NOTES

TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

1. 1. Statement of compliance

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

1. 2. Basis of preparation

1. 2. 1. Consolidated financial statements

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

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

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

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

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

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

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

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

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

- IFRS 8 "Operating Segments" sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which they operate, and its major customers. IFRS 8 will require additional disclosures on these items;
- IAS 23 (Amendment), "Borrowing Costs". The amendment to the standard is still subject to endorsement by the European Union. It requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (Amended) from 1 January 2009 but the standard is currently not applicable to the Group as there are no qualifying assets;
- IAS 1 (Revised) "Presentation of Financial Statements" is aimed at improving users' ability to analyse and compare the information given in financial statements. IAS 1 (Revised) will affect the presentation of owner changes in equity and of comprehensive income;
- IFRS 3 (Revised) "Business Combinations". IFRS 3 (Revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently remeasured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. IFRS 3 (Revised) will have an impact on how the Group will report on acquisitions;
- IAS 27 (Revised) "Consolidated and Separate Financial Statements". IAS 27 (Revised) provides mainly guidance on changes in the ownership interests. In particular, changes in a parent's ownership interest in a subsidiary that do not result in the loss of control will be accounted for within equity, as it is the current policy of the Group;
- IAS 32 (Amendment) "Financial Instruments: Presentation" and IAS 1 (Amendment) "Presentation of Financial Statements". These amendments to the standards require that some puttable financial instruments and some financial instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation to be classified as equity. The Group does not expect any material impact from the application of this amendment;
- IFRS 2 (Amendment) "Share-based Payment – Vesting Conditions and Cancellations". These amendments clarify the definition of vesting conditions, introduce the concept of non-vesting conditions, require non-vesting conditions to be reflected in grant-date fair value and provide the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will become mandatory for the Group's 2009 consolidated financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment;
- IFRS 1 (Amendments) "First-time Adoption of International Financial Reporting Standards" and IAS 27 (Amendment) "Consolidated and Separate Financial Statements" respond to constituents. These amendments allow first-time adopters, in their separate financial statements, to use a deemed cost option for determining the cost (in accordance with paragraph 38(a) of IAS 27) of an investment in a subsidiary, jointly controlled entity or associate. They will have no impact on the Group's consolidated financial statements;
- IAS 39 (Amendment – "Eligible Hedged Item") "Financial Instruments: Recognition and Measurement". The amendment clarifies how the existing principles underlying hedge accounting should be applied for a one-sided risk in a hedged item for inflation in a financial hedged item. The Group does not expect any significant impact from application of this amendment;
- IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement" and IFRS 7 (Amendment) "Financial Instruments: Disclosures". These amendments permit the reclassification of some financial instruments. The Group

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

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

As part of its annual improvements project published in May 2008, the IASB has slightly amended various standards. The improvements focused on areas of inconsistencies in IFRS or where clarification of wording was required. The effective dates of these amendments vary depending on the standards concerned but are generally 1 January 2009. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

1. 3. Principles of consolidation

1. 3. 1. Subsidiaries

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

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

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

The fair values of the identifiable assets and liabilities acquired can vary at the date of each transaction. When a transaction results in taking control over the entity the interests previously held in that entity are re-valued on the basis of the fair values of the identifiable assets and liabilities at that date. The contra posting for this revaluation is recorded directly in shareholders' equity.

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

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

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

1. 3. 2.

Joint ventures

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

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

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

1. 3. 3.

Associates

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

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

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

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

1. 3. 4.

Transactions eliminated on consolidation

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

1. 4.

Foreign currency translation

1. 4. 1.

Foreign currency transactions and balances

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

1. 4. 2.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill, except for goodwill arising from acquisitions before 1 January 2004, and fair value adjustments arising on consolidation, are translated to Euro using the foreign exchange rate prevailing at the balance sheet date. Income and expenses are translated at the average exchange rate for the year under review. The foreign currency translation differences resulting from this treatment and those resulting from the translation of the foreign operations' opening net asset values at year-end rates are recognised directly in a separate component of equity.

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

1. 5. Derivative financial instruments and hedging activities

Fair value

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

Hedges

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

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

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

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

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

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

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

1. 6. Current/non-current distinction

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

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

1. 7. Intangible assets

1. 7. 1. Owned non-current programme rights

Non-current programme rights are initially recognised at acquisition cost or production cost which includes staff costs and an appropriate portion of relevant overheads, when the Group controls, in substance, the respective assets and the risks and rewards attached to them.

Non-current programme rights include (co-)productions and audiovisual rights acquired, with the primary intention to broadcast or sell them as part of the Group's long-term operations. Non-current programme rights are amortised based on expected revenue. The amortisation charge is based on the ratio of net revenue for the period over total estimated net revenue. Estimates of total net revenue are reviewed periodically and additional impairment losses are recognised if appropriate.

1. 7. 2.
Goodwill

Acquisitions are accounted for by application of the purchase method of accounting. Goodwill arising from applying this method represents the difference between the cost of the acquisition of subsidiaries, associates and joint ventures and the Group's share of the fair value of net identifiable assets acquired. Goodwill on acquisitions of subsidiaries and joint ventures is recognised as an intangible asset. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of the cash generating units represents the Group's investment in a geographical area of operation by business segment except for the content business, which is considered as a sole cash-generating unit for worldwide operations.

No goodwill is recognised on an acquisition of minority interest.

Goodwill on acquisitions of associates is included in "Investments in associates".

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

1. 7. 3.
Other intangible assets

Other intangible assets with a definite useful life, which are acquired by the Group, are stated at cost less accumulated amortisation and impairment losses. They comprise licences (other than (co-) production, audiovisual and sport rights), trademarks and similar rights as well as EDP software. They are amortised on a straight-line basis over their estimated useful life as follows:

- Licences: seven to 20 years
- Software: maximum three years

Brands, unless an indefinite useful life can be justified, and customer relationships acquired through business combinations are amortised on a straight-line basis over their estimated useful life.

Other intangible assets with an indefinite useful life are tested annually for impairment and whenever there is an indication that the intangible asset may be impaired.

1. 8.
Property, plant and equipment

1. 8. 1.
Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of the assets as follows:

- Land: nil
- Buildings: ten to 25 years
- Technical equipment: four to ten years
- Other fixtures and fittings, tools and equipment: three to ten years

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

Depreciation methods and useful lives, as well as residual values, are reassessed annually.

1. 8. 2.
Leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Assets held under finance leases and the related obligations are recognised on the balance sheet at the lower of their fair value and the present value of minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Such assets are depreciated on the same basis as owned assets (see note 1.8.1.). Each lease payment is allocated between the liability and finance charge so as to achieve a constant rate on the outstanding finance balance. The corresponding lease obligations, net of finance charges, are included in loans payable. The interest element of the finance charge is charged to the income statement over the lease period.

Leases where all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

1. 8. 3.
Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised, with the carrying amount of the component that is to be replaced being written off. Other subsequent expenditure is capitalised only when it increases the future economic benefits that will be derived from the item of property, plant and equipment. All other expenditure is expensed as incurred.

1. 9.
Loans and other financial assets

Loans are recognised initially at fair value plus transaction costs. In subsequent periods, loans are stated at amortised cost using the effective yield method, less any valuation allowance for credit risk. Any difference between nominal value, net of transaction costs, and redemption value is recognised using the effective interest method in the income statement over the period of the loan.

Non-current and current investments comprise available-for-sale assets and other financial assets at fair value through profit or loss.

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale and are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Available-for-sale investments are subsequently carried at fair value. Cost of purchase includes transaction costs. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are included, net of deferred income tax, in “Revaluation reserve” in equity in the period in which they arise.

Financial instruments are at fair value through profit or loss if they contain one or more embedded derivatives which cannot be measured separately. Changes in fair value are recognised in profit or loss.

All purchases and sales of non-current and current investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

The fair value of publicly traded investments is based on quoted market prices at the balance sheet date. The fair value of non-publicly traded investments is based on the estimated discounted value of future cash flows.

1. 10.
Current programme rights

Current programme rights are initially recognised at acquisition cost or Group production cost when the Group controls, in substance, the respective assets and the risks and rewards attached to them.

Current programme rights include programmes in progress, (co-)productions as well as rights acquired with the primary intention to broadcast or sell them in the normal course of the Group’s operating cycle. Current programme rights include an appropriate portion of overheads and are stated at the lower of cost and net realisable value. Net realisable value represents management assessment of rights that are not likely to be broadcast. They are consumed based on either the expected number of transmissions or expected revenue in order to match the costs of consumption with the benefits received. The rates of consumption applied for broadcasting rights are the following:

- Blockbusters (films resulting in a high volume of cinema ticket sales), mini-series (primarily own productions with a large budget), other films, series, TV movies and (co-)productions are mainly consumed over a maximum of two transmissions as follows: 67 per cent upon the first transmission, with the remainder upon the second transmission;
- Soaps, in-house productions, quiz and game shows, sports and other events, documentaries and music shows are fully consumed upon the first transmission;
- Children’s programmes and cartoons are consumed over a maximum of two transmissions as follows: at least 50 per cent upon the first transmission, with the remainder upon the second transmission.

1. 11.
Accounts receivable

Trade accounts receivable arise from the sale of goods and services related to the Group’s operating activities. Other accounts receivable include, in addition to deposits and amounts related to Profit and Loss Pooling and compensation agreements with RTL Group’s controlling shareholder, VAT recoverable, prepaid expenses and the fair value of derivative assets. Trade and other accounts receivable are measured at amortised cost. Impairment losses on trade and other accounts receivable, except derivative assets, are recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within depreciation, amortisation and impairment. When a trade receivable is uncollectible, it is written off against the allowance account for trade accounts receivable. Subsequent recoveries of amounts previously written off are credited against depreciation, amortisation and impairment in the income statement.

Accrued income is stated at the amounts expected to be received.

1. 12.
Cash and cash equivalents

Cash and cash equivalents are carried in balance sheet at cost and include cash in hand, postal and bank accounts, money market funds when they meet the criteria set out in IAS 7, paragraph 7, as well as bank deposits with an original maturity of less than 90 days.

Bank overdrafts are included within current liabilities.

1. 13.
Impairment of non financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use and fair value less costs to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets than goodwill, an impairment loss is reversed when there is an indication that the conditions that caused the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. The carrying value after the reversal of the impairment loss cannot exceed the carrying amount that would have been determined, net of depreciation as amortisation, if no impairment loss had been recognised.

1. 14.
Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale assets, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade accounts receivable is described in note 1.11.

1. 15.
Accounts payable

Trade accounts payable arise from the purchase of assets, goods and services relating to the Group's operating activities. Other accounts payable comprise, in addition to amount related to a Profit and Loss Pooling agreement with RTL Group's controlling shareholder, VAT payable, fair value of derivative liabilities, accrued expenses and payable on capital expenditure. Trade and other accounts payable are measured at amortised cost, except derivative liabilities, which are measured at fair value.

1. 16.
Loans payable

Interest-bearing current and non-current liabilities are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing current and non-current liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method.

1. 17.
Provisions

Provisions are recognised when the Group has a present legal or constructive obligation to transfer economic benefits as a result of past events. The amounts recognised represent management's best estimate of the expenditures that will be required to settle the obligation as of the balance sheet date. Provisions are measured by discounting the expected future cash flows to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or has been announced publicly. Costs relating to the ongoing activities of the Group are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

1. 18.
Employee benefits

1. 18. 1.
Pension benefits

The Group operates or participates in both defined contribution and defined benefit plans, according to the national laws and regulations of the countries in which it operates. The assets of the plans are generally held in separate trustee-administered funds and some of the plans are operated through pension funds that are legally independent from the Group. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking into account the recommendations of independent qualified actuaries.

Pension costs and obligations relating to defined benefit plans are recognised based on the projected unit credit method. Since 2006, the Group directly recognises actuarial gains and losses in equity under the consolidated statement of recognised income and expense.

Pension costs relating to defined contribution plans (including deferred compensation plans that are defined contribution plans in nature) are recognised when an employee has rendered service in exchange for the contributions due by the employer.

1. 18. 2.
Other benefits

Many Group companies provide death in service benefits, and spouses' and children's benefits. The costs associated with these benefits are recognised when an employee has rendered service in exchange for the contributions due by the employer.

1. 18. 3.
Share-based transactions

Share options are granted to certain directors and senior employees. The options are granted at the market price on the date of the grant and are exercisable at that price.

For share options that were granted before 7 November 2002, no compensation cost is recognised in the income statement. When the options are exercised, the proceeds received net of any transaction costs are credited to share capital and share premium.

For share options that were granted after 7 November 2002, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

1. 19.
Share capital

1. 19. 1.
Equity transaction costs

Incremental external costs directly attributable to the issue of new shares, other than in connection with a business combination, are deducted, net of the related income taxes, against the gross proceeds recorded in equity. Share issue costs incurred in connection with a business combination are included in the cost of acquisition.

1. 19. 2.
Treasury shares

Where the Company or its subsidiaries purchases the Company's own equity shares, the consideration paid, including any attributable transaction costs net of income taxes, is shown in deduction of equity as "Treasury shares".

1. 19. 3.
Dividends

Dividends on ordinary shares are recorded in the consolidated financial statements in the period in which they are approved by the Company's shareholders.

1. 20.
Revenue presentation and recognition

Revenue includes sales of rights and licence income, (co-)productions, advertising revenue and other sales, net of sales deductions such as cash rebates, credit notes, discounts, refunds and VAT.

Agency commissions are presented as a deduction from advertising revenue.

Revenue is recognised when the Group has transferred the significant risks and rewards of ownership and the control over the goods sold and the amount of revenue can be measured reliably. Specifically, advertising sales are recognised when the related advertisement or commercial is broadcast and sales of programme rights under licences are recognised when the programme material has been accepted by the licensee as being in accordance with the conditions of the licence agreement.

Barter revenue is recognised if goods or services in a barter transaction are of a dissimilar nature and if revenue has economic substance and can be reliably measured. Revenue from barter transactions is recognised at the fair value of the goods or services received, adjusted for any cash involved in the transaction.

1. 21.
Interest income/expense

Interest income/expense is recognised on a time proportion basis using the effective interest method.

1. 22.
Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred taxes are recognised according to the balance sheet liability method on any temporary difference between the carrying amount for consolidation purposes and the tax base of the Group's assets and liabilities. Temporary differences are not provided for when the initial recognition of assets or liabilities affects neither accounting nor taxable profit and when differences relate to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. No temporary differences are recognised on the initial recognition of goodwill. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

1. 23.
Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The only category of dilutive potential ordinary shares is share options.

1. 24.
Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

1. 25.
Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of the carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through a continuing use.

1. 26.
Government grants

Government grants related to assets are initially presented as a deduction in arriving at the carrying amount of the asset.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same period in which the expenses are recognised.

2. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment earnings are presented after elimination of inter-segment profit.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments
The Group comprises the following main business segments:

Television:
RTL Group's television segment comprises interests in 45 television channels in 11 European countries and a range of technical services, covering broadcasting and transmission as well as production and post-production.

Content:
RTL Group produces programmes for television covering a wide range of genres, ranging from action adventure and science fiction to game shows and drama series, situation comedies and sports. The content segment is divided into two parts: production and distribution. Production comprises the production of original programmes for broadcasters; distribution comprises the distribution of programme rights made by RTL Group or acquired/licensed from third-party producers.

Radio:
RTL Group's commercial radio segment comprises interests in 32 radio stations in seven countries.

Geographical segments
In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

2. 1. Business segments

Revenue from external customers
Inter-segment revenue
Total revenue
Profit/(loss) from operating activities
Share of results of associates
EBIT
EBITA
Impairment of goodwill of subsidiaries and joint ventures and of disposal group
Impairment of goodwill of associates
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures
Gain/(loss) from sale of subsidiaries, joint ventures and other investments
EBIT
Net interest income/(expense)
Financial results other than interest
Income tax expense
Profit for the year
Attributable to:
RTL Group shareholders
Minority interest
Segment assets
Investment in associates
Assets classified as held for sale
Other assets
Total assets
Segment liabilities
Liabilities directly associated with non-current assets classified as held for sale
Other liabilities
Total liabilities
Net assets
Capital expenditure
Depreciation and amortisation
Impairment losses excluding goodwill
Impairment of goodwill
Impairment of disposal group

2. 2. Geographical segments

Revenue from external customers
Segment assets
Assets classified as held for sale
Capital expenditure

** Restated (see note 5.1.)*

Television		Content		Radio		Other operations		Eliminations		Total	
2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007* €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007* €m
4,373	4,396	1,037	998	328	277	36	36	–	–	5,774	5,707
21	22	218	178	4	2	28	29	(271)	(231)	–	–
4,394	4,418	1,255	1,176	332	279	64	65	(271)	(231)	5,774	5,707
288	556	164	195	58	77	(44)	(66)	–	–	466	762
38	57	–	–	(4)	3	–	–	–	–	34	60
326	613	164	195	54	80	(44)	(66)	–	–	500	822
708	731	164	126	88	79	(44)	(38)	–	–	916	898
(338)	(133)	–	–	(26)	–	–	–	–	–	(364)	(133)
(4)	–	–	–	(8)	–	–	–	–	–	(12)	–
(30)	(19)	–	–	(1)	–	–	–	–	–	(31)	(19)
(10)	34	–	69	1	1	–	(28)	–	–	(9)	76
326	613	164	195	54	80	(44)	(66)	–	–	500	822
										21	(4)
										7	26
										(232)	(170)
										296	674
										194	563
										102	111
4,576	4,786	1,414	1,390	474	515	448	365	(208)	(228)	6,704	6,828
406	409	–	1	36	56	–	–	–	–	442	466
–	11	–	–	–	–	–	7	–	–	–	18
										1,799	2,016
										8,945	9,328
1,696	1,777	376	397	212	254	580	232	(206)	(218)	2,658	2,442
–	12	–	–	–	–	–	–	–	–	–	12
										423	426
										3,081	2,880
										5,864	6,448
318	165	14	13	8	187	5	3	–	–	345	368
(131)	(140)	(14)	(17)	(15)	(8)	(4)	(5)	–	–	(164)	(170)
(6)	(5)	(1)	(3)	(1)	–	–	3	–	–	(8)	(5)
(338)	(123)	–	–	(26)	–	–	–	–	–	(364)	(123)
–	(10)	–	–	–	–	–	–	–	–	–	(10)

Germany		France		Netherlands		UK		Other regions		Eliminations		Total	
2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007* €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007 €m	2008 €m	2007* €m
2,146	2,104	1,547	1,543	790	719	699	789	1,178	1,059	(586)	(507)	5,774	5,707
1,948	1,873	2,077	2,096	541	552	1,017	1,560	1,374	978	(253)	(231)	6,704	6,828
–	11	–	7	–	–	–	–	–	–	–	–	–	18
27	26	159	141	3	173	7	8	149	20	–	–	345	368

3. ACQUISITIONS AND DISPOSALS

3. 1. Acquisitions and increases in interests held in subsidiaries and joint ventures

Details of significant acquisitions in the year ended 31 December 2008 are set out in note 3.2. Acquisitions have been consolidated using the purchase method of accounting with goodwill being recognised as an asset. All acquisitions have been included in the consolidated accounts from the date that control has been transferred to the Group.

