or loss.

All purchases and sales of non-current and current investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

The fair value of publicly traded investments is based on quoted market prices at the balance

sheet date. The fair value of non-publicly traded investments is based on the estimated discounted value of future cash flows.

**1. 10.****Current programme rights**

Current programme rights are initially recognised at acquisition cost or Group production cost when the Group controls, in substance, the respective assets and the risks and rewards attached to them.

Current programme rights include programmes in progress, (co-)productions as well as rights acquired with the primary intention to broadcast or sell them in the normal course of the Group's operating cycle. Current programme rights include an appropriate portion of overheads and are stated at the lower of cost and net realisable value. Net realisable value represents management assessment of rights that are not likely to be broadcast. They are consumed based on either the expected number of transmissions or expected revenue in order to match the costs of consumption with the benefits received. The rates of consumption applied for broadcasting rights are the following:

- Blockbusters (films resulting in a high volume of cinema ticket sales), mini-series (primarily own productions with a large budget), other films, series, TV movies and (co-)productions are mainly consumed over a maximum of two transmissions as follows: 67 per cent upon the first transmission, with the remainder upon the second transmission;
- Soaps, in-house productions, quiz and game shows, sports and other events, documentaries and music shows are fully consumed upon the first transmission;
- Children's programmes and cartoons are consumed over a maximum of two transmissions as follows: at least 50 per cent upon the first transmission, with the remainder upon the second transmission.

**1. 11.****Accounts receivable**

Trade accounts receivable arise from the sale of goods and services related to the Group's operating activities. Other accounts receivable include, in addition to deposits and amounts related to Profit and Loss Pooling and compensation agreements with RTL Group's controlling shareholder, VAT recoverable, prepaid expenses and the fair value of derivative assets. Trade and other accounts receivable are measured at amortised cost. Impairment losses on trade and other accounts receivable, except derivative assets, are recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of receivables. Significant financial difficulties of the debtor, probability that the debtor

will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within depreciation, amortisation and impairment. When a trade receivable is uncollectible, it is written off against the allowance account for trade accounts receivable. Subsequent recoveries of amounts previously written off are credited against depreciation, amortisation and impairment in the income statement.

Accrued income is stated at the amounts expected to be received.

#### 1. 12.

##### Cash and cash equivalents

Cash and cash equivalents are carried in balance sheet at cost and include cash in hand, postal and bank accounts, money market funds when they meet the criteria set out in IAS 7, paragraph 7, as well as bank deposits with an original maturity of less than 90 days.

Bank overdrafts are included within current liabilities.

#### 1. 13.

##### Impairment of non financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use and fair value less costs to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets than goodwill, an impairment loss is reversed when there is an indication that the conditions that caused the impairment

loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. The carrying value after the reversal of the impairment loss cannot exceed the carrying amount that would have been determined, net of depreciation as amortisation, if no impairment loss had been recognised.

#### 1. 14.

##### Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale assets, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade accounts receivable is described in note 1.11.

#### 1. 15.

##### Accounts payable

Trade accounts payable arise from the purchase of assets, goods and services relating to the Group's operating activities. Other accounts payable comprise, in addition to amount related to a Profit and Loss Pooling agreement with RTL Group's controlling shareholder, VAT payable, fair value of derivative liabilities, accrued expenses and payable on capital expenditure. Trade and other accounts payable are measured at amortised cost, except derivative liabilities, which are measured at fair value.

#### 1. 16.

##### Loans payable

Interest-bearing current and non-current liabilities are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing current and non-current liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

#### 1. 17.

##### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation to transfer economic benefits as a result of past events. The amounts recognised represent management's best estimate of the expenditures that will be required

to settle the obligation as of the balance sheet date. Provisions are measured by discounting the expected future cash flows to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the Group are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

#### 1. 18.

##### Employee benefits

#### 1. 18. 1.

##### Pension benefits

The Group operates or participates in both defined contribution and defined benefit plans, according to the national laws and regulations of the countries in which it operates. The assets of the plans are generally held in separate trustee-administered funds and some of the plans are operated through pension funds that are legally independent from the Group. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking into account the recommendations of independent qualified actuaries.

Pension costs and obligations relating to defined benefit plans are recognised based on the projected unit credit method. Since 2006, the Group directly recognises actuarial gains and losses in equity under the consolidated statement of recognised income and expense.

Pension costs relating to defined contribution plans (including deferred compensation plans that are defined contribution plans in nature) are recognised when an employee has rendered service in exchange for the contributions due by the employer.

#### 1. 18. 2.

##### Other benefits

Many Group companies provide death in service benefits, and spouses' and children's benefits. The costs associated with these benefits are recognised when an employee has rendered service in exchange for the contributions due by the employer.

#### 1. 18. 3.

##### Share-based transactions

Share options are granted to certain directors and

senior employees. The options are granted at the market price on the date of the grant and are exercisable at that price.

For share options that were granted before 7 November 2002, no compensation cost is recognised in the income statement. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital and share premium.

For share options that were granted after 7 November 2002, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

#### 1. 19.

##### Share capital

#### 1. 19. 1.

##### Equity transaction costs

Incremental external costs directly attributable to the issue of new shares, other than in connection with a business combination, are deducted, net of the related income taxes, against the gross proceeds recorded in equity. Share issue costs incurred in connection with a business combination are included in the cost of acquisition.

#### 1. 19. 2.

##### Treasury shares

Where the Company or its subsidiaries purchases the Company's own equity shares, the consideration paid, including any attributable transaction costs net of income taxes, is shown in deduction of equity as "Treasury shares".

#### 1. 19. 3.

##### Dividends

Dividends on ordinary shares are recorded in the consolidated financial statements in the period in which they are approved by the Company's shareholders.

#### 1. 20.

##### Revenue presentation and recognition

Revenue includes sales of rights and licence income, (co-)productions, advertising revenue and other sales, net of sales deductions such as cash rebates, credit notes, discounts, refunds and VAT.

Agency commissions are presented as a deduction from advertising revenue.

Revenue is recognised when the Group has transferred the significant risks and rewards of ownership and the control over the goods sold and the amount of revenue can be measured reliably. Specifically, advertising sales are recognised when the related advertisement or commercial is broadcast and sales of programme rights under licences are recognised when the programme material has been accepted by the licensee as being in accordance with the conditions of the licence agreement.

Barter revenue is recognised if goods or services in a barter transaction are of a dissimilar nature and if revenue has economic substance and can be reliably measured. Revenue from barter transactions is recognised at the fair value of the goods or services received, adjusted for any cash involved in the transaction.

#### 1. 21.

##### Interest income/expense

Interest income/expense is recognised on a time proportion basis using the effective interest method.

#### 1. 22.

##### Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred taxes are recognised according to the balance sheet liability method on any temporary difference between the carrying amount for consolidation purposes and the tax base of the Group's assets and liabilities. Temporary differences are not provided for when the initial recognition of assets or liabilities affects neither accounting nor taxable profit and when differences relate to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. No temporary differences are recognised on the initial recognition of goodwill. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

#### 1. 23.

##### Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The only category of dilutive potential ordinary shares is share options.

#### 1. 24.

##### Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

#### 1. 25.

##### Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of the carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

#### 1. 26.

##### Government grants

Government grants related to assets are initially presented as a deduction in arriving at the carrying amount of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same period in which the expenses are recognised.

## 2. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment earnings are presented after elimination of inter-segment profit.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

### Business segments

The Group comprises the following main business segments:

#### Television:

RTL Group's television segment comprises interests in 45 television channels in 11 European countries and a range of technical services, covering broadcasting and transmission as well as production and post-production.

#### Content:

RTL Group produces programmes for television covering a wide range of genres, ranging from action adventure and science fiction to game shows and drama series, situation comedies and sports. The content segment is divided into two parts: production and distribution. Production comprises the production of original programmes for broadcasters; distribution comprises the distribution of programme rights made by RTL Group or acquired/licensed from third-party producers.

#### Radio:

RTL Group's commercial radio segment comprises interests in 32 radio stations in seven countries.

### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

#### 2.1.

### Business segments

Revenue from external customers

Inter-segment revenue

#### Total revenue

Profit/(loss) from operating activities

Share of results of associates

#### EBIT

#### EBITA

Impairment of goodwill of subsidiaries and joint ventures and of disposal group

Impairment of goodwill of associates

Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures

Gain/(loss) from sale of subsidiaries, joint ventures and other investments

#### EBIT

Net interest income/(expense)

Financial results other than interest

Income tax expense

#### Profit for the year

Attributable to:

RTL Group shareholders

Minority interest

Segment assets

Investment in associates

Assets classified as held for sale

Other assets

#### Total assets

Segment liabilities

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

Other liabilities

#### Total liabilities

#### Net assets

Capital expenditure

Depreciation and amortisation

Impairment losses excluding goodwill

Impairment of goodwill

Impairment of disposal group

#### 2.2.

### Geographical segments

Revenue from external customers

Segment assets

Assets classified as held for sale

Capital expenditure

\* Restated (see note 5.1.)

Television		Content		Radio		Other operations		Eliminations		Total			
2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007* €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007* €m		
4,373	4,396	1,037	998	328	277	36	36	-	-	5,774	5,707		
21	22	218	178	4	2	28	29	(271)	(231)	-	-		
4,394	4,418	1,255	1,176	332	279	64	65	(271)	(231)	5,774	5,707		
288	556	164	195	58	77	(44)	(66)	-	-	466	762		
38	57	-	-	(4)	3	-	-	-	-	34	60		
326	613	164	195	54	80	(44)	(66)	-	-	500	822		
708	731	164	126	88	79	(44)	(38)	-	-	916	898		
(338)	(133)	-	-	(26)	-	-	-	-	-	(364)	(133)		
(4)	-	-	-	(8)	-	-	-	-	-	(12)	-		
(30)	(19)	-	-	(1)	-	-	-	-	-	(31)	(19)		
(10)	34	-	69	1	1	-	(28)	-	-	(9)	76		
326	613	164	195	54	80	(44)	(66)	-	-	500	822		
										21	(4)		
										7	26		
										(232)	(170)		
										296	674		
										194	563		
										102	111		
4,576	4,786	1,414	1,390	474	515	448	365	(208)	(228)	6,704	6,828		
406	409	-	1	36	56	-	-	-	-	442	466		
-	11	-	-	-	-	-	7	-	-	-	18		
										1,799	2,016		
										8,945	9,328		
1,696	1,777	376	397	212	254	580	232	(206)	(218)	2,658	2,442		
-	12	-	-	-	-	-	-	-	-	-	12		
										423	426		
										3,081	2,880		
										5,864	6,448		
318	165	14	13	8	187	5	3	-	-	345	368		
(131)	(140)	(14)	(17)	(15)	(8)	(4)	(5)	-	-	(164)	(170)		
(6)	(5)	(1)	(3)	(1)	-	-	3	-	-	(8)	(5)		
(338)	(123)	-	-	(26)	-	-	-	-	-	(364)	(123)		
-	(10)	-	-	-	-	-	-	-	-	-	(10)		
Germany		France		Netherlands		UK		Other regions		Eliminations		Total	
2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007* €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007* €m
2,146	2,104	1,547	1,543	790	719	699	789	1,178	1,059	(586)	(507)	5,774	5,707
1,948	1,873	2,077	2,096	541	552	1,017	1,560	1,374	978	(253)	(231)	6,704	6,828
-	11	-	7	-	-	-	-	-	-	-	-	-	18
27	26	159	141	3	173	7	8	149	20	-	-	345	368

### 3. ACQUISITIONS AND DISPOSALS

#### 3. 1.

##### Acquisitions and increases in interests held in subsidiaries and joint ventures

Details of significant acquisitions in the year ended 31 December 2008 are set out in note 3.2. Acquisitions have been consolidated using the purchase method of accounting with goodwill being recognised as an asset. All acquisitions have been included in the consolidated accounts from the date that control has been transferred to the Group.

In aggregate, the acquired businesses contributed revenue of €21 million and profit attributable to RTL Group shareholders of nil for the post acquisition period to 31 December 2008. Had the business combinations been at the beginning of the year, the revenue and the profit attributable to RTL Group shareholders would have amounted to €5,873 million and €166 million respectively.

#### 3. 2.

##### Details of significant acquisitions and disposals, increases in interests held in subsidiaries and joint ventures

#### 2008

##### Alpha Media Group

In September 2008, the Group signed an agreement to acquire a 66.6 per cent majority shareholding in Alpha Media Group. Alpha Media Group comprises the Greek national TV channel Alpha TV, the regional TV channel Kanali 9 Thessaloniki, the radio stations Alpha 98.9 and Pamos 96.5 and Plus Productions, Alpha TV's in-house production company.

This transaction was approved by the Greek competition authority on 2 December 2008 and qualifies as a business combination since RTL Group has gained the control of Alpha Media Group on 16 December 2008. The purchase consideration, net of cash acquired, amounts to €125 million, resulting in a provisional goodwill of €131 million.

Alpha Media Group 2008	Carrying amount at acquisition date €m	Incremental value €m	Fair value €m
Cash and cash equivalents	7	–	7
Property, plant and equipment	17	–	17
Current programme rights	19	–	19
Accounts receivable	59	–	59
Accounts payable	(95)	–	(95)
Employee benefit obligations	(3)	–	(3)
Other provisions	(2)	–	(2)
Minority interest	(1)	–	(1)
<b>Net assets acquired</b>	<b>1</b>	<b>–</b>	<b>1</b>
Goodwill			131
<b>Total purchase consideration</b>			<b>132</b>
Less:			
Cash and cash equivalents in operations acquired			(7)
<b>Cash outflow on acquisition</b>			<b>125</b>

##### Cyréalis

On 30 April 2008, the Group acquired 100 per cent of Cyréalis Group exploiting the following three editorial websites *Clubic.com* for high technology, *Jeuxvideo.fr* for video games, *Neteco.com* for e-business and *Achetezfacile.com*, a price comparison site.

This transaction qualifies as a business combination since RTL Group has gained the control of Cyréalis. The Group has recognised the following identifiable



assets, liabilities and contingent liabilities at their fair value at the date of the transaction:

- “Clubic”, “Achetez facile” and “Jeuxvidéo” brands for an amount of €1.4 million;
- Intellectual property rights in connection with the comparison engine for an amount of €0.7 million;
- A related deferred tax liability for an amount of €0.7 million.

The excess of the cost of the business combination over the fair value of the intangible assets and deferred tax has been allocated to goodwill for an amount of €40.4 million. At year end deferred payments on this transaction amount to €18 million.

<b>Cyréalys 2008</b>	Carrying amount at acquisition date €m	Incremental value €m	Fair value €m
Cash and cash equivalents	1	–	1
Other intangible assets	–	2	2
Accounts receivable	3	–	3
Accounts payable	(1)	–	(1)
Interest bearing loans payable and borrowings	(2)	–	(2)
Net deferred liabilities	–	(1)	(1)
<b>Net assets acquired</b>	<b>1</b>	<b>1</b>	<b>2</b>
Goodwill			40
<b>Total purchase consideration</b>			<b>42</b>
Less:			
Deferred payments on acquisition			(18)
Cash and cash equivalents in operations acquired			(1)
<b>Cash outflow on acquisition</b>			<b>23</b>

### Hugo Films

On 26 February 2008, RTL Group completed the acquisition of 100 per cent of the share capital of Hugo Films SAS, a French film production company owning a film catalogue. Following the completion of a fair value exercise, the items listed below have been recognised:

- A fair value of €11.7 million on the catalogue of non-current programme rights;
- A related deferred tax liability for an amount of €4.4 million.

### Lemonline – WKW

In November 2008, the Group has acquired the remaining 51 per cent of the share of the company Lemonline Ltd and its branch, the fast-growing social network *Wer-kennt-wen.de*. Prior to this transaction, Lemonline – WKW was accounted for using the equity method. The acquisition qualifies as a business combination since RTL Group has gained the control of Lemonline – WKW for a consideration of €4 million resulting in the recognition of a provisional goodwill for the same amount.

### AH Antenne

Before April 2008, AH Antenne was not under RTL Group's control since the control of the company was delegated to the Executive Board of the company in which RTL Group only held one of five mandates. In April 2008, the articles of association of the company were amended and thereby the control was transferred from the responsibility of the Executive Board to the responsibility of the shareholders' meeting. Since the shareholders' meeting has approved resolutions with simple majority and RTL Group holds 54 per cent of the share capital and voting rights, the control of the company was gained. Prior to this change, AH Antenne was accounted for using the equity method. This gain of control qualifies as a business combination. The goodwill previously presented in “Investment in associates” has been transferred to “Goodwill” for an amount of €12 million. The purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired.

### RTL Shop

In August 2008, following the approval of the

German competition authority, RTL Group exited from its German teleshopping activities through the sale of RTL Shop to Aurelius, a Munich-based industrial holding. RTL Group recognised a loss on disposal amounting to €13 million.

#### **FremantleMedia Investments**

As at 30 June 2008, an agreement was signed between RTL Group and BBC Worldwide Australia Channel Pty Ltd for the sale of FremantleMedia Investments Pty Ltd for an amount of €5.5 million. The resulting gain for the Group amounted to €4 million.

#### **2007**

##### **Radio 538 and RTL Nederland**

RTL Group and John de Mol's Talpa Media Holding agreed on an asset deal on 26 June 2007. Following the unconditional regulatory approval by the Dutch competition authority in August, the transaction was completed on 29 September 2007. The deal was structured in several transactions with the final outcome that RTL Nederland, the country's leading TV group, and Radio 538, the country's leading radio station are both integrated into a new structure, RTL Nederland Holding, held at 26 per cent by Talpa Media Holding and 74 per cent by RTL Group. As part of the deal, both parties also agreed that RTL Nederland would acquire TV assets from Talpa Media Holding such as sports rights, cable contracts, Dutch shows and drama series.

The acquisition of a 74 per cent interest in Radio 538 by RTL Group qualifies as a business combination since RTL Group has gained the control of Radio 538. RTL Group has allocated the related transaction costs and recognised the following identifiable assets, liabilities and contingent liabilities at their fair value at the date of the transaction:

- The Radio 538 brand for an amount of €10 million and a related deferred tax liability of €3 million;
- The deferred tax asset of €63 million in relation with future tax benefits and a corresponding liability at a discounted value of €46 million towards the minority interest which contractually benefits from those tax benefits.

The excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognised was allocated to goodwill for an amount of €142 million.

The sale of 26 per cent interest in RTL Nederland was treated as an equity transaction consistent with the accounting principles applied by RTL Group for the acquisition of non-controlling minority interest in a controlled entity. RTL Group has allocated the related transaction costs to the disposal. This transaction resulted in an increase in equity attributable to RTL Group shareholders of €167

million and in minority interest of €5 million (see notes 5.1., 5.15.1. and 5.15.9.).

As part of the transaction, RTL Group has provided a loan to Talpa Media Nederland which, subject to achievement of certain EBITA targets, might be impaired through recognition of an impairment loss in EBITA consistent with the basis of determination of the earnout mechanism.

##### **SEDI TV – Téva**

On 15 January 2007, Groupe M6 acquired the remaining 49 per cent in the female-skewed thematic channel Téva. The acquisition of non-controlling interest in a controlled entity has been accounted for as an equity transaction and therefore no adjustment was recorded to goodwill. The decrease in equity attributable to RTL Group shareholders and to minority interest amounted to €6 million and €7 million (see note 5.15.1.) respectively.

##### **Neue Spreeradio**

Following the approvals by the competition and media authorities respectively in June and October 2007, RTL Group completed the acquisition of 66 per cent of the Berlin-based radio station 105.5 Spreeradio for a consideration of €0.4 million, resulting in a goodwill of €11 million. Prior to the acquisition, Neue Spreeradio was accounted for using the equity method. This transaction qualifies as a business combination since RTL Group gained control of Neue Spreeradio. The purchase accounting, determined on a provisional basis in 2007, was completed in 2008 without recognition of any additional fair values directly attributable to the net assets acquired.

### **3. 3.**

#### **Assets and liabilities acquired**

**Details of the net assets acquired and goodwill are as follows:**

	2008 €m	2007* €m
<b>Purchase consideration:</b>		
– Cash paid	171	18
– Payments on prior years' acquisitions	–	(2)
– Deferred consideration on acquisitions	19	–
– Transactions made with minority interest	–	173
<b>Total purchase consideration</b>	<b>190</b>	<b>189</b>
Less fair value of net assets acquired	(2)	(10)
Acquisition of minority interest	1	(6)
<b>Goodwill</b>	<b>189</b>	<b>173</b>

\* Restated (see note 5.1.)

