

## RTL Group with strong performance in a challenging year

Luxembourg, 12 March 2009 – RTL Group, the leading European entertainment network, announces its audited results for the year ended 31 December 2008.

### Highlights

In EUR million	Year to December 2008	Year to December 2007	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	(232)	(170)	
<i>of which: Current tax expense</i>	<i>(195)</i>	<i>(267)</i>	
<i>Deferred tax (expense)/income</i>	<i>(37)</i>	<i>97</i>	
<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 (EUR)<sup>4</sup></b>	<b>3.87</b>	<b>3.54</b>	<b>+9.3</b>
<b>Proposed/paid ordinary dividend per share (EUR)</b>	<b>1.40</b>	<b>1.30</b>	<b>+7.7</b>
<b>Proposed/paid extraordinary dividend per share (EUR)</b>	<b>2.10</b>	<b>3.70</b>	<b>(43.2)</b>

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

<sup>2</sup> 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

<sup>3</sup> Primarily launch costs of digital television channels in the UK and other minor projects

<sup>4</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

## **RTL Group increases revenue and EBITA, for the seventh consecutive year**

- Reported EBITA of EUR 916 million, up 2.0 per cent, despite a tougher economic climate
- Reported Group revenue up 1.2 per cent to EUR 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 EUR 194 million (2007: EUR 563 million), mainly due to an impairment of goodwill of the UK TV activities amounting to EUR 337 million
- Net cash from operating activities of EUR 1,065 million resulting in an operating cash conversion of 114 per cent
- Proposed ordinary dividend for 2008 up to EUR 1.40, from EUR 1.30 for 2007; once again proposed extraordinary dividend of EUR 2.10 for 2008 (EUR 3.70 for 2007)
- Increasingly challenging advertising conditions across Europe

## **Mediengruppe RTL Deutschland and FremantleMedia with record EBITA**

- 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 Cyréalís 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

### **“A position of strength”**

Gerhard Zeiler, Chief Executive Officer of RTL Group, said:

“In spite of increasingly difficult advertising markets in Europe, in 2008 RTL Group increased its revenue and operating result for the seventh year running. The company has a broad-based, secure setup, and is active in many countries and business areas. In particular, strong performances at Mediengruppe RTL Deutschland and FremantleMedia contributed to the increase in profits.

Based on the 2008 results and the cash position, we propose a total dividend of EUR 3.50 per share – consisting of an ordinary dividend of EUR 1.40 and an extraordinary dividend of EUR 2.10.

This position of strength is the result of our strategy, which is based on strict investment criteria. In 2008, we significantly stepped up our online activities with targeted acquisitions and investments. After our takeover of the Alpha Media Group in Greece, we now have 45 TV channels in 11 European countries.

Operating in a very challenging time, we are experiencing a substantial slowdown in advertising bookings. We will respond to this by focusing on our core business, and by reviewing all costs and structures. This will result in a significantly lower cost base in all of our 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.”



Conference Call RTL Group Results for press:

Date: Thursday 12 March 2009  
11.00 (Luxembourg) / 10.00 (London)

Number to dial: +44(0)20 7138 0825 UK toll  
+33(0)1 70 99 42 76 France toll  
+49(0)69 2222 2244 Germany toll

Confirmation Code: 4471846

The slides of the presentation and the mp3-file will also be available on [www.rtlgroup.com](http://www.rtlgroup.com)

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**About RTL Group**

RTL Group is the leading European entertainment network, with interests in 45 television channels and 32 radio stations in 11 countries and content production throughout the world. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, Five in the UK, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia and Hungary, Alpha TV in Greece, Ren TV in Russia and Antena 3 in Spain. RTL Group's flagship radio station is RTL in France, and it also owns or has interests in other stations in France, Germany, Belgium, the Netherlands, Greece, Spain and Luxembourg. 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 programming across 57 countries.

## 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 below including estimates of net advertising market growth rates and net advertising market shares, plus the audience share of the main target audience group.