In aggregate, the acquired businesses contributed revenue of €21 million and profit attributable to RTL Group shareholders of nil for the post acquisition period to 31 December 2008. Had the business combinations been at the beginning of the year, the revenue and the profit attributable to RTL Group shareholders would have amounted to €5,873 million and €166 million respectively.

3. 2. Details of significant acquisitions and disposals, increases in interests held in subsidiaries and joint ventures

2008

Alpha Media Group

In September 2008, the Group signed an agreement to acquire a 66.6 per cent majority shareholding in Alpha Media Group. Alpha Media Group comprises the Greek national TV channel Alpha TV, the regional TV channel Kanali 9 Thessaloniki, the radio stations Alpha 98.9 and Palmos 96.5 and Plus Productions, Alpha TV's in-house production company.

This transaction was approved by the Greek competition authority on 2 December 2008 and qualifies as a business combination since RTL Group has gained the control of Alpha Media Group on 16 December 2008. The purchase consideration, net of cash acquired, amounts to €125 million, resulting in a provisional goodwill of €131 million.

Alpha Media Group 2008	Carrying amount at acquisition date €m	Incremental value €m	Fair value €m
Cash and cash equivalents	7	–	7
Property, plant and equipment	17	–	17
Current programme rights	19	–	19
Accounts receivable	59	–	59
Accounts payable	(95)	–	(95)
Employee benefit obligations	(3)	–	(3)
Other provisions	(2)	–	(2)
Minority interest	(1)	–	(1)
Net assets acquired	1	–	1
Goodwill			131
Total purchase consideration			132
Less:			
Cash and cash equivalents in operations acquired			(7)
Cash outflow on acquisition			125

Cyréalis

On 30 April 2008, the Group acquired 100 per cent of Cyréalis Group exploiting the following three editorial websites *Clubic.com* for high technology, *Jeuxvideo.fr* for video games, *Neteco.com* for e-business and *Achetezfacile.com*, a price comparison site.

This transaction qualifies as a business combination since RTL Group has gained the control of Cyréalis. The Group has recognised the following identifiable

assets, liabilities and contingent liabilities at their fair value at the date of the transaction:
- "Clubic", "Achetez facile" and "Jeuxvidéo" brands for an amount of € 1.4 million;
- Intellectual property rights in connection with the comparison engine for an amount of € 0.7 million;
- A related deferred tax liability for an amount of € 0.7 million.

The excess of the cost of the business combination over the fair value of the intangible assets and deferred tax has been allocated to goodwill for an amount of € 40.4 million. At year end deferred payments on this transaction amount to € 18 million.

Cyréalis 2008	**Carrying amount at acquisition date €m**	**Incremental value €m**	**Fair value €m**
Cash and cash equivalents	**1**	**–**	**1**
Other intangible assets	**–**	**2**	**2**
Accounts receivable	**3**	**–**	**3**
Accounts payable	**(1)**	**–**	**(1)**
Interest bearing loans payable and borrowings	**(2)**	**–**	**(2)**
Net deferred liabilities	**–**	**(1)**	**(1)**
Net assets acquired	**1**	**1**	**2**
Goodwill			**40**
Total purchase consideration			**42**
Less:			
Deferred payments on acquisition			**(18)**
Cash and cash equivalents in operations acquired			**(1)**
Cash outflow on acquisition			**23**

Hugo Films

On 26 February 2008, RTL Group completed the acquisition of 100 per cent of the share capital of Hugo Films SAS, a French film production company owning a film catalogue. Following the completion of a fair value exercise, the items listed below have been recognised:
- A fair value of € 11.7 million on the catalogue of non-current programme rights;
- A related deferred tax liability for an amount of € 4.4 million.

Lemonline – WKW

In November 2008, the Group has acquired the remaining 51 per cent of the share of the company Lemonline Ltd and its branch, the fast-growing social network *Wer-kennt-wen.de*. Prior to this transaction, Lemonline – WKW was accounted for using the equity method. The acquisition qualifies as a business combination since RTL Group has gained the control of Lemonline – WKW for a consideration of €4 million resulting in the recognition of a provisional goodwill for the same amount.

AH Antenne

Before April 2008, AH Antenne was not under RTL Group's control since the control of the company was delegated to the Executive Board of the company in which RTL Group only held one of five mandates. In April 2008, the articles of association of the company were amended and thereby the control was transferred from the responsibility of the Executive Board to the responsibility of the shareholders' meeting. Since the shareholders' meeting has approved resolutions with simple majority and RTL Group holds 54 per cent of the share capital and voting rights, the control of the company was gained. Prior to this change, AH Antenne was accounted for using the equity method. This gain of control qualifies as a business combination. The goodwill previously presented in "Investment in associates" has been transferred to "Goodwill" for an amount of € 12 million. The purchase accounting led to no recognition of additional fair values directly attributable to the net assets acquired.

RTL Shop

In August 2008, following the approval of the

German competition authority, RTL Group exited from its German teleshopping activities through the sale of RTL Shop to Aurelius, a Munich-based industrial holding. RTL Group recognised a loss on disposal amounting to €13 million.

FremantleMedia Investments
As at 30 June 2008, an agreement was signed between RTL Group and BBC Worldwide Australia Channel Pty Ltd for the sale of FremantleMedia Investments Pty Ltd for an amount of €5.5 million. The resulting gain for the Group amounted to €4 million.

2007

Radio 538 and RTL Nederland
RTL Group and John de Mol's Talpa Media Holding agreed on an asset deal on 26 June 2007. Following the unconditional regulatory approval by the Dutch competition authority in August, the transaction was completed on 29 September 2007. The deal was structured in several transactions with the final outcome that RTL Nederland, the country's leading TV group, and Radio 538, the country's leading radio station are both integrated into a new structure, RTL Nederland Holding, held at 26 per cent by Talpa Media Holding and 74 per cent by RTL Group. As part of the deal, both parties also agreed that RTL Nederland would acquire TV assets from Talpa Media Holding such as sports rights, cable contracts, Dutch shows and drama series.

The acquisition of a 74 per cent interest in Radio 538 by RTL Group qualifies as a business combination since RTL Group has gained the control of Radio 538. RTL Group has allocated the related transaction costs and recognised the following identifiable assets, liabilities and contingent liabilities at their fair value at the date of the transaction:

- The Radio 538 brand for an amount of €10 million and a related deferred tax liability of €3 million;
- The deferred tax asset of €63 million in relation with future tax benefits and a corresponding liability at a discounted value of €46 million towards the minority interest which contractually benefits from those tax benefits.

The excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognised was allocated to goodwill for an amount of €142 million.

The sale of 26 per cent interest in RTL Nederland was treated as an equity transaction consistent with the accounting principles applied by RTL Group for the acquisition of non-controlling minority interest in a controlled entity. RTL Group has allocated the related transaction costs to the disposal. This transaction resulted in an increase in equity attributable to RTL Group shareholders of €167 million and in minority interest of €5 million (see notes 5.1., 5.15.1. and 5.15.9.).

As part of the transaction, RTL Group has provided a loan to Talpa Media Nederland which, subject to achievement of certain EBITA targets, might be impaired through recognition of an impairment loss in EBITA consistent with the basis of determination of the earnout mechanism.

SEDI TV – Téva
On 15 January 2007, Groupe M6 acquired the remaining 49 per cent in the female-skewed thematic channel Téva. The acquisition of non-controlling interest in a controlled entity has been accounted for as an equity transaction and therefore no adjustment was recorded to goodwill. The decrease in equity attributable to RTL Group shareholders and to minority interest amounted to €6 million and €7 million (see note 5.15.1.) respectively.

Neue Spreeradio
Following the approvals by the competition and media authorities respectively in June and October 2007, RTL Group completed the acquisition of 66 per cent of the Berlin-based radio station 105.5 Spreeradio for a consideration of €0.4 million, resulting in a goodwill of €11 million. Prior to the acquisition, Neue Spreeradio was accounted for using the equity method. This transaction qualifies as a business combination since RTL Group gained control of Neue Spreeradio. The purchase accounting, determined on a provisional basis in 2007, was completed in 2008 without recognition of any additional fair values directly attributable to the net assets acquired.

3. 3. Assets and liabilities acquired

Details of the net assets acquired and goodwill are as follows:

	2008 €m	2007* €m
Purchase consideration:		
– Cash paid	**171**	18
– Payments on prior years' acquisitions	**–**	(2)
– Deferred consideration on acquisitions	**19**	–
– Transactions made with minority interest	**–**	173
Total purchase consideration	**190**	189
Less fair value of net assets acquired	**(2)**	(10)
Acquisition of minority interest	**1**	(6)
Goodwill	**189**	173

* Restated (see note 5.1.)

3. 4. Cash outflow/(inflow) on acquisitions

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

	2008			2007*
	Carrying amount at acquisition date €m	Incremental value €m	Fair value €m	Fair value €m
Cash and cash equivalents	20	–	20	75
Non-current programme rights	1	12	13	–
Other intangible assets	–	2	2	35
Property, plant and equipment	20	–	20	1
Loans and other financial assets	1	–	1	–
Current programme rights	19	–	19	–
Accounts receivable	66	1	67	10
Accounts payable	(108)	–	(108)	(80)
Employee benefit obligations	(3)	–	(3)	–
Other provisions	(2)	–	(2)	–
Interest-bearing loans payable and borrowings	(20)	–	(20)	(74)
Net deferred tax liabilities	–	(5)	(5)	60
Minority interest	4	–	4	(18)
Net assets acquired	**(2)**	**10**	**8**	9
Elimination of the contribution of companies previously accounted for using the equity method			(6)	1
Goodwill			189	173
Acquisition of minority interest			(1)	6
Total purchase consideration			**190**	189
Less:				
Transactions made with minority interest			–	(173)
Payments on prior years' acquisitions			–	2
Deferred payments on acquisitions			(19)	–
Cash and cash equivalents in operations acquired			(20)	(75)
Cash outflow/(inflow) on acquisitions			**151**	(57)

** Restated (see note 5.1.)*

3. 5. Assets and liabilities disposed of

Details of net assets disposed of and gain/(loss) on disposal are as follows:

	2008 €m	2007 €m
Disposal proceeds (see note 3.2.)	7	3
Direct costs associated with the disposal of RTL Shop	(8)	–
Net assets disposed of	(8)	–
Net gain/(loss) on disposal of subsidiaries and joint ventures (see note 4.3.)	**(9)**	3

3. 6. Cash inflow/(outflow) on disposals

	2008 €m	2007 €m
Cash and cash equivalents	(8)	–
Loans and other financial assets	(2)	–
Assets classified as held for sale	(12)	–
Liabilities directly associated with non-current assets classified as held for sale	14	–
Net assets disposed of	**(8)**	–
Total disposal proceeds	**7**	3
Direct costs associated with the disposal of RTL Shop	**(8)**	–
Less:		
Payments on prior years' disposals	1	–
Deferred consideration on direct costs associated with the disposal of RTL Shop	3	–
Cash and cash equivalents in operations disposed of	(8)	–
Cash inflow/(outflow) on disposals (see note 3.2.)	**(5)**	3

4. CONSOLIDATED INCOME STATEMENT

4. 1. Revenue

	2008 €m	%	2007 €m	%
Spot advertising sales	**3,439**	**59**	3,406	60
Bartering advertising revenue	**51**	**1**	45	1
Other advertising sales	**166**	**3**	164	3
Advertising sales, net of agency commission	**3,656**	**63**	3,615	64
Net films, programmes and other rights – sold or licensed	**1,304**	**23**	1,220	21
Sales of merchandise and consumer services	**658**	**12**	716	12
Professional services	**156**	**2**	156	3
	5,774	**100**	5,707	100

4. 2. Other operating expense

	Notes	2008 €m	2007 €m
Employee benefits expense	4. 2. 1.	**861**	847
External cost of live programmes (1)		**351**	281
Expenses for subcontract production		**221**	208
Intellectual property expenses		**188**	185
External cost of transmitting		**204**	206
Consumption of other inventories (2)		**211**	228
Other marketing, promotion and public relations costs		**133**	144
Marketing and promotion costs – barter		**43**	45
Commissions on sales		**25**	30
Other distribution expenses		**35**	34
Rental costs		**83**	83
Operating taxes		**71**	65
Audit, consulting and legal fees		**58**	59
Repairs and maintenance		**49**	50
Administration and sundry expenses (3)		**152**	224
		2,685	2,689

(1) The increase reflects the major one-time programme costs supported by Groupe M6 for half of Euro 2008 matches
(2) The decrease results from the disposal of RTL Shop subsidiary (see note 3.2.)
(3) In 2007, €96 million relates to the IP Deutschland GmbH fine from the German Cartel Office

4. 2. 1. Employee benefits expense

	2008 €m	2007 €m
Wages and salaries	**675**	661
Social security costs	**140**	131
Share options granted to employees	**7**	13
Pension costs	**13**	14
Other employee expense	**26**	28
	861	847

The amounts set out above exclude personnel costs of €214 million (2007: €202 million), that are capitalised and which represent costs of employees directly allocated to the production of programmes.

Pension costs relate to defined contributions for €7 million (2007: €8 million) and defined benefit plans for €6 million (2007: €6 million) (see note 5.14.).

An analysis of the average number of employees for undertakings held by the Group is set out opposite:

	2008	2007
Employees of fully consolidated undertakings	**9,103**	8,811
Employees of joint ventures	**88**	83
	9,191	8,894

Employees of joint ventures reflect the number of employees based on the Group's ownership in these joint ventures.

4. 3. Gain/(loss) from sale of subsidiaries, joint ventures and other investments

The "Gain/(loss) from sale of subsidiaries, joint ventures and other investments" mainly relates to the following:

	2008 €m
Gain on sale of the investment in the Fremantle Investments Pty subsidiary	**4**
Loss on sale of the investment in the RTL Shop subsidiary	**(13)**

	2007 €m
Gain on sale of the investment in the Sportfive Group associate (see note 5.4.)	66
Gain on sale of the investment in the Media Capital associate (see note 5.4.)	33
Gain on sale of the investment in the Telescope Inc subsidiary	3
Gain on sale of the investment in the BB Radio associate	1
Gain on sale of other investments	1
Loss on the partial disposal of FremantleMedia North America subsidiary. The loans initially provided to this entity were considered in 2002 as part of the net investment. Following the reimbursement in 2007, a loss on disposal was recognised (see note 1.4.2.)	(28)

4. 4. Net interest income/(expense)

	2008 €m	2007 €m
Interest income on loans and accounts receivable	**48**	40
Tax related interest income	**15**	16
Interest income	**63**	56
Interest expense on financial liabilities	**(20)**	(30)
Tax related interest expense	**(13)**	(23)
Pension and obligation similar to pension related interest expense	**(9)**	(7)
Interest expense	**(42)**	(60)
Net interest income/(expense)	**21**	(4)

"Interest income on loans and accounts receivable" includes an amount of €23 million (2007: €24 million) in respect of deposits to Bertelsmann AG (see note 8.1.).

In 2007, "Interest expense on financial liabilities" included a discount effect of an amount of €14 million regarding a loan granted by the Group.