**3. 4.**

**Cash outflow/(inflow) on acquisitions**  
**The net assets and liabilities arising from the acquisitions are as follows:**

	2008			2007*
	Carrying amount at acquisition date €m	Incremental value €m	Fair value €m	Fair value €m
Cash and cash equivalents	20	–	20	75
Non-current programme rights	1	12	13	–
Other intangible assets	–	2	2	35
Property, plant and equipment	20	–	20	1
Loans and other financial assets	1	–	1	–
Current programme rights	19	–	19	–
Accounts receivable	66	1	67	10
Accounts payable	(108)	–	(108)	(80)
Employee benefit obligations	(3)	–	(3)	–
Other provisions	(2)	–	(2)	–
Interest-bearing loans payable and borrowings	(20)	–	(20)	(74)
Net deferred tax liabilities	–	(5)	(5)	60
Minority interest	4	–	4	(18)
<b>Net assets acquired</b>	<b>(2)</b>	<b>10</b>	<b>8</b>	<b>9</b>
Elimination of the contribution of companies previously accounted for using the equity method			(6)	1
Goodwill			189	173
Acquisition of minority interest			(1)	6
<b>Total purchase consideration</b>			<b>190</b>	<b>189</b>
Less:				
Transactions made with minority interest			–	(173)
Payments on prior years' acquisitions			–	2
Deferred payments on acquisitions			(19)	–
Cash and cash equivalents in operations acquired			(20)	(75)
<b>Cash outflow/(inflow) on acquisitions</b>			<b>151</b>	<b>(57)</b>

\* Restated (see note 5.1.)

**3. 5.**

**Assets and liabilities disposed of**  
**Details of net assets disposed of and gain/(loss) on disposal are as follows:**

	2008 €m	2007 €m
Disposal proceeds (see note 3.2.)	7	3
Direct costs associated with the disposal of RTL Shop	(8)	–
Net assets disposed of	(8)	–
<b>Net gain/(loss) on disposal of subsidiaries and joint ventures (see note 4.3.)</b>	<b>(9)</b>	<b>3</b>

**3. 6.**

**Cash inflow/(outflow) on disposals**

	2008 €m	2007 €m
Cash and cash equivalents	(8)	–
Loans and other financial assets	(2)	–
Assets classified as held for sale	(12)	–
Liabilities directly associated with non-current assets classified as held for sale	14	–
<b>Net assets disposed of</b>	<b>(8)</b>	<b>–</b>
<b>Total disposal proceeds</b>	<b>7</b>	<b>3</b>
<b>Direct costs associated with the disposal of RTL Shop</b>	<b>(8)</b>	<b>–</b>
Less:		
Payments on prior years' disposals	1	–
Deferred consideration on direct costs associated with the disposal of RTL Shop	3	–
Cash and cash equivalents in operations disposed of	(8)	–
<b>Cash inflow/(outflow) on disposals (see note 3.2.)</b>	<b>(5)</b>	<b>3</b>

**4. CONSOLIDATED INCOME STATEMENT****4. 1.****Revenue**

	2008 €m	%	2007 €m	%
Spot advertising sales	3,439	59	3,406	60
Bartering advertising revenue	51	1	45	1
Other advertising sales	166	3	164	3
<b>Advertising sales, net of agency commission</b>	<b>3,656</b>	<b>63</b>	<b>3,615</b>	<b>64</b>
Net films, programmes and other rights – sold or licensed	1,304	23	1,220	21
Sales of merchandise and consumer services	658	12	716	12
Professional services	156	2	156	3
	<b>5,774</b>	<b>100</b>	<b>5,707</b>	<b>100</b>

**4. 2.****Other operating expense**

	Notes	2008 €m	2007 €m
Employee benefits expense	4. 2. 1.	861	847
External cost of live programmes (1)		351	281
Expenses for subcontract production		221	208
Intellectual property expenses		188	185
External cost of transmitting		204	206
Consumption of other inventories (2)		211	228
Other marketing, promotion and public relations costs		133	144
Marketing and promotion costs – barter		43	45
Commissions on sales		25	30
Other distribution expenses		35	34
Rental costs		83	83
Operating taxes		71	65
Audit, consulting and legal fees		58	59
Repairs and maintenance		49	50
Administration and sundry expenses (3)		152	224
		<b>2,685</b>	<b>2,689</b>

(1) The increase reflects the major one-time programme costs supported by Groupe M6 for half of Euro 2008 matches

(2) The decrease results from the disposal of RTL Shop subsidiary (see note 3.2.)

(3) In 2007, €96 million relates to the IP Deutschland GmbH fine from the German Cartel Office

**4. 2. 1.****Employee benefits expense**

	2008 €m	2007 €m
Wages and salaries	675	661
Social security costs	140	131
Share options granted to employees	7	13
Pension costs	13	14
Other employee expense	26	28
	<b>861</b>	<b>847</b>

The amounts set out above exclude personnel costs of €214 million (2007: €202 million), that are capitalised and which represent costs of employees directly allocated to the production of programmes.

Pension costs relate to defined contributions for €7 million (2007: €8 million) and defined benefit plans for €6 million (2007: €6 million) (see note 5.14.).

**An analysis of the average number of employees for undertakings held by the Group is set out opposite:**

	2008	2007
Employees of fully consolidated undertakings	9,103	8,811
Employees of joint ventures	88	83
	<b>9,191</b>	<b>8,894</b>

Employees of joint ventures reflect the number of employees based on the Group's ownership in these joint ventures.

**4. 3.****Gain/(loss) from sale of subsidiaries, joint ventures and other investments**

The "Gain/(loss) from sale of subsidiaries, joint ventures and other investments" mainly relates to the following:

	2008 €m
Gain on sale of the investment in the Fremantle Investments Pty subsidiary	4
Loss on sale of the investment in the RTL Shop subsidiary	(13)
	2007 €m
Gain on sale of the investment in the Sportfive Group associate (see note 5.4.)	66
Gain on sale of the investment in the Media Capital associate (see note 5.4.)	33
Gain on sale of the investment in the Telescope Inc subsidiary	3
Gain on sale of the investment in the BB Radio associate	1
Gain on sale of other investments	1
Loss on the partial disposal of FremantleMedia North America subsidiary. The loans initially provided to this entity were considered in 2002 as part of the net investment. Following the reimbursement in 2007, a loss on disposal was recognised (see note 1.4.2.)	(28)

**4. 4.****Net interest income/(expense)**

	2008 €m	2007 €m
Interest income on loans and accounts receivable	48	40
Tax related interest income	15	16
<b>Interest income</b>	<b>63</b>	<b>56</b>
Interest expense on financial liabilities	(20)	(30)
Tax related interest expense	(13)	(23)
Pension and obligation similar to pension related interest expense	(9)	(7)
<b>Interest expense</b>	<b>(42)</b>	<b>(60)</b>
<b>Net interest income/(expense)</b>	<b>21</b>	<b>(4)</b>

"Interest income on loans and accounts receivable" includes an amount of €23 million (2007: €24 million) in respect of deposits to Bertelsmann AG (see note 8.1.).

In 2007, "Interest expense on financial liabilities" included a discount effect of an amount of €14 million regarding a loan granted by the Group.

**4. 5.****Financial results other than interest**

	2008 €m	2007 €m
Impairment losses on available-for-sale investments	(1)	(1)
Cash flow hedges ineffectiveness (see note 6.)	(9)	11
Net gain on financial instruments designated at fair value through profit or loss (see note 5.5.)	20	19
Net loss on other financial instruments at fair value through profit or loss	(4)	(3)
Other financial results	1	-
	7	26

**4. 6.****Income tax expense**

	2008 €m	2007 €m
Current tax expense	(195)	(267)
Deferred tax income/(expense)	(37)	97
	(232)	(170)

**The income tax on the Group profit before tax differs from the theoretical amount that would arise using the Luxembourg tax rate as follows:**

	2008 €m	%	2007 €m	%
Profit before taxes	528		844	
Income tax rate applicable in Luxembourg		29.63		29.63
Tax calculated at domestic tax rate applicable to profits in Luxembourg	156		250	
Effects of tax rate in foreign jurisdictions and German trade tax	31		57	
Tax calculated at domestic tax rate applicable to profits in the respective countries	187	35.4	307	36.4
Change in tax regulation and status	3		68	
Non deductible expenses	136		101	
Tax exempt revenue	(86)		(68)	
Reduction/(recognition) of deferred tax assets	60		(177)	
Tax incentives not recognised in the income statement	(13)		(42)	
Effect of tax losses utilised	(24)		(25)	
Tax expense before adjustments on prior years	263	49.8	164	19.4
Current tax adjustments on prior years	(31)		6	
<b>Income tax expense</b>	<b>232</b>	<b>43.9</b>	<b>170</b>	<b>20.1</b>

Tax exempt revenue mainly relates to the Commission received in relation with the Compensation Agreement for €61 million (see note 8.1.), to capital gains for €11 million (2007: €46 million) and to the share of results of associates for €14 million (2007: €20 million).

#### 2008

- A re-assessment of the interest income generated by RTL Group SA, mainly due to a decrease in interest rates, led to a reduction of the deferred tax asset in Luxembourg for an amount of €(49) million;
- Subsequently to the impairment test (see note 5.2.) and review of the cash flow projections, the deferred tax asset related to Five has been fully written off (€(14) million);
- Following an agreement with the tax authorities, RTL Television decided to apply, for tax purposes only, straight line consumption of programme rights over seven years as from 1 January 2008. The Group applies different rates for the consumption of broadcasting rights (see note 1.10.).

This led to the recognition of a deferred tax asset of €64 million and a higher taxable income, which positively impacted the Commission received by RTL Group from Bertelsmann AG (see note 8.1.);

- Non deductible expenses mainly relate to impairment losses on goodwill (€108 million, see note 5.2.);
- The current tax adjustments on prior years mainly result from tax audits in Germany.

#### 2007

- The effect of change in income tax rates in Germany resulted in a decrease of the deferred tax asset amounting to €68 million;
- Deferred tax assets have been recognised on tax losses carry forward in Luxembourg (€89 million), Germany (€62 million) and in the Netherlands (€21 million);
- Non deductible expenses primarily relate in 2007 to a fine (€38 million, see note 4.2.) and to an impairment loss on goodwill (€37 million, see note 5.2.).

#### 4.7.

##### Earnings per share

**The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €194 million (2007: €563 million) and a weighted average number of ordinary shares outstanding during the year of 153,618,853 (2007: 153,618,853), calculated as follows:**

	2008	2007
Profit attributable to RTL Group shareholders (in € million)	193.7	563.1
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	154,787,554	154,787,554
Effect of own shares held	(1,168,701)	(1,168,701)
<b>Weighted average number of ordinary shares</b>	<b>153,618,853</b>	<b>153,618,853</b>
Basic earnings per share (in €)	1.26	3.67
Diluted earnings per share (in €)	1.26	3.67

For 2008 and 2007, there is no dilutive impact of the share option plan as all options are out of the money.

**5. CONSOLIDATED BALANCE SHEET****5.1.****Programme rights, goodwill and other intangible assets**

	(Co)- productions €m	Distribution and broadcasting rights €m	Advance payments and (co)- productions in progress €m	Total programme rights (1) €m	Goodwill* €m	Other intangible assets €m
<b>Cost</b>						
<b>Balance at 1 January 2007</b>	<b>566</b>	<b>861</b>	<b>13</b>	<b>1,440</b>	<b>5,430</b>	<b>490</b>
Effect of movements in foreign exchange	(34)	(10)	–	(44)	(48)	(13)
Additions	4	14	29	47	–	48
Disposals	(8)	(36)	–	(44)	–	(9)
Subsidiaries and joint ventures acquired (2)	–	–	–	–	173	35
Transfer to assets classified as held for sale	–	–	–	–	–	(1)
Transfers and other changes	1	28	(29)	–	(6)	–
<b>Balance at 31 December 2007</b>	<b>529</b>	<b>857</b>	<b>13</b>	<b>1,399</b>	<b>5,549</b>	<b>550</b>
Effect of movements in foreign exchange	17	6	–	23	(143)	(36)
Additions	4	16	49	69	–	24
Disposals	(7)	(36)	–	(43)	–	(19)
Subsidiaries and joint ventures acquired (2)	–	13	–	13	189	2
Transfers and other changes	3	43	(40)	6	(11)	(24)
<b>Balance at 31 December 2008</b>	<b>546</b>	<b>899</b>	<b>22</b>	<b>1,467</b>	<b>5,584</b>	<b>497</b>
<b>Amortisation and impairment losses</b>						
<b>Balance at 1 January 2007</b>	<b>(555)</b>	<b>(792)</b>	<b>–</b>	<b>(1,347)</b>	<b>(2,286)</b>	<b>(154)</b>
Effects of movements in foreign exchange	33	10	–	43	7	4
Amortisation charge for the year	(5)	(50)	–	(55)	–	(47)
Impairment losses recognised for the year (3)	–	(4)	–	(4)	(123)	(5)
Reduction of goodwill (4)	–	–	–	–	(5)	–
Reversal of impairment	–	1	–	1	–	–
Disposals	7	36	–	43	–	8
Transfer to assets classified as held for sale	–	–	–	–	–	1
Transfers and other changes	–	–	–	–	5	–
<b>Balance at 31 December 2007</b>	<b>(520)</b>	<b>(799)</b>	<b>–</b>	<b>(1,319)</b>	<b>(2,402)</b>	<b>(193)</b>
Effects of movements in foreign exchange	(16)	(6)	–	(22)	22	13
Amortisation charge for the year	(7)	(46)	–	(53)	–	(51)
Impairment losses recognised for the year (3)	–	(2)	–	(2)	(364)	(4)
Reduction of goodwill (4)	–	–	–	–	(11)	–
Reversal of impairment	–	1	–	1	–	–
Disposals	7	36	–	43	–	19
Transfers and other changes	–	(6)	–	(6)	10	24
<b>Balance at 31 December 2008</b>	<b>(536)</b>	<b>(822)</b>	<b>–</b>	<b>(1,358)</b>	<b>(2,745)</b>	<b>(192)</b>
<b>Carrying amount:</b>						
<b>At 31 December 2007</b>	<b>9</b>	<b>58</b>	<b>13</b>	<b>80</b>	<b>3,147</b>	<b>357</b>
<b>At 31 December 2008</b>	<b>10</b>	<b>77</b>	<b>22</b>	<b>109</b>	<b>2,839</b>	<b>305</b>

\* Restated: The purchase accounting for the business combination of Radio 538 had been determined on a provisional basis in 2007. The fair value exercise was completed in 2008 and the 2007 comparative information was restated as follows: an additional amount of goodwill of €17 million with a similar amount of minority interest has been recognised

(1) Programme rights include internally generated capitalised rights

(2) See notes 3.2., 3.3. and 3.4.

(3) See note 5.2.

(4) After completion of purchase accounting, €11 million (2007: €5 million) deferred tax assets previously not recognised and related to tax losses carry forwards were subsequently recognised and realised. As a consequence, goodwill was impaired for the same amount

Other intangible assets include mainly Five, Mister-gooddeal, M6 and Radio 538 brands for €154 million (2007: €164 million) and M6 and Five customer relationships of €27 million (2007: €36 million).

The M6 brand (allocated to the cash-generating unit France – Television) is considered to have an indefinite useful life and has been recognised for an amount of €120 million. As at 31 December

2008, an impairment test was performed and did not lead to any impairment.

In determining that the brand M6 has an indefinite useful life, Group Management has considered various factors such as the past and expected longevity of the brand, the impact of possible changes in broadcasting technologies, the impact of possible evolutions of the regulatory environment in the French television industry, the current and expected audience share of the M6 channel, and M6 management strategy to maintain and strengthen the trademark "M6". Based on the

analysis of these factors, management has determined and confirmed as at 31 December 2008 that there is no foreseeable limit to the period of time over which the brand M6 is expected to generate cash inflows for the Group.

## 5. 2.

### Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units identified according to geographical area of operation and business segment except for the content business which is considered as a sole cash-generating unit for worldwide operations.

#### A segment-level summary of the goodwill allocation is as follows:

	2008 €m	2007* €m
Germany		
Television (see note 3.2.)	869	865
Radio	11	25
France		
Television (see note 3.2.)	418	390
Radio	65	65
Netherlands		
Television	124	124
Radio	159	159
UK		
Television	132	589
Content	899	899
Other regions		
Television (see note 3.2.)	148	17
Radio	14	14
<b>Total goodwill on cash-generating units</b>	<b>2,839</b>	<b>3,147</b>

\* Restated (see note 5.1.)

The recoverable amount of a cash-generating unit ("CGU") has been determined on the basis of the higher of its fair value less costs to sell and its value in use.

- The value in use is determined on the basis of cash flows excluding estimated future cash inflows or outflows expected to arise from future restructurings and from improving or enhancing the CGU's performance unless the cash-generating unit is committed at year end to the restructuring and related provisions have been made. Furthermore, the discount rate is closely linked to Group parameters (mainly size and credit premium and gearing ratio);
- Fair value less costs to sell is the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The hierarchy of sources for determining a "fair value less costs to sell" is:
  - A binding arm's length sales agreement;
  - An active trading market for the CGU; or
  - Best information available.

The Group supports its fair values less costs to sell

on the basis of a discounted cash flow ("DCF") model to the extent that it would reflect the value that "any market participant" would be ready to pay in an arm's length transaction. Differently from the "value in use" approach which reflects the perspective of the Group for a long term use of the CGU, a "fair value less costs to sell" model would include future cash flows expected to arise from restructuring plans and future investments, as all rational market participants would be expected to undertake these restructurings and investments in order to extract the best value from the acquisition. Furthermore, the discount rate in a "fair value less costs to sell" model is calculated based on a market approach and most of the parameters used are derived from market sources. The latter approach has been notably used by the Group in determining the recoverable amount of the UK - Television cash-generating unit.

Cash flow projections are based on financial budgets approved by management covering a three year period. Cash flows beyond the three year period for up to ten years are prepared using the estimated growth rates and other key drivers in-



cluding audience and advertising market shares, the EBITA margin and cash conversion rates based on past performance, and expectations of market development. Cash flows beyond the ten-year period are extrapolated using the estimated perpetual growth rates and the discount rates stated below.

The perpetual growth rates used are consistent with the forecasts included in industry reports. The discount rates have been determined, CGU by CGU, in order to reflect, where appropriate, the following factors:

- Country risk;
- Relative size;
- Credit spread due to the financial situation; and
- Gearing ratio of the CGU.

The changes brought to the discount rates compared to 2007 reflect the overall decrease in interest rates.

	2008		2007	
	Perpetual growth rate % a year	Discount rate % a year	Perpetual growth rate % a year	Discount rate % a year
<b>Cash-generating units</b>				
Germany				
Television	2.5	8.2	3.0	8.5
Radio	2.0	8.5	3.0	9.0
France				
Television	3.0	8.2	3.0	8.5
Radio	2.5	8.6	3.0	9.0
Netherlands				
Television	2.5	8.2	3.0	8.5
Radio	2.5	8.7	3.0	9.0
UK				
Television	3.0	9.2	3.0	8.5
Content	3.0	8.6	3.0	9.5
Other regions				
Television	2.5–3.0	8.2–12.9	3.0	8.5
Radio	2.5	8.6	3.0	9.0

### 2008

Impairment losses on goodwill were recorded at 31 December 2008 for an amount of €364 million.

An impairment amounting to €337 million has been recognised against the carrying value of the Group's UK Television activities and reflects the following:

- A significant slowdown in television advertising growth rates in the short-term;
- Weaker audience share development in an increasingly fragmented UK television market, affecting all established broadcasters.

The "fair value less costs to sell" approach has been retained, by factoring the costs and the benefits of the contemplated restructuring programme and using a discount rate of 9.2 per cent.

Based on the above and on the basis of revised cash flow projections, an impairment loss has been recorded as at 31 December 2008 which has been fully allocated to goodwill (see also note 10.2.).

An impairment has also been made against the Group's wholly owned German radio activities (€26 million). Value in use has been retained for the purpose of the impairment test. This impairment on goodwill reflects the following:

- A weaker German radio advertising market environment;
- Continued structural issues reflecting the lack of a nationwide radio market.

Another impairment on goodwill for an amount of €1 million has been recognised on the cash-generating unit France – Television.

### 2007

An impairment of goodwill was recorded in the interim financial information as at 30 June 2007 amounting to €123 million. This impairment affected the carrying value of the Group's UK Television activities and reflected the following:

- Stronger competition in the increasingly fragmented UK television market, affecting all established broadcasters;

- Higher content cost growth than previously forecast;
- A cautious outlook concerning call-TV revenue and advertising market growth rates.