	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>1</sup>	46.4	43.3	32.9 <sup>2</sup>	33.6 <sup>2</sup>
France	(3.5) <sup>3</sup>	21.3	20.4	17.5 <sup>4</sup>	18.0 <sup>4</sup>
UK	(5.0) <sup>1</sup>	9.6	9.3	6.24 <sup>5</sup>	6.15 <sup>5</sup>
Netherlands	+0.5 <sup>1</sup>	39.1	40.4	30.5 <sup>6</sup>	29.7 <sup>6</sup>
Belgium	(3.0) <sup>7</sup>	70.4	71.1	36.0 <sup>8</sup>	35.3 <sup>8</sup>
Spain	(11.0) <sup>9</sup>	22.9	24.9	17.4 <sup>10</sup>	18.3 <sup>10</sup>

Revenue increased by 1.2 per cent to EUR 5,774 million (2007: EUR 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 EUR million	Year to December 2008	Year to December 2007	Per cent Change
<b>Television</b>	4,394	4,418	(0.5)
<b>Content</b>	1,255	1,176	+6.7
<b>Radio</b>	333	279	+19.4
<b>Other</b>	63	65	(3.1)
<b>Eliminations</b>	(271)	(231)	+17.3
<b>Total</b>	<b>5,774</b>	<b>5,707</b>	<b>+1.2</b>

<sup>1</sup> Industry/IREP and RTL Group estimates

<sup>2</sup> Target group: 14–49

<sup>3</sup> Source: Groupe M6 estimate

<sup>4</sup> Target group: housewives under 50

<sup>5</sup> Target group: 16+ (including digital channels)

<sup>6</sup> Target group: shoppers 20–49, 18–24h

<sup>7</sup> Source: IP estimate

<sup>8</sup> Target group: shoppers 18–54, 17–23h

<sup>9</sup> Source: Infoadex

<sup>10</sup> Target group: 13–55

## EBITA

With reported EBITA increasing by 2.0 per cent to EUR 916 million (2007: EUR 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 EUR 971 million (2007: EUR 933 million).

EBITA In EUR million	Year to December 2008	Year to December 2007	Reported EBITA Margin 2008 (%)	Reported EBITA Margin 2007 (%)
<b>Television</b>	708	731	16.1	16.5
<b>Content</b>	164	126	13.1	10.7
<b>Radio</b>	88	79	26.4	28.3
<b>Other</b>	(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 In EUR million	Restructuring costs and non-recurring items 2008	Start-up losses 2008	Adjusted EBITA 2008	Adjusted EBITA 2007	Adjusted EBITA Margin 2008 (%)	Adjusted EBITA Margin 2007 (%)
<b>Television</b>	26	22	756	772	17.2	17.5
<b>Content</b>	4	–	168	126	13.4	10.7
<b>Radio</b>	–	–	88	73	26.4	26.2
<b>Other</b>	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 EUR 4,942 million in 2008 compared to EUR 4,950 million in 2007 despite significant programme investments.

## Review by profit centre

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

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

## Profit centre Germany: television and radio

Revenue in Germany increased by 3.2 per cent to EUR 2,046 million (2007: EUR 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 EUR 422 million, from EUR 336 million in 2007, mainly reflecting the growing advertising business of Mediengruppe RTL Deutschland which bundles the German TV broadcasting activities.

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).

In EUR million	Year to December 2008	Year to December 2007	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>

**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** 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 weekly 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 weekly 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: 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** 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 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 EUR 12 million from EUR 3 million in 2007.

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*, *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 *Werkent-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 EUR 8 million (2007: EUR 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).

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.

### Profit centre France: television

Reported revenue of Groupe M6 was stable at EUR 1,354 million (2007: EUR 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 EUR 196 million (2007: EUR 237 million), reflecting the major one-time programme investment of EUR 50 million for half of the Euro 2008 matches.

In EUR million	Year to December 2008	Year to December 2007	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*.

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 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.

## Profit centre 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 EUR 155 million (2007: EUR 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 EUR 1,203 million (2007: EUR 1,132 million).

In EUR million	Year to December 2008	Year to December 2007	Per cent change
<b>Revenue</b>	<b>1,203</b>	<b>1,132</b>	<b>+6.3</b>
<b>Adjusted EBITA</b>	161	131	+22.9
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 14–49 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 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 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 Atomicwedgiety.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.

### Profit centre Netherlands: television and radio

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

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.

In EUR million	Year to December 2008	Year to December 2007	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>

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).

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** 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 weekdaily 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'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.