4. 5. Financial results other than interest

	2008 €m	2007 €m
Impairment losses on available-for-sale investments	**(1)**	(1)
Cash flow hedges ineffectiveness (see note 6.)	**(9)**	11
Net gain on financial instruments designated at fair value through profit or loss (see note 5.5.)	**20**	19
Net loss on other financial instruments at fair value through profit or loss	**(4)**	(3)
Other financial results	**1**	–
	7	26

4. 6. Income tax expense

	2008 €m	2007 €m
Current tax expense	**(195)**	(267)
Deferred tax income/(expense)	**(37)**	97
	(232)	(170)

The income tax on the Group profit before tax differs from the theoretical amount that would arise using the Luxembourg tax rate as follows:

	2008 €m	%	2007 €m	%
Profit before taxes	**528**		844	
Income tax rate applicable in Luxembourg		**29.63**		29.63
Tax calculated at domestic tax rate applicable to profits in Luxembourg	**156**		250	
Effects of tax rate in foreign jurisdictions and German trade tax	**31**		57	
Tax calculated at domestic tax rate applicable to profits in the respective countries	**187**	**35.4**	307	36.4
Change in tax regulation and status	**3**		68	
Non deductible expenses	**136**		101	
Tax exempt revenue	**(86)**		(68)	
Reduction/(recognition) of deferred tax assets	**60**		(177)	
Tax incentives not recognised in the income statement	**(13)**		(42)	
Effect of tax losses utilised	**(24)**		(25)	
Tax expense before adjustments on prior years	**263**	**49.8**	164	19.4
Current tax adjustments on prior years	**(31)**		6	
Income tax expense	**232**	**43.9**	170	20.1

Tax exempt revenue mainly relates to the Commission received in relation with the Compensation Agreement for €61 million (see note 8.1.), to capital gains for €11 million (2007: €46 million) and to the share of results of associates for €14 million (2007: €20 million).

2008

- A re-assessment of the interest income generated by RTL Group SA, mainly due to a decrease in interest rates, led to a reduction of the deferred tax asset in Luxembourg for an amount of €(49) million;
- Subsequently to the impairment test (see note 5.2.) and review of the cash flow projections, the deferred tax asset related to Five has been fully written off (€(14) million);
- Following an agreement with the tax authorities, RTL Television decided to apply, for tax purposes only, straight line consumption of programme rights over seven years as from 1 January 2008. The Group applies different rates for the consumption of broadcasting rights (see note 1.10.). This led to the recognition of a deferred tax asset of €64 million and a higher taxable income, which positively impacted the Commission received by RTL Group from Bertelsmann AG (see note 8.1.);
- Non deductible expenses mainly relate to impairment losses on goodwill (€108 million, see note 5.2.);
- The current tax adjustments on prior years mainly result from tax audits in Germany.

2007

- The effect of change in income tax rates in Germany resulted in a decrease of the deferred tax asset amounting to €68 million;
- Deferred tax assets have been recognised on tax losses carry forward in Luxembourg (€89 million), Germany (€62 million) and in the Netherlands (€21 million);
- Non deductible expenses primarily relate in 2007 to a fine (€38 million, see note 4.2.) and to an impairment loss on goodwill (€37 million, see note 5.2.).

4. 7. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €194 million (2007: €563 million) and a weighted average number of ordinary shares outstanding during the year of 153,618,853 (2007: 153,618,853), calculated as follows:

	2008	2007
Profit attributable to RTL Group shareholders (in € million)	**193.7**	563.1
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	**154,787,554**	154,787,554
Effect of own shares held	**(1,168,701)**	(1,168,701)
Weighted average number of ordinary shares	**153,618,853**	153,618,853
Basic earnings per share (in €)	**1.26**	3.67
Diluted earnings per share (in €)	**1.26**	3.67

For 2008 and 2007, there is no dilutive impact of the share option plan as all options are out of the money.

5. CONSOLIDATED BALANCE SHEET

5. 1. Programme rights, goodwill and other intangible assets

	(Co)-productions €m	Distribution and broadcasting rights €m	Advance payments and (co)-productions in progress €m	Total programme rights (1) €m	Goodwill* €m	Other intangible assets €m
Cost						
Balance at 1 January 2007	**566**	**861**	**13**	**1,440**	**5,430**	**490**
Effect of movements in foreign exchange	(34)	(10)	–	(44)	(48)	(13)
Additions	4	14	29	47	–	48
Disposals	(8)	(36)	–	(44)	–	(9)
Subsidiaries and joint ventures acquired (2)	–	–	–	–	173	35
Transfer to assets classified as held for sale	–	–	–	–	–	(1)
Transfers and other changes	1	28	(29)	–	(6)	–
Balance at 31 December 2007	**529**	**857**	**13**	**1,399**	**5,549**	**550**
Effect of movements in foreign exchange	17	6	–	23	(143)	(36)
Additions	4	16	49	69	–	24
Disposals	(7)	(36)	–	(43)	–	(19)
Subsidiaries and joint ventures acquired (2)	–	13	–	13	189	2
Transfers and other changes	3	43	(40)	6	(11)	(24)
Balance at 31 December 2008	**546**	**899**	**22**	**1,467**	**5,584**	**497**
Amortisation and impairment losses						
Balance at 1 January 2007	**(555)**	**(792)**	**–**	**(1,347)**	**(2,286)**	**(154)**
Effects of movements in foreign exchange	33	10	–	43	7	4
Amortisation charge for the year	(5)	(50)	–	(55)	–	(47)
Impairment losses recognised for the year (3)	–	(4)	–	(4)	(123)	(5)
Reduction of goodwill (4)	–	–	–	–	(5)	–
Reversal of impairment	–	1	–	1	–	–
Disposals	7	36	–	43	–	8
Transfer to assets classified as held for sale	–	–	–	–	–	1
Transfers and other changes	–	–	–	–	5	–
Balance at 31 December 2007	**(520)**	**(799)**	**–**	**(1,319)**	**(2,402)**	**(193)**
Effects of movements in foreign exchange	(16)	(6)	–	(22)	22	13
Amortisation charge for the year	(7)	(46)	–	(53)	–	(51)
Impairment losses recognised for the year (3)	–	(2)	–	(2)	(364)	(4)
Reduction of goodwill (4)	–	–	–	–	(11)	–
Reversal of impairment	–	1	–	1	–	–
Disposals	7	36	–	43	–	19
Transfers and other changes	–	(6)	–	(6)	10	24
Balance at 31 December 2008	**(536)**	**(822)**	**–**	**(1,358)**	**(2,745)**	**(192)**
Carrying amount:						
At 31 December 2007	**9**	**58**	**13**	**80**	**3,147**	**357**
At 31 December 2008	**10**	**77**	**22**	**109**	**2,839**	**305**

** Restated: The purchase accounting for the business combination of Radio 538 had been determined on a provisional basis in 2007. The fair value exercise was completed in 2008 and the 2007 comparative information was restated as follows: an additional amount of goodwill of €17 million with a similar amount of minority interest has been recognised*

(1) Programme rights include internally generated capitalised rights
(2) See notes 3.2., 3.3. and 3.4.
(3) See note 5.2.
(4) After completion of purchase accounting, €11 million (2007: €5 million) deferred tax assets previously not recognised and related to tax losses carry forwards were subsequently recognised and realised. As a consequence, goodwill was impaired for the same amount

Other intangible assets include mainly Five, Mistergooddeal, M6 and Radio 538 brands for €154 million (2007: €164 million) and M6 and Five customer relationships of €27 million (2007: €36 million).

The M6 brand (allocated to the cash-generating unit France – Television) is considered to have an indefinite useful life and has been recognised for an amount of €120 million. As at 31 December

2008, an impairment test was performed and did not lead to any impairment.

In determining that the brand M6 has an indefinite useful life, Group Management has considered various factors such as the past and expected longevity of the brand, the impact of possible changes in broadcasting technologies, the impact of possible evolutions of the regulatory environment in the French television industry, the current and expected audience share of the M6 channel, and M6 management strategy to maintain and strengthen the trademark "M6". Based on the analysis of these factors, management has determined and confirmed as at 31 December 2008 that there is no foreseeable limit to the period of time over which the brand M6 is expected to generate cash inflows for the Group.

5. 2. Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units identified according to geographical area of operation and business segment except for the content business which is considered as a sole cash-generating unit for worldwide operations.

A segment-level summary of the goodwill allocation is as follows:

	2008 €m	2007* €m
Germany		
Television (see note 3.2.)	**869**	865
Radio	**11**	25
France		
Television (see note 3.2.)	**418**	390
Radio	**65**	65
Netherlands		
Television	**124**	124
Radio	**159**	159
UK		
Television	**132**	589
Content	**899**	899
Other regions		
Television (see note 3.2.)	**148**	17
Radio	**14**	14
Total goodwill on cash-generating units	**2,839**	3,147

** Restated (see note 5.1.)*

The recoverable amount of a cash-generating unit ("CGU") has been determined on the basis of the higher of its fair value less costs to sell and its value in use.

- The value in use is determined on the basis of cash flows excluding estimated future cash inflows or outflows expected to arise from future restructurings and from improving or enhancing the CGU's performance unless the cash-generating unit is committed at year end to the restructuring and related provisions have been made. Furthermore, the discount rate is closely linked to Group parameters (mainly size and credit premium and gearing ratio);
- Fair value less costs to sell is the amount obtainable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The hierarchy of sources for determining a "fair value less costs to sell" is:
  - A binding arm's length sales agreement;
  - An active trading market for the CGU; or
  - Best information available.

The Group supports its fair values less costs to sell on the basis of a discounted cash flow ("DCF") model to the extent that it would reflect the value that "any market participant" would be ready to pay in an arm's length transaction. Differently from the "value in use" approach which reflects the perspective of the Group for a long term use of the CGU, a "fair value less costs to sell" model would include future cash flows expected to arise from restructuring plans and future investments, as all rational market participants would be expected to undertake these restructurings and investments in order to extract the best value from the acquisition. Furthermore, the discount rate in a "fair value less costs to sell" model is calculated based on a market approach and most of the parameters used are derived from market sources. The latter approach has been notably used by the Group in determining the recoverable amount of the UK – Television cash-generating unit.

Cash flow projections are based on financial budgets approved by management covering a three year period. Cash flows beyond the three year period for up to ten years are prepared using the estimated growth rates and other key drivers including audience and advertising market shares, the EBITA margin and cash conversion rates based on past performance, and expectations of market development. Cash flows beyond the ten-year period are extrapolated using the estimated perpetual growth rates and the discount rates stated below.

The perpetual growth rates used are consistent with the forecasts included in industry reports. The discount rates have been determined, CGU by CGU, in order to reflect, where appropriate, the following factors:
- Country risk;
- Relative size;
- Credit spread due to the financial situation; and
- Gearing ratio of the CGU.

The changes brought to the discount rates compared to 2007 reflect the overall decrease in interest rates.

	2008		2007	
	Perpetual growth rate % a year	**Discount rate % a year**	Perpetual growth rate % a year	Discount rate % a year
Cash-generating units				
Germany				
Television	**2.5**	**8.2**	3.0	8.5
Radio	**2.0**	**8.5**	3.0	9.0
France				
Television	**3.0**	**8.2**	3.0	8.5
Radio	**2.5**	**8.6**	3.0	9.0
Netherlands				
Television	**2.5**	**8.2**	3.0	8.5
Radio	**2.5**	**8.7**	3.0	9.0
UK				
Television	**3.0**	**9.2**	3.0	8.5
Content	**3.0**	**8.6**	3.0	9.5
Other regions				
Television	**2.5–3.0**	**8.2–12.9**	3.0	8.5
Radio	**2.5**	**8.6**	3.0	9.0

2008

Impairment losses on goodwill were recorded at 31 December 2008 for an amount of €364 million.

An impairment amounting to €337 million has been recognised against the carrying value of the Group's UK Television activities and reflects the following:
- A significant slowdown in television advertising growth rates in the short-term;
- Weaker audience share development in an increasingly fragmented UK television market, affecting all established broadcasters.

The "fair value less costs to sell" approach has been retained, by factoring the costs and the benefits of the contemplated restructuring programme and using a discount rate of 9.2 per cent.

Based on the above and on the basis of revised cash flow projections, an impairment loss has been recorded as at 31 December 2008 which has been fully allocated to goodwill (see also note 10.2.).

An impairment has also been made against the Group's wholly owned German radio activities (€26 million). Value in use has been retained for the purpose of the impairment test. This impairment on goodwill reflects the following:
- A weaker German radio advertising market environment;
- Continued structural issues reflecting the lack of a nationwide radio market.

Another impairment on goodwill for an amount of €1 million has been recognised on the cash-generating unit France – Television.

2007

An impairment of goodwill was recorded in the interim financial information as at 30 June 2007 amounting to €123 million. This impairment affected the carrying value of the Group's UK Television activities and reflected the following:

- Stronger competition in the increasingly fragmented UK television market, affecting all established broadcasters;
- Higher content cost growth than previously forecast;
- A cautious outlook concerning call-TV revenue and advertising market growth rates.

As at 31 December 2007, RTL Group management concluded that the future cash inflows were sufficient to support the carrying value of recognised goodwill and other net assets and therefore no additional impairment loss was required.

5. 3. Property, plant and equipment

	Land, buildings and improvements €m	Technical equipment €m	Other €m	Total €m
Cost				
Balance at 1 January 2007	**404**	**307**	**223**	**934**
Effect of movements in foreign exchange	(3)	–	(2)	(5)
Additions	46	21	29	96
Disposals	(42)	(23)	(28)	(93)
Subsidiaries and joint ventures acquired (1)	–	1	–	1
Transfer to assets classified as held for sale	–	–	(1)	(1)
Transfers and other changes	30	11	(42)	(1)
Balance at 31 December 2007	**435**	**317**	**179**	**931**
Effect of movements in foreign exchange	(7)	(2)	(5)	(14)
Additions	6	24	31	61
Disposals	(23)	(38)	(14)	(75)
Subsidiaries and joint ventures acquired (1)	11	7	2	20
Balance at 31 December 2008	**422**	**308**	**193**	**923**
Depreciation and impairment losses				
Balance at 1 January 2007	**(197)**	**(251)**	**(132)**	**(580)**
Effect of movements in foreign exchange	1	–	2	3
Depreciation charge for the year	(21)	(25)	(21)	(67)
Impairment losses reversed for the year	3	–	–	3
Disposals	2	21	27	50
Transfer to assets classified as held for sale	–	–	1	1
Balance at 31 December 2007	**(212)**	**(255)**	**(123)**	**(590)**
Effect of movements in foreign exchange	3	1	4	8
Depreciation charge for the year	(16)	(25)	(19)	(60)
Impairment losses recognised for the year	–	(3)	–	(3)
Disposals	19	37	13	69
Balance at 31 December 2008	**(206)**	**(245)**	**(125)**	**(576)**
Carrying amount:				
At 31 December 2007	**223**	**62**	**56**	**341**
At 31 December 2008	**216**	**63**	**68**	**347**

(1) See note 3.2.

Net tangible assets held under finance leases at 31 December 2008 amount to €14 million (2007: €12 million).

5. 4. Investments in associates

	2008 €m	2007 €m
Balance at 1 January	**466**	573
Effect of movements in foreign exchange	**(6)**	(2)
Share of results of associates	**34**	60
Dividend distribution	**(50)**	(35)
Change in ownership interest (1)	**(1)**	(132)
Change in fair value	**–**	3
Transfers and other changes	**(1)**	(1)
Balance at 31 December	**442**	466

(1) Of which, in 2007, € (176) million related to the disposal of Media Capital Group

Share of results of associates:

	2008 €m	2007 €m
Share of result after tax	**46**	60
Impairment of goodwill of associates (see note 5.4.2.)	**(12)**	–
	34	60

Antena 3 De Television Group, RTL II and RTL Klub, contributed to the "Share of results of associates" respectively for € 19, € 12 and € 10 million in 2008 (2007: respectively € 40, € 3 and € 7 million).

"Investments in associates" at 31 December 2008 include goodwill of € 314 million (2007: € 330 million) (see note 5.4.2).

5. 4. 1. Main changes in ownership interest

2008

Antena 3 De Television Group

RTL Group acquired, during the third quarter 2008, additional shares for an amount of € 12 million. This transaction has contributed to an increase in the Group's interest from 20 per cent to 21 per cent after deduction of the treasury shares. RTL Group recognised an additional goodwill of € 10 million.

AH Antenne

See note 3.2.

2007

Antena 3 De Television Group

The Shareholders' Ordinary General Meeting held on 25 April 2007 decided a distribution of an extraordinary dividend in the form of treasury shares (€ 83 million). RTL Group acquired, during the third quarter 2007, additional shares for an amount of € 23 million. Both transactions have contributed to an increase in the Group's interest from 19 per cent to 20 per cent after deduction of the treasury shares. RTL Group recognised an additional goodwill of € 34 million.

Media Capital Group

Following the approval by the Portuguese market regulators on 22 January 2007, Grupo Prisa launched a voluntary offer for the shares of Media Capital at a price of € 7.40 per share. The offer period ran from 23 January to 5 February 2007 and RTL Group decided on 2 February 2007 to sell its 33 per cent shareholding. The disposal generated a cash inflow of € 209 million and a capital gain of € 33 million was recognised.

Pages Jaunes Petites Annonces

On 17 October 2007, Groupe M6 obtained a significant influence in Pages Jaunes Petites Annonces. The stakeholding of 34 per cent occurred through a capital increase of € 16 million. This resulted in the recognition of a goodwill of € 13 million. The purchase accounting led to no significant additional fair value directly attributable to the assets, liabilities and contingent liabilities acquired.

Sportfive Group

The shareholders of Sportfive launched, in the second half of 2006, a competitive tender process as part of an agreed strategic exit. On 20 November 2006, the Group announced that it had sold its 25 per cent stake, as part of the full acquisition of Sportfive, to Lagardère SCA. Sportfive Group was classified as held for sale at 31 December 2006. The transaction was completed in January 2007 following the approval from the European Commission on 18 January 2007. In 2007, the disposal generated a cash inflow of € 68 million and a capital gain of € 66 million was recognised.