As at 31 December 2007, RTL Group management concluded that the future cash inflows were sufficient to support the carrying value of recognised goodwill and other net assets and therefore no additional impairment loss was required.

### 5.3. Property, plant and equipment

	Land, buildings and improvements €m	Technical equipment €m	Other €m	Total €m
<b>Cost</b>				
<b>Balance at 1 January 2007</b>	<b>404</b>	<b>307</b>	<b>223</b>	<b>934</b>
Effect of movements in foreign exchange	(3)	–	(2)	(5)
Additions	46	21	29	96
Disposals	(42)	(23)	(28)	(93)
Subsidiaries and joint ventures acquired (1)	–	1	–	1
Transfer to assets classified as held for sale	–	–	(1)	(1)
Transfers and other changes	30	11	(42)	(1)
<b>Balance at 31 December 2007</b>	<b>435</b>	<b>317</b>	<b>179</b>	<b>931</b>
Effect of movements in foreign exchange	(7)	(2)	(5)	(14)
Additions	6	24	31	61
Disposals	(23)	(38)	(14)	(75)
Subsidiaries and joint ventures acquired (1)	11	7	2	20
<b>Balance at 31 December 2008</b>	<b>422</b>	<b>308</b>	<b>193</b>	<b>923</b>
<b>Depreciation and impairment losses</b>				
<b>Balance at 1 January 2007</b>	<b>(197)</b>	<b>(251)</b>	<b>(132)</b>	<b>(580)</b>
Effect of movements in foreign exchange	1	–	2	3
Depreciation charge for the year	(21)	(25)	(21)	(67)
Impairment losses reversed for the year	3	–	–	3
Disposals	2	21	27	50
Transfer to assets classified as held for sale	–	–	1	1
<b>Balance at 31 December 2007</b>	<b>(212)</b>	<b>(255)</b>	<b>(123)</b>	<b>(590)</b>
Effect of movements in foreign exchange	3	1	4	8
Depreciation charge for the year	(16)	(25)	(19)	(60)
Impairment losses recognised for the year	–	(3)	–	(3)
Disposals	19	37	13	69
<b>Balance at 31 December 2008</b>	<b>(206)</b>	<b>(245)</b>	<b>(125)</b>	<b>(576)</b>
<b>Carrying amount:</b>				
<b>At 31 December 2007</b>	<b>223</b>	<b>62</b>	<b>56</b>	<b>341</b>
<b>At 31 December 2008</b>	<b>216</b>	<b>63</b>	<b>68</b>	<b>347</b>

(1) See note 3.2.

Net tangible assets held under finance leases at 31 December 2008 amount to €14 million (2007: €12 million).

**5. 4.****Investments  
in associates**

(1) Of which, in 2007, €(176) million related to the disposal of Media Capital Group

**Share of results  
of associates:**

	2008 €m	2007 €m
<b>Balance at 1 January</b>	<b>466</b>	573
Effect of movements in foreign exchange	(6)	(2)
Share of results of associates	34	60
Dividend distribution	(50)	(35)
Change in ownership interest (1)	(1)	(132)
Change in fair value	–	3
Transfers and other changes	(1)	(1)
<b>Balance at 31 December</b>	<b>442</b>	466

	2008 €m	2007 €m
Share of result after tax	46	60
Impairment of goodwill of associates (see note 5.4.2.)	(12)	–
	<b>34</b>	60

Antena 3 De Television Group, RTL II and RTL Klub, contributed to the “Share of results of associates” respectively for €19, €12 and €10 million in 2008 (2007: respectively €40, €3 and €7 million).

“Investments in associates” at 31 December 2008 include goodwill of €314 million (2007: €330 million) (see note 5.4.2).

**5. 4. 1.****Main changes in ownership interest****2008****Antena 3 De Television Group**

RTL Group acquired, during the third quarter 2008, additional shares for an amount of €12 million. This transaction has contributed to an increase in the Group’s interest from 20 per cent to 21 per cent after deduction of the treasury shares. RTL Group recognised an additional goodwill of €10 million.

**AH Antenne**

See note 3.2.

**2007****Antena 3 De Television Group**

The Shareholders’ Ordinary General Meeting held on 25 April 2007 decided a distribution of an extraordinary dividend in the form of treasury shares (€83 million). RTL Group acquired, during the third quarter 2007, additional shares for an amount of €23 million. Both transactions have contributed to an increase in the Group’s interest from 19 per cent to 20 per cent after deduction of the treasury shares. RTL Group recognised an additional goodwill of €34 million.

**Media Capital Group**

Following the approval by the Portuguese market regulators on 22 January 2007, Grupo Prisa launched a voluntary offer for the shares of Media Capital at a price of €7.40 per share. The offer period ran from 23 January to 5 February 2007 and RTL Group decided on 2 February 2007 to sell its 33 per cent shareholding. The disposal generated a cash inflow of €209 million and a capital gain of €33 million was recognised.

**Pages Jaunes Petites Annonces**

On 17 October 2007, Groupe M6 obtained a significant influence in Pages Jaunes Petites Annonces. The stakeholding of 34 per cent occurred through a capital increase of €16 million. This resulted in the recognition of a goodwill of €13 million. The purchase accounting led to no significant additional fair value directly attributable to the assets, liabilities and contingent liabilities acquired.

**Sportfive Group**

The shareholders of Sportfive launched, in the second half of 2006, a competitive tender process as part of an agreed strategic exit. On 20 November 2006, the Group announced that it had sold its 25 per cent stake, as part of the full acquisition of Sportfive, to Lagardère SCA. Sportfive Group was classified as held for sale at 31 December 2006. The transaction was completed in January 2007 following the approval from the European Commission on 18 January 2007. In 2007, the disposal generated a cash inflow of €68 million and a capital gain of €66 million was recognised.

**Neue Spreeradio**

See note 3.2.

**The impacts of acquisitions of associates are as follows:**

	2008 €m	2007 €m
Purchase consideration:		
– Cash paid	15	40
– Dividends in kind	–	13
– Payments on prior year acquisitions	–	(1)
<b>Total purchase consideration</b>	<b>15</b>	<b>52</b>
Less fair value of net assets acquired	(3)	(5)
<b>Goodwill on acquisitions of associates</b>	<b>12</b>	<b>47</b>

	2008 €m	2007 €m
Investments in associates	3	4
Acquisition of associates achieved in stages	–	1
<b>Net assets acquired</b>	<b>3</b>	<b>5</b>
Goodwill on acquisitions of associates	12	47
<b>Total purchase consideration</b>	<b>15</b>	<b>52</b>
Less:		
– Dividends in kind	–	(13)
– Payments on prior year acquisitions	–	1
<b>Cash outflow in acquiring associates</b>	<b>15</b>	<b>40</b>

**Details of disposals of associates are as follows:**

	2008 €m	2007 €m
Disposal proceeds	–	278
Assets disposed of	–	(178)
<b>Net profit on disposal of associates</b> (see note 4.3.)	<b>–</b>	<b>100</b>

	2008 €m	2007 €m
Investments in associates	–	(176)
Assets classified as held for sale	–	(2)
<b>Net assets disposed</b>	<b>–</b>	<b>(178)</b>
Total disposal proceeds	–	278
<b>Cash inflow on disposal of associates</b>	<b>–</b>	<b>278</b>

**5.4.2. Goodwill of associates and impairment test for goodwill of associates**

**A segment-level summary of goodwill allocation is as follows:**

	2008 €m	2007 €m
Germany		
Television	24	24
Radio	24	45
France		
Television	11	15
Other regions		
Television	255	246
<b>Total goodwill on associates</b>	<b>314</b>	<b>330</b>

The approach used by RTL Group management for impairment testing of the goodwill on cash-generating units also applies to goodwill of associates (see note 5.2.). The perpetual growth rates and discount rates, determined associate by associate, are as follows:

	2008		2007	
	Perpetual growth rate % a year	Discount rate % a year	Perpetual growth rate % a year	Discount rate % a year
<b>Associates</b>				
Germany				
Television	2.5	8.2	3.0	8.5
Radio	2.0	8.5	3.0	9.0
France				
Television	3.0	8.2	3.0	8.5
Other regions				
Television	2.5–7.0	8.2–17.9	3.0–3.5	8.5–17.0

An impairment loss of goodwill was recorded at 31 December 2008 on the following associates:

- Pages Jaunes Petites Annonces, included in France – Television, for an amount of €4 million;
- AVE I Vermögensverwaltungsgesellschaft (a) for an amount of €5 million;
- Antenne Mecklenburg-Vorpommern (a) for an amount of €2 million;
- AVE Gesellschaft für Hörfunkbeteiligungen (a) for an amount of €1 million.

(a) Included in Germany – Radio

### 5.4.3.

#### Summarised financial information

The summarised financial information on the main associates of the Group, on a 100 per cent basis, is as follows:

	Country of incorporation	Assets €m	Liabilities €m	Equity €m	Revenue €m	Profit for the year €m	Interest held %
2008							
Antena 3 De Television Group	Spain	828	578	250	767	91	21.2
M-RTL rt	Hungary	109	55	54	142	20	48.8
Ren TV Group	Russia	147	99	48	132	14	30.0
RTL 2 GmbH & Co. KG	Germany	107	64	43	285	35	35.8
2007							
Antena 3 De Television Group	Spain	924	598	326	938	200	19.9
M-RTL rt	Hungary	121	71	50	132	15	48.8
Ren TV Group	Russia	130	90	40	117	6	30.0
RTL 2 GmbH & Co. KG	Germany	115	95	20	237	9	35.8

Based on the published share price as at 31 December 2008, the market capitalisation of 100 per cent of Antena 3 De Television Group amounts to €906 million (2007: €2,215 million).

**5. 5.****Loans and other financial assets**

	2008 €m	2007 €m
Loans to associates	–	7
Other loans and financial assets	129	105
Canal Plus France	363	343
Available-for-sale investments	97	87
	<b>589</b>	<b>542</b>

No reversal of impairment losses has been recorded in 2008 and 2007.

In the fourth quarter of 2006, the Group via M6 disposed of its holding of 34 per cent in TPS and recognised as consideration an investment of 5.1 per cent in Canal Plus France plus a put option exercisable in February 2010. The put option grants M6 the ability to dispose all its Canal Plus France shares at the higher value of €384 million (basis: February 2010) or a price determined by external experts. Upon initial recognition, RTL Group had elected to designate the combination of the investment of 5.1 per cent in Canal Plus France and the put option as hybrid financial instrument recorded at fair value through profit or loss. As at 31 December 2007, the fair value of this hybrid instrument

had been determined based on the floor price of €384 million discounted at the risk free rate and amounted to €343 million (2006: €324 million).

As at 31 December 2008, the fair value of the hybrid instrument (€363 million) has been consistently determined based on the discounted floor price of €384 million, as there is no indication that a valuation as at 31 December 2008 would significantly differ from the fair value determined on this basis.

The change in fair value of this instrument, only resulting from the discount for the period, is recognised in “Financial results other than interest” for an amount of €20 million for the year ended 31 December 2008 (31 December 2007: €19 million) (see note 4.5.).

**The movements in available-for-sale investments are as follows:**

	2008 €m	2007 €m
<b>Balance at 1 January</b>	<b>87</b>	<b>58</b>
Net acquisitions and disposals	16	31
Change in fair value, net of tax	(6)	(1)
Impairment losses	–	(1)
<b>Balance at 31 December</b>	<b>97</b>	<b>87</b>

**5. 6.****Deferred tax assets and liabilities**

	2008 €m	2007 €m
Deferred tax assets	503	559
Deferred tax liabilities	(83)	(83)
	<b>420</b>	<b>476</b>

	2008 €m	2007 €m
<b>Balance at 1 January</b>	<b>476</b>	<b>310</b>
Income tax income/(expense)	(37)	97
Income tax credited/(charged) to equity (1)	(16)	9
Change in consolidation scope	(3)	60
<b>Balance at 31 December</b>	<b>420</b>	<b>476</b>

(1) Of which €(4) million (2007: €5 million) related to derivatives on equity instruments (see note 5.15.10.) and €4 million (2007: €1 million) related to share options granted to employees

The Group has deductible temporary differences originated from an intra-group transaction which will reverse during the next 11 years.

Unrecognised deferred tax assets amount to €1,633 million as at 31 December 2008 (2007: €1,619 million).

Deferred tax assets are recognised on tax losses-carry forwards to the extent that realisation of the related tax benefit through the future taxable profits are probable. The Group has unrecognised tax losses of €5,692 million (2007: €5,412 million) to carry forward against future taxable income. The most significant portion of these tax losses is generated in Luxembourg and has no expiry date.

**The movement in deferred tax assets and liabilities during the year is as follows:**

	Balance at 1 January 2008 €m	(Charged)/ credited to income statement €m	(Charged)/ credited to equity €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2008 €m
<b>Deferred tax assets</b>						
Intangible assets	296	(16)	-	-	-	280
Programme rights	38	44	-	-	-	82
Property, plant and equipment	2	-	-	-	-	2
Provisions	46	4	-	-	-	50
Tax losses (see note 4.6.)	178	(74)	-	1	-	105
Others	33	7	(15)	-	(5)	20
Set off of tax	(34)	-	-	-	(2)	(36)
	<b>559</b>	<b>(35)</b>	<b>(15)</b>	<b>1</b>	<b>(7)</b>	<b>503</b>

	Balance at 1 January 2008 €m	(Charged)/ credited to income statement €m	(Charged)/ credited to equity €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2008 €m
<b>Deferred tax liabilities</b>						
Intangible assets	(82)	2	-	(4)	2	(82)
Property, plant and equipment	(19)	1	-	-	-	(18)
Provisions	(3)	-	(1)	-	-	(4)
Others	(13)	(5)	-	-	3	(15)
Set off of tax	34	-	-	-	2	36
	<b>(83)</b>	<b>(2)</b>	<b>(1)</b>	<b>(4)</b>	<b>7</b>	<b>(83)</b>

## 5.7.

### Current programme rights

	2008			2007		
	Gross value €m	Valuation allowance €m	Net value €m	Gross value €m	Valuation allowance €m	Net value €m
(Co-)productions	369	(300)	69	442	(270)	172
TV programmes	73	-	73	59	(9)	50
Other distribution and broadcasting rights	948	(213)	735	1,035	(258)	777
<b>Sub-total programme rights</b>	<b>1,390</b>	<b>(513)</b>	<b>877</b>	<b>1,536</b>	<b>(537)</b>	<b>999</b>
(Co-)productions and programmes in progress	135	(8)	127	126	(2)	124
Advance, payments on (co-) productions, programmes and rights	133	-	133	170	-	170
<b>Sub-total programme rights in progress</b>	<b>268</b>	<b>(8)</b>	<b>260</b>	<b>296</b>	<b>(2)</b>	<b>294</b>
	<b>1,658</b>	<b>(521)</b>	<b>1,137</b>	<b>1,832</b>	<b>(539)</b>	<b>1,293</b>

Additions and reversals of valuation allowance have been recorded for €(81) million and €39 million respectively in 2008 (2007: €(75) million and €43 million).

**5. 8.**

**Accounts receivable**

	2008			2007		
	Under 1 year €m	Over 1 year €m	Total €m	Under 1 year €m	Over 1 year €m	Total €m
Trade accounts receivable	902	5	907	866	4	870
Accounts receivable from associates	25	–	25	28	–	28
Prepaid expenses	85	27	112	76	–	76
Fair value of derivative assets	104	–	104	–	–	–
Current deposit with shareholder (see note 8.1.)	602	–	602	624	–	624
Other financial assets	47	–	47	38	–	38
Account receivable from shareholder in relation with PLP agreement (see note 8.1.)	237	–	237	–	–	–
Other accounts receivable	118	2	120	191	6	197
	<b>2,120</b>	<b>34</b>	<b>2,154</b>	<b>1,823</b>	<b>10</b>	<b>1,833</b>

Additions and reversals of valuation allowance have been recorded for €(26) million and €18 million respectively in 2008 (2007: €(32) million and €26 million).

**5. 9.**

**Cash and cash equivalents**

	2008 €m	2007 €m
Cash in hand and at bank	126	133
Fixed term deposits (under three months)	35	106
Other cash equivalents	222	296
	<b>383</b>	<b>535</b>

Other cash equivalents include money market funds for €222 million (2007: €296 million). The current deposit with shareholder is presented in accounts receivable (see note 5.8.).

**5. 10.**

**Assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale**

**Non-current assets classified as held for sale:**

Disposal groups held for sale:	2008 €m	2007 €m
Other inventories	–	12
Accounts receivable	–	9
Impairment on disposal group	–	(10)
	–	11

Non-current assets held for sale:	2008 €m	2007 €m
Property, plant and equipment	–	7
Investments in associates	–	–
	–	7

Liabilities directly associated with non-current assets classified as held for sale:	2008 €m	2007 €m
Accounts payable	–	11
Provisions	–	1
	–	12

The carrying amount of the disposal groups is nil at 31 December 2008 (2007: €(1) million). At 31 December 2007, the non-current assets held for sale consisted of a building located in Paris. The disposal of this building was completed in January 2008.



**5. 11.****Loans and bank overdrafts**

	2008 €m	2007 €m		2008 €m	2007 €m
<b>Current liabilities</b>			<b>Non-current liabilities</b>		
Bank overdrafts	6	6	Bank loans payable	72	72
Bank loans payable	7	7	Leasing liabilities	13	13
Leasing liabilities	3	1	Other non-current loans payable	8	6
Other current loans payable	2	–		93	91
	18	14			

**Term and debt repayment schedule**

2008	Under 1 year €m	1–5 years €m	Over 5 years €m	Total carrying amount €m
Bank overdraft	6	–	–	6
Bank loans payable	7	72	–	79
Leasing liabilities	3	13	–	16
Other loans payable	2	7	1	10
	18	92	1	111

**Term and debt repayment schedule**

2007	Under 1 year €m	1–5 years €m	Over 5 years €m	Total carrying amount €m
Bank overdraft	6	–	–	6
Bank loans payable	7	72	–	79
Leasing liabilities	1	13	–	14
Other loans payable	–	6	–	6
	14	91	–	105

**5. 12.****Accounts payable  
Current accounts payable**

	2008 €m	2007 €m
Trade accounts payable	1,162	1,085
Amounts due to associates	13	13
Employee benefits liability	95	147
Deferred income	96	87
Social security and other taxes	70	63
Fair value of derivative liabilities	41	39
Account payable to shareholder in relation with PLP agreement (see note 8.1.)	298	–
Other accounts payable	333	479
	2,108	1,913

“Fair value of derivative liabilities” represents the fair value of forward foreign exchange contracts for an amount of €41 million (2007: €39 million).

**Non-current accounts payable**

	2008			2007		
	1–5 years €m	Over 5 years €m	Total €m	1–5 years €m	Over 5 years €m	Total €m
Other accounts payable	145	149	294	162	144	306

## 5. 13. Provisions

	Post employ- ment benefits €m	Litigations €m	Restructuring €m	Onerous contracts €m	Other provisions €m	Total €m
<b>Balance at 1 January 2008</b>	<b>81</b>	<b>41</b>	<b>16</b>	<b>42</b>	<b>43</b>	<b>223</b>
Provisions made during the year	18	44	16	39	11	128
Provisions used during the year	(18)	(4)	(6)	(20)	(4)	(52)
Provisions reversed during the year	(1)	(16)	(1)	(6)	(4)	(28)
Actuarial gains recognised in equity	(4)	–	–	–	–	(4)
Change in consolidation scope	3	2	–	–	–	5
Other changes	–	1	(1)	(1)	(15)	(16)
<b>Balance at 31 December 2008</b>	<b>79</b>	<b>68</b>	<b>24</b>	<b>54</b>	<b>31</b>	<b>256</b>

	2008 €m	2007 €m
Non-current	121	110
Current	135	113
	<b>256</b>	<b>223</b>

The provisions mainly relate to the following:

- “Post-employment benefits” comprise provisions for defined benefit obligations for €78 million (2007: €79 million) (see note 5.14.) and provision for other employee benefits for €1 million (2007: €2 million);
- “Litigations” include provisions made by M6 for €28 million (2007: €29 million), Corporate Centre for €7 million (2007: €4 million), and other risks related to different ongoing disputes;
- “Onerous contracts” provisions include €20 million for Groupe M6 (2007: €19 million), €28 million for RTL Television (2007: €13 million) and €6 million for FremantleMedia Group (2007: €10 million);
- “Other provisions” primarily include provisions made by Groupe M6 for €15 million (2007: €20 million), and FremantleMedia Group for €11 million (2007: €10 million).