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 EUR 64 million and EBITA of EUR 29 million in 2008, which translates to a 45 per cent profit margin. On a pro-forma basis, both revenue and EBITA increased by EUR 4 million compared to the same period in 2007.

### Profit centre UK: television

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

In EUR million	Year to December 2008	Year to December 2007	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 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 programmes 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.

### **Profit centre Belgium: television and radio**

Revenue at the Belgian profit centre, which includes TV and radio activities, increased to EUR 216 million (2007: EUR 210 million) mainly due to higher revenue from cable operators, while total EBITA decreased to EUR 39 million (2007: EUR 49 million). It should be noted that last year's EBITA included a one-time gain of EUR 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.

In EUR million	Year to December 2008	Year to December 2007	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 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** 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) 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*.

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.

### Profit centre France: radio

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 EUR 189 million (2007: EUR 190 million), while reported EBITA amounted to EUR 32 million (2007: EUR 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.

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.

In EUR million	Year to December 2008	Year to December 2007	Per cent change
<b>Revenue</b>	<b>189</b>	<b>190</b>	<b>(0.5)</b>
<b>Reported EBITA</b>	<b>32</b>	<b>33</b>	<b>(3.0)</b>

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.

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 *Ca 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**, 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**, 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.

### **Profit centre Luxembourg: television, radio and technical services**

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.

In EUR million	Year to December 2008	Year to December 2007	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* 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.

### **Profit centre Croatia: television**

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

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.

In EUR million	Year to December 2008	Year to December 2007	Per cent change
<b>Revenue</b>	<b>50</b>	<b>48</b>	<b>+4.2</b>
<b>Reported EBITA</b>	<b>2</b>	<b>2</b>	<b>0.0</b>

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.

## Profit centre Spain: television and radio

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).

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 EUR 164 million (2007: EUR 334 million) and the net profit to EUR 91 million (2007: EUR 200 million). The profit share of RTL Group was EUR 19 million (2007: EUR 40 million).

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

## Profit centre 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.

In EUR million	Year to December 2008	Year to December 2007	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

**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'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 EUR 10 million (2007: EUR 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 *Vecher s 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).

RTL Group's share of the results was EUR 4 million (2007: EUR 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 Cyréalís group. The main activities of Cyréalís 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 EUR 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 EUR 131 million corresponding to a net cash outflow of EUR 125 million. The deal closed on 17 December 2008.

## Share of results of associates

<b>EBITA</b> In EUR million	Year to December 2008	Year to December 2007	Per cent change
– 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 EUR 34 million (2007: EUR 60 million). The main reasons for this decline were the weaker results at Antena 3 and impairments amounting to EUR 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 EUR 21 million (2007: expense EUR 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 EUR 364 million.

An impairment amounting to EUR 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 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 (EUR 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 EUR 9 million (2007: gain of EUR 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 EUR 232 million (2007: expense of EUR 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 EUR 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: EUR 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 EUR 49 million, has been recorded against the deferred tax assets initially recorded in 2007 in Luxembourg (EUR 89 million).

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

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

## **Earnings per share**

Reported earnings per share, based upon 153,618,853 shares, was EUR 1.26 per share (2007: EUR 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 EUR 3.87 (2007: EUR 3.54) per share.

### Net cash position

The consolidated net cash position at 31 December 2008 was EUR 876 million (2007: reported net cash EUR 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).

<b>Net cash position</b> In EUR million	As at 31 December 2008	As at 31 December 2007
<b>Gross balance sheet debt</b>	<b>(111)</b>	<b>(105)</b>
<b>Less: loans receivable</b> <sup>11</sup>	<b>2</b>	<b>5</b>
<b>Gross financial debt</b>	<b>(109)</b>	<b>(100)</b>
<b>Add: cash</b>	<b>383</b>	<b>535</b>
<b>Add: cash deposit</b>	<b>602</b>	<b>624</b>
<b>Net cash position</b>	<b>876</b> <sup>12</sup>	<b>1,059</b>

### 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 cycles, 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.

<sup>11</sup> The loans receivable relate to TCM (via Groupe M6)

<sup>12</sup> Of which EUR 36 million held by Groupe M6 (2007: EUR 97 million)