Neue Spreeradio

See note 3.2.

The impacts of acquisitions of associates are as follows:

	2008 €m	2007 €m
Purchase consideration:		
– Cash paid	**15**	40
– Dividends in kind	**–**	13
– Payments on prior year acquisitions	**–**	(1)
Total purchase consideration	**15**	52
Less fair value of net assets acquired	**(3)**	(5)
Goodwill on acquisitions of associates	**12**	47

	2008 €m	2007 €m
Investments in associates	**3**	4
Acquisition of associates achieved in stages	**–**	1
Net assets acquired	**3**	5
Goodwill on acquisitions of associates	**12**	47
Total purchase consideration	**15**	52
Less:		
– Dividends in kind	**–**	(13)
– Payments on prior year acquisitions	**–**	1
Cash outflow in acquiring associates	**15**	40

Details of disposals of associates are as follows:

	2008 €m	2007 €m
Disposal proceeds	**–**	278
Assets disposed of	**–**	(178)
Net profit on disposal of associates (see note 4.3.)	**–**	100

	2008 €m	2007 €m
Investments in associates	**–**	(176)
Assets classified as held for sale	**–**	(2)
Net assets disposed	**–**	(178)
Total disposal proceeds	**–**	278
Cash inflow on disposal of associates	**–**	278

5. 4. 2. Goodwill of associates and impairment test for goodwill of associates

A segment-level summary of goodwill allocation is as follows:

	2008 €m	2007 €m
Germany		
Television	**24**	24
Radio	**24**	45
France		
Television	**11**	15
Other regions		
Television	**255**	246
Total goodwill on associates	**314**	**330**

The approach used by RTL Group management for impairment testing of the goodwill on cash-generating units also applies to goodwill of associates (see note 5.2.). The perpetual growth rates and discount rates, determined associate by associate, are as follows:

	2008		2007	
	Perpetual growth rate % a year	**Discount rate % a year**	Perpetual growth rate % a year	Discount rate % a year
Associates				
Germany				
Television	**2.5**	**8.2**	3.0	8.5
Radio	**2.0**	**8.5**	3.0	9.0
France				
Television	**3.0**	**8.2**	3.0	8.5
Other regions				
Television	**2.5–7.0**	**8.2–17.9**	3.0–3.5	8.5–17.0

An impairment loss of goodwill was recorded at 31 December 2008 on the following associates:
- Pages Jaunes Petites Annonces, included in France – Television, for an amount of €4 million;
- AVE I Vermögensverwaltungsgesellschaft (a) for an amount of €5 million;
- Antenne Mecklenburg-Vorpommern (a) for an amount of €2 million;
- AVE Gesellschaft für Hörfunkbeteiligungen (a) for an amount of €1 million.

(a) Included in Germany – Radio

5. 4. 3. Summarised financial information

The summarised financial information on the main associates of the Group, on a 100 per cent basis, is as follows:

2008	Country of incorporation	Assets €m	Liabilities €m	Equity €m	Revenue €m	Profit for the year €m	Interest held %
Antena 3 De Television Group	Spain	828	578	250	767	91	21.2
M-RTL rt	Hungary	109	55	54	142	20	48.8
Ren TV Group	Russia	147	99	48	132	14	30.0
RTL 2 GmbH & Co. KG	Germany	107	64	43	285	35	35.8

2007	Country of incorporation	Assets €m	Liabilities €m	Equity €m	Revenue €m	Profit for the year €m	Interest held %
Antena 3 De Television Group	Spain	924	598	326	938	200	19.9
M-RTL rt	Hungary	121	71	50	132	15	48.8
Ren TV Group	Russia	130	90	40	117	6	30.0
RTL 2 GmbH & Co. KG	Germany	115	95	20	237	9	35.8

Based on the published share price as at 31 December 2008, the market capitalisation of 100 per cent of Antena 3 De Television Group amounts to €906 million (2007: €2,215 million).

5. 5. Loans and other financial assets

	2008 €m	2007 €m
Loans to associates	–	7
Other loans and financial assets	129	105
Canal Plus France	363	343
Available-for-sale investments	97	87
	589	542

No reversal of impairment losses has been recorded in 2008 and 2007.

In the fourth quarter of 2006, the Group via M6 disposed of its holding of 34 per cent in TPS and recognised as consideration an investment of 5.1 per cent in Canal Plus France plus a put option exercisable in February 2010. The put option grants M6 the ability to dispose all its Canal Plus France shares at the higher value of €384 million (basis: February 2010) or a price determined by external experts. Upon initial recognition, RTL Group had elected to designate the combination of the investment of 5.1 per cent in Canal Plus France and the put option as hybrid financial instrument recorded at fair value through profit or loss. As at 31 December 2007, the fair value of this hybrid instrument had been determined based on the floor price of €384 million discounted at the risk free rate and amounted to €343 million (2006: €324 million).

As at 31 December 2008, the fair value of the hybrid instrument (€363 million) has been consistently determined based on the discounted floor price of €384 million, as there is no indication that a valuation as at 31 December 2008 would significantly differ from the fair value determined on this basis.

The change in fair value of this instrument, only resulting from the discount for the period, is recognised in "Financial results other than interest" for an amount of €20 million for the year ended 31 December 2008 (31 December 2007: €19 million) (see note 4.5.).

The movements in available-for-sale investments are as follows:

	2008 €m	2007 €m
Balance at 1 January	87	58
Net acquisitions and disposals	16	31
Change in fair value, net of tax	(6)	(1)
Impairment losses	–	(1)
Balance at 31 December	97	87

5. 6. Deferred tax assets and liabilities

	2008 €m	2007 €m
Deferred tax assets	503	559
Deferred tax liabilities	(83)	(83)
	420	476

	2008 €m	2007 €m
Balance at 1 January	476	310
Income tax income/(expense)	(37)	97
Income tax credited/(charged) to equity (1)	(16)	9
Change in consolidation scope	(3)	60
Balance at 31 December	420	476

(1) Of which €(4) million (2007: €5 million) related to derivatives on equity instruments (see note 5.15.10.) and €4 million (2007: €1 million) related to share options granted to employees

The Group has deductible temporary differences originated from an intra-group transaction which will reverse during the next 11 years.

Unrecognised deferred tax assets amount to €1,633 million as at 31 December 2008 (2007: €1,619 million).

Deferred tax assets are recognised on tax losses-carry forwards to the extent that realisation of the related tax benefit through the future taxable profits are probable. The Group has unrecognised tax losses of €5,692 million (2007: €5,412 million) to carry forward against future taxable income. The most significant portion of these tax losses is generated in Luxembourg and has no expiry date.

The movement in deferred tax assets and liabilities during the year is as follows:

Deferred tax assets	Balance at 1 January 2008 €m	(Charged)/ credited to income statement €m	(Charged)/ credited to equity €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2008 €m
Intangible assets	296	(16)	–	–	–	280
Programme rights	38	44	–	–	–	82
Property, plant and equipment	2	–	–	–	–	2
Provisions	46	4	–	–	–	50
Tax losses (see note 4.6.)	178	(74)	–	1	–	105
Others	33	7	(15)	–	(5)	20
Set off of tax	(34)	–	–	–	(2)	(36)
	559	**(35)**	**(15)**	**1**	**(7)**	**503**

Deferred tax liabilities	Balance at 1 January 2008 €m	(Charged)/ credited to income statement €m	(Charged)/ credited to equity €m	Change in consolidation scope €m	Transfers and other changes €m	Balance at 31 December 2008 €m
Intangible assets	(82)	2	–	(4)	2	(82)
Property, plant and equipment	(19)	1	–	–	–	(18)
Provisions	(3)	–	(1)	–	–	(4)
Others	(13)	(5)	–	–	3	(15)
Set off of tax	34	–	–	–	2	36
	(83)	**(2)**	**(1)**	**(4)**	**7**	**(83)**

5. 7. Current programme rights

	2008			2007		
	Gross value €m	**Valuation allowance €m**	**Net value €m**	Gross value €m	Valuation allowance €m	Net value €m
(Co-)productions	**369**	**(300)**	**69**	442	(270)	172
TV programmes	**73**	**–**	**73**	59	(9)	50
Other distribution and broadcasting rights	**948**	**(213)**	**735**	1,035	(258)	777
Sub-total programme rights	**1,390**	**(513)**	**877**	1,536	(537)	999
(Co-)productions and programmes in progress	**135**	**(8)**	**127**	126	(2)	124
Advance, payments on (co-) productions, programmes and rights	**133**	**–**	**133**	170	–	170
Sub-total programme rights in progress	**268**	**(8)**	**260**	296	(2)	294
	1,658	**(521)**	**1,137**	1,832	(539)	1,293

Additions and reversals of valuation allowance have been recorded for €(81) million and €39 million respectively in 2008 (2007: €(75) million and €43 million).

5. 8. Accounts receivable

	2008 Under 1 year €m	2008 Over 1 year €m	2008 Total €m	2007 Under 1 year €m	2007 Over 1 year €m	2007 Total €m
Trade accounts receivable	**902**	**5**	**907**	866	4	870
Accounts receivable from associates	**25**	**–**	**25**	28	–	28
Prepaid expenses	**85**	**27**	**112**	76	–	76
Fair value of derivative assets	**104**	**–**	**104**	–	–	–
Current deposit with shareholder (see note 8.1.)	**602**	**–**	**602**	624	–	624
Other financial assets	**47**	**–**	**47**	38	–	38
Account receivable from shareholder in relation with PLP agreement (see note 8.1.)	**237**	**–**	**237**	–	–	–
Other accounts receivable	**118**	**2**	**120**	191	6	197
	2,120	**34**	**2,154**	1,823	10	1,833

Additions and reversals of valuation allowance have been recorded for €(26) million and €18 million respectively in 2008 (2007: €(32) million and €26 million).

5. 9. Cash and cash equivalents

	2008 €m	2007 €m
Cash in hand and at bank	**126**	133
Fixed term deposits (under three months)	**35**	106
Other cash equivalents	**222**	296
	383	535

Other cash equivalents include money market funds for €222 million (2007: €296 million).

The current deposit with shareholder is presented in accounts receivable (see note 5.8.).

5. 10. Assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale

Non-current assets classified as held for sale:

Disposal groups held for sale:	2008 €m	2007 €m
Other inventories	**–**	12
Accounts receivable	**–**	9
Impairment on disposal group	**–**	(10)
	–	11

Non-current assets held for sale:	2008 €m	2007 €m
Property, plant and equipment	**–**	7
Investments in associates	**–**	–
	–	7

Liabilities directly associated with non-current assets classified as held for sale:	2008 €m	2007 €m
Accounts payable	**–**	11
Provisions	**–**	1
	–	12

The carrying amount of the disposal groups is nil at 31 December 2008 (2007: €(1) million).

At 31 December 2007, the non-current assets held for sale consisted of a building located in Paris. The disposal of this building was completed in January 2008.

5. 11. Loans and bank overdrafts

Current liabilities	2008 €m	2007 €m
Bank overdrafts	**6**	6
Bank loans payable	**7**	7
Leasing liabilities	**3**	1
Other current loans payable	**2**	–
	18	14

Non-current liabilities	2008 €m	2007 €m
Bank loans payable	**72**	72
Leasing liabilities	**13**	13
Other non-current loans payable	**8**	6
	93	91

Term and debt repayment schedule

2008	Under 1 year €m	1–5 years €m	Over 5 years €m	Total carrying amount €m
Bank overdraft	6	–	–	**6**
Bank loans payable	7	72	–	**79**
Leasing liabilities	3	13	–	**16**
Other loans payable	2	7	1	**10**
	18	**92**	**1**	**111**

Term and debt repayment schedule

2007	Under 1 year €m	1–5 years €m	Over 5 years €m	Total carrying amount €m
Bank overdraft	6	–	–	**6**
Bank loans payable	7	72	–	**79**
Leasing liabilities	1	13	–	**14**
Other loans payable	–	6	–	**6**
	14	**91**	**–**	**105**

5. 12. Accounts payable

Current accounts payable

	2008 €m	2007 €m
Trade accounts payable	**1,162**	1,085
Amounts due to associates	**13**	13
Employee benefits liability	**95**	147
Deferred income	**96**	87
Social security and other taxes	**70**	63
Fair value of derivative liabilities	**41**	39
Account payable to shareholder in relation with PLP agreement (see note 8.1.)	**298**	–
Other accounts payable	**333**	479
	2,108	1,913

"Fair value of derivative liabilities" represents the fair value of forward foreign exchange contracts for an amount of €41 million (2007: €39 million).

Non-current accounts payable

	2008 1–5 years €m	2008 Over 5 years €m	2008 Total €m	2007 1–5 years €m	2007 Over 5 years €m	2007 Total €m
Other accounts payable	**145**	**149**	**294**	162	144	306

5. 13. Provisions

	Post employment benefits €m	Litigations €m	Restructuring €m	Onerous contracts €m	Other provisions €m	Total €m
Balance at 1 January 2008	**81**	**41**	**16**	**42**	**43**	**223**
Provisions made during the year	18	44	16	39	11	128
Provisions used during the year	(18)	(4)	(6)	(20)	(4)	(52)
Provisions reversed during the year	(1)	(16)	(1)	(6)	(4)	(28)
Actuarial gains recognised in equity	(4)	–	–	–	–	(4)
Change in consolidation scope	3	2	–	–	–	5
Other changes	–	1	(1)	(1)	(15)	(16)
Balance at 31 December 2008	**79**	**68**	**24**	**54**	**31**	**256**

	2008 €m	2007 €m
Non-current	**121**	110
Current	**135**	113
	256	223

The provisions mainly relate to the following:

- "Post-employment benefits" comprise provisions for defined benefit obligations for €78 million (2007: €79 million) (see note 5.14.) and provision for other employee benefits for €1 million (2007: €2 million);
- "Litigations" include provisions made by M6 for €28 million (2007: €29 million), Corporate Centre for €7 million (2007: €4 million), and other risks related to different ongoing disputes;
- "Onerous contracts" provisions include €20 million for Groupe M6 (2007: €19 million), €28 million for RTL Television (2007: €13 million) and €6 million for FremantleMedia Group (2007: €10 million);
- "Other provisions" primarily include provisions made by Groupe M6 for €15 million (2007: €20 million), and FremantleMedia Group for €11 million (2007: €10 million).

The other changes for "Other provisions" are mainly due to the reclassifications under "Accounts payable".

5. 14. Post-employment benefits

RTL Group operates or participates in a number of defined benefit and defined contribution plans throughout Europe. These plans have been set up and are operated in accordance with national laws and regulations. A description of the principal defined benefit plans of the Group is given below:

Belgium

Employees of RTL-TVI participate in a defined benefit plan insured with the insurance company Axa, which provides pension benefits to members and their dependants on retirement and death. The assets of the insurance contract are not segregated but mutualised within the global assets of the Company ("Branche 21"). A guaranteed interest rate is provided by Axa.

France

Groupe M6, Ediradio, ID and IP France operate retirement indemnity plans, which by law, provide lump sums to employees on retirement. The lump sums are based on service and salary at date of termination of employment in accordance with the applicable collective agreement. The Ediradio and ID retirement indemnity plan is partly funded by an insurance contract with Axa. Ediradio also participates in a defined benefit plan which provides pension benefits to members on retirement. This plan is partly funded by an insurance contract with Axa. The assets of the insurance contract are not segregated but mutualised within the global assets of the Company. A guaranteed interest rate is provided by Axa.

Germany

Employees of UFA Berlin Group (including UFA Fernsehproduktion, UFA Entertainment, UFA Film & TV Produktion), Universum Film, UFA Film & Fernsehen and RTL Group Deutschland participate in the multi-employer Bertelsmann plan. The plan is unfunded and defined benefit in nature. Each employer which participates in this plan has separately identifiable liabilities.

RTL Television, AVE Hörfunkbeteiligung and IP Deutschland operate their own retirement arrangements. IP Deutschland sponsors individual plans for five employees and former employees providing defined pension benefits to each employee at retirement.

RTL Television sponsors individual plans for two employees and a former employee providing defined pension benefits to each employee at retirement. In addition, a number of employees participate in a support fund providing pension benefits to members and their dependants on retirement and death.

The plan of RTL Television is partly funded by a life insurance contract with Axa. The assets of the insurance contract are not segregated but mutualised within the global assets of the Company. A guaranteed interest rate is provided by Axa.

Luxembourg
Employees of CLT-UFA, RTL Group and Broadcasting Center Europe participate in a defined benefit plan, which provides pension benefits to members and their dependants on retirement, death and disability. CLT-UFA, RTL Group and Broadcasting Center Europe set up provisions for the unfunded retirement benefit plan. Death and disability are insured with Fortis Luxembourg-Vie.

United Kingdom
FremantleMedia Group Limited is the principal employer of the Fremantle Group Pension Plan ("the Fremantle Plan"), which was established on 29 December 2000 and was, prior to 1 September 2005, known as the RTL Group UK Pension Plan. The Fremantle Plan provides both defined benefit and defined contribution benefits. The plan assets holds assets for both sections of the plan and are mainly composed of equity instruments.