The other changes for “Other provisions” are mainly due to the reclassifications under “Accounts payable”.

## 5. 14. Post-employment benefits

RTL Group operates or participates in a number of defined benefit and defined contribution plans throughout Europe. These plans have been set up and are operated in accordance with national laws and regulations. A description of the principal defined benefit plans of the Group is given below:

### Belgium

Employees of RTL-TVI participate in a defined benefit plan insured with the insurance company Axa, which provides pension benefits to members and their dependants on retirement and death. The assets of the insurance contract are not segregated

but mutualised within the global assets of the Company (“Branche 21”). A guaranteed interest rate is provided by Axa.

### France

Groupe M6, Ediradio, ID and IP France operate retirement indemnity plans, which by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at date of termination of employment in accordance with the applicable collective agreement. The Ediradio and ID retirement indemnity plan is partly funded by an insurance contract with Axa. Ediradio also participates in a defined benefit plan which provides pension benefits to members on retirement. This plan is partly funded by an insurance contract with Axa. The assets of the insurance contract are not segregated but mutualised within the global assets of the Company. A guaranteed interest rate is provided by Axa.

### Germany

Employees of UFA Berlin Group (including UFA Fernsehproduktion, UFA Entertainment, UFA Film & TV Produktion), Universum Film, UFA Film & Fernsehen and RTL Group Deutschland participate in the multi-employer Bertelsmann plan. The plan is unfunded and defined benefit in nature. Each employer which participates in this plan has separately identifiable liabilities.

RTL Television, AVE Hörfunkbeteiligung and IP Deutschland operate their own retirement arrangements. IP Deutschland sponsors individual plans for five employees and former employees providing defined pension benefits to each employee at retirement.

RTL Television sponsors individual plans for two employees and a former employee providing

defined pension benefits to each employee at retirement. In addition, a number of employees participate in a support fund providing pension benefits to members and their dependants on retirement and death.

The plan of RTL Television is partly funded by a life insurance contract with Axa. The assets of the insurance contract are not segregated but mutualised within the global assets of the Company. A guaranteed interest rate is provided by Axa.

#### Luxembourg

Employees of CLT-UFA, RTL Group and Broadcasting Center Europe participate in a defined benefit plan, which provides pension benefits to members

and their dependants on retirement, death and disability. CLT-UFA, RTL Group and Broadcasting Center Europe set up provisions for the unfunded retirement benefit plan. Death and disability are insured with Fortis Luxembourg-Vie.

#### United Kingdom

FremantleMedia Group Limited is the principal employer of the Fremantle Group Pension Plan ("the Fremantle Plan"), which was established on 29 December 2000 and was, prior to 1 September 2005, known as the RTL Group UK Pension Plan. The Fremantle Plan provides both defined benefit and defined contribution benefits. The plan assets holds assets for both sections of the plan and are mainly composed of equity instruments.

*The amounts recognised in the balance sheet are determined as follows:*

	2008 €m	2007 €m
Present value of funded obligations	68	80
Fair value of plan assets	(52)	(63)
Present value of unfunded obligations	62	62
Deficit	78	79
<b>Net liability</b>	<b>78</b>	<b>79</b>
Provisions in the balance sheet (see note 5.13.)	78	79

	2008 €m	2007 €m
Experience adjustments on provisions gains	(4)	(2)
Experience adjustments on assets losses	(11)	-

*The movement in the funded/unfunded defined benefit obligation over the year is as follows:*

	2008 €m	2007 €m
Beginning of year	142	146
Current service cost	7	8
Interest cost	7	7
Past service losses	-	3
Actuarial gains	(15)	(9)
Employee contributions	2	1
Benefits paid by employer	(4)	(4)
Benefits paid out of the plan assets	(2)	(2)
Settlements and curtailments	(1)	(5)
Foreign exchange differences	(9)	(3)
Others	3	-
<b>End of year</b>	<b>130</b>	<b>142</b>

*The movement in the fair value of plan assets over the year is as follows:*

	2008 €m	2007 €m
Beginning of year	63	58
Expected return on plan assets	3	3
Actuarial losses	(11)	-
Employer contributions	5	5
Employee contributions	2	1
Benefits paid out of the plan assets	(2)	(2)
Foreign exchange differences	(8)	(2)
<b>End of year</b>	<b>52</b>	<b>63</b>

	2008 €m	2007 €m
<b>Plan assets are comprised as follows:</b>		
Equity instruments	34	47
Debt instruments	13	12
Property	2	2
Other	3	2
<b>Fair value of any plan assets</b>	<b>52</b>	<b>63</b>

The actual return on plan assets was €(8) million (2007: €4 million).

Expected contributions to post-employment benefit plans for the year ending 31 December 2009 are €6 million.

	2008 €m	2007 €m
<b>The amounts recognised in the income statement are as follows:</b>		
Current service cost	7	8
Past service cost	-	3
Settlements and curtailments	(1)	(5)
<b>Total included in employee benefits expense</b> (see note 4.2.1.)	<b>6</b>	<b>6</b>

	2008 €m	2007 €m
Interest cost	7	7
Expected return on plan assets	(3)	(3)
<b>Total included in net interest expense</b> (see note 4.4.)	<b>4</b>	<b>4</b>

	2008 €m	2007 €m
<b>The cumulated amount recognised in equity as at 31 December is as follows:</b>		
Actuarial losses	(1)	(5)
<b>Total included in equity</b>	<b>(1)</b>	<b>(5)</b>

	2008 % a year	2007 % a year
<b>The principal actuarial assumptions used were as follows:</b>		
Discount rate	5.70–6.00	5.30–5.50
Expected return on plan assets	3.50–6.80	4.00–6.60
Long term inflation rate	1.80–2.90	1.80–2.00
Future salary increases	2.50–4.50	1.00–5.25
Future pension increases	1.90–2.85	1.90–3.15

**5. 15.****Equity****5. 15. 1.****Consolidated statement  
of changes in equity**

Notes	Share capital €m	Share premium €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Retained earnings €m	Equity attributable to RTL Group shareholders €m	Equity attributable to minority interest €m	Total equity €m
<b>Balance at 31 December 2006</b>	<b>192</b>	<b>6,454</b>	<b>(44)</b>	<b>(117)</b>	<b>(22)</b>	<b>83</b>	<b>(917)</b>	<b>5,629</b>	<b>522</b>	<b>6,151</b>
Gains and losses:										
Foreign currency translation differences	5. 15. 4.	-	-	(5)	-	-	-	(5)	(1)	(6)
Change in fair value of cash flow hedges, net of tax	5. 15. 5.	-	-	-	(28)	-	-	(28)	(1)	(29)
Change in fair value of available-for-sale financial assets, net of tax	5. 15. 6.	-	-	-	-	2	-	2	-	2
Defined benefit plan actuarial gains, net of tax		-	-	-	-	-	5	5	1	6
Net profit for the year		-	-	-	-	-	563	563	111	674
		-	-	(5)	(28)	2	568	537	110	647
Capital transactions with owners and distribution to owners:										
Dividends	5. 15. 7.	-	-	-	-	-	(461)	(461)	(76)	(537)
Equity-settled transactions net of tax	5. 15. 8.	-	-	-	-	-	6	6	7	13
Business combinations and other transactions:										
Transactions on minority interest	5. 15. 9.	-	-	-	-	-	161	161	14	175
Derivatives on equity instruments	5. 15. 10.	-	-	-	-	-	(5)	(5)	(5)	(10)
Transactions on treasury shares of associates	5. 4. 1.	-	-	-	-	-	9	9	-	9
<b>Balance at 31 December 2007*</b>	<b>192</b>	<b>6,454</b>	<b>(44)</b>	<b>(122)</b>	<b>(50)</b>	<b>85</b>	<b>(639)</b>	<b>5,876</b>	<b>572</b>	<b>6,448</b>
Gains and losses:										
Foreign currency translation differences	5. 15. 4.	-	-	(68)	-	-	-	(68)	1	(67)
Change in fair value of cash flow hedges, net of tax	5. 15. 5.	-	-	-	61	-	-	61	-	61
Change in fair value of available-for-sale financial assets, net of tax	5. 15. 6.	-	-	-	-	(6)	-	(6)	-	(6)
Defined benefit plan actuarial gains, net of tax		-	-	-	-	-	3	3	-	3
Net profit for the year		-	-	-	-	-	194	194	102	296
		-	-	(68)	61	(6)	197	184	103	287
Capital transactions with owners and distribution to owners:										
Dividends	5. 15. 7.	-	-	-	-	-	(767)	(767)	(88)	(855)
Equity-settled transactions net of tax	5. 15. 8.	-	-	-	-	-	3	3	4	7
Business combinations and other transactions:										
Transactions on minority interest	5. 15. 9.	-	-	-	-	-	(18)	(18)	(8)	(26)
Derivatives on equity instruments	5. 15. 10.	-	-	-	-	-	3	3	4	7
Transactions on treasury shares of associates	5. 4. 1.	-	-	-	-	-	(4)	(4)	-	(4)
<b>Balance at 31 December 2008</b>	<b>192</b>	<b>6,454</b>	<b>(44)</b>	<b>(190)</b>	<b>11</b>	<b>79</b>	<b>(1,225)</b>	<b>5,277</b>	<b>587</b>	<b>5,864</b>

\* Restated (see note 5.1.)

**5. 15. 2.****Share capital**

As at 31 December 2008, the subscribed capital amounts to €192 million (2007: €192 million) and is represented by 154,787,554 (2007: 154,787,554) fully paid-up ordinary shares, without nominal value. All shares have the same rights and entitlements.

**5. 15. 3.****Treasury shares**

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2008, the Group holds 1,168,701 own shares (2007: 1,168,701) at a cost of €44 million (2007: €44 million).

**5. 15. 4.****Currency translation reserve**

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Company, as well as loans designated to form part of the Group's net investment in specific undertakings as repayment of those loans is not anticipated within the foreseeable future (see note 4.3.).

**5. 15. 5.****Hedging reserve**

The hedging reserve (equity attributable to minority interest 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 2007 and 31 December 2008, the hedging reserve increased by €76 million before tax effect. This consists of:

- Increase by €27 million due to foreign exchange contracts which existed at 2007 year end and which are still hedging off-balance sheet commitments as at 31 December 2008;
- Increase by €28 million due to foreign exchange contracts which existed at 2007 year end but which have been released from the hedging reserve to income statement;
- Increase by €21 million due to foreign exchange contracts hedging new off-balance sheet commitments.

Between 31 December 2006 and 31 December 2007, the hedging reserve decreased by €35 million before tax effect. This reflected the following:

- Decrease by €21 million due to foreign exchange contracts which existed at 2006 year end and which were still hedging off-balance sheet commitments as at 31 December 2007;
- Increase by €15 million due to foreign exchange contracts which existed at 2006 year end but

which have been released from the hedging reserve to income statement;

- Decrease by €29 million due to foreign exchange contracts hedging new off-balance sheet commitments.

**5. 15. 6.****Revaluation reserve**

The revaluation reserve includes:

- The cumulative net change in the fair value of available-for-sale investments until the investment is derecognised for €28 million (2007: €34 million);
- The cumulative increase in the fair value of the intangible assets and property, plant and equipment following the gain of control of M6 and the acquisition of associates achieved in stages amounting to €51 million (2007: €51 million).

**5. 15. 7.****Dividends**

At the Annual General Meeting of RTL Group on 15 April 2009, a dividend in respect of 2008 of €3.5 per share (of which an extraordinary dividend of €2.10 per share) is to be proposed. These financial statements do not reflect the final proposed dividend payable, which will be accounted for as an appropriation of retained earnings in 2009. The dividends in respect of 2007 amounted to €5.0 per share (of which an extraordinary dividend of €3.70 per share) or €774 million.

RTL Group's dividend policy is to distribute an ordinary dividend of between 35 and 50 per cent of the ordinary earnings.

**5. 15. 8.****Share options****RTL Group Stock Option Plan**

On 25 July 2000, the Group established a share option programme for certain directors and employees.

**Eligibility**

All participants in the Stock Option Plan ("SOP") must be employed by RTL Group or one of its subsidiaries at the time of granting the options under the SOP.

**Grant**

The number of options granted to a participant under the SOP is at the discretion of the Compensation Committee, the Board of Directors of the Company or a duly constituted committee thereof, established among other things, for the purpose of operating the SOP. Participants may renounce options granted to them. Participants will not be required to pay any sum in respect of the grant of any options to them under the SOP.

**Scheme limits**

The number of ordinary shares, which may be placed under option under the SOP in any year, may not be more than a half per cent of the Company's issued ordinary share capital.

**Exercise price**

The exercise price to be paid by a participant in order to exercise options which are granted under the SOP will be the average closing middle market price of shares in the Company on the Brussels Stock Exchange over 20 dealing days preceding the date of grant or such other, higher or lower,

amount as determined by the Compensation Committee.

**Exercise**

Options will normally be exercisable as to one third on each of the second, third and fourth anniversaries of the date of grant or in accordance with such other vesting schedule as determined by the Compensation Committee. Options must normally be exercised before the expiry of ten years from the date of grant or such shorter period as determined by the Compensation Committee. Options may be exercised earlier in the event of death.

**Share options outstanding (in thousands) at the end of the year have the following terms:**

Expiry date	Exercise price €	Number of options 2008	Number of options 2007
August 2010	120.00	6	6
December 2010	85.24	123	132
May 2011	85.24	1	1
		<b>130</b>	<b>139</b>

**Movements in the number of share options are as follows:**

In thousands of options	Average exercise price in € per share	2008	Average exercise price in € per share	2007
Options outstanding at the beginning of the year	87	139	87	148
Options expired/cancelled during the year	85	(9)	85	(9)
<b>Options outstanding at the end of the year</b>	<b>87</b>	<b>130</b>	<b>87</b>	<b>139</b>

The market price of RTL Group shares on the Brussels Stock Exchange was €42.5 as at 31 December 2008 (€80.8 as at 31 December 2007).

**M6 Share Option Plan**

M6 has established employee share option plans open to directors and certain employees within the Group. The number of options granted to partici-

pants is determined by the Board of Directors of Métropole Télévision in accordance with the authorisation given by the General Meeting of Shareholders.

**The terms and conditions of the grants are as follows, whereby all options are settled by physical delivery of shares:**

Grant date	Number of options initially granted (in thousands)	Remaining options (in thousands)	Vesting conditions	Contractual life of options (1)
<b>Stock options plans</b>				
06-2001	551.80	-	4 years of service	7 years
06-2002	710.50	392.50	4 years of service	7 years
07-2003	713.50	457.00	4 years of service	7 years
11-2003	20.00	20.00	4 years of service	7 years
04-2004	861.50	567.50	4 years of service	7 years
06-2005	635.50	459.25	4 years of service	7 years
06-2006	736.75	584.25	4 years of service	7 years
05-2007	827.50	731.75	4 years of service	7 years
05-2008	883.83	870.73	4 years of service	7 years
<b>Free shares plans</b>				
06-2006	480.47	-	2 years of service + performance conditions	
05-2007*	188.30	171.21	2 years of service + performance conditions	
05-2008*	280.72	277.32	2 years of service + performance conditions	
<b>Total</b>	<b>6,890.37</b>	<b>4,531.51</b>		

(1) Contractual life of options corresponds to the vesting period (i.e. four years) plus three years (which represents the time frame during which the options can be exercised)

\* The maximum number of free shares granted if the performance conditions are significantly exceeded would amount to 410,184. Such number could be reduced to nil if objectives are not met

The price to be paid to exercise each of the remaining options is the average value of shares in Métropole Télévision on the Paris Stock Exchange over the 20 trading days preceding the date of grant with the exception of the management free share allocation plan.

**Movements in the number of share options are as follows:**

In thousands of options	Average exercise price in € per share	2008	Average exercise price in € per share	2007
Options outstanding at the beginning of the year	25	<b>3,791</b>	26	3,715
Options issued during the year	25	<b>884</b>	28	827
Options exercised during the year	–	–	22	(6)
Options expired during the year	28	<b>(592)</b>	34	(745)
<b>Options outstanding at the end of the year</b>	23	<b>4,083</b>	25	3,791

Approximately 449,000 free shares are still exercisable at the end of the year against 614,000 at the beginning of the year. 281,000 free shares were granted during the year with 433,000 being exercised and 14,000 being forfeited.

**Share options outstanding (in thousands) at the end of the year have the following terms:**

	Expiry date	Exercise price in €	Number of options 2008	Number of options 2007
<b>Stock options plans</b>				
	2008	30.80	–	293
	2009	28.06	393	440
	2010	22.53	477	517
	2011	24.97	567	623
	2012	19.94	459	508
	2013	24.60	584	631
	2014	27.52	732	779
	2015	14.73	871	–
			<b>4,083</b>	<b>3,791</b>
<b>Free shares plans</b>				
	2008		–	437
	2009		171	177
	2010		277	–
			448	614
<b>Total</b>			<b>4,531</b>	<b>4,405</b>
Out of which exercisable			1,401	1,834



The market price of M6 on the Paris Stock Exchange was €13.85 as at 31 December 2008 (€18.00 as at 31 December 2007).

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of fair value of the services received is measured based on a binomial model. Free shares are valued at the share price at the date they are granted less the discounted dividends that employees cannot receive during the vesting period.

Grant date	Share price in €	Strike price in €	Volatility %	Risk-free interest rate % a year	Expected return % a year	Liquidity discount % a year	Option life	Employee expense 2008 €m	Employee expense 2007 €m
<b>Stock options plans</b>									
25/7/2003	23.66	22.48	52.3	3.05	4.58	15	6 years	–	1.0
14/11/2003	25.07	23.82	52.3	3.54	4.32	15	6 years	–	0.1
28/4/2004	24.97	24.97	52.3	3.32	4.34	15	6 years	<b>(0.8)</b>	1.9
2/6/2005	20.17	19.94	41.8	3.24	5.24	15	6 years	<b>0.4</b>	0.9
6/6/2006	24.63	24.60	43.1	4.02	3.81	15	6 years	<b>1.1</b>	1.3
2/5/2007	26.55	27.52	37.8	4.40	3.99	15	6 years	<b>1.3</b>	0.9
6/5/2008	15.22	14.73	40.0	4.39	6.30	15	6 years	<b>0.4</b>	–
								<b>2.4</b>	6.1
<b>Free shares plans</b>									
2/6/2005	20.17	n.a.	n.a.	3.24	5.24	0	2 years	–	0.4
6/6/2006	24.63	n.a.	n.a.	4.02	3.81	0	2 years	<b>1.7</b>	5.2
2/5/2007	26.55	n.a.	n.a.	4.40	3.99	15	2 years	<b>1.7</b>	1.6
6/5/2008	15.22	n.a.	n.a.	4.39	6.30	15	2 years	<b>1.1</b>	–
								<b>4.5</b>	7.2
<b>Total</b>								<b>6.9</b>	13.3

### 5. 15. 9.

#### Transactions on minority interest

These transactions mainly relate to:

#### 2008

- RTL Group granted in 2008 put options to the management of a new business. As the put option mechanism is based on a variable component, the put option has been recognised as a liability with a corresponding entry through equity attributable to RTL Group shareholders. The derecognition of minority interest was treated as equity transaction (see note 1.3.1.);
- Groupe M6 continued in 2008 to buy back shares in accordance with the share buyback programme decided in 2007. Groupe M6 also acquired in 2008 own shares for its free share allocation plan. For the period ended 31 December 2008, 0.98 million shares were acquired by Groupe M6 of which 0.48 million were acquired from Bayard d'Antin SA. The related outflows amount to €18 million.

#### 2007

- The sale of 26 per cent interest in RTL Nederland and the acquisition of the remaining 49 per cent in SEDI TV (see note 3.2.);
- Groupe M6 entered in 2007 into a share buyback programme. Approval was given to the company to buy back shares on the open market over a three-year period up to a maximum of 10 per cent of the subscribed capital. For the period ended 31 December 2007, 1.96 million shares of which 0.96 from Bayard d'Antin SA have been acquired. The related outflows amount to €24 million.

### 5. 15. 10.

#### Derivatives on equity instruments

Derivative instruments relate to forward transactions by Groupe M6 on M6 shares.

## 6. FINANCIAL RISK MANAGEMENT

Group Treasury carries out risk management activities in accordance with Treasury policies issued and approved by the Board of Directors. The Board has issued written principles for overall risk management as well as written policies covering specific areas, such as credit risk, liquidity risk and market risk.