## CONSOLIDATED INCOME STATEMENT

In EUR million

	2008 Full year	2007 Full year
Revenue	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	(2 685)	(2 689)
Impairment of goodwill and amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures	(395)	(142)
(Loss)/Gain from sale of subsidiaries, joint ventures and other investments	(9)	76
<b>Profit from operating activities</b>	<b>466</b>	<b>762</b>
Share of results of associates	34	60
<b>Earnings before interest and taxes ("EBIT")</b>	<b>500</b>	<b>822</b>
Net interest income/(expense)	21	(4)
Financial results other than interest	7	26
<b>Profit before taxes</b>	<b>528</b>	<b>844</b>
Income tax expense	(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>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	(364)	(133)
Impairment of goodwill of associates	(12)	-
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	(31)	(19)
(Loss)/Gain from sale of subsidiaries, joint ventures and other investments	(9)	76
<b>Earnings before interest and taxes ("EBIT")</b>	<b>500</b>	<b>822</b>

### Earnings per share (in EUR)

- Basic	1.26	3.67
- Diluted	1.26	3.67

\* 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

In EUR million

	31 December 2008	31 December 2007*
<b>Non-current assets</b>		
Programme rights	109	80
Goodwill	2 839	3 147
Other intangible assets	305	357
Property, plant and equipment	347	341
Investments in associates	442	466
Loans and other financial assets	589	542
Deferred tax assets	503	559
	<u>5 134</u>	<u>5 492</u>
<b>Current assets</b>		
Programme rights	1 137	1 293
Other inventories	32	40
Income tax receivable	105	117
Accounts receivable	2 154	1 833
Cash and cash equivalents	383	535
Assets classified as held for sale	-	18
	<u>3 811</u>	<u>3 836</u>
<b>Current liabilities</b>		
Loans and bank overdrafts	18	14
Income tax payable	229	238
Accounts payable	2 108	1 913
Provisions	135	113
Liabilities directly associated with non-current assets classified as held for sale	-	12
	<u>2 490</u>	<u>2 290</u>
<b>Net current assets</b>	<u>1 321</u>	<u>1 546</u>
<b>Non-current liabilities</b>		
Loans	93	91
Accounts payable	294	306
Provisions	121	110
Deferred tax liabilities	83	83
	<u>591</u>	<u>590</u>
<b>Net assets</b>	<u>5 864</u>	<u>6 448</u>
<b>Equity attributable to RTL Group shareholders</b>	<u>5 277</u>	<u>5 876</u>
<b>Equity attributable to minority interest</b>	<u>587</u>	<u>572</u>
<b>Equity</b>	<u>5 864</u>	<u>6 448</u>

\* Restated

## CONSOLIDATED CASH FLOW STATEMENT

In EUR million	2008 Full year	2007 Full year
<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	(52)	(78)
Working capital changes	(39)	89
Income taxes paid	(135)	(256)
	<hr/>	<hr/>
Net cash from operating activities	1 065	860
<b>Cash flows from investing activities</b>		
Acquisitions of:		
- Programme rights	(71)	(48)
- Other subsidiaries and joint ventures net of cash acquired	(151)	57
- Other intangible and tangible assets	(109)	(143)
- Other investments and financial assets	(102)	(168)
Current deposit with shareholder	-	(134)
	<hr/>	<hr/>
	(433)	(436)
Proceeds from the sale of intangible and tangible assets	22	67
Disposal of:		
- RTL Shop, net of cash disposed of	(11)	-
- Other subsidiaries and joint ventures net of cash disposed of	6	3
Proceeds from the sale of associates, other investments and financial assets	17	285
Current deposit with shareholder	22	-
Interest received	63	48
	<hr/>	<hr/>
	119	403
	<hr/>	<hr/>
Net cash used in investing activities	(314)	(33)
<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)
	<hr/>	<hr/>
Net cash used in financing activities	(886)	(631)
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(135)	196
<b>Cash and cash equivalents at beginning of period</b>	535	348
Effect of exchange rate fluctuation on cash held	(17)	(9)
<b>Cash and cash equivalents at end of period</b>	<hr/> <hr/>	<hr/> <hr/>
	383	535

## CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

In EUR million

	2008	2007
<b>For the year ended 31 December</b>		
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	(6)	2
Defined benefit plan actuarial gains	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>	<b>287</b>	<b>647</b>
<b>Attributable to:</b>		
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>