The amounts recognised in the balance sheet are determined as follows:

	2008 €m	2007 €m
Present value of funded obligations	**68**	80
Fair value of plan assets	**(52)**	(63)
Present value of unfunded obligations	**62**	62
Deficit	**78**	79
Net liability	**78**	79
Provisions in the balance sheet (see note 5.13.)	**78**	79

	2008 €m	2007 €m
Experience adjustments on provisions gains	**(4)**	(2)
Experience adjustments on assets losses	**(11)**	–

The movement in the funded/unfunded defined benefit obligation over the year is as follows:

	2008 €m	2007 €m
Beginning of year	**142**	146
Current service cost	**7**	8
Interest cost	**7**	7
Past service losses	**–**	3
Actuarial gains	**(15)**	(9)
Employee contributions	**2**	1
Benefits paid by employer	**(4)**	(4)
Benefits paid out of the plan assets	**(2)**	(2)
Settlements and curtailments	**(1)**	(5)
Foreign exchange differences	**(9)**	(3)
Others	**3**	–
End of year	**130**	142

The movement in the fair value of plan assets over the year is as follows:

	2008 €m	2007 €m
Beginning of year	**63**	58
Expected return on plan assets	**3**	3
Actuarial losses	**(11)**	–
Employer contributions	**5**	5
Employee contributions	**2**	1
Benefits paid out of the plan assets	**(2)**	(2)
Foreign exchange differences	**(8)**	(2)
End of year	**52**	63

Plan assets are comprised as follows:

	2008 €m	2007 €m
Equity instruments	**34**	47
Debt instruments	**13**	12
Property	**2**	2
Other	**3**	2
Fair value of any plan assets	**52**	63

The actual return on plan assets was €(8) million (2007: €4 million).

Expected contributions to post-employment benefit plans for the year ending 31 December 2009 are €6 million.

The amounts recognised in the income statement are as follows:

	2008 €m	2007 €m
Current service cost	**7**	8
Past service cost	**–**	3
Settlements and curtailments	**(1)**	(5)
Total included in employee benefits expense (see note 4.2.1.)	**6**	6

	2008 €m	2007 €m
Interest cost	**7**	7
Expected return on plan assets	**(3)**	(3)
Total included in net interest expense (see note 4.4.)	**4**	4

The cumulated amount recognised in equity as at 31 December is as follows:

	2008 €m	2007 €m
Actuarial losses	**(1)**	(5)
Total included in equity	**(1)**	(5)

The principal actuarial assumptions used were as follows:

	2008 % a year	2007 % a year
Discount rate	**5.70–6.00**	5.30–5.50
Expected return on plan assets	**3.50–6.80**	4.00–6.60
Long term inflation rate	**1.80–2.90**	1.80–2.00
Future salary increases	**2.50–4.50**	1.00–5.25
Future pension increases	**1.90–2.85**	1.90–3.15

5. 15.
Equity

5. 15. 1.
Consolidated statement of changes in equity

	Notes	Share capital €m	Share premium €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Retained earnings €m	Equity attributable to RTL Group share-holders €m	Equity attributable to minority interest €m	**Total equity €m**
Balance at 31 December 2006		**192**	**6,454**	**(44)**	**(117)**	**(22)**	**83**	**(917)**	**5,629**	**522**	**6,151**
Gains and losses:											
Foreign currency translation differences	5. 15. 4.	–	–	–	(5)	–	–	–	(5)	(1)	**(6)**
Change in fair value of cash flow hedges, net of tax	5. 15. 5.	–	–	–	–	(28)	–	–	(28)	(1)	**(29)**
Change in fair value of available-for-sale financial assets, net of tax	5. 15. 6.	–	–	–	–	–	2	–	2	–	**2**
Defined benefit plan actuarial gains, net of tax		–	–	–	–	–	–	5	5	1	**6**
Net profit for the year		–	–	–	–	–	–	563	563	111	**674**
		–	–	–	(5)	(28)	2	568	537	110	**647**
Capital transactions with owners and distribution to owners:											
Dividends	5. 15. 7.	–	–	–	–	–	–	(461)	(461)	(76)	**(537)**
Equity-settled transactions net of tax	5. 15. 8.	–	–	–	–	–	–	6	6	7	**13**
Business combinations and other transactions:											
Transactions on minority interest	5. 15. 9.	–	–	–	–	–	–	161	161	14	**175**
Derivatives on equity instruments	5. 15. 10.	–	–	–	–	–	–	(5)	(5)	(5)	**(10)**
Transactions on treasury shares of associates	5. 4. 1.	–	–	–	–	–	–	9	9	–	**9**
Balance at 31 December 2007*		**192**	**6,454**	**(44)**	**(122)**	**(50)**	**85**	**(639)**	**5,876**	**572**	**6,448**
Gains and losses:											
Foreign currency translation differences	5. 15. 4.	–	–	–	(68)	–	–	–	(68)	1	**(67)**
Change in fair value of cash flow hedges, net of tax	5. 15. 5.	–	–	–	–	61	–	–	61	–	**61**
Change in fair value of available-for-sale financial assets, net of tax	5. 15. 6.	–	–	–	–	–	(6)	–	(6)	–	**(6)**
Defined benefit plan actuarial gains, net of tax		–	–	–	–	–	–	3	3	–	**3**
Net profit for the year		–	–	–	–	–	–	194	194	102	**296**
		–	–	–	(68)	61	(6)	197	184	103	**287**
Capital transactions with owners and distribution to owners:											
Dividends	5. 15. 7.	–	–	–	–	–	–	(767)	(767)	(88)	**(855)**
Equity-settled transactions net of tax	5. 15. 8.	–	–	–	–	–	–	3	3	4	**7**
Business combinations and other transactions:											
Transactions on minority interest	5. 15. 9.	–	–	–	–	–	–	(18)	(18)	(8)	**(26)**
Derivatives on equity instruments	5. 15. 10.	–	–	–	–	–	–	3	3	4	**7**
Transactions on treasury shares of associates	5. 4. 1.	–	–	–	–	–	–	(4)	(4)	–	**(4)**
Balance at 31 December 2008		**192**	**6,454**	**(44)**	**(190)**	**11**	**79**	**(1,225)**	**5,277**	**587**	**5,864**

** Restated (see note 5.1.)*

5. 15. 2.
Share capital
As at 31 December 2008, the subscribed capital amounts to €192 million (2007: €192 million) and is represented by 154,787,554 (2007: 154,787,554) fully paid-up ordinary shares, without nominal value. All shares have the same rights and entitlements.

5. 15. 3.
Treasury shares
The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2008, the Group holds 1,168,701 own shares (2007: 1,168,701) at a cost of €44 million (2007: €44 million).

5. 15. 4.
Currency translation reserve
The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are not integral to the operations of the Company, as well as loans designated to form part of the Group's net investment in specific undertakings as repayment of those loans is not anticipated within the foreseeable future (see note 4.3.).

5. 15. 5.
Hedging reserve
The hedging reserve (equity attributable to minority interest included) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Between 31 December 2007 and 31 December 2008, the hedging reserve increased by €76 million before tax effect. This consists of:
- Increase by €27 million due to foreign exchange contracts which existed at 2007 year end and which are still hedging off-balance sheet commitments as at 31 December 2008;
- Increase by €28 million due to foreign exchange contracts which existed at 2007 year end but which have been released from the hedging reserve to income statement;
- Increase by €21 million due to foreign exchange contracts hedging new off-balance sheet commitments.

Between 31 December 2006 and 31 December 2007, the hedging reserve decreased by €35 million before tax effect. This reflected the following:
- Decrease by €21 million due to foreign exchange contracts which existed at 2006 year end and which were still hedging off-balance sheet commitments as at 31 December 2007;
- Increase by €15 million due to foreign exchange contracts which existed at 2006 year end but which have been released from the hedging reserve to income statement;
- Decrease by €29 million due to foreign exchange contracts hedging new off-balance sheet commitments.

5. 15. 6.
Revaluation reserve
The revaluation reserve includes:
- The cumulative net change in the fair value of available-for-sale investments until the investment is derecognised for €28 million (2007: €34 million);
- The cumulative increase in the fair value of the intangible assets and property, plant and equipment following the gain of control of M6 and the acquisition of associates achieved in stages amounting to €51 million (2007: €51 million).

5. 15. 7.
Dividends
At the Annual General Meeting of RTL Group on 15 April 2009, a dividend in respect of 2008 of €3.5 per share (of which an extraordinary dividend of €2.10 per share) is to be proposed. These financial statements do not reflect the final proposed dividend payable, which will be accounted for as an appropriation of retained earnings in 2009. The dividends in respect of 2007 amounted to €5.0 per share (of which an extraordinary dividend of €3.70 per share) or €774 million.

RTL Group's dividend policy is to distribute an ordinary dividend of between 35 and 50 per cent of the ordinary earnings.

5. 15. 8.
Share options

RTL Group Stock Option Plan
On 25 July 2000, the Group established a share option programme for certain directors and employees.

Eligibility
All participants in the Stock Option Plan ("SOP") must be employed by RTL Group or one of its subsidiaries at the time of granting the options under the SOP.

Grant
The number of options granted to a participant under the SOP is at the discretion of the Compensation Committee, the Board of Directors of the Company or a duly constituted committee thereof, established among other things, for the purpose of operating the SOP. Participants may renounce options granted to them. Participants will not be required to pay any sum in respect of the grant of any options to them under the SOP.

Scheme limits
The number of ordinary shares, which may be placed under option under the SOP in any year, may not be more than a half per cent of the Company's issued ordinary share capital.

Exercise price
The exercise price to be paid by a participant in order to exercise options which are granted under the SOP will be the average closing middle market price of shares in the Company on the Brussels Stock Exchange over 20 dealing days preceding the date of grant or such other, higher or lower, amount as determined by the Compensation Committee.

Exercise
Options will normally be exercisable as to one third on each of the second, third and fourth anniversaries of the date of grant or in accordance with such other vesting schedule as determined by the Compensation Committee. Options must normally be exercised before the expiry of ten years from the date of grant or such shorter period as determined by the Compensation Committee. Options may be exercised earlier in the event of death.

Share options outstanding (in thousands) at the end of the year have the following terms:

Expiry date	Exercise price €	Number of options 2008	Number of options 2007
August 2010	120.00	**6**	6
December 2010	85.24	**123**	132
May 2011	85.24	**1**	1
		130	139

Movements in the number of share options are as follows:

In thousands of options	Average exercise price in € per share	2008	Average exercise price in € per share	2007
Options outstanding at the beginning of the year	87	**139**	87	148
Options expired/cancelled during the year	85	**(9)**	85	(9)
Options outstanding at the end of the year	87	**130**	87	139

The market price of RTL Group shares on the Brussels Stock Exchange was €42.5 as at 31 December 2008 (€80.8 as at 31 December 2007).

M6 Share Option Plan
M6 has established employee share option plans open to directors and certain employees within the Group. The number of options granted to participants is determined by the Board of Directors of Métropole Télévision in accordance with the authorisation given by the General Meeting of Shareholders.

The terms and conditions of the grants are as follows, whereby all options are settled by physical delivery of shares:

	Grant date	Number of options initially granted (in thousands)	Remaining options (in thousands)	Vesting conditions	Contractual life of options (1)
Stock options plans					
	06–2001	551.80	–	4 years of service	7 years
	06–2002	710.50	392.50	4 years of service	7 years
	07–2003	713.50	457.00	4 years of service	7 years
	11–2003	20.00	20.00	4 years of service	7 years
	04–2004	861.50	567.50	4 years of service	7 years
	06–2005	635.50	459.25	4 years of service	7 years
	06–2006	736.75	584.25	4 years of service	7 years
	05–2007	827.50	731.75	4 years of service	7 years
	05–2008	883.83	870.73	4 years of service	7 years
Free shares plans					
	06–2006	480.47	–	2 years of service + performance conditions	
	05–2007*	188.30	171.21	2 years of service + performance conditions	
	05–2008*	280.72	277.32	2 years of service + performance conditions	
Total		**6,890.37**	**4,531.51**		

(1) Contractual life of options corresponds to the vesting period (i.e. four years) plus three years (which represents the time frame during which the options can be exercised)

** The maximum number of free shares granted if the performance conditions are significantly exceeded would amount to 410,184. Such number could be reduced to nil if objectives are not met*

The price to be paid to exercise each of the remaining options is the average value of shares in Métropole Télévision on the Paris Stock Exchange over the 20 trading days preceding the date of grant with the exception of the management free share allocation plan.

Movements in the number of share options are as follows:

In thousands of options	Average exercise price in € per share	2008	Average exercise price in € per share	2007
Options outstanding at the beginning of the year	25	**3,791**	26	3,715
Options issued during the year	25	**884**	28	827
Options exercised during the year	–	**–**	22	(6)
Options expired during the year	28	**(592)**	34	(745)
Options outstanding at the end of the year	23	**4,083**	25	3,791

Approximately 449,000 free shares are still exercisable at the end of the year against 614,000 at the beginning of the year. 281,000 free shares were granted during the year with 433,000 being exercised and 14,000 being forfeited.

Share options outstanding (in thousands) at the end of the year have the following terms:

	Expiry date	Exercise price in €	Number of options 2008	Number of options 2007
Stock options plans				
	2008	30.80	–	293
	2009	28.06	393	440
	2010	22.53	477	517
	2011	24.97	567	623
	2012	19.94	459	508
	2013	24.60	584	631
	2014	27.52	732	779
	2015	14.73	871	–
			4,083	**3,791**
Free shares plans				
	2008		–	437
	2009		171	177
	2010		277	–
			448	614
Total			**4,531**	**4,405**
Out of which exercisable			1,401	1,834

The market price of M6 on the Paris Stock Exchange was €13.85 as at 31 December 2008 (€18.00 as at 31 December 2007).

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of fair value of the services received is measured based on a binomial model. Free shares are valued at the share price at the date they are granted less the discounted dividends that employees cannot receive during the vesting period.

Grant date	Share price in €	Strike price in €	Volatility %	Risk-free interest rate % a year	Expected return % a year	Liquidity discount % a year	Option life	Employee expense 2008 €m	Employee expense 2007 €m
Stock options plans									
25/7/2003	23.66	22.48	52.3	3.05	4.58	15	6 years	**–**	1.0
14/11/2003	25.07	23.82	52.3	3.54	4.32	15	6 years	**–**	0.1
28/4/2004	24.97	24.97	52.3	3.32	4.34	15	6 years	**(0.8)**	1.9
2/6/2005	20.17	19.94	41.8	3.24	5.24	15	6 years	**0.4**	0.9
6/6/2006	24.63	24.60	43.1	4.02	3.81	15	6 years	**1.1**	1.3
2/5/2007	26.55	27.52	37.8	4.40	3.99	15	6 years	**1.3**	0.9
6/5/2008	15.22	14.73	40.0	4.39	6.30	15	6 years	**0.4**	–
								2.4	6.1
Free shares plans									
2/6/2005	20.17	n.a.	n.a.	3.24	5.24	0	2 years	**–**	0.4
6/6/2006	24.63	n.a.	n.a.	4.02	3.81	0	2 years	**1.7**	5.2
2/5/2007	26.55	n.a.	n.a.	4.40	3.99	15	2 years	**1.7**	1.6
6/5/2008	15.22	n.a.	n.a.	4.39	6.30	15	2 years	**1.1**	–
								4.5	7.2
Total								**6.9**	13.3

5. 15. 9.
Transactions on minority interest

These transactions mainly relate to:

2008

- RTL Group granted in 2008 put options to the management of a new business. As the put option mechanism is based on a variable component, the put option has been recognised as a liability with a corresponding entry through equity attributable to RTL Group shareholders. The derecognition of minority interest was treated as equity transaction (see note 1.3.1.);
- Groupe M6 continued in 2008 to buy back shares in accordance with the share buyback programme decided in 2007. Groupe M6 also acquired in 2008 own shares for its free share allocation plan. For the period ended 31 December 2008, 0.98 million shares were acquired by Groupe M6 of which 0.48 million were acquired from Bayard d'Antin SA. The related outflows amount to €18 million.

2007

- The sale of 26 per cent interest in RTL Nederland and the acquisition of the remaining 49 per cent in SEDI TV (see note 3.2.);
- Groupe M6 entered in 2007 into a share buyback programme. Approval was given to the company to buy back shares on the open market over a three-year period up to a maximum of 10 per cent of the subscribed capital. For the period ended 31 December 2007, 1.96 million shares of which 0.96 from Bayard d'Antin SA have been acquired. The related outflows amount to €24 million.

5. 15. 10.
Derivatives on equity instruments

Derivative instruments relate to forward transactions by Groupe M6 on M6 shares.

6. FINANCIAL RISK MANAGEMENT

Group Treasury carries out risk management activities in accordance with Treasury policies issued and approved by the Board of Directors. The Board has issued written principles for overall risk management as well as written policies covering specific areas, such as credit risk, liquidity risk and market risk.

The Group is exposed in particular to risks from movements in exchange rates as it engages in long term purchase contracts for film rights (output deals) denominated in foreign currency. The Group seeks to minimise the potential adverse effects of changing financial markets on its performance through the use of derivative financial instruments such as foreign exchange forward contracts. Derivatives are not used for speculative purposes.

Risks are hedged to the extent that they influence the Group's cash flows (i.e. translational risk is not hedged). The Group resorts on an ongoing basis to cash flow hedges that qualify as hedging instruments.

Market risk

Foreign exchange risk

Foreign exchange exposure

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

For the Group as a whole, cash flow, net income and net worth are optimised by reference to Euro. However, foreign exchange risks faced by individual Group companies are managed or hedged against the functional currency of the relevant entity (as these entities generally generate their revenue in local currencies). Hence, the Group manages a variety of currencies due to the numerous functional currencies of the companies constituting the Group.