The Group is exposed in particular to risks from movements in exchange rates as it engages in long term purchase contracts for film rights (output deals) denominated in foreign currency. The Group seeks to minimise the potential adverse effects of changing financial markets on its performance through the use of derivative financial instruments such as foreign exchange forward contracts. Derivatives are not used for speculative purposes.

Risks are hedged to the extent that they influence the Group's cash flows (i.e. translational risk is not hedged). The Group resorts on an ongoing basis to cash flow hedges that qualify as hedging instruments.

### Market risk

#### Foreign exchange risk

##### *Foreign exchange exposure*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

For the Group as a whole, cash flow, net income and net worth are optimised by reference to Euro. However, foreign exchange risks faced by individual Group companies are managed or hedged against the functional currency of the relevant entity (as these entities generally generate their revenue in local currencies). Hence, the Group manages a variety of currencies due to the numerous functional currencies of the companies constituting the Group.

In addition to this geographic reason generating foreign exchange risk, market practices in the television business imply a significant forward exposure to USD (as film rights are usually denominated in USD and not paid upfront). This explains why the main off-balance sheet exposure of the Group is towards the USD in respect of future purchases and sales of programme rights, output deals (commitments for future cash flows) and highly probable forecast transactions.

##### *Management of the foreign exchange exposure*

The management of RTL Group's foreign exchange exposure is carried out centrally by the Group Treasury Department, which hedges on the one hand the balance sheet exposure (for which the Group does not elect to use hedge accounting) and on the other hand the forecast transactions arising from the operations (off-balance sheet commitments for which hedge accounting is used). In order to manage the latter, the Group Treasury Department collects from its affiliates their forecasts of foreign currency exposures arising from signed and forecast output deals and programme rights on an ongoing basis in order to monitor and hedge the Group's overall foreign currency exposure. All foreign exchange deals are centralised in a global internet-based database. The Group Treasury Department is then responsible for hedging on a one-to-one basis the exposure against the functional currency of such entity above the materiality level of €100,000 in each currency by using external foreign currency derivative contracts. Below this threshold, hedging is done on a bulk basis.

Entities exposed to foreign currency risk are responsible for hedging their exposures in accordance with the Group Treasury policies. The foreign currency management policy of the Group is to hedge 100 per cent of the recognised monetary foreign currency exposures arising from cash, receivables, payables, loans and borrowings denominated in currencies other than the functional currency. Group companies hedge more than 70 per cent of known cash flows which constitute firm commitments or highly probable forecast transactions in the short term, and between 20 per cent and 85 per cent of longer term (between two and five years) forecast cash flows according to the Group's foreign exchange policy.

In order to monitor the compliance of the management of the foreign exchange exposure with the Group's policy, a monthly report is produced. This report shows each subsidiary their exposure to currencies other than their functional currency, detailing the nature (e.g. trade accounts, royalties, intercompany accounts) of on balance sheet items, and the underlying deals and maturities of off-balance sheet items, as well as the corresponding hedging ratios. A specific report showing the global USD exposure (representing the main exposure) is provided to RTL Group management on a monthly basis.

##### *Accounting*

The Group's policy is not to apply a foreign currency hedge accounting model defined under IAS 39 for economic hedges or exposures arising from recognised foreign currency monetary assets and

liabilities. This is because there is a natural offset of gains and losses in the income statement between the revaluation of the hedging derivative and the hedged exposure.

The foreign currency cash flow hedge accounting model defined under IAS 39 is applied by those companies which account for the majority of the Group's foreign currency exposure, when:

- Hedged foreign currency exposures relate to programme right transactions which have not yet been recognised on balance sheet (such as forecast or firm purchases of programme rights for which the licence period has not yet begun); and
- Amounts are sufficiently material to justify the need for hedge accounting.

Changes in the fair value of the hedging instruments are recognised net of deferred tax in the hedging reserve in equity (see note 5.15.5). They are released to the carrying value of the hedged item when such an item is recognised in the balance sheet. The ineffective portion of the change in fair value of the hedging instrument (swap points) is recognised directly in the income statement. For the year ended 31 December 2008, the amount of ineffectiveness (see note 4.5) that has been posted to the income statement during the period (e.g. the forward points that have not been booked in equity during the period) is €(9) million (€11 million in 2007).

### Hedges

The number of foreign currency cash flow hedge relationships amounts to 359 at year-end 2008 (303 at year-end 2007).

### The impact of forward foreign exchange contracts is detailed as follows:

	2008 €m	2007 €m
Net fair value of derivative (assets)/liabilities (see notes 5.8. and 5.12.)	<b>(63)</b>	39
Operating foreign exchange gains	<b>19</b>	16
Ineffectiveness (losses)/gains (see note 4.5.)	<b>(9)</b>	11
	2008 €m	2007 €m
Less than three months	<b>(31)</b>	2
Less than one year	<b>(4)</b>	13
Less than five years	<b>(28)</b>	24
Net fair value of derivative (assets)/liabilities (see notes 5.8. and 5.12.)	<b>(63)</b>	39

### The split by maturities of notional amounts of forward exchange contracts as at 31 December 2008 is as follows:

	2009 £m	2010 £m	2011 £m	2012 £m	>2012 £m	Total £m
Buy	100	4	–	–	–	104
Sell	(372)	(54)	(31)	(20)	–	(477)
<b>Total</b>	<b>(272)</b>	<b>(50)</b>	<b>(31)</b>	<b>(20)</b>	<b>–</b>	<b>(373)</b>

	2009 \$m	2010 \$m	2011 \$m	2012 \$m	>2012 \$m	Total \$m
Buy	630	281	197	114	148	1,370
Sell	(155)	(9)	(1)	–	–	(165)
<b>Total</b>	<b>475</b>	<b>272</b>	<b>196</b>	<b>114</b>	<b>148</b>	<b>1,205</b>

### The split by maturities of notional amounts of forward exchange contracts as at 31 December 2007 is as follows:

	2008 £m	2009 £m	2010 £m	2011 £m	>2011 £m	Total £m
Buy	121	–	–	–	–	121
Sell	(488)	(15)	–	–	–	(503)
<b>Total</b>	<b>(367)</b>	<b>(15)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(382)</b>

	2008 \$m	2009 \$m	2010 \$m	2011 \$m	>2011 \$m	Total \$m
Buy	706	311	197	144	56	1,414
Sell	(277)	(17)	(5)	–	–	(299)
<b>Total</b>	<b>429</b>	<b>294</b>	<b>192</b>	<b>144</b>	<b>56</b>	<b>1,115</b>

**Sensitivity analysis to foreign exchange rates**

The Group estimates that:

- If the USD had been 10 per cent stronger compared to the Euro (respectively weaker), with all other variables held constant, this would have resulted in a pre-tax €4 million loss (respectively gain) for the Group, and in an additional pre-tax €71 million income (respectively expense) recognised in equity;
- If the GBP had been 10 per cent stronger compared to the Euro (respectively weaker), with all other variables held constant, this would have resulted in a pre-tax €1 million gain (respectively loss) for the Group, and an additional pre-tax €2 million expense (respectively income) recognised in equity;
- If other currencies had been 10 per cent stronger compared to the Euro (respectively weaker), with all other variables held constant, this would have had no material impact on equity.

This sensitivity analysis does not include the impact of translation of foreign operations.

**Interest rate risk**

The management of interest rate risk is centralised at the level of the Group Treasury Department. The objective of the interest rate risk management policy is to minimise the interest rate funding cost over the long term and to maximize the excess cash return.

In order to achieve this objective a cross border Euro cash pooling has been set up. The Group also believes that using floating rate rather than fixed rate debt in a positive yield curve environment supports that goal. This policy will be maintained as long as the Risk Management Committee judges the level of the mix between fixed and floating rates is appropriate. As at 31 December 2008, the fixed/floating mix was: 11 per cent/89 per cent (12 per cent/88 per cent in 2007). Frequent benchmarks about interest rates are carried out in order to have this mix evolving along with market conditions.

The Group Treasury and Corporate Finance Department uses various indicators to monitor interest rate risk such as a targeted net fixed/floating rate debt ratio, duration, basis point value (increase in interest rate costs resulting from a basis point increase in interest rate) and interest cover ratio (i.e. adjusted EBITA over net interest expense as defined by rating agencies).

Assuming the actual amount of floating net cash available remains constant, it has been calculated that if the interest rates achieved would drop (respectively increase) by 100 basis points, at 31 December 2008, the interest income would subsequently drop (respectively increase) by €9 million (€11 million in 2007).

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at balance sheet date and the periods in which they re-price:

Other loans – fixed rate
Other loans – floating rate
Current deposit – floating rate
Cash and cash equivalents (not earning assets)
Cash and cash equivalents (earning assets)
Bank loans – floating rate
Bank overdrafts
Leasing liabilities – floating rate
Leasing liabilities – fixed rate
Loans payable – floating rate

**At 31 December 2008**

Loans to associates – floating rate
Loans to associates – fixed rate
Other loans – fixed rate
Other loans – floating rate
Current deposit – floating rate
Cash and cash equivalents (not earning assets)
Cash and cash equivalents (earning assets)
Bank loans – floating rate
Bank overdrafts
Leasing liabilities – floating rate
Leasing liabilities – fixed rate
Loans payable – floating rate

**At 31 December 2007**

(1) Excluding accrued interests

Notes	Effective interest rate %	Total amount (1) €m	6 months or less €m	6-12 months €m	1-2 years €m	2-5 years €m	Over 5 years €m
5. 5.	5.3	64	–	–	–	64	–
5. 5.	3.4	5	1	4	–	–	–
5. 8.	2.4	599	599	–	–	–	–
5. 9.	–	63	63	–	–	–	–
5. 9.	3.6	320	320	–	–	–	–
5. 11.	4.7	(79)	(16)	(63)	–	–	–
5. 11.	2.5	(6)	(6)	–	–	–	–
5. 11.	7.0	(3)	(3)	–	–	–	–
5. 11.	6.3	(13)	(1)	(1)	(11)	–	–
5. 11.	6.0	(9)	(1)	(8)	–	–	–
		<b>941</b>	<b>956</b>	<b>(68)</b>	<b>(11)</b>	<b>64</b>	<b>–</b>

Notes	Effective interest rate %	Total amount (1) €m	6 months or less €m	6-12 months €m	1-2 years €m	2-5 years €m	Over 5 years €m
5. 5.	8.2	1	–	1	–	–	–
5. 5.	4.3	6	1	–	–	1	4
5. 5.	5.3	60	–	–	–	60	–
5. 5.	3.4	9	2	7	–	–	–
5. 8.	4.9	620	620	–	–	–	–
5. 9.	–	9	9	–	–	–	–
5. 9.	4.2	526	526	–	–	–	–
5. 11.	5.8	(79)	(16)	(63)	–	–	–
5. 11.	2.3	(6)	(6)	–	–	–	–
5. 11.	3.9	(1)	(1)	–	–	–	–
5. 11.	6.3	(13)	(1)	(1)	(3)	(4)	(4)
5. 11.	3.6	(6)	(6)	–	–	–	–
		<b>1,126</b>	<b>1,128</b>	<b>(56)</b>	<b>(3)</b>	<b>57</b>	<b>–</b>

### Credit risk

RTL Group's exposure to credit risk arises primarily through sales made to customers. Hence this risk primarily relates to trade receivables.

The Group's television and radio activities incur exposure to credit risk when making transactions with advertising agencies or direct customers. In 2008, the combined television and radio advertising revenue contributed 63 per cent of the Group's turnover. Due to its business model, RTL Group's exposure to financial risk is directly linked to the final client, however the risks are considered as weak due to the size of the individual companies or agency groups.

RTL Group produces programmes which are sold or licensed to state owned and commercial televi-

sion channels. In 2008, these activities contributed 23 per cent of the Group's turnover. Given the limited number of television broadcasters in different countries, there is a high degree of concentration of credit risk. However, given the long standing relationships between content provider and broadcaster and the fact that the customers are large businesses with stable financials, the level of credit risk is significantly mitigated.

RTL Group also has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The carrying amount of financial assets represents their maximum credit exposure.

**Aging of financial assets  
(excluding the available-  
for-sale investments for  
an amount of €97 million)  
as at 31 December 2008:**

	Gross carrying amount (1) €m	Neither impaired nor past due on the reporting date €m	Not impaired as of the reporting date and past due by					Gross amount impaired €m
			<= 1 month €m	2-3 months €m	3-6 months €m	6-12 months €m	Over 1 year €m	
Loans and Canal Plus France	497	492	–	–	–	–	–	5
Trade accounts receivable	972	697	92	51	20	16	18	78
Accounts receivable from associates	25	25	–	–	–	–	–	–
Current deposit with shareholder	602	602	–	–	–	–	–	–
Other accounts receivable	628	614	3	1	–	–	–	10
Cash and cash equivalent	383	383	–	–	–	–	–	–
<b>At 31 December 2008</b>	<b>3,107</b>	<b>2,813</b>	<b>95</b>	<b>52</b>	<b>20</b>	<b>16</b>	<b>18</b>	<b>93</b>

(1) As at 31 December 2008, the valuation allowance is €78 million

**Aging of financial assets  
(excluding the available-  
for-sale investments for  
an amount of €87 million)  
as at 31 December 2007:**

	Gross carrying amount (1) €m	Neither impaired nor past due on the reporting date €m	Not impaired as of the reporting date and past due by					Gross amount impaired €m
			<= 1 month €m	2-3 months €m	3-6 months €m	6-12 months €m	Over 1 year €m	
Loans and Canal Plus France	462	454	–	–	–	–	–	8
Trade accounts receivable	920	681	84	47	14	12	14	68
Accounts receivable from associates	28	28	–	–	–	–	–	–
Current deposit with shareholder	624	624	–	–	–	–	–	–
Other accounts receivable	315	297	6	4	1	–	–	7
Cash and cash equivalent	535	535	–	–	–	–	–	–
<b>At 31 December 2007</b>	<b>2,884</b>	<b>2,619</b>	<b>90</b>	<b>51</b>	<b>15</b>	<b>12</b>	<b>14</b>	<b>83</b>

(1) As at 31 December 2007, the valuation allowance is €61 million

The top ten trade accounts receivable represent €101 million (2007: €110 million) while the top 50 trade accounts receivable represent €266 million (2007: €265 million).

The Group has a significant concentration of credit risk due to its relationship with Bertelsmann AG. Nevertheless, credit risk arising from transactions with shareholders is carefully mitigated (see note 8.1.).

According to the bank policy of the Group, derivative instruments and cash transactions (including bank deposits and investment in money market funds) are operated only with high credit quality financial institutions so as to mitigate counterparty risk. The Group's bank relationship policy sets forth stringent criteria for the selection of banking partners and money market funds (such as maximum volatility, track record, rating, cash and cash equivalent status under IAS 7). In order to mitigate settlement risk, the Group has policies that limit the amount of credit exposure to any one financial institution on any single day. Statistics (such as the percentage of the business allocated to each bank over the year compared to a target defined by management, or such as the summary of the highest intraday exposures by bank and by maturity date) are computed and used on a daily basis

so as to ensure credit risk is mitigated in practice at any time.

#### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available. Group Treasury monitors on a monthly basis the level of the "Liquidity Head Room" (total committed facilities minus current utilisation). The "Liquidity Head Room" amounts to €123 million at year-end.

	2008 €m	Under 1 year €m	1-5 years €m	Over 5 years €m
<b>Credit facilities – banks</b>				
Committed facilities	321	321	–	–
Headroom	123	123	–	–

	2007 €m	Under 1 year €m	1-5 years €m	Over 5 years €m
<b>Credit facilities – banks</b>				
Committed facilities	273	273	–	–
Headroom	103	103	–	–

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed

in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Under 1 year €m	1-5 years €m	Over 5 years €m	Total €m
<b>Liabilities as per balance sheet</b>				
Loans and bank overdrafts	23	105	1	129
Accounts payable (deferred income excluded)	2,021	162	153	2,336
<b>At 31 December 2008</b>	<b>2,044</b>	<b>267</b>	<b>154</b>	<b>2,465</b>

	Under 1 year €m	1-5 years €m	Over 5 years €m	Total €m
<b>Liabilities as per balance sheet</b>				
Loans and bank overdrafts	19	109	–	128
Accounts payable (deferred income excluded)	1,838	186	150	2,174
<b>At 31 December 2007</b>	<b>1,857</b>	<b>295</b>	<b>150</b>	<b>2,302</b>

### Financial instruments by category

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

- (1) Include Canal Plus France instrument designated at fair value through profit or loss (see note 5.5.)  
(2) Include the fair value of derivative assets (€104 million)

	Notes	Assets at fair value through profit or loss (1) €m	Loans and accounts receivable €m	Available- for-sale €m	Total €m
<b>Assets as per balance sheet</b>					
Loans and other financial assets	5. 5.	423	69	97	589
Accounts receivable (prepaid expenses excluded) (2)	5. 8.	151	1,891	–	2,042
Cash and cash equivalents	5. 9.	–	383	–	383
<b>At 31 December 2008</b>		<b>574</b>	<b>2,343</b>	<b>97</b>	<b>3,014</b>

- (1) At amortised cost  
(2) Include the fair value of derivative liabilities (€41 million)

	Notes	Liabilities at fair value through profit or loss €m	Other financial liabilities (1) €m	Total €m
<b>Liabilities as per balance sheet</b>				
Loans and bank overdrafts	5. 11.	–	111	111
Accounts payable (deferred income excluded) (2)	5. 12.	41	2,265	2,306
<b>At 31 December 2008</b>		<b>41</b>	<b>2,376</b>	<b>2,417</b>

- (1) Include Canal Plus France instrument designated at fair value through profit or loss (see note 5.5.)

	Notes	Assets at fair value through profit or loss (1) €m	Loans and accounts receivable €m	Available- for-sale €m	Total €m
<b>Assets as per balance sheet</b>					
Loans and other financial assets	5. 5.	378	77	87	542
Accounts receivable (prepaid expenses excluded)	5. 8.	38	1,719	–	1,757
Cash and cash equivalents	5. 9.	–	535	–	535
<b>At 31 December 2007</b>		<b>416</b>	<b>2,331</b>	<b>87</b>	<b>2,834</b>

- (1) At amortised cost  
(2) Include the fair value of derivative liabilities (€39 million)

	Notes	Liabilities at fair value through profit or loss €m	Other financial liabilities (1) €m	Total €m
<b>Liabilities as per balance sheet</b>				
Loans and bank overdrafts	5. 11.	–	105	105
Accounts payable (deferred income excluded) (2)	5. 12.	39	2,093	2,132
<b>At 31 December 2007</b>		<b>39</b>	<b>2,198</b>	<b>2,237</b>

**7. COMMITMENTS AND CONTINGENCIES**

	2008 €m	2007 €m
Guarantees and endorsements given	40	102
Contracts for purchasing rights, (co-)productions and programmes	2,186	2,195
Operating leases	559	528
Transmission and distribution	270	369
Other long-term contracts and commitments	276	349

**7. 1.****Guarantees and endorsements given**

The guarantees corresponding to contingent obligations granted by the Group acting as executive producer to third parties paying cash advances are presented independently from the entire or partial recognition in the balance sheet of the related underlying assets and liabilities. These obligations would have the effect to increase the level of loss to be supported by the Group in the case that the productions would not be delivered.

In 2007, guarantees and endorsements given included a rent guarantee for €56 million for which the Group benefits from rights pursuant to an indemnification agreement concluded in January 2007 with a third party. This guarantee expired in 2008.

**7. 2.****Contracts for purchasing rights, co-productions and programmes**

The Group has signed commitments to purchase audiovisual rights and programmes and to conclude agreements for (co-)production rights amounting to €2,186 million (2007: €2,195 million).

**7. 4.****Purchase obligations in respect of transmission and distribution**

These obligations result from agreements with providers of services related to the terrestrial and cable transmission and distribution of the analogical and digital signals of the RTL Group TV channels and radio stations.

**7. 5.****Other long-term contracts and commitments**

The Group has "Other long-term contracts and commitments" amounting to €276 million as at 31 December 2008 (2007: €349 million). These relate to a number of items including broadcasting licences, production services sale and lease back transactions in respect of FremantleMedia and commitments to purchase assets other than programmes and rights.

FremantleMedia has arrangements for a remaining period of nine years in relation to sale and lease back transactions for an amount of €78 million (2007: €106 million). Under these arrangements, FremantleMedia has sold programme rights to a special purpose vehicle and simultaneously leased back the assets under a finance lease arrangement. The cash received is placed in a "restricted bank account" at an A-rated bank in order to satisfy the lease payments and is not considered as an asset in accordance with SIC 27. Income received by FremantleMedia was recognised in the income statement when entering into these arrangements.