In addition to this geographic reason generating foreign exchange risk, market practices in the television business imply a significant forward exposure to USD (as film rights are usually denominated in USD and not paid upfront). This explains why the main off-balance sheet exposure of the Group is towards the USD in respect of future purchases and sales of programme rights, output deals (commitments for future cash flows) and highly probable forecast transactions.

Management of the foreign exchange exposure

The management of RTL Group's foreign exchange exposure is carried out centrally by the Group Treasury Department, which hedges on the one hand the balance sheet exposure (for which the Group does not elect to use hedge accounting) and on the other hand the forecast transactions arising from the operations (off-balance sheet commitments for which hedge accounting is used). In order to manage the latter, the Group Treasury Department collects from its affiliates their forecasts of foreign currency exposures arising from signed and forecast output deals and programme rights on an ongoing basis in order to monitor and hedge the Group's overall foreign currency exposure. All foreign exchange deals are centralised in a global internet-based database. The Group Treasury Department is then responsible for hedging on a one-to-one basis the exposure against the functional currency of such entity above the materiality level of € 100,000 in each currency by using external foreign currency derivative contracts. Below this threshold, hedging is done on a bulk basis.

Entities exposed to foreign currency risk are responsible for hedging their exposures in accordance with the Group Treasury policies. The foreign currency management policy of the Group is to hedge 100 per cent of the recognised monetary foreign currency exposures arising from cash, receivables, payables, loans and borrowings denominated in currencies other than the functional currency. Group companies hedge more than 70 per cent of known cash flows which constitute firm commitments or highly probable forecast transactions in the short term, and between 20 per cent and 85 per cent of longer term (between two and five years) forecast cash flows according to the Group's foreign exchange policy.

In order to monitor the compliance of the management of the foreign exchange exposure with the Group's policy, a monthly report is produced. This report shows each subsidiary their exposure to currencies other than their functional currency, detailing the nature (e.g. trade accounts, royalties, intercompany accounts) of on balance sheet items, and the underlying deals and maturities of off-balance sheet items, as well as the corresponding hedging ratios. A specific report showing the global USD exposure (representing the main exposure) is provided to RTL Group management on a monthly basis.

Accounting

The Group's policy is not to apply a foreign currency hedge accounting model defined under IAS 39 for economic hedges or exposures arising from recognised foreign currency monetary assets and liabilities. This is because there is a natural offset of gains and losses in the income statement between the revaluation of the hedging derivative and the hedged exposure.

The foreign currency cash flow hedge accounting model defined under IAS 39 is applied by those companies which account for the majority of the Group's foreign currency exposure, when:

- Hedged foreign currency exposures relate to programme right transactions which have not yet been recognised on balance sheet (such as forecast or firm purchases of programme rights for which the licence period has not yet begun); and
- Amounts are sufficiently material to justify the need for hedge accounting.

Changes in the fair value of the hedging instruments are recognised net of deferred tax in the hedging reserve in equity (see note 5.15.5). They are released to the carrying value of the hedged item when such an item is recognised in the balance sheet. The ineffective portion of the change in fair value of the hedging instrument (swap points) is recognised directly in the income statement. For the year ended 31 December 2008, the amount of ineffectiveness (see note 4.5) that has been posted to the income statement during the period (e.g. the forward points that have not been booked in equity during the period) is €(9) million (€11 million in 2007).

Hedges

The number of foreign currency cash flow hedge relationships amounts to 359 at year-end 2008 (303 at year-end 2007).

The impact of forward foreign exchange contracts is detailed as follows:

	2008 €m	2007 €m
Net fair value of derivative (assets)/liabilities (see notes 5.8. and 5.12.)	**(63)**	39
Operating foreign exchange gains	**19**	16
Ineffectiveness (losses)/gains (see note 4.5.)	**(9)**	11

	2008 €m	2007 €m
Less than three months	**(31)**	2
Less than one year	**(4)**	13
Less than five years	**(28)**	24
Net fair value of derivative (assets)/liabilities (see notes 5.8. and 5.12.)	**(63)**	39

The split by maturities of notional amounts of forward exchange contracts as at 31 December 2008 is as follows:

	2009 £m	2010 £m	2011 £m	2012 £m	>2012 £m	**Total £m**
Buy	100	4	–	–	–	104
Sell	(372)	(54)	(31)	(20)	–	(477)
Total	**(272)**	**(50)**	**(31)**	**(20)**	**–**	**(373)**

	2009 $m	2010 $m	2011 $m	2012 $m	>2012 $m	**Total $m**
Buy	630	281	197	114	148	1,370
Sell	(155)	(9)	(1)	–	–	(165)
Total	**475**	**272**	**196**	**114**	**148**	**1,205**

The split by maturities of notional amounts of forward exchange contracts as at 31 December 2007 is as follows:

	2008 £m	2009 £m	2010 £m	2011 £m	>2011 £m	**Total £m**
Buy	121	–	–	–	–	121
Sell	(488)	(15)	–	–	–	(503)
Total	**(367)**	**(15)**	**–**	**–**	**–**	**(382)**

	2008 $m	2009 $m	2010 $m	2011 $m	>2011 $m	**Total $m**
Buy	706	311	197	144	56	1,414
Sell	(277)	(17)	(5)	–	–	(299)
Total	**429**	**294**	**192**	**144**	**56**	**1,115**

Sensitivity analysis to foreign exchange rates

The Group estimates that:

- If the USD had been 10 per cent stronger compared to the Euro (respectively weaker), with all other variables held constant, this would have resulted in a pre-tax €4 million loss (respectively gain) for the Group, and in an additional pre-tax €71 million income (respectively expense) recognised in equity;
- If the GBP had been 10 per cent stronger compared to the Euro (respectively weaker), with all other variables held constant, this would have resulted in a pre-tax €1 million gain (respectively loss) for the Group, and an additional pre-tax €2 million expense (respectively income) recognised in equity;
- If other currencies had been 10 per cent stronger compared to the Euro (respectively weaker), with all other variables held constant, this would have had no material impact on equity.

This sensitivity analysis does not include the impact of translation of foreign operations.

Interest rate risk

The management of interest rate risk is centralised at the level of the Group Treasury Department. The objective of the interest rate risk management policy is to minimise the interest rate funding cost over the long term and to maximize the excess cash return.

In order to achieve this objective a cross border Euro cash pooling has been set up. The Group also believes that using floating rate rather than fixed rate debt in a positive yield curve environment supports that goal. This policy will be maintained as long as the Risk Management Committee judges the level of the mix between fixed and floating rates is appropriate. As at 31 December 2008, the fixed/floating mix was: 11 per cent/89 per cent (12 per cent/88 per cent in 2007). Frequent benchmarks about interest rates are carried out in order to have this mix evolving along with market conditions.

The Group Treasury and Corporate Finance Department uses various indicators to monitor interest rate risk such as a targeted net fixed/floating rate debt ratio, duration, basis point value (increase in interest rate costs resulting from a basis point increase in interest rate) and interest cover ratio (i.e. adjusted EBITA over net interest expense as defined by rating agencies).

Assuming the actual amount of floating net cash available remains constant, it has been calculated that if the interest rates achieved would drop (respectively increase) by 100 basis points, at 31 December 2008, the interest income would subsequently drop (respectively increase) by €9 million (€11 million in 2007).

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at balance sheet date and the periods in which they reprice:

Other loans – fixed rate
Other loans – floating rate
Current deposit – floating rate
Cash and cash equivalents (not earning assets)
Cash and cash equivalents (earning assets)
Bank loans – floating rate
Bank overdrafts
Leasing liabilities – floating rate
Leasing liabilities – fixed rate
Loans payable – floating rate
At 31 December 2008

Loans to associates – floating rate
Loans to associates – fixed rate
Other loans – fixed rate
Other loans – floating rate
Current deposit – floating rate
Cash and cash equivalents (not earning assets)
Cash and cash equivalents (earning assets)
Bank loans – floating rate
Bank overdrafts
Leasing liabilities – floating rate
Leasing liabilities – fixed rate
Loans payable – floating rate
At 31 December 2007

(1) Excluding accrued interests

Notes	Effective interest rate %	Total amount (1) €m	6 months or less €m	6–12 months €m	1–2 years €m	2–5 years €m	Over 5 years €m
5. 5.	5.3	64	–	–	–	64	–
5. 5.	3.4	5	1	4	–	–	–
5. 8.	2.4	599	599	–	–	–	–
5. 9.	–	63	63	–	–	–	–
5. 9.	3.6	320	320	–	–	–	–
5. 11.	4.7	(79)	(16)	(63)	–	–	–
5. 11.	2.5	(6)	(6)	–	–	–	–
5. 11.	7.0	(3)	(3)	–	–	–	–
5. 11.	6.3	(13)	(1)	(1)	(11)	–	–
5. 11.	6.0	(9)	(1)	(8)	–	–	–
		941	**956**	**(68)**	**(11)**	**64**	**–**

Notes	Effective interest rate %	Total amount (1) €m	6 months or less €m	6–12 months €m	1–2 years €m	2–5 years €m	Over 5 years €m
5. 5.	8.2	1	–	1	–	–	–
5. 5.	4.3	6	1	–	–	1	4
5. 5.	5.3	60	–	–	–	60	–
5. 5.	3.4	9	2	7	–	–	–
5. 8.	4.9	620	620	–	–	–	–
5. 9.	–	9	9	–	–	–	–
5. 9.	4.2	526	526	–	–	–	–
5. 11.	5.8	(79)	(16)	(63)	–	–	–
5. 11.	2.3	(6)	(6)	–	–	–	–
5. 11.	3.9	(1)	(1)	–	–	–	–
5. 11.	6.3	(13)	(1)	(1)	(3)	(4)	(4)
5. 11.	3.6	(6)	(6)	–	–	–	–
		1,126	**1,128**	**(56)**	**(3)**	**57**	**–**

Credit risk

RTL Group's exposure to credit risk arises primarily through sales made to customers. Hence this risk primarily relates to trade receivables.

The Group's television and radio activities incur exposure to credit risk when making transactions with advertising agencies or direct customers. In 2008, the combined television and radio advertising revenue contributed 63 per cent of the Group's turnover. Due to its business model, RTL Group's exposure to financial risk is directly linked to the final client, however the risks are considered as weak due to the size of the individual companies or agency groups.

RTL Group produces programmes which are sold or licensed to state owned and commercial television channels. In 2008, these activities contributed 23 per cent of the Group's turnover. Given the limited number of television broadcasters in different countries, there is a high degree of concentration of credit risk. However, given the long standing relationships between content provider and broadcaster and the fact that the customers are large businesses with stable financials, the level of credit risk is significantly mitigated.

RTL Group also has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The carrying amount of financial assets represents their maximum credit exposure.

Aging of financial assets (excluding the available-for-sale investments for an amount of €97 million) as at 31 December 2008:

	Gross carrying amount (1) €m	Neither impaired nor past due on the reporting date €m	Not impaired as of the reporting date and past due by <= 1 month €m	2–3 months €m	3–6 months €m	6–12 months €m	Over 1 year €m	Gross amount impaired €m
Loans and Canal Plus France	497	492	–	–	–	–	–	5
Trade accounts receivable	972	697	92	51	20	16	18	78
Accounts receivable from associates	25	25	–	–	–	–	–	–
Current deposit with shareholder	602	602	–	–	–	–	–	–
Other accounts receivable	628	614	3	1	–	–	–	10
Cash and cash equivalent	383	383	–	–	–	–	–	–
At 31 December 2008	**3,107**	**2,813**	**95**	**52**	**20**	**16**	**18**	**93**

(1) As at 31 December 2008, the valuation allowance is €78 million

Aging of financial assets (excluding the available-for-sale investments for an amount of €87 million) as at 31 December 2007:

	Gross carrying amount (1) €m	Neither impaired nor past due on the reporting date €m	Not impaired as of the reporting date and past due by <= 1 month €m	2–3 months €m	3–6 months €m	6–12 months €m	Over 1 year €m	Gross amount impaired €m
Loans and Canal Plus France	462	454	–	–	–	–	–	8
Trade accounts receivable	920	681	84	47	14	12	14	68
Accounts receivable from associates	28	28	–	–	–	–	–	–
Current deposit with shareholder	624	624	–	–	–	–	–	–
Other accounts receivable	315	297	6	4	1	–	–	7
Cash and cash equivalent	535	535	–	–	–	–	–	–
At 31 December 2007	**2,884**	**2,619**	**90**	**51**	**15**	**12**	**14**	**83**

(1) As at 31 December 2007, the valuation allowance is €61 million

The top ten trade accounts receivable represent €101 million (2007: €110 million) while the top 50 trade accounts receivable represent €266 million (2007: €265 million).

The Group has a significant concentration of credit risk due to its relationship with Bertelsmann AG. Nevertheless, credit risk arising from transactions with shareholders is carefully mitigated (see note 8.1.).

According to the bank policy of the Group, derivative instruments and cash transactions (including bank deposits and investment in money market funds) are operated only with high credit quality financial institutions so as to mitigate counterparty risk. The Group's bank relationship policy sets forth stringent criteria for the selection of banking partners and money market funds (such as maximum volatility, track record, rating, cash and cash equivalent status under IAS 7). In order to mitigate settlement risk, the Group has policies that limit the amount of credit exposure to any one financial institution on any single day. Statistics (such as the percentage of the business allocated to each bank over the year compared to a target defined by management, or such as the summary of the highest intraday exposures by bank and by maturity date) are computed and used on a daily basis so as to ensure credit risk is mitigated in practice at any time.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available. Group Treasury monitors on a monthly basis the level of the "Liquidity Head Room" (total committed facilities minus current utilisation). The "Liquidity Head Room" amounts to €123 million at year-end.

	2008 €m	Under 1 year €m	1–5 years €m	Over 5 years €m
Credit facilities – banks				
Committed facilities	**321**	321	–	–
Headroom	**123**	123	–	–

	2007 €m	Under 1 year €m	1–5 years €m	Over 5 years €m
Credit facilities – banks				
Committed facilities	**273**	273	–	–
Headroom	**103**	103	–	–

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Under 1 year €m	1–5 years €m	Over 5 years €m	**Total €m**
Liabilities as per balance sheet				
Loans and bank overdrafts	23	105	1	**129**
Accounts payable (deferred income excluded)	2,021	162	153	**2,336**
At 31 December 2008	**2,044**	**267**	**154**	**2,465**

	Under 1 year €m	1–5 years €m	Over 5 years €m	**Total €m**
Liabilities as per balance sheet				
Loans and bank overdrafts	19	109	–	**128**
Accounts payable (deferred income excluded)	1,838	186	150	**2,174**
At 31 December 2007	**1,857**	**295**	**150**	**2,302**

Financial instruments by category

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

	Notes	Assets at fair value through profit or loss (1) €m	Loans and accounts receivable €m	Available-for-sale €m	**Total €m**
Assets as per balance sheet					
Loans and other financial assets	5. 5.	423	69	97	**589**
Accounts receivable (prepaid expenses excluded) (2)	5. 8.	151	1,891	–	**2,042**
Cash and cash equivalents	5. 9.	–	383	–	**383**
At 31 December 2008		**574**	**2,343**	**97**	**3,014**

(1) Include Canal Plus France instrument designated at fair value through profit or loss (see note 5.5.)
(2) Include the fair value of derivative assets (€ 104 million)

	Notes	Liabilities at fair value through profit or loss €m	Other financial liabilities (1) €m	**Total €m**
Liabilities as per balance sheet				
Loans and bank overdrafts	5. 11.	–	111	**111**
Accounts payable (deferred income excluded) (2)	5. 12.	41	2,265	**2,306**
At 31 December 2008		**41**	**2,376**	**2,417**

(1) At amortised cost
(2) Include the fair value of derivative liabilities (€ 41 million)

	Notes	Assets at fair value through profit or loss (1) €m	Loans and accounts receivable €m	Available-for-sale €m	**Total €m**
Assets as per balance sheet					
Loans and other financial assets	5. 5.	378	77	87	**542**
Accounts receivable (prepaid expenses excluded)	5. 8.	38	1,719	–	**1,757**
Cash and cash equivalents	5. 9.	–	535	–	**535**
At 31 December 2007		**416**	**2,331**	**87**	**2,834**

(1) Include Canal Plus France instrument designated at fair value through profit or loss (see note 5.5.)

	Notes	Liabilities at fair value through profit or loss €m	Other financial liabilities (1) €m	**Total €m**
Liabilities as per balance sheet				
Loans and bank overdrafts	5. 11.	–	105	**105**
Accounts payable (deferred income excluded) (2)	5. 12.	39	2,093	**2,132**
At 31 December 2007		**39**	**2,198**	**2,237**

(1) At amortised cost
(2) Include the fair value of derivative liabilities (€ 39 million)

7. COMMITMENTS AND CONTINGENCIES

	2008 €m	2007 €m
Guarantees and endorsements given	**40**	102
Contracts for purchasing rights, (co-)productions and programmes	**2,186**	2,195
Operating leases	**559**	528
Transmission and distribution	**270**	369
Other long-term contracts and commitments	**276**	349

7. 1.
Guarantees and endorsements given

The guarantees corresponding to contingent obligations granted by the Group acting as executive producer to third parties paying cash advances are presented independently from the entire or partial recognition in the balance sheet of the related underlying assets and liabilities. These obligations would have the effect to increase the level of loss to be supported by the Group in the case that the productions would not be delivered.

In 2007, guarantees and endorsements given included a rent guarantee for €56 million for which the Group benefits from rights pursuant to an indemnification agreement concluded in January 2007 with a third party. This guarantee expired in 2008.

7. 2.
Contracts for purchasing rights, co-productions and programmes

The Group has signed commitments to purchase audiovisual rights and programmes and to conclude agreements for (co-)production rights amounting to €2,186 million (2007: €2,195 million).

7. 4.
Purchase obligations in respect of transmission and distribution

These obligations result from agreements with providers of services related to the terrestrial and cable transmission and distribution of the analogical and digital signals of the RTL Group TV channels and radio stations.

7. 5.
Other long-term contracts and commitments

The Group has "Other long-term contracts and commitments" amounting to €276 million as at 31 December 2008 (2007: €349 million). These relate to a number of items including broadcasting licences, production services sale and lease back transactions in respect of FremantleMedia and commitments to purchase assets other than programmes and rights.

FremantleMedia has arrangements for a remaining period of nine years in relation to sale and lease back transactions for an amount of €78 million (2007: €106 million). Under these arrangements, FremantleMedia has sold programme rights to a special purpose vehicle and simultaneously leased back the assets under a finance lease arrangement. The cash received is placed in a "restricted bank account" at an A-rated bank in order to satisfy the lease payments and is not considered as an asset in accordance with SIC 27. Income received by FremantleMedia was recognised in the income statement when entering into these arrangements.

In the context of the Radio 538 and RTL Nederland deal, RTL Group and Talpa Media Holding agreed to an earnout mechanism (see note 3.2.).

7. 3.
Operating leases

Non-cancellable operating lease rentals are as follows:

	2008				2007			
Lease Payments	**Under 1 year €m**	**1–5 years €m**	**Over 5 years €m**	**Total €m**	Under 1 year €m	1–5 years €m	Over 5 years €m	Total €m
Leasing of satellite transponders	**16**	**50**	**12**	**78**	39	48	18	105
Other operating leases	**77**	**193**	**211**	**481**	68	182	173	423
	93	**243**	**223**	**559**	107	230	191	528

"Other operating leases" mainly relate to the rental of offices, buildings and equipment in Germany, France and the United Kingdom.

One of the leased properties has been sublet by the Group. The head lease and sublease expire in September 2011. Sublease payments of €3 million are expected to be received during the following financial year.

7. 6.
Licence agreement

In the course of their activities, several Group companies benefit from licence frequency agreements which commit the Group in various ways depending upon the legal regulation in force in the countries concerned.

8. RELATED PARTIES

Identity of related parties
As at 31 December 2008, the principal shareholder of the Group is Bertelsmann Capital Holding GmbH ("BCH") (90 per cent). The remainder of the Group's shares are publicly listed on the Brussels and Luxembourg Stock Exchanges. The Group also has a related party relationship with its associates, joint ventures and with its directors and executive officers.

8. 1. Transactions with shareholders

Sales and purchase of goods and services
During the year the Group made sales of goods and services, purchases of goods and services to Bertelsmann Group amounting to €21 million (2007: €28 million) and €51 million (2007: €51 million) respectively. At the year-end, the Group had trade accounts receivable and payable due from/to Bertelsmann Group amounting to €4 million (2007: €17 million) and €4 million (2007: €5 million) respectively.

Deposits
With the view to invest its cash surplus, RTL Group SA entered in 2006 with Bertelsmann AG into a Deposit Agreement, the main terms of which are:

- interest rates are based on an overnight basis on EONIA plus 10 basis points; or on a 1 to 3 month basis, EURIBOR plus 10 basis points;
- Bertelsmann AG grants to RTL Group as security for all payments due by Bertelsmann AG a pledge on:
  - All shares of its wholly owned French subsidiary Média Communication SAS;
  - Since July 2007, all shares of its wholly owned Spanish subsidiary Media Finance Holding SL;
  - Since October 2008, all its interests in the German limited liability partnership Gruner + Jahr AG & Co. KG (73.4 per cent stake);
  - Since November 2008, all shares of its wholly owned English subsidiary Bertelsmann UK Ltd

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

The total amount of the deposit and the accounts receivable referred to above does not exceed 60 per cent of the fair value of the assets pledged, which is revalued on a regular basis.

As at 31 December 2008, the amount deposited amounts to €24 million (2007: €20 million) on an overnight basis, €nil million (2007: €220 million) on a one-month basis and €575 million (2007: €380 million) on a three-month basis. The interest income for the year amounts to €23 million (2007: €24 million).

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

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

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

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

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

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

For the period ended 31 December 2008, the German income tax in relation to the tax pooling with Bertelsmann AG amounts to €126 million. The Commission amounts to €61 million.

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

8. 2. Transactions with associates and joint ventures

The following transactions were carried out with associates and joint ventures:

	2008 €m	2007 €m
Sales of goods and services to:		
Associates	**65**	71
Joint ventures	**21**	20
	86	91

	2008 €m	2007 €m
Purchase of goods and services from:		
Associates	**8**	9
Joint ventures	**11**	10
	19	19

Sales and purchases to and from associates and joint ventures were carried out on commercial terms and conditions and at market prices.

Year-end balances arising from sales and purchases of goods and services are as follows:

	2008 €m	2007 €m
Accounts receivable from:		
Associates	**19**	19
Joint ventures	**4**	4
	23	23

	2008 €m	2007 €m
Accounts payable to:		
Associates	**2**	2
Joint ventures	**1**	3
	3	5

8. 3. Transactions with key management personnel

In addition to their salaries, the Group also provides non-cash benefits to its key management personnel, and contributes to a post-employment defined benefit plan on its behalf.

The key management personnel compensation is as follows:

	2008 €m	2007 €m
Short-term benefits and termination benefits	**4.4**	4.4
Other long-term benefits	**–**	1.8
	4.4	6.2

The aggregate number of share options granted to key management personnel of the Company during 2008 and 2007 was €nil. The outstanding number of share options granted to directors and executive officers of the Company at the end of the year was 11,500 (2007: 11,500).

8. 4. Directors' fees

In 2008, a total of €0.5 million (2007: €0.6 million) was allocated in the form of attendance fees to the non-executive members of the Board of Directors of RTL Group SA and the committees which emanate from it with respect to their functions within RTL Group SA as well as other Group companies.

9. INTERESTS IN JOINT VENTURES

The main joint ventures are as follows:

	Country of incorporation	Consolidation rate in % 2008	2007
RTL Disney Fernsehen GmbH & Co. KG	Germany	50.00	50.00
TCM Droits Audiovisuels SNC	France	50.00	50.00

Included in the consolidated financial statements are the following items that represent the Group's interests in the assets and liabilities, income and expenses of the joint ventures:

	2008 €m	2007 €m
Non-current assets	**11**	17
Current assets	**50**	43
Non-current liabilities	**(5)**	(12)
Current liabilities	**(31)**	(36)
Net assets	**25**	12

	2008 €m	2007 €m
Income	**95**	95
Expenses	**(72)**	(74)

Included in the consolidated financial statements are the following items that represent the Group's interests in the commitments of the joint ventures:

	2008 €m	2007 €m
Contracts for purchasing rights, (co-)productions and programmes	**5**	4
Operating leases	**3**	6
Other long term contracts and commitments	**7**	9

10. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

10. 1.
Programme rights

The Group's accounting for non-current programme rights requires management judgements as it relates to estimates made of total net revenue used in the determination of the amortisation charge and impairment loss for the year.

In addition, management judgement is required to assess, taking into account factors such as the future programme grid, the realised/expected audience of the programme, the current programme rights that are not likely to be broadcast and the related valuation allowance.

10. 2.
Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.7.2.

The Group has used a combination of long term trends, industry forecasts and in-house knowledge, with greater emphasis on recent experience, in forming the assumptions about the development of the various advertising markets in which the Group operates. This is an area highly exposed to the general downturn in the economy.

The state of the advertising market is just one of the key operational drivers which the Group uses when assessing individual business models. Other key drivers include audience shares, advertising market shares, the EBITA margin and cash conversion rates.

All of these different elements are variable, interrelated and difficult to isolate as the main driver of the various business models and respective valuations.

Following the impairments recorded in the accounts to 31 December 2008, the recoverable amounts of those CGUs where the Group has recorded an impairment loss are equivalent to their respective carrying amounts (see notes 5.2. and 5.4.2.).

In the particular case of the Five (UK – Television) CGU, the main assumptions on which the forecast cash flows are based include the share of the net television advertising market, share of viewing and programme costs. The costs and savings expected to arise from the restructuring programme have also been included in the forecast. It has also been assumed that Five elects to renew its broadcasting licence in 2014 and continues to sub-lease its additional DTT capacity.

If the discount rate for 2009 used in the fair value less costs to sell discounted cash flows calculation for the Five CGU had been 1 per cent higher than the estimate used at 31 December 2008, the Group would have recognised a further impairment against goodwill of £50 million (€56 million).

10. 3.
Fair value of available-for-sale investments and financial assets at fair value through profit or loss

The Group has used discounted cash flow analysis for various available-for-sale investments and financial assets at fair value through profit or loss that were not traded in active markets.

The carrying amount of available-for-sale investments would be an estimated €5 million lower or higher were the discount rate used in the discounted cash flow analysis to differ by 10 per cent from management's estimates.

10. 4.
Income and deferred taxes

The Group is subject to income taxes in numerous jurisdictions. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences and losses carried forward can be utilised. Management judgement is required to assess probable future taxable profits. In 2008, deferred tax assets on losses carry-forwards (mainly in Luxembourg and Germany, respectively €40 and €62 million) and on temporary differences (mainly in Germany, €289 million) have been reassessed on the basis of currently implemented tax strategies.

10. 5.

Post-employment benefits

The Group has adopted the following approaches for the pension assumptions:

- The discount rate is determined by reference to market yields at the balance sheet date on high quality corporate bonds;
- The expected return on plan assets is based on market expectations, at the beginning of the period;
- Estimate of future salary increases mainly take account of inflation, seniority, promotion and supply and demand in the employment market.

11. POST-BALANCE SHEET EVENTS

On 5 March 2009, Five (UK – Television) announced the results of a comprehensive restructuring programme resulting in significant changes to the organisation. The restructuring programme could result in up to 87 positions being impacted, out of a total of 354. Employees affected by this announcement are currently in a consultation period which may last up to three months. This announcement is the latest stage in Five's business review which has already undertaken stringent cost management across its channels allowing funds to be focused on more commercially valuable parts of the schedule, such as peak time.

12. GROUP UNDERTAKINGS

	Note	Group's ownership 2008	Consolidated method (1)	Note	Group's ownership 2007	Consolidated method (1)
LUXEMBOURG*						
RTL Group SA			M			M

BROADCASTING TV	Note	Group's ownership 2008	Consolidated method (1)	Note	Group's ownership 2007	Consolidated method (1)
AUSTRIA*						
IPA Plus (Österreich) Verm. für Fernsehwerbung GmbH		49.8	F		49.8	F
BELGIUM*						
Home Shopping Service Belgique SA	(2)	48.5	F	(2)	48.5	F
Société Européenne de Télévente Belgique	(2)	48.5	F	(2)	48.5	F
TVI SA		65.8	F		65.8	F
Unité 15 Belgique SA	(2)	48.5	F	(2)	48.5	F
CROATIA*						
RTL Hrvatska d.o.o. (*former RTL Croatia d.o.o.*)		73.8	F		73.8	F
CYPRUS*						
Wakerock Ltd	(24)	66.4	F		–	
FRANCE*						
33 FM SAS	(2)	41.2	F		–	
A ton service SAS (*former M6 operation*)	(2)	16.5	E	(2)	16.5	E
C. Productions SA	(2)	48.5	F	(2)	48.5	F
Citato Sàrl	(2)	48.5	F	(2)	48.5	F
Clicanddeal SAS (*former M6 Affaires SAS*)	(20)	–	NC	(2)	48.5	F
Club Téléachat SNC	(2)	48.5	F	(2)	48.5	F
DIEM 2 SA	(2)	48.5	F	(2)	48.5	F
Echo6 SAS	(2)	24.3	P	(2)	24.2	P
Edit TV/ W9 SNC	(2)	48.5	F	(2)	48.5	F
Femmes en ville SAS	(2)	48.5	F	(2)	24.2	P
Football Club des Girondins de Bordeaux SASP	(2)	48.4	F	(2)	48.4	F
FUN TV SNC	(2)	48.5	F	(2)	48.5	F
Girondins Expressions SASU	(2)	48.5	F		–	
Girondins Horizons SASU	(2)	48.5	F		–	
Groupement JV Sàrl	(2)	23.8	E		–	
Home Shopping Service SA	(2)	48.5	F	(2)	48.5	F
Hugo Films SAS	(2)	48.5	F		–	
Immobilière 46D SAS	(2)	48.5	F	(2)	48.5	F
Immobilière M6 SA	(2)	48.5	F	(2)	48.5	F
La boîte à News Sàrl	(2)	24.3	F		–	
Live Stage SAS	(2)	48.0	F	(2)	48.0	F
M6 Bordeaux SAS	(2)	48.5	F	(2)	48.5	F
M6 Boutique La Chaîne SNC (*former Boutiques du monde SNC*)	(20)	–	NC	(2)	48.5	F
M6 Communication SAS	(2)	48.5	F	(2)	48.5	F
M6 Creations SAS	(2)	48.5	F	(2)	48.5	F
M6 Development SAS	(2)	48.5	F	(2)	48.5	F
M6 Diffusions SA	(2)	48.5	F	(2)	48.5	F
M6 Divertissement SAS	(2)	48.5	F	(2)	48.5	F
M6 Editions SA	(2)	48.5	F	(2)	48.5	F
M6 Evenements SA	(2)	48.5	F	(2)	48.5	F
M6 Films SA	(2)	48.5	F	(2)	48.5	F

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
M6 Foot SAS	(2)	**48.5**	F	(2)	48.5	F
M6 Interactions SAS	(2)	**48.5**	F	(2)	48.5	F
M6 Numérique SAS	(2)	**48.5**	F	(2)	48.5	F
M6 Publicité SAS	(2)	**48.5**	F	(2)	48.5	F
M6 Recreative SAS	(2)	**48.5**	F	(2)	48.5	F
M6 Studio SAS	(2)	**48.5**	F	(2)	48.5	F
M6 Thématique SA	(2)	**48.5**	F	(2)	48.5	F
M6 Toulouse SAS	(2)	**48.5**	F	(2)	48.5	F
M6 Web SAS	(2)	**48.5**	F	(2)	48.5	F
Mandarin Films SAS	(2)	**48.5**	F	(2)	48.5	F
Mandarin SAS	(2)	**48.5**	F	(2)	48.5	F
Métropole Production SA	(2)	**48.5**	F	(2)	48.5	F
Métropole Télévision SA	(2)	**48.5**	F	(2)	48.5	F
Mistergooddeal SA	(2)	**48.5**	F	(2)	48.5	F
Multiplex R4 SAS	(21)	**–**	NC	(2)	28.3	F
Pages Jaunes Petites Annonces SA	(2)	**16.5**	E	(2)	16.5	E
Paris Première SA	(2)	**48.5**	F	(2)	48.5	F
Retail concept SAS (*former M6 création*)	(2)	**48.5**	F	(2)	48.5	F
SCI du 107	(2)	**48.5**	F	(2)	48.5	F
SEDI TV SA	(2)	**48.5**	F	(2)	48.5	F
Série Club SA	(2)	**24.3**	P	(2)	24.2	P
SNC SAS	(2)	**48.5**	F	(2)	48.5	F
SND SA	(2)	**48.5**	F	(2)	48.5	F
Studio 89 Productions SAS	(2)	**48.5**	F	(2)	48.5	F
TCM Droits Audiovisuels SNC	(2)	**24.3**	P	(2)	24.2	P
Télévente Promotion SA	(2)	**48.5**	F	(2)	48.5	F
TF6 Gestion SA	(2)	**24.3**	P	(2)	24.2	P
TF6 SCS	(2)	**24.3**	P	(2)	24.2	P
Tyredating SAS	(2)	**15.8**	E		–	
Unité 15 France SA	(2)	**48.5**	F	(2)	48.5	F