In the context of the Radio 538 and RTL Nederland deal, RTL Group and Talpa Media Holding agreed to an earnout mechanism (see note 3.2.).

**7. 3.****Operating leases**

**Non-cancellable operating lease rentals are as follows:**

Lease Payments	2008				2007			
	Under 1 year €m	1-5 years €m	Over 5 years €m	Total €m	Under 1 year €m	1-5 years €m	Over 5 years €m	Total €m
Leasing of satellite transponders	16	50	12	78	39	48	18	105
Other operating leases	77	193	211	481	68	182	173	423
	93	243	223	559	107	230	191	528

"Other operating leases" mainly relate to the rental of offices, buildings and equipment in Germany, France and the United Kingdom.

One of the leased properties has been sublet by the Group. The head lease and sublease expire in September 2011. Sublease payments of €3 million are expected to be received during the following financial year.

**7. 6.****Licence agreement**

In the course of their activities, several Group companies benefit from licence frequency agreements which commit the Group in various ways depending upon the legal regulation in force in the countries concerned.



## 8. RELATED PARTIES

### Identity of related parties

As at 31 December 2008, the principal shareholder of the Group is Bertelsmann Capital Holding GmbH ("BCH") (90 per cent). The remainder of the Group's shares are publicly listed on the Brussels and Luxembourg Stock Exchanges. The Group also has a related party relationship with its associates, joint ventures and with its directors and executive officers.

### 8.1

#### Transactions with shareholders

##### Sales and purchase of goods and services

During the year the Group made sales of goods and services, purchases of goods and services to Bertelsmann Group amounting to €21 million (2007: €28 million) and €51 million (2007: €51 million) respectively. At the year-end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €4 million (2007: €17 million) and €4 million (2007: €5 million) respectively.

##### Deposits

With the view to invest its cash surplus, RTL Group SA entered in 2006 with 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 1 to 3 month basis, EURIBOR plus 10 basis points;
- Bertelsmann AG grants to RTL Group as security for all payments due by Bertelsmann AG a pledge on:
  - All shares of its wholly owned French subsidiary Média Communication SAS;
  - Since July 2007, all shares of its wholly owned Spanish subsidiary Media Finance Holding SL;
  - Since October 2008, all its interests in the German limited liability partnership Gruner + Jahr AG & Co. KG (73.4 per cent stake);
  - Since November 2008, all shares of its wholly owned English subsidiary Bertelsmann UK Ltd

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

The total amount of the deposit and the accounts receivable referred to above does not exceed 60 per cent of the fair value of the assets pledged, which is revalued on a regular basis.

As at 31 December 2008, the amount deposited amounts to €24 million (2007: €20 million) on an overnight basis, €nil million (2007: €220 million) on

a one-month basis and €575 million (2007: €380 million) on a three-month basis. The interest income for the year amounts to €23 million (2007: €24 million).

##### Tax

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

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 AG entered into a Compensation Agreement with CLT-UFA, a direct subsidiary of RTL Group, providing for the payment to CLT-UFA of an amount compensating the above 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 AG 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 optimize 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 have the right to request the early termination of the PLP and Compensation Agreements under certain conditions.

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 AG 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 utilised 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.

As at 31 December 2008, the balance payable to BCH amounts to €298 million and the balance receivable from Bertelsmann AG amounts to €237 million.

For the period ended 31 December 2008, the German income tax in relation to the tax pooling with Bertelsmann AG amounts to €126 million. The Commission amounts to €61 million.

The UK Group relief of Five Group and FremantleMedia Group to Bertelsmann Group resulted in a tax income of €7 million (2007: €8 million).

### 8. 2.

#### Transactions with associates and joint ventures

*The following transactions were carried out with associates and joint ventures:*

	2008 €m	2007 €m
Sales of goods and services to:		
Associates	65	71
Joint ventures	21	20
	<b>86</b>	<b>91</b>
Purchase of goods and services from:		
Associates	8	9
Joint ventures	11	10
	<b>19</b>	<b>19</b>

Sales and purchases to and from associates and joint ventures were carried out on commercial terms and conditions and at market prices.

*Year-end balances arising from sales and purchases of goods and services are as follows:*

	2008 €m	2007 €m
Accounts receivable from:		
Associates	19	19
Joint ventures	4	4
	<b>23</b>	<b>23</b>
Accounts payable to:		
Associates	2	2
Joint ventures	1	3
	<b>3</b>	<b>5</b>

### 8. 3.

#### Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to its key management personnel, and contributes to a post-employment defined benefit plan on its behalf.

*The key management personnel compensation is as follows:*

	2008 €m	2007 €m
Short-term benefits and termination benefits	4.4	4.4
Other long-term benefits	-	1.8
	<b>4.4</b>	<b>6.2</b>

The aggregate number of share options granted to key management personnel of the Company during 2008 and 2007 was €nil. The outstanding number of share options granted to directors and executive officers of the Company at the end of the year was 11,500 (2007: 11,500).

### 8. 4.

#### Directors' fees

In 2008, a total of €0.5 million (2007: €0.6 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors of RTL Group SA and the committees which emanate from it with respect to their functions within RTL Group SA as well as other Group companies.

**9. INTERESTS IN JOINT VENTURES**

*The main joint ventures are as follows:*

	Country of incorporation	Consolidation rate in % 2008	2007
RTL Disney Fernsehen GmbH & Co. KG	Germany	50.00	50.00
TCM Droits Audiovisuels SNC	France	50.00	50.00

*Included in the consolidated financial statements are the following items that represent the Group's interests in the assets and liabilities, income and expenses of the joint ventures:*

	2008 €m	2007 €m
Non-current assets	11	17
Current assets	50	43
Non-current liabilities	(5)	(12)
Current liabilities	(31)	(36)
Net assets	25	12

	2008 €m	2007 €m
Income	95	95
Expenses	(72)	(74)

*Included in the consolidated financial statements are the following items that represent the Group's interests in the commitments of the joint ventures:*

	2008 €m	2007 €m
Contracts for purchasing rights, (co-)productions and programmes	5	4
Operating leases	3	6
Other long term contracts and commitments	7	9

## 10. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### 10. 1.

#### Programme rights

The Group's accounting for non-current programme rights requires management judgements as it relates to estimates made of total net revenue used in the determination of the amortisation charge and impairment loss for the year.

In addition, management judgement is required to assess, taking into account factors such as the future programme grid, the realised/expected audience of the programme, the current programme rights that are not likely to be broadcast and the related valuation allowance.

### 10. 2.

#### Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.7.2.

The Group has used a combination of long term trends, industry forecasts and in-house knowledge, with greater emphasis on recent experience, in forming the assumptions about the development of the various advertising markets in which the Group operates. This is an area highly exposed to the general downturn in the economy.

The state of the advertising market is just one of the key operational drivers which the Group uses when assessing individual business models. Other key drivers include audience shares, advertising market shares, the EBITA margin and cash conversion rates.

All of these different elements are variable, inter-related and difficult to isolate as the main driver of the various business models and respective valuations.

Following the impairments recorded in the accounts to 31 December 2008, the recoverable amounts of

those CGUs where the Group has recorded an impairment loss are equivalent to their respective carrying amounts (see notes 5.2. and 5.4.2.).

In the particular case of the Five (UK – Television) CGU, the main assumptions on which the forecast cash flows are based include the share of the net television advertising market, share of viewing and programme costs. The costs and savings expected to arise from the restructuring programme have also been included in the forecast. It has also been assumed that Five elects to renew its broadcasting licence in 2014 and continues to sub-lease its additional DTT capacity.

If the discount rate for 2009 used in the fair value less costs to sell discounted cash flows calculation for the Five CGU had been 1 per cent higher than the estimate used at 31 December 2008, the Group would have recognised a further impairment against goodwill of £50 million (€56 million).

### 10. 3.

#### Fair value of available-for-sale investments and financial assets at fair value through profit or loss

The Group has used discounted cash flow analysis for various available-for-sale investments and financial assets at fair value through profit or loss that were not traded in active markets.

The carrying amount of available-for-sale investments would be an estimated €5 million lower or higher were the discount rate used in the discounted cash flow analysis to differ by 10 per cent from management's estimates.

### 10. 4.

#### Income and deferred taxes

The Group is subject to income taxes in numerous jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised. Management judgement is required to assess probable future taxable profits. In 2008, deferred tax assets on losses carry-forwards (mainly in Luxembourg and Germany, respectively €40 and €62 million) and on temporary differences (mainly in Germany, €289 million) have been reassessed on the basis of currently implemented tax strategies.

**10. 5.****Post-employment benefits**

The Group has adopted the following approaches for the pension assumptions:

- The discount rate is determined by reference to market yields at the balance sheet date on high quality corporate bonds;
- The expected return on plan assets is based on market expectations, at the beginning of the period;
- Estimate of future salary increases mainly take account of inflation, seniority, promotion and supply and demand in the employment market.

**11. POST-BALANCE SHEET EVENTS**

On 5 March 2009, Five (UK – Television) announced the results of a comprehensive restructuring programme resulting in significant changes to the organisation. The restructuring programme could result in up to 87 positions being impacted, out of a total of 354. Employees affected by this announcement are currently in a consultation period which may last up to three months. This announcement is the latest stage in Five's business review which has already undertaken stringent cost management across its channels allowing funds to be focused on more commercially valuable parts of the schedule, such as peak time.

## 12. GROUP UNDERTAKINGS

	GROUP'S OWNER- SHIP NOTE 2008	CONSOLI- DATED METHOD (1)	GROUP'S OWNER- SHIP NOTE 2007	CONSOLI- DATED METHOD (1)
<b>LUXEMBOURG*</b>				
RTL Group SA		M		M

## BROADCASTING TV

	GROUP'S OWNER- SHIP NOTE 2008	CONSOLI- DATED METHOD (1)	GROUP'S OWNER- SHIP NOTE 2007	CONSOLI- DATED METHOD (1)
<b>AUSTRIA*</b>				
IPA Plus (Österreich) Verm. für Fernsehwerbung GmbH	49.8	F	49.8	F
<b>BELGIUM*</b>				
Home Shopping Service Belgique SA	(2) 48.5	F (2)	48.5	F
Société Européenne de Télévente Belgique	(2) 48.5	F (2)	48.5	F
TVI SA	65.8	F	65.8	F
Unité 15 Belgique SA	(2) 48.5	F (2)	48.5	F
<b>CROATIA*</b>				
RTL Hrvatska d.o.o. (former RTL Croatia d.o.o.)	73.8	F	73.8	F
<b>CYPRUS*</b>				
Wakerock Ltd	(24) 66.4	F	-	
<b>FRANCE*</b>				
33 FM SAS	(2) 41.2	F	-	
A ton service SAS (former M6 operation)	(2) 16.5	E (2)	16.5	E
C. Productions SA	(2) 48.5	F (2)	48.5	F
Citato Sàrl	(2) 48.5	F (2)	48.5	F
Clicanddeal SAS (former M6 Affaires SAS)	(20) -	NC (2)	48.5	F
Club Téléachat SNC	(2) 48.5	F (2)	48.5	F
DIEM 2 SA	(2) 48.5	F (2)	48.5	F
Echo6 SAS	(2) 24.3	P (2)	24.2	P
Edit TV/ W9 SNC	(2) 48.5	F (2)	48.5	F
Femmes en ville SAS	(2) 48.5	F (2)	24.2	P
Football Club des Girondins de Bordeaux SASP	(2) 48.4	F (2)	48.4	F
FUN TV SNC	(2) 48.5	F (2)	48.5	F
Girondins Expressions SASU	(2) 48.5	F	-	
Girondins Horizons SASU	(2) 48.5	F	-	
Groupement JV Sàrl	(2) 23.8	E	-	
Home Shopping Service SA	(2) 48.5	F (2)	48.5	F
Hugo Films SAS	(2) 48.5	F	-	
Immobilière 46D SAS	(2) 48.5	F (2)	48.5	F
Immobilière M6 SA	(2) 48.5	F (2)	48.5	F
La boîte à News Sàrl	(2) 24.3	F	-	
Live Stage SAS	(2) 48.0	F (2)	48.0	F
M6 Bordeaux SAS	(2) 48.5	F (2)	48.5	F
M6 Boutique La Chaîne SNC (former Boutiques du monde SNC)	(20) -	NC (2)	48.5	F
M6 Communication SAS	(2) 48.5	F (2)	48.5	F
M6 Creations SAS	(2) 48.5	F (2)	48.5	F
M6 Development SAS	(2) 48.5	F (2)	48.5	F
M6 Diffusions SA	(2) 48.5	F (2)	48.5	F
M6 Divertissement SAS	(2) 48.5	F (2)	48.5	F
M6 Editions SA	(2) 48.5	F (2)	48.5	F
M6 Evenements SA	(2) 48.5	F (2)	48.5	F
M6 Films SA	(2) 48.5	F (2)	48.5	F

BROADCASTING TV	NOTE	GROUP'S	CONSOLI-	NOTE	GROUP'S	CONSOLI-
		OWNER-	DATED		OWNER-	DATED
		SHIP	METHOD		SHIP	METHOD
		2008	(1)		2007	(1)
M6 Foot SAS	(2)	48.5	F	(2)	48.5	F
M6 Interactions SAS	(2)	48.5	F	(2)	48.5	F
M6 Numérique SAS	(2)	48.5	F	(2)	48.5	F
M6 Publicité SAS	(2)	48.5	F	(2)	48.5	F
M6 Recreative SAS	(2)	48.5	F	(2)	48.5	F
M6 Studio SAS	(2)	48.5	F	(2)	48.5	F
M6 Thématique SA	(2)	48.5	F	(2)	48.5	F
M6 Toulouse SAS	(2)	48.5	F	(2)	48.5	F
M6 Web SAS	(2)	48.5	F	(2)	48.5	F
Mandarin Films SAS	(2)	48.5	F	(2)	48.5	F
Mandarin SAS	(2)	48.5	F	(2)	48.5	F
Métropole Production SA	(2)	48.5	F	(2)	48.5	F
Métropole Télévision SA	(2)	48.5	F	(2)	48.5	F
Mistergooddeal SA	(2)	48.5	F	(2)	48.5	F
Multiplex R4 SAS	(21)	-	NC	(2)	28.3	F
Pages Jaunes Petites Annonces SA	(2)	16.5	E	(2)	16.5	E
Paris Première SA	(2)	48.5	F	(2)	48.5	F
Retail concept SAS (former M6 création)	(2)	48.5	F	(2)	48.5	F
SCI du 107	(2)	48.5	F	(2)	48.5	F
SEDI TV SA	(2)	48.5	F	(2)	48.5	F
Série Club SA	(2)	24.3	P	(2)	24.2	P
SNC SAS	(2)	48.5	F	(2)	48.5	F
SND SA	(2)	48.5	F	(2)	48.5	F
Studio 89 Productions SAS	(2)	48.5	F	(2)	48.5	F
TCM Droits Audiovisuels SNC	(2)	24.3	P	(2)	24.2	P
Télévente Promotion SA	(2)	48.5	F	(2)	48.5	F
TF6 Gestion SA	(2)	24.3	P	(2)	24.2	P
TF6 SCS	(2)	24.3	P	(2)	24.2	P
Tyredating SAS	(2)	15.8	E	-	-	-
Unité 15 France SA	(2)	48.5	F	(2)	48.5	F

BROADCASTING TV	NOTE	GROUP'S	CONSOLI-	NOTE	GROUP'S	CONSOLI-
		OWNER-	DATED		OWNER-	DATED
		SHIP	METHOD		SHIP	METHOD
		2008	(1)		2007	(1)
<b>GERMANY*</b>						
CBC Cologne Broadcasting Center GmbH		99.7	F		99.7	F
Clippfish GmbH Co. KG		99.7	F		99.7	F
CLT-Vermögensverwaltungs GmbH		99.7	F		99.7	F
Creation GmbH (former House Of Promotion Produktions GmbH)		99.7	F		99.7	F
El Cartel GmbH		35.8	E		35.8	E
GZSZ Vermarktungsgesellschaft mbH		99.7	F		99.7	F
Infonetwerk GmbH		99.7	F		-	-
IP Deutschland GmbH		99.7	F		99.7	F
Mediascore GmbH		75.0	F		75.0	F
Norddeich TV Produktions GmbH		74.8	F		74.8	F
N-TV Nachrichtenfernsehen GmbH & Co. KG		99.7	F		99.7	F
N-TV Services GmbH		99.7	F		99.7	F
Passion GmbH		99.7	F		-	-
RTL Disney Fernsehen GmbH & Co. KG		49.8	P		49.8	P
RTL Enterprises GmbH		99.7	F		99.7	F
RTL Games GmbH (former Alpha Online GmbH)		99.7	F		99.7	F
RTL Group Deutschland Markenverwaltungs GmbH		99.7	F		99.7	F
RTL Hessen GmbH		99.7	F		99.7	F
RTL Hessen Programmfenster GmbH (former RTL Hessen GmbH)		59.8	F		59.8	F
RTL Interactive GmbH		99.7	F		99.7	F
RTL Media Services GmbH	(20)	-	NC		99.7	F
RTL Net GmbH	(20)	-	NC		99.7	F
RTL Nord GmbH		99.7	F		99.7	F
RTL Shop GmbH	(21)	-	NC		99.7	F
RTL Television GmbH		99.7	F		99.7	F
RTL 2 Fernsehen Geschäftsführung GmbH		35.8	E		35.8	E
RTL 2 Fernsehen GmbH & Co. KG		35.8	E		35.8	E
S4M Solutions For Media GmbH		19.8	E		19.8	E
Tele West KG		99.7	F		99.7	F
Traumpartner TV GmbH		99.7	F		99.7	F
Universum Film GmbH		99.7	F		99.7	F
VG Media Gesellschaft zur Verwertung der Urheber und Leistungsschutzrechte mbH		49.8	E		49.8	E
Vox Film & Fernseh GmbH & Co. KG		99.4	F		99.4	F
Vox Holding GmbH		99.7	F		99.7	F
<b>GREECE*</b>						
Alpha Doryforiki Tileorasi SA	(24)	66.4	F		-	-
Kosmoradiotileoptiki SA	(24)	66.4	F		-	-
<b>HUNGARY*</b>						
Home Shopping Service Hongrie SA	(2)	48.5	F	(2)	48.5	F
Klub Publishing Kiado Kft	(6)	48.8	E		-	-
M-RTL Rt	(6)	48.8	E		48.8	E
NetPlac Szamitastechnikai es Kereskedelmi Kft	(6)	48.8	E		-	-
R-Time Kft	(6)	48.8	E		-	-

**BROADCASTING TV**

	NOTE	GROUP'S OWNER- SHIP 2008	CONSOLI- DATED METHOD (1)	NOTE	GROUP'S OWNER- SHIP 2007	CONSOLI- DATED METHOD (1)
<b>LUXEMBOURG*</b>						
Broadcasting Center Europe SA		99.7	F		99.7	F
Content Union SA	(23)	49.8	E		-	
Filmlux SA		99.7	F		99.7	F
RTL 9 SA		34.9	E		34.9	E
RTL 9 SA & Cie SECS		34.8	E		34.8	E
<b>NETHERLANDS*</b>						
RTL Nederland Broadcast Operation BV (former Broadcasting Center Nederland BV)		73.4	F		73.4	F
RTL Nederland BV		73.4	F		73.4	F
RTL Nederland Holding BV		73.4	F		73.4	F
RTL Nederland Interactief BV (former RTL iMedia Holding BV)		73.4	F		73.4	F
RTL Nederland Sales BV	(20)	-	NC		73.4	F
<b>RUSSIA*</b>						
OOO Aksept	(22)	29.9	E	(23)	29.9	E
OOO Astrahanskaya Teleradioveschatelnaya Kompanya	(22)	27.0	E	(23)	27.0	E
OOO Content Plus	(23)	49.8	E		-	
OOO Content Union Cinema	(23)	49.8	E		-	
OOO Content Union Distribution	(23)	49.8	E		-	
OOO Content Union Entertainment	(23)	49.8	E		-	
OOO Content Union Junior	(23)	49.8	E		-	
OOO Content Union Production	(23)	49.8	E		-	
OOO Content Union Zoo	(23)	49.8	E		-	
OOO Efir	(22)	30.0	E	(23)	30.0	E
OOO Ekspert Telemarket	(22)	30.0	E		-	
OOO Media Holding Ren TV	(22)	29.9	E	(23)	29.9	E
OOO Nezavisimoe TV Balakovo	(22)	15.0	E		-	
OOO NPP Spectre	(22)	15.3	E	(23)	15.3	E
OOO NT Angarsk	(22)	15.3	E		-	
OOO Ren TV Bryansk	(22)	17.6	E	(23)	17.6	E
OOO RTL Russland		99.7	F		99.7	F
OOO Servincom Plus	(23)	49.8	E		-	
OOO Teleradiokompanya Sintez TV	(22)	30.0	E	(23)	30.0	E
OOO Uralskoe Radio	(22)	30.0	E		-	
TVV Telekom	(22)	30.0	E	(23)	30.0	E
ZAO ACB Prestige Television Kompanya	(22)	29.9	E	(23)	29.9	E
ZAO Nezavisimoe Saratovskoe Televidinie	(22)	30.0	E	(23)	30.0	E
ZAO Ren TV Television Kompanya	(22)	30.0	E	(23)	29.9	E
ZAO Telecom-Azov	(22)	22.5	E	(23)	22.5	E
ZAO Telecompanya August	(22)	30.0	E	(23)	30.0	E
ZAO Telestantsiy Seti NN	(22)	14.7	E	(23)	14.7	E
ZAO TRK Efir	(22)	30.0	E		-	
ZAO TRK Moloday Kultura Sibiri Plus	(22)	30.0	E		-	

**BROADCASTING TV**

	NOTE	GROUP'S OWNER- SHIP 2008	CONSOLI- DATED METHOD (1)	NOTE	GROUP'S OWNER- SHIP 2007	CONSOLI- DATED METHOD (1)
<b>SPAIN*</b>						
A3 TV Colombia	(7)	11.6	E		-	
Antena 3 de Television SA	(7)	21.2	E	(7)	19.9	E
Antena 3 Directo SAU	(7)	21.2	E	(7)	19.9	E
Antena 3 Editorial SA	(7)	21.2	E	(7)	19.9	E
Antena 3 Eventos SL	(7)	21.2	E		-	
Antena 3 Multimedia SLU	(7)	21.2	E	(7)	19.9	E
Antena 3 TDT De Canarias SA	(7)	21.2	E	(7)	19.9	E
Antena 3 Tematica SAU	(7)	21.2	E	(7)	19.9	E
Antena de Radiodifusion SAU (former Cadena de Voz de Radio Difusion SA)	(7)	21.2	E	(7)	19.9	E
Atres Advertising SLU	(7)	21.2	E	(7)	19.9	E
Canal 3TV Colombia	(7)	8.9	E		-	
Canal Factoria de Ficción SA	(21)	-	NC	(7)	8.0	E
Canal Media Radio Galicia SLU	(7)	21.2	E	(7)	19.9	E
Canal Media Radio SAU	(7)	21.2	E	(7)	19.9	E
Canal Radio Castilla y Leon SLU	(7)	21.2	E	(7)	19.9	E
Canal Radio Valencia SLU	(7)	21.2	E	(7)	19.9	E
Compania Tres Mil Ochocientas SLU	(7)	21.2	E	(7)	19.9	E
Corporacion Radiofonica Castilla Leon SAU	(7)	21.2	E	(7)	19.9	E
Corporacion Radiofonica Region de Murcia SA	(7)	10.6	E	(7)	10.0	E
Ensueno Films SLU	(7)	21.2	E	(7)	19.9	E
Estaciones Radiofonicas de Aragon SAU	(7)	21.2	E	(7)	19.9	E
Grupo Universal Emisoras de Radio Amanecer SAU	(7)	21.2	E	(7)	19.9	E
Guadiana Producciones SAU	(7)	21.2	E	(7)	19.9	E
I3 Television SL	(7)	10.6	E	(7)	10.0	E
Ipar Ondas SAU	(7)	21.2	E	(7)	19.9	E
La Veu de Lleida SLU	(7)	21.2	E	(7)	19.9	E



BROADCASTING TV	NOTE	GROUP'S	CONSOLI-	NOTE	GROUP'S	CONSOLI-
		OWNER-	DATED		OWNER-	DATED
		SHIP	METHOD		SHIP	METHOD
		2008	(1)		2007	(1)
Medipress Valencia SAU	(7)	21.2	E	(7)	19.9	E
Movierecord Cine SAU	(7)	21.2	E	(7)	19.9	E
Onda Cero SAU	(7)	21.2	E	(7)	19.9	E
Ondadit SLU	(7)	21.2	E	(7)	19.9	E
Organizaciones Deportivas Y Culturales De Unipublic SAU	(7)	21.2	E	(7)	19.9	E
Publicidad 3 SAU	(7)	21.2	E	(7)	19.9	E
Radio Alamedilla SAU	(7)	21.2	E	(7)	19.9	E
Radio Noticias 90 SAU	(7)	21.2	E	(7)	19.9	E
Radio Sistemas Radiofonicos Cinco SLU	(7)	21.2	E	(7)	19.9	E
Radio Tormes SAU	(7)	21.2	E	(7)	19.9	E
RKOR Radio SLU	(7)	21.2	E	(7)	19.9	E
RTL Group Communications SLU		99.7	F		99.7	F
Teledifusion Madrid SA	(21)	-	NC	(7)	2.0	E
Unimedia Central de Medios SA	(21)	-	NC	(7)	9.8	E
Union Iberica de Radio SAU	(7)	21.2	E	(7)	19.9	E
Uniprex SAU	(7)	21.2	E	(7)	19.9	E
Uniprex Television Digital Catalana SLU	(7)	21.2	E	(7)	19.9	E
Uniprex Television Digital Terrestre Andalusia SLU	(7)	21.2	E	(7)	19.9	E
Uniprex Television Digital Terrestre Canarias SLU	(7)	15.7	E	(7)	15.7	E
Uniprex Television SLU	(7)	21.2	E	(7)	19.9	E
Uniprex Valencia TV SLU	(7)	21.2	E	(7)	19.9	E
Unipublic SAU	(7)	21.2	E	(7)	19.9	E
VNews Agencia de Noticias SL	(7)	10.6	E	(7)	10.0	E
VSAT Compania de Producciones SL	(7)	9.5	E	(7)	9.0	E
<b>SWITZERLAND*</b>						
IP Multimedia (Schweiz) AG		22.9	E		22.9	E
<b>UK*</b>						
5 Direct Ltd	(3)	99.7	F	(3)	99.7	F
Channel 5 Broadcasting Ltd	(3)	99.7	F	(3)	99.7	F
Channel 5 Engineering Services Ltd	(3)	99.7	F	(3)	99.7	F
Channel 5 Interactive Ltd	(3)	99.7	F	(3)	99.7	F
Channel 5 Music Ltd	(3)	99.7	F	(3)	99.7	F
Channel 5 Television Group Ltd	(3)	99.7	F	(3)	99.7	F
Channel 5 Text Ltd	(3)	99.7	F	(3)	99.7	F
Lemonline Media Ltd		99.7	F		48.8	E
Top Up TV 1 Ltd	(3)	99.7	F	(3)	99.7	F
<b>USA*</b>						
SND USA Inc	(2)	48.5	F	(2)	48.5	F

## CONTENT

CONTENT	NOTE	GROUP'S	CONSOLI-	NOTE	GROUP'S	CONSOLI-
		OWNER-	DATED		OWNER-	DATED
		SHIP	METHOD		SHIP	METHOD
		2008	(1)		2007	(1)
<b>ANTIGUA*</b>						
Grundy International Operations Ltd		100.0	F		100.0	F
<b>AUSTRALIA*</b>						
Australia Talent Agency (former Forum 5 PTY)		100.0	F		-	
Christie Films Pty Ltd	(11)	49.0	P	(11)	49.0	P
Crackerjack Productions Pty Ltd	(21)	-	NC		100.0	F
Fremantle (AUS) Productions Pty Ltd	(9)	100.0	F	(9)	100.0	F
FremantleMedia Australia Pty Ltd	(21)	-	NC	(11)	100.0	F
FremantleMedia Australia Holdings Pty Ltd	(15)	100.0	F	(15)	100.0	F
FremantleMedia Australia Pty Ltd (former Grundy Television Pty Ltd)	(15)	100.0	F	(15)	100.0	F
FremantleMedia Licensing Australia Pty Ltd (former Grundy Films Pty Ltd)	(21)	-	NC	(15)	100.0	F
Grundy Organization Pty Ltd	(15)	100.0	F	(15)	100.0	F
Grundy Travel Pty Ltd	(21)	-	NC	(15)	100.0	F
UK TV Ltd	(21)	-	NC	(11)	20.0	E
<b>BELGIUM*</b>						
Belga Films SA		65.8	F		65.8	F
Fremantle Productions Belgium NV		100.0	F		100.0	F
<b>BRAZIL*</b>						
FremantleMedia Brazil Produção de Televisão Ltda		100.0	F		-	
<b>CROATIA*</b>						
Fremantle Produkcija d.o.o.		100.0	F		100.0	F
<b>CYPRUS*</b>						
Bluescreen Ltd		99.7	F		99.7	F
<b>DENMARK*</b>						
Blu A/S		75.0	F		75.0	F
<b>FINLAND*</b>						
Fremantle Entertainment Oy		100.0	F		100.0	F
<b>FRANCE*</b>						
20h50 Television SAS		100.0	F		-	
Be Happy Productions SAS		100.0	F		100.0	F
Fremantle France SAS		100.0	F		100.0	F
FremantleMedia Drama Productions SAS		100.0	F		100.0	F
TV Presse Productions SAS		100.0	F		100.0	F

**CONTENT**

	NOTE	GROUP'S OWNER- SHIP 2008	CONSOLI- DATED METHOD (1)	NOTE	GROUP'S OWNER- SHIP 2007	CONSOLI- DATED METHOD (1)
<b>GERMANY*</b>						
CLT-UFA Multi Media GmbH		99.7	F		99.7	F
Cologne Sitcom Produktions GmbH	(21)	–	NC	(17)	50.2	F
Cologne Sitcom Verwaltung GmbH	(21)	–	NC	(17)	50.2	F
Deutsche Synchron Film GmbH & Co KG	(8)	50.8	F	(8)	50.8	F
Fremantle Licensing Germany GmbH (former Geo Film GmbH)		99.7	F		99.7	F
Grundy Light Entertainment GmbH (former HDTV-Entert. Dressler GmbH)		100.0	F		100.0	F
Grundy Light Entertainment/White Balance GmbH GBR		50.8	F		50.8	F
Grundy UFA TV Produktions GmbH	(4)	99.7	F	(4)	99.7	F
I2I Musikproduktions & Musikverlags GmbH		99.7	F		99.7	F
Objektiv Film GmbH	(5)	99.7	F	(5)	99.7	F
Phöbus Film GmbH & Co Produktions KG	(8)	50.8	F	(8)	50.8	F
Phönix Film Karlheinz Brunnemann GmbH & Co KG	(8)	50.8	F	(8)	50.8	F
Phönix Geschäftsführungs GmbH	(8)	50.8	F	(8)	50.8	F
Teamworx Television & Film GmbH		99.7	F		99.7	F
Trebitsch Produktion Holding GmbH	(5)	99.7	F	(5)	99.7	F
Trebitsch Produktion Holding GmbH & Co. KG	(5)	99.7	F	(5)	99.7	F
UFA – Fernsehproduktion GmbH	(4)	99.7	F	(4)	99.7	F
UFA – Filmproduktion GmbH	(4)	99.7	F	(4)	99.7	F
UFA Cinema GmbH		99.7	F		–	
UFA Entertainment GmbH	(4)	99.7	F	(4)	99.7	F
UFA Film- und Medienproduktion GmbH (former Start Television Produktions GmbH)	(17)	100.0	F	(17)	100.0	F
UFA Film & Fernseh GmbH	(4)	99.7	F	(4)	99.7	F
UFA Film & TV Produktion GmbH	(4)	99.7	F	(4)	99.7	F
UFA Film Finance GmbH	(4)	99.7	F	(4)	99.7	F
UFA International Film & TV Produktions GmbH	(4)	99.7	F	(4)	99.7	F
UFA Sport GmbH		99.7	F		–	

**GREECE\***

Fremantle Productions SA		100.0	F		100.0	F
Plus Productions SA	(24)	66.4	F		–	

**HONG KONG\***

Fremantle Productions Asia Ltd		100.0	F		100.0	F
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**CONTENT**

	NOTE	GROUP'S OWNER- SHIP 2008	CONSOLI- DATED METHOD (1)	NOTE	GROUP'S OWNER- SHIP 2007	CONSOLI- DATED METHOD (1)
<b>HUNGARY*</b>						
Grundy Magyarorszag TV Musorg Kft		100.0	F		100.0	F
Magyar Grundy UFA KFT		99.7	F		99.7	F
<b>INDIA*</b>						
Fremantle India TV Productions Pvt Ltd		100.0	F		100.0	F
<b>INDONESIA*</b>						
PT Dunia Visitama		100.0	F		100.0	F
<b>ITALY*</b>						
Grundy Productions Italy Spa		100.0	F		100.0	F
<b>JAPAN*</b>						
FremantleMedia Japan KK		100.0	F		100.0	F
<b>LUXEMBOURG*</b>						
FremantleMedia SA (former RTL UK Holdings SA)		100.0	F		100.0	F
Hei Elei Film Productions SA (former IFP SA)		99.7	F		99.7	F
<b>MEXICO*</b>						
Grundy Productions SA de CV		100.0	F		100.0	F
<b>NETHERLANDS*</b>						
Blue Circle BV (former RTL 4 Productions BV)		100.0	F		99.7	F
FremantleMedia (Netherlands) BV	(14)	100.0	F	(14)	100.0	F
FremantleMedia Operations BV	(14)	100.0	F	(14)	100.0	F
FremantleMedia Overseas Holdings BV		100.0	F		100.0	F
Grundy Endemol Productions VOF	(10)	50.0	P	(10)	50.0	P
Grundy International Holdings (I) BV		100.0	F		100.0	F

CONTENT	NOTE	GROUP'S	CONSOLI-	GROUP'S	CONSOLI-
		OWNER-	DATED	OWNER-	DATED
		SHIP	METHOD	SHIP	METHOD
		2008	(1)	2007	(1)
<b>POLAND*</b>					
FremantleMedia Polska Sp.zo.o.		100.0	F	100.0	F
<b>PORTUGAL*</b>					
FremantleMedia Portugal SA (former Fremantle Producoes TV SA)		100.0	F	100.0	F
<b>RUSSIA*</b>					
Fremantle Productions LLC		100.0	F	100.0	F
<b>SINGAPORE*</b>					
Fremantle Productions Asia Pte Ltd		100.0	F	100.0	F
<b>SPAIN*</b>					
Fremantle de Espana SL	(9)	95.0	F	(9)	95.0
Grundy Producciones SA		100.0	F	100.0	F
<b>SWEDEN*</b>					
FremantleMedia Sverige AB		75.0	F	75.0	F
<b>SWITZERLAND*</b>					
Grundy Schweiz AG		65.0	F	65.0	F
<b>TURKEY*</b>					
FremantleMedia TV Film Yapim		100.0	F	100.0	F
<b>UK*</b>					
Alomo Productions Ltd	(16)	100.0	F	(16)	100.0
Arbie Production Ltd		50.0	P	-	-
Clement/La Fresnais Productions Ltd	(16)	100.0	F	(16)	100.0
Eurowide Television Ltd (former Channel Three Ltd)	(16)	100.0	F	(16)	100.0
Fremantle (UK) Productions Ltd		100.0	F	100.0	F
Fremantle Licensing Ltd	(16)	100.0	F	-	-
FremantleMedia Ltd		100.0	F	100.0	F
FremantleMedia Group Ltd	(12)	100.0	F	(12)	100.0
FremantleMedia Overseas Ltd		100.0	F	100.0	F
FremantleMedia Services Ltd (former Little Pond Television Ltd)		100.0	F	100.0	F
RTL Group Systems Ltd		100.0	F	100.0	F
RTL London Ltd	(21)	-	NC	(16)	-
Select TV Ltd	(16)	100.0	F	(16)	100.0
Somerford Brooke Productions Ltd (former Little Pond Television Ltd)	(16)	100.0	F	(16)	100.0
Talkback (UK) Productions Ltd		100.0	F	100.0	F
Talkback Productions Ltd	(18)	100.0	F	(18)	100.0
Talkback Thames Ltd (former Not Any Old Radio Commercials Ltd)	(18)	100.0	F	(18)	100.0
Thames Television Holdings Ltd		100.0	F	100.0	F
Thames Television Ltd	(19)	100.0	F	(19)	100.0
Witzend Productions Ltd	(16)	100.0	F	(16)	100.0

CONTENT	NOTE	GROUP'S	CONSOLI-	GROUP'S	CONSOLI-
		OWNER-	DATED	OWNER-	DATED
		SHIP	METHOD	SHIP	METHOD
		2008	(1)	2007	(1)
<b>USA*</b>					
All American Entertainment Inc	(13)	100.0	F	(13)	100.0
All American Music Group	(13)	100.0	F	(13)	100.0
Allied Communications Inc		100.0	F	100.0	F
American Idols Productions Inc	(13)	100.0	F	(13)	100.0
Blue Orbit Productions	(13)	100.0	F	-	-
Complex Properties Ltd	(13)	100.0	F	-	-
Feudin' Productions Inc	(13)	100.0	F	(13)	100.0
Fremantle Goodson Inc	(13)	100.0	F	(13)	100.0
Fremantle International Inc	(13)	100.0	F	(13)	100.0
Fremantle Merchandising Inc	(13)	100.0	F	(13)	100.0
Fremantle Productions Inc	(13)	100.0	F	(13)	100.0
Fremantle Productions Latin America Inc		100.0	F	100.0	F
Fremantle Productions North America Inc	(13)	100.0	F	(13)	100.0
FremantleMedia Licensing Inc	(9)	100.0	F	(9)	100.0
FremantleMedia North America Inc (former Pearson Television Inc)	(13)	100.0	F	(13)	100.0
Good Games Live Inc	(13)	100.0	F	(13)	100.0
Kickoff Productions Inc	(13)	100.0	F	(13)	100.0
LBS Communications Inc	(13)	100.0	F	(13)	100.0
Little Pond Television Inc	(13)	100.0	F	(13)	100.0
Marathon Productions Inc	(13)	100.0	F	-	-
Mark Goodson Productions LLC	(13)	100.0	F	(13)	100.0
MG Productions Inc	(13)	100.0	F	(13)	100.0
Music Box Library	(13)	100.0	F	(13)	-
OTL Productions Inc	(13)	100.0	F	(13)	100.0
Reg Grundy Productions Holdings Inc	(13)	100.0	F	(13)	100.0
Studio Production Services Inc	(13)	100.0	F	(13)	-
Terrapin Productions Inc	(13)	100.0	F	(13)	100.0
The Baywatch Productions Company	(13)	100.0	F	(13)	100.0
The Price is Right Productions Inc	(13)	100.0	F	(13)	100.0
Thumbdance LLC	(13)	100.0	F	50.0	P
Tick Tock Productions Inc	(13)	100.0	F	(13)	100.0

**BROADCASTING RADIO**

	NOTE	GROUP'S OWNER- SHIP 2008	CONSOLI- DATED METHOD (1)	NOTE	GROUP'S OWNER- SHIP 2007	CONSOLI- DATED METHOD (1)
<b>BELGIUM*</b>						
Cobelfra SA		44.1	F		44.1	F
Contact Vlaanderen NV		42.1	P		42.1	P
Inadi SA		44.1	F		44.1	F
IP Plurimédia SA		65.8	F		65.8	F
Joker FM SA		44.1	F		44.1	F
New Contact SA (former Contact SA)		49.8	P		49.8	P
Radio Belgium Holding SA		44.1	F		44.1	F

**FRANCE\***

Ediradio SA		99.7	F		99.7	F
ID (Information et Diffusion) Sàrl		99.7	F		99.7	F
IP France SA		99.7	F		99.7	F
IP Régions SA		99.7	F		99.7	F
RTL Fun Développement Sàrl		99.7	F		99.7	F
RTL Net SAS		99.7	F		99.7	F
SCP Sàrl		99.7	F		99.7	F
SERC SA		99.7	F		99.7	F
Sodera SA		99.7	F		99.7	F
Wip On! SAS		99.7	F		-	

**BROADCASTING RADIO**

	NOTE	GROUP'S OWNER- SHIP 2008	CONSOLI- DATED METHOD (1)	NOTE	GROUP'S OWNER- SHIP 2007	CONSOLI- DATED METHOD (1)
<b>GERMANY*</b>						
AH Antenne Hörfunksender GmbH & Co. KG		57.0	F		53.8	E
Antenne Mecklenburg-Vorpommern GmbH & Co. KG		25.4	E		25.4	E
Antenne Niedersachsen Gesch. GmbH & Co. KG		35.9	E		35.9	E
Antenne Sachsen Hörfunks- und Versorgungs GmbH		69.2	F		69.2	F
AVE Gesellsch. für Hörfunkbeteiligungen GmbH		99.7	F		99.7	F
AVE I Vermögensverwaltungs-gesellschaft mbH & Co. KG		49.7	E		49.7	E
AVE II Vermögensverwaltungsgesellschaft		99.7	F		99.7	F
AVE V GmbH		99.7	F		99.7	F
AVE VI KG		49.7	E		49.7	E
BCS Broadcast Sachsen GmbH & Co. KG		38.1	E		38.1	E
MPD Medien Produktions und Distributions-gesellschaft GmbH & Co. KG		57.0	F		-	NC
MV Beteiliguns GmbH & Co. KG		25.4	E		-	
MV Marketing GmbH		25.4	E		-	
Neue Spreeradio Hörfunkgesellschaft mbH		99.7	F		99.7	F
Radio Center Berlin GmbH		99.7	F		99.7	F
Radio Hamburg GmbH & Co. KG		29.1	E		29.1	E
Radio Systems GmbH	(20)	-	NC		99.7	F
RB Blauen GmbH		42.0	E		42.0	E
RTL Radio Berlin GmbH		99.7	F		99.7	F
RTL Radio Deutschland GmbH		99.7	F		99.7	F
RTL Radio Vermarktungs GmbH & Co. KG		99.7	F		99.7	F
UFA Programmgesellschaft in Bayern mbH		99.7	F		99.7	F

**GREECE\***

Alpha Radiofoniki Kronos SA	(24)	66.4	F		-	
Alpha Radiofoniki SA	(24)	66.3	F		-	

**NETHERLANDS\***

Radio 538 BV		73.4	F		73.4	F
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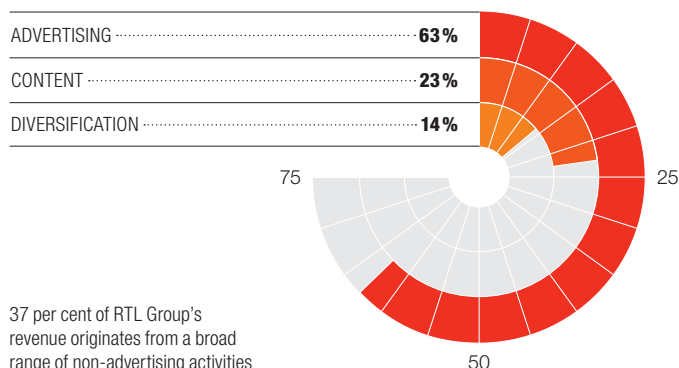
OTHERS	NOTE	GROUP'S	CONSOLI-	GROUP'S	CONSOLI-
		OWNER-	DATED	OWNER-	DATED
		SHIP	METHOD	SHIP	METHOD
		2008	(1)	2007	(1)
<b>BELGIUM*</b>					
Audiomedia Investments Bruxelles SA		100.0	F	100.0	F
TVI Interactions SA (former TVI Editions SA)	(20)	-	NC	65.8	F
<b>FRANCE*</b>					
IP Network SA		99.7	F	99.7	F
Société Immobilière Bayard d'Antin SA		99.7	F	99.7	F
<b>GERMANY*</b>					
RTL Group Central & Eastern Europe GmbH		99.7	F	99.7	F
RTL Group Deutschland GmbH		99.7	F	99.7	F
RTL Group GmbH		99.7	F	99.7	F
RTL Group Vermögensverwaltungs GmbH (former Darpar 128 GmbH)		100.0	F	100.0	F
<b>JERSEY*</b>					
CLT-UFA Holdings Ltd		99.7	F	99.7	F
<b>LUXEMBOURG*</b>					
B. & C.E. SA		99.7	F	99.7	F
CLT-UFA SA		99.7	F	99.7	F
IP Luxembourg Sàrl		99.7	F	99.7	F
IP Network International SA		99.7	F	99.7	F
Media properties Sàrl		99.7	F	99.7	F
RTL Group Central & Eastern Europe SA		99.7	F	99.7	F
RTL Group Germany SA		99.7	F	99.7	F
<b>NETHERLANDS*</b>					
RTL Group Beheer BV		100.0	F	100.0	F
RTL Nederland Producties BV		73.4	F	73.4	F
<b>UK*</b>					
CLT-UFA UK Radio Ltd		99.7	F	99.7	F
CLT-UFA UK Television Ltd		99.7	F	99.7	F

## \*Country of incorporation

- (1) M: parent company  
 F: full consolidation  
 P: proportionate consolidation  
 E: equity accounting  
 NC: not consolidated
- (2) Groupe M6  
 (3) Five Group  
 (4) UFA Berlin Group  
 (5) Trebitsch Group  
 (6) M-RTL Group  
 (7) Antena 3 De Television Group  
 (8) Phönix Group  
 (9) Fremantle Licensing Group  
 (10) Fremantle Productions Group  
 (11) FremantleMedia Australia Group  
 (12) FremantleMedia Central Group  
 (13) FremantleMedia North America Group  
 (14) FremantleMedia Productions Netherlands Group  
 (15) Grundy Organisation (Holdings) Group  
 (16) Select TV Group  
 (17) Start Television Produktions Group  
 (18) Talkback Productions Group  
 (19) Thames Television Group  
 (20) Company absorbed by a company of the Group  
 (21) Company sold or liquidated  
 (22) Ren TV Group  
 (23) Content Union Group  
 (24) Alpha Media Group

# THE LEADING EUROPEAN ENTERTAINMENT NETWORK

## RTL GROUP REVENUE SPLIT 2008



With 45 television channels and 32 radio stations in 11 countries, RTL Group is the leading European entertainment network. The Luxembourg-based company operates TV channels and radio stations in Germany, France, Belgium, the Netherlands, the UK, Luxembourg, Spain, Greece, Russia, Hungary and Croatia. It is one of the world's leading producers of television content such as talent and game shows, drama, daily soaps and telenovelas, including *Idols*, *Got Talent*, *The X Factor*, *Good Times – Bad Times*, *Family Feud* and *The Bill*.

The company's history dates back to 1931 when the Compagnie Luxembourgeoise de Radiodiffusion (CLR) was founded. As a European pioneer, the company broadcast a unique programme in several languages using the same frequency. RTL Group itself was created in spring 2000 following the merger of Luxembourg-based CLT-UFA and the British content production company Pearson TV, owned by UK media group Pearson PLC. CLT-UFA itself was created in 1997 when Bertelsmann AG (shareholder of UFA) and Audiofina (shareholder of the historic Compagnie Luxembourgeoise de Télédiffusion, or CLT) merged their TV, radio and TV production businesses.

In July 2001, Bertelsmann became majority shareholder of RTL Group following a stock swap with the Belgian-Canadian holding company Groupe Bruxelles Lambert (GBL). In December 2001, Bertelsmann entered into an agreement with Pearson PLC to acquire its 22 per cent stake in RTL Group. Bertelsmann's interest in RTL Group is now 90.3 per cent. The remaining 9.7 per cent of RTL Group is publicly traded on the Brussels and Luxembourg stock exchanges.



# About RTL Group

## The business units

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**TELEVISION:** RTL Group is Europe's largest broadcaster. Each day, over 200 million viewers all over Europe watch RTL Group's television channels, which include the families of channels clustered around the flagships RTL Television in Germany, M6 in France, RTL 4 in the Netherlands, RTL-TVI in Belgium, and the young Five family in the UK. The company also has broadcasting operations in Greece (Alpha Media Group), Hungary (RTL Klub), Russia (Ren TV), and Croatia (RTL Televizija).

**CONTENT:** RTL Group's content production arm, FremantleMedia, is one of the largest international producers outside the US. Each year it produces 10,000 hours of award-winning prime time programming across 57 countries. RTL Group is also one of the world's leading independent distributors outside the US, with rights to 19,000 hours of programming in 150 countries worldwide.

**RADIO:** RTL Group's radio stations reach millions of listeners each day. The flagship radio station is RTL in France. In addition to the market leader, RTL Group also owns the two music stations RTL 2 and Fun Radio in France, and has radio holdings in other European countries.

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## Group strategy

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RTL Group's strategy can be categorised into three main areas. The first is development and strengthening of the 'family of channels' concept. We firmly believe this is the solution to the accelerated fragmentation of audiences, being driven by the increasing digital multi-channel presence. The company has already built up strong families of channels within Western Europe, all of which – with the exception of the Five group in the UK – are number one or two in their respective markets. These activities were most recently enhanced with the addition of a number of digital channels with clearly defined profiles. They include W9 in France, Five USA and Fiver in the UK, and Passion, RTL Crime and RTL Living in Germany.

Our second goal is to grow our non-advertising revenue streams through diversification activities and content production.

FremantleMedia plays a key role, and RTL Group wants to grow the business significantly across all markets. Content is vital for today's broadcasting industry, and growth prospects are excellent as 'can't afford to miss' content becomes ever-more valuable in the digital age. New ways of distribution – online, mobile, linear or on-demand – need exciting content to justify their existence.

The digital world offers RTL Group, as both a content company and a brand company, many opportunities for new business models. In countries with significant broadband penetration, the company operates on-demand platforms such as *M6Replay.fr* and *RTLnow.de*, provides a broad range of services such as video communities, social networks and online games, and is also gradually expanding its mobile TV activities.

Our third and final goal is to explore geographical expansion, especially in fast-growing, emerging markets. We currently operate in 11 countries and would like to further develop in Central, Eastern and Southern Europe. At the same time we will assess opportunities in our existing portfolio as they arise.

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# CREDITS

## PUBLISHER

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RTL Group  
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## PRODUCTION

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Produktionsbüro Romey von Malottky GmbH,  
Hamburg  
Filestyle Medienproduktion GmbH (Pre-Press),  
Hamburg

## PRINT

Druck Pruskil GmbH, Gaimersheim



## Mixed Sources

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## PHOTOGRAPHY

Cover:



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Sony BMG



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Camera  
Press London

- 04-05: Paul Schirrhofer, Getty Images/Kevin Winter, Ewen Spencer, RTL Television/Stephan Pick  
06-11: Paul Schirrhofer  
14-15: Multipicture, iStockphoto  
16: RTL Radio France  
17: RTL Television/Stefan Menne  
18: M6/Eric Robert, M6/Cyril Plotnikoff  
19: RTL Television, RTL Group  
20: Agentur Focus/Abe Frajndlich, Picture-Alliance/DPA, Action Press/Azimut Multimedia  
21: Action Press/Stefan Gregorowius, RTL Television, RTL Radio France, ZDF/Uwe Frauendorf  
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27: M6, RTL Television/Elke Werner, FremantleMedia/Ken McKay  
28: M6, Sipa/Lilo  
29: RTL Television/Jaenicke  
30: RTL Télé Lëtzebuerg, RTL Radio France  
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- 37: FremantleMedia  
38-39: iStockphoto  
40: UFA Sports, iStockphoto  
41: Deutsche Telekom  
42: Ren TV, iStockphoto  
43: RTL Belgium, iStockphoto  
45: Oly Barnsley/Camera Press London  
46: Ewen Spencer  
47: Edzard Piltz  
48-49: RTL Televizija  
50: Kai Jünemann  
51: Edzard Piltz  
52: M6/Christophe Geral  
53: Edzard Piltz  
55: RTL Television/Stefan Gregorowius, RTL Group, Action Press/Stefan Gregorowius, Five, Super RTL, RTL Television/Anja Degenhard, Antena 3, Vox/Thomas Böing, RTL Television, M6, Five, Super RTL, RTL-TVI  
58: Getty Images/Kevin Winter, Getty Images/Frank Micelotta  
59: Paul Schirrhofer  
60-61: RTL Group  
65: Paul Schirrhofer  
70-73: RTL Group, Paul Schirrhofer  
74: Picture-Alliance/DPA  
82-103: Paul Schirrhofer, RTL Group  
178: Action Press/Rex Features Ltd, Edzard Piltz, Five, iStockphoto, RTL Television

Status: 23 March 2009

## "The new RTL quiz show" – competition terms and conditions

Competitions are open to all readers aged 18 years or over. They are not open to employees of RTL Group Corporate Communications and Marketing or their families. No purchase necessary to enter. Entries must be received by the closing date specified. We cannot be held responsible for lost or delayed entries. No cash alternative is offered. The winners will be the first names picked after the closing date, and will be notified within 14 days by email, phone or post. The editor's decision is final and no correspondence will be entered into. By entering the competition all entrants agree to participate in any publicity arising from the award of a prize. Acceptance of these rules is a condition of entry. In the unfortunate event of the prize offered not being available a prize of similar value will be substituted at the discretion of RTL Group.



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# FURTHER INFORMATION

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**FOR ANALYSTS AND INVESTORS**

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***WWW.RTLGROUP.COM***

# The new RTL quiz show

Who really wants to be a millionaire when you could enter the newest game show of all – the RTL Group annual review quiz – and win a vintage RTL/Olympique Marseille football shirt? You'll find all the answers in the feature pages of our review (pages 14 to 43).

**1** What did *Rach, der Restaurant-tester* rescue from extinction?

- A Blue Duck
- B Red Goose
- C Speckled Hen
- D Cold Turkey



**2** How do people usually watch RTL 24 in The Netherlands?

- A While cooking
- B At the cinema
- C While waiting for a bus or train
- D On their computers

**3** Which city forms the backdrop for Talkback Thames's remake of the classic comedy drama *Minder* which airs on Five in the UK?

- A London
- B Liverpool
- C Manchester
- D Dublin



**4** There's a new name in the Belgian RTL family. What is it?

- A Belgian Plug
- B RTL Unplugged
- C Plugged In RTL
- D Plug RTL



**5** Which African city provides the name of Teamworx' film retelling of a terrifying plane hijack and rescue?

- A Nairobi
- B Entebbe
- C Mogadischu
- D Khartoum

**6** Where was the first stop on French RTL Radio's environmental *L'Expédition*?

- A Mali
- B India
- C New Caledonia
- D Alaska



**7** What is the name of Ren TV's news bulletin in Russia?

- A 60
- B 24
- C 7
- D 365

**8** Name M6's catch-up TV service in France?

- A M6 Rewind
- B M6 Replay
- C M6 Again
- D M6 Encore



**9** Which country's *Got Talent* show provided the footage for a Deutsche Telekom ad?

- A America
- B Germany
- C Britain
- D Australia

**10** What will fill the hour between Five's early evening news and its new current affairs magazine?

- A Cooking
- B Soaps
- C Home makeovers
- D Game shows

## HOW TO WIN

We have five Adidas vintage shirts to give away. To enter, email your answers, together with your name, address and phone number, until the closing date of 31 May 2009 to: [quiz@rtlgroup.com](mailto:quiz@rtlgroup.com). Good luck!

For full competition terms and conditions, see page 176



# FIVE-YEAR SUMMARY

	2008 €m	2007 €m	2006 €m	2005 €m	2004 €m
Revenue	5,774	5,707	5,640	5,115	4,878
– of which net advertising sales	3,656	3,615	3,418	3,149	3,016
Other operating income	37	71	86	103	118
Consumption of current programme rights	(2,053)	(2,048)	(1,968)	(1,788)	(1,607)
Depreciation, amortisation and impairment	(203)	(213)	(217)	(219)	(233)
Other operating expense	(2,685)	(2,689)	(2,764)	(2,518)	(2,495)
Amortisation and impairment of goodwill and fair value adjustments on acquisitions of subsidiaries and joint ventures	(395)	(142)	(14)	(16)	(13)
Gain/(Loss) from sale of subsidiaries, joint ventures and other investments	(9)	76	207	1	(18)
<b>Profit from operating activities</b>	<b>466</b>	<b>762</b>	<b>970</b>	<b>678</b>	<b>630</b>
Share of results of associates	34	60	72	63	42
<b>Earnings before interest and taxes (“EBIT”)</b>	<b>500</b>	<b>822</b>	<b>1,042</b>	<b>741</b>	<b>672</b>
Net interest income/(expense)	21	(4)	2	(11)	(25)
Financial results other than interest	7	26	33	2	(19)
<b>Profit before taxes</b>	<b>528</b>	<b>844</b>	<b>1,077</b>	<b>732</b>	<b>628</b>
Income tax income/(expense)	(232)	(170)	34	(116)	(196)
<b>Profit for the year</b>	<b>296</b>	<b>674</b>	<b>1,111</b>	<b>616</b>	<b>432</b>
Attributable to:					
RTL Group shareholders	194	563	890	537	366
Minority interest	102	111	221	79	66
<b>Profit for the year</b>	<b>296</b>	<b>674</b>	<b>1,111</b>	<b>616</b>	<b>432</b>
<b>EBITA</b>	<b>916</b>	<b>898</b>	<b>851</b>	<b>758</b>	<b>709</b>
Amortisation and impairment of goodwill (including disposal group) and fair value adjustments on acquisitions of subsidiaries and joint ventures	(395)	(152)	(14)	(16)	(13)
Impairment of goodwill on associates	(12)	–	–	–	–
Amortisation of fair value adjustments on acquisitions of associates	–	–	(2)	(2)	(6)
Gain/(Loss) from sale of subsidiaries, joint ventures and other investments	(9)	76	207	1	(18)
<b>Earnings before interest and taxes (“EBIT”)</b>	<b>500</b>	<b>822</b>	<b>1,042</b>	<b>741</b>	<b>672</b>
Earnings per share (in €)					
– Basic	1.26	3.67	5.79	3.50	2.38
– Diluted	1.26	3.67	5.79	3.50	2.38
Ordinary dividend per share (in €)	1.40	1.30	1.20	1.05	0.95
Extraordinary dividend per share (in €)	2.10	3.70	1.80	–	–
Dividends paid (€million)	541	774	464	163	146
Average number of full-time equivalent employees	9,191	8,894	8,788	8,771	8,221
Net assets (€million)	5,864	6,448	6,151	5,348	4,862
Net cash (€million)	876	1,059	734	267	246

# FULLY CONSOLIDATED PROFIT CENTRES AT A GLANCE

<b>GERMANY</b> TELEVISION AND RADIO	2008 €m	2007 €m	2006 €m	2005 €m	2004 €m
<b>Revenue</b>	2,046	1,983	1,965	1,858	1,826
<b>EBITA</b>	422	336	301	244	262

<b>FRANCE</b> TELEVISION	2008 €m	2007 €m	2006 €m	2005 €m	2004* €m
<b>Revenue</b>	1,354	1,357	1,410	1,270	1,145
<b>EBITA</b>	196	237	249	229	207

\* M6 has been fully consolidated from February 2004

<b>FREMANTLEMEDIA</b> CONTENT	2008 €m	2007 €m	2006 €m	2005 €m	2004 €m
<b>Revenue</b>	1,203	1,132	1,128	947	866
<b>EBITA</b>	155	131	125*	104	101

\* Restated

<b>NETHERLANDS</b> TELEVISION AND RADIO	2008 €m	2007 €m	2006 €m	2005 €m	2004 €m
<b>Revenue</b>	436	408	350	358	338
<b>EBITA</b>	70	85	70	46	39

<b>UK</b> TELEVISION	2008 €m	2007 €m	2006 €m	2005* €m	2004 €m
<b>Revenue</b>	432	499	466	370	276
<b>EBITA</b>	(2)	10	(1)	36	18

\* Five has been fully consolidated from September 2005

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<b>BELGIUM TELEVISION AND RADIO</b>	<b>2008 €m</b>	2007 €m	2006 €m	2005 €m	2004 €m
<b>Revenue</b>	216	210	186	174	167
<b>EBITA</b>	39	49	34	28	26

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<b>FRANCE RADIO</b>	<b>2008 €m</b>	2007 €m	2006 €m	2005 €m	2004 €m
<b>Revenue</b>	189	190	198	198	207
<b>EBITA</b>	32	33	33	37	43

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<b>LUXEMBOURG TELEVISION, RADIO AND TECHNICAL SERVICES</b>	<b>2008 €m</b>	2007 €m	2006 €m	2005 €m	2004 €m
<b>Revenue</b>	93	86	79	110	125
<b>EBITA</b>	1	1	1*	16	5

\*Restated

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<b>CROATIA TELEVISION</b>	<b>2008 €m</b>	2007 €m	2006 €m	2005 €m	2004 €m
<b>Revenue</b>	50	48	44	38	14
<b>EBITA</b>	2	2	0	(8)	(19)

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