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
GERMANY*						
CBC Cologne Broadcasting Center GmbH		**99.7**	F		99.7	F
Clipfish GmbH Co. KG		**99.7**	F		99.7	F
CLT-Vermögensverwaltungs GmbH		**99.7**	F		99.7	F
Creation GmbH (*former House Of Promotion Produktions GmbH*)		**99.7**	F		99.7	F
El Cartel GmbH		**35.8**	E		35.8	E
GZSZ Vermarktungsgesellschaft mbH		**99.7**	F		99.7	F
Infonetwork GmbH		**99.7**	F		–	
IP Deutschland GmbH		**99.7**	F		99.7	F
Mediascore GmbH		**75.0**	F		75.0	F
Norddeich TV Produktions GmbH		**74.8**	F		74.8	F
N-TV Nachrichtenfernsehen GmbH & Co. KG		**99.7**	F		99.7	F
N-TV Services GmbH		**99.7**	F		99.7	F
Passion GmbH		**99.7**	F		–	
RTL Disney Fernsehen GmbH & Co. KG		**49.8**	P		49.8	P
RTL Enterprises GmbH		**99.7**	F		99.7	F
RTL Games GmbH (*former Alpha Online GmbH*)		**99.7**	F		99.7	F
RTL Group Deutschland Markenverwaltungs GmbH		**99.7**	F		99.7	F
RTL Hessen GmbH		**99.7**	F		99.7	F
RTL Hessen Programmfenster GmbH (*former RTL Hessen GmbH*)		**59.8**	F		59.8	F
RTL Interactive GmbH		**99.7**	F		99.7	F
RTL Media Services GmbH	(20)	**–**	NC		99.7	F
RTL Net GmbH	(20)	**–**	NC		99.7	F
RTL Nord GmbH		**99.7**	F		99.7	F
RTL Shop GmbH	(21)	**–**	NC		99.7	F
RTL Television GmbH		**99.7**	F		99.7	F
RTL 2 Fernsehen Geschäftsführung GmbH		**35.8**	E		35.8	E
RTL 2 Fernsehen GmbH & Co. KG		**35.8**	E		35.8	E
S4M Solutions For Media GmbH		**19.8**	E		19.8	E
Tele West KG		**99.7**	F		99.7	F
Traumpartner TV GmbH		**99.7**	F		99.7	F
Universum Film GmbH		**99.7**	F		99.7	F
VG Media Gesellschaft zur Verwertung der Urheber und Leistungsschutzrechte mbH		**49.8**	E		49.8	E
Vox Film & Fernseh GmbH & Co. KG		**99.4**	F		99.4	F
Vox Holding GmbH		**99.7**	F		99.7	F
GREECE*						
Alpha Doryforiki Tileorasi SA	(24)	**66.4**	F		–	
Kosmoradiotileoptiki SA	(24)	**66.4**	F		–	
HUNGARY*						
Home Shopping Service Hongrie SA	(2)	**48.5**	F	(2)	48.5	F
Klub Publishing Kiado Kft	(6)	**48.8**	E		–	
M-RTL Rt	(6)	**48.8**	E		48.8	E
NetPiac Szamitastechnikai es Kereskedelmi Kft	(6)	**48.8**	E		–	
R-Time Kft	(6)	**48.8**	E		–	

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
LUXEMBOURG*						
Broadcasting Center Europe SA		**99.7**	F		99.7	F
Content Union SA	(23)	**49.8**	E		–	
Filmlux SA		**99.7**	F		99.7	F
RTL 9 SA		**34.9**	E		34.9	E
RTL 9 SA & Cie SECS		**34.8**	E		34.8	E
NETHERLANDS*						
RTL Nederland Broadcast Operation BV (*former Broadcasting Center Nederland BV*)		**73.4**	F		73.4	F
RTL Nederland BV		**73.4**	F		73.4	F
RTL Nederland Holding BV		**73.4**	F		73.4	F
RTL Nederland Interactief BV (*former RTL iMedia Holding BV*)		**73.4**	F		73.4	F
RTL Nederland Sales BV	(20)	**–**	NC		73.4	F
RUSSIA*						
OOO Aksept	(22)	**29.9**	E	(23)	29.9	E
OOO Astrahanskaya Teleradioveschatelnaya Kompanya	(22)	**27.0**	E	(23)	27.0	E
OOO Content Plus	(23)	**49.8**	E		–	
OOO Content Union Cinema	(23)	**49.8**	E		–	
OOO Content Union Distribution	(23)	**49.8**	E		–	
OOO Content Union Entertainment	(23)	**49.8**	E		–	
OOO Content Union Junior	(23)	**49.8**	E		–	
OOO Content Union Production	(23)	**49.8**	E		–	
OOO Content Union Zoo	(23)	**49.8**	E		–	
OOO Efir	(22)	**30.0**	E	(23)	30.0	E
OOO Ekspert Telemarket	(22)	**30.0**	E		–	
OOO Media Holding Ren TV	(22)	**29.9**	E	(23)	29.9	E
OOO Nezavisimoe TV Balakovo	(22)	**15.0**	E		–	
OOO NPP Spectre	(22)	**15.3**	E	(23)	15.3	E
OOO NT Angarsk	(22)	**15.3**	E		–	
OOO Ren TV Bryansk	(22)	**17.6**	E	(23)	17.6	E
OOO RTL Russland		**99.7**	F		99.7	F
OOO Servincom Plus	(23)	**49.8**	E		–	
OOO Teleradiokompanya Sintez TV	(22)	**30.0**	E	(23)	30.0	E
OOO Uralskoe Radio	(22)	**30.0**	E		–	
TVV Telekom	(22)	**30.0**	E	(23)	30.0	E
ZAO ACB Prestige Television Kompanya	(22)	**29.9**	E	(23)	29.9	E
ZAO Nezavisimoe Saratovskoe Televidinie	(22)	**30.0**	E	(23)	30.0	E
ZAO Ren TV Television Kompanya	(22)	**30.0**	E	(23)	29.9	E
ZAO Telecom-Azov	(22)	**22.5**	E	(23)	22.5	E
ZAO Telecompanya August	(22)	**30.0**	E	(23)	30.0	E
ZAO Telestantsiay Seti NN	(22)	**14.7**	E	(23)	14.7	E
ZAO TRK Efir	(22)	**30.0**	E		–	
ZAO TRK Moloday Kultura Sibiri Plus	(22)	**30.0**	E		–	

BROADCASTING TV	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
SPAIN*						
A3 TV Colombia	(7)	**11.6**	E		–	
Antena 3 de Television SA	(7)	**21.2**	E	(7)	19.9	E
Antena 3 Directo SAU	(7)	**21.2**	E	(7)	19.9	E
Antena 3 Editorial SA	(7)	**21.2**	E	(7)	19.9	E
Antena 3 Eventos SL	(7)	**21.2**	E		–	
Antena 3 Multimedia SLU	(7)	**21.2**	E	(7)	19.9	E
Antena 3 TDT De Canarias SA	(7)	**21.2**	E	(7)	19.9	E
Antena 3 Tematica SAU	(7)	**21.2**	E	(7)	19.9	E
Antena de Radiodifusion SAU (*former Cadena de Voz de Radio Difusion SA*)	(7)	**21.2**	E	(7)	19.9	E
Atres Advertising SLU	(7)	**21.2**	E	(7)	19.9	E
Canal 3TV Colombia	(7)	**8.9**	E		–	
Canal Factoria de Ficcion SA	(21)	**–**	NC	(7)	8.0	E
Canal Media Radio Galicia SLU	(7)	**21.2**	E	(7)	19.9	E
Canal Media Radio SAU	(7)	**21.2**	E	(7)	19.9	E
Canal Radio Castilla y Leon SLU	(7)	**21.2**	E	(7)	19.9	E
Canal Radio Valencia SLU	(7)	**21.2**	E	(7)	19.9	E
Compania Tres Mil Ochocientas SLU	(7)	**21.2**	E	(7)	19.9	E
Corporacion Radiofonica Castilla Leon SAU	(7)	**21.2**	E	(7)	19.9	E
Corporacion Radiofonica Region de Murcia SA	(7)	**10.6**	E	(7)	10.0	E
Ensueno Films SLU	(7)	**21.2**	E	(7)	19.9	E
Estaciones Radiofonicas de Aragon SAU	(7)	**21.2**	E	(7)	19.9	E
Grupo Universal Emisoras de Radio Amanecer SAU	(7)	**21.2**	E	(7)	19.9	E
Guadiana Producciones SAU	(7)	**21.2**	E	(7)	19.9	E
I3 Television SL	(7)	**10.6**	E	(7)	10.0	E
Ipar Ondas SAU	(7)	**21.2**	E	(7)	19.9	E
La Veu de Lleida SLU	(7)	**21.2**	E	(7)	19.9	E

BROADCASTING TV

	NOTE	GROUP'S OWNER-SHIP 2008	CONSOLI-DATED METHOD (1)	NOTE	GROUP'S OWNER-SHIP 2007	CONSOLI-DATED METHOD (1)
Medipress Valencia SAU	(7)	**21.2**	E	(7)	19.9	E
Movierecord Cine SAU	(7)	**21.2**	E	(7)	19.9	E
Onda Cero SAU	(7)	**21.2**	E	(7)	19.9	E
Ondadit SLU	(7)	**21.2**	E	(7)	19.9	E
Organizaciones Deportivas Y Culturales De Unipublic SAU	(7)	**21.2**	E	(7)	19.9	E
Publicidad 3 SAU	(7)	**21.2**	E	(7)	19.9	E
Radio Alamedilla SAU	(7)	**21.2**	E	(7)	19.9	E
Radio Noticias 90 SAU	(7)	**21.2**	E	(7)	19.9	E
Radio Sistemas Radiofonicos Cinco SLU	(7)	**21.2**	E	(7)	19.9	E
Radio Tormes SAU	(7)	**21.2**	E	(7)	19.9	E
RKOR Radio SLU	(7)	**21.2**	E	(7)	19.9	E
RTL Group Communications SLU		**99.7**	F		99.7	F
Teledifusion Madrid SA	(21)	**–**	NC	(7)	2.0	E
Unimedia Central de Medios SA	(21)	**–**	NC	(7)	9.8	E
Union Iberica de Radio SAU	(7)	**21.2**	E	(7)	19.9	E
Uniprex SAU	(7)	**21.2**	E	(7)	19.9	E
Uniprex Television Digital Catalana SLU	(7)	**21.2**	E	(7)	19.9	E
Uniprex Television Digital Terrestre Andalusia SLU	(7)	**21.2**	E	(7)	19.9	E
Uniprex Television Digital Terrestre Canarias SLU	(7)	**15.7**	E	(7)	15.7	E
Uniprex Television SLU	(7)	**21.2**	E	(7)	19.9	E
Uniprex Valencia TV SLU	(7)	**21.2**	E	(7)	19.9	E
Unipublic SAU	(7)	**21.2**	E	(7)	19.9	E
VNews Agencia de Noticias SL	(7)	**10.6**	E	(7)	10.0	E
VSAT Compania de Producciones SL	(7)	**9.5**	E	(7)	9.0	E
SWITZERLAND*						
IP Multimedia (Schweiz) AG		**22.9**	E		22.9	E
UK*						
5 Direct Ltd	(3)	**99.7**	F	(3)	99.7	F
Channel 5 Broadcasting Ltd	(3)	**99.7**	F	(3)	99.7	F
Channel 5 Engineering Services Ltd	(3)	**99.7**	F	(3)	99.7	F
Channel 5 Interactive Ltd	(3)	**99.7**	F	(3)	99.7	F
Channel 5 Music Ltd	(3)	**99.7**	F	(3)	99.7	F
Channel 5 Television Group Ltd	(3)	**99.7**	F	(3)	99.7	F
Channel 5 Text Ltd	(3)	**99.7**	F	(3)	99.7	F
Lemonline Media Ltd		**99.7**	F		48.8	E
Top Up TV 1 Ltd	(3)	**99.7**	F	(3)	99.7	F
USA*						
SND USA Inc	(2)	**48.5**	F	(2)	48.5	F

CONTENT

	NOTE	GROUP'S OWNER-SHIP 2008	CONSOLI-DATED METHOD (1)	NOTE	GROUP'S OWNER-SHIP 2007	CONSOLI-DATED METHOD (1)
ANTIGUA*						
Grundy International Operations Ltd		**100.0**	F		100.0	F
AUSTRALIA*						
Australia Talent Agency *(former Forum 5 PTY)*		**100.0**	F		–	
Christie Films Pty Ltd	(11)	**49.0**	P	(11)	49.0	P
Crackerjack Productions Pty Ltd	(21)	**–**	NC		100.0	F
Fremantle (AUS) Productions Pty Ltd	(9)	**100.0**	F	(9)	100.0	F
FremantleMedia Australia Pty Ltd	(21)	**–**	NC	(11)	100.0	F
FremantleMedia Australia Holdings Pty Ltd	(15)	**100.0**	F	(15)	100.0	F
FremantleMedia Australia Pty Ltd *(former Grundy Television Pty Ltd)*	(15)	**100.0**	F	(15)	100.0	F
FremantleMedia Licensing Australia Pty Ltd *(former Grundy Films Pty Ltd)*	(21)	**–**	NC	(15)	100.0	F
Grundy Organization Pty Ltd	(15)	**100.0**	F	(15)	100.0	F
Grundy Travel Pty Ltd	(21)	**–**	NC	(15)	100.0	F
UK TV Ltd	(21)	**–**	NC	(11)	20.0	E
BELGIUM*						
Belga Films SA		**65.8**	F		65.8	F
Fremantle Productions Belgium NV		**100.0**	F		100.0	F
BRAZIL*						
FremantleMedia Brazil Produçâo de Televisâo Ltda		**100.0**	F		–	
CROATIA*						
Fremantle Produkcija d.o.o.		**100.0**	F		100.0	F
CYPRUS*						
Bluescreen Ltd		**99.7**	F		99.7	F
DENMARK*						
Blu A/S		**75.0**	F		75.0	F
FINLAND*						
Fremantle Entertainment Oy		**100.0**	F		100.0	F
FRANCE*						
20h50 Television SAS		**100.0**	F		–	
Be Happy Productions SAS		**100.0**	F		100.0	F
Fremantle France SAS		**100.0**	F		100.0	F
FremantleMedia Drama Productions SAS		**100.0**	F		100.0	F
TV Presse Productions SAS		**100.0**	F		100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
GERMANY*						
CLT-UFA Multi Media GmbH		**99.7**	F		99.7	F
Cologne Sitcom Produktions GmbH	(21)	**–**	NC	(17)	50.2	F
Cologne Sitcom Verwaltung GmbH	(21)	**–**	NC	(17)	50.2	F
Deutsche Synchron Film GmbH & Co KG	(8)	**50.8**	F	(8)	50.8	F
Fremantle Licensing Germany GmbH (*former Geo Film GmbH*)		**99.7**	F		99.7	F
Grundy Light Entertainment GmbH (*former HDTV-Entert. Dressler GmbH*)		**100.0**	F		100.0	F
Grundy Light Entertainment/White Balance GmbH GBR		**50.8**	F		50.8	F
Grundy UFA TV Produktions GmbH	(4)	**99.7**	F	(4)	99.7	F
I2I Musikproduktions & Musikverlags GmbH		**99.7**	F		99.7	F
Objektiv Film GmbH	(5)	**99.7**	F	(5)	99.7	F
Phöbus Film GmbH & Co Produktions KG	(8)	**50.8**	F	(8)	50.8	F
Phönix Film Karlheinz Brunnemann GmbH & Co KG	(8)	**50.8**	F	(8)	50.8	F
Phönix Geschäftsführungs GmbH	(8)	**50.8**	F	(8)	50.8	F
Teamworx Television & Film GmbH		**99.7**	F		99.7	F
Trebitsch Produktion Holding GmbH	(5)	**99.7**	F	(5)	99.7	F
Trebitsch Produktion Holding GmbH & Co. KG	(5)	**99.7**	F	(5)	99.7	F
UFA – Fernsehproduktion GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA – Filmproduktion GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA Cinema GmbH		**99.7**	F		–	
UFA Entertainment GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA Film- und Medienproduktion GmbH (*former Start Television Produktions GmbH*)	(17)	**100.0**	F	(17)	100.0	F
UFA Film & Fernseh GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA Film & TV Produktion GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA Film Finance GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA International Film & TV Produktions GmbH	(4)	**99.7**	F	(4)	99.7	F
UFA Sport GmbH		**99.7**	F		–	
GREECE*						
Fremantle Productions SA		**100.0**	F		100.0	F
Plus Productions SA	(24)	**66.4**	F		–	
HONG KONG*						
Fremantle Productions Asia Ltd		**100.0**	F		100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
HUNGARY*						
Grundy Magyarorszag TV Musorg Kft		**100.0**	F		100.0	F
Magyar Grundy UFA KFT		**99.7**	F		99.7	F
INDIA*						
Fremantle India TV Productions Pvt Ltd		**100.0**	F		100.0	F
INDONESIA*						
PT Dunia Visitama		**100.0**	F		100.0	F
ITALY*						
Grundy Productions Italy Spa		**100.0**	F		100.0	F
JAPAN*						
FremantleMedia Japan KK		**100.0**	F		100.0	F
LUXEMBOURG*						
FremantleMedia SA (*former RTL UK Holdings SA*)		**100.0**	F		100.0	F
Hei Elei Film Productions SA (*former IFP SA*)		**99.7**	F		99.7	F
MEXICO*						
Grundy Productions SA de CV		**100.0**	F		100.0	F
NETHERLANDS*						
Blue Circle BV (*former RTL 4 Productions BV*)		**100.0**	F		99.7	F
FremantleMedia (Netherlands) BV	(14)	**100.0**	F	(14)	100.0	F
FremantleMedia Operations BV	(14)	**100.0**	F	(14)	100.0	F
FremantleMedia Overseas Holdings BV		**100.0**	F		100.0	F
Grundy Endemol Productions VOF	(10)	**50.0**	P	(10)	50.0	P
Grundy International Holdings (I) BV		**100.0**	F		100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
POLAND*						
FremantleMedia Polska Sp.zo.o.		**100.0**	F		100.0	F
PORTUGAL*						
FremantleMedia Portugal SA (*former Fremantle Producoes TV SA*)		**100.0**	F		100.0	F
RUSSIA*						
Fremantle Productions LLC		**100.0**	F		100.0	F
SINGAPORE*						
Fremantle Productions Asia Pte Ltd		**100.0**	F		100.0	F
SPAIN*						
Fremantle de Espana SL	(9)	**95.0**	F	(9)	95.0	F
Grundy Producciones SA		**100.0**	F		100.0	F
SWEDEN*						
FremantleMedia Sverige AB		**75.0**	F		75.0	F
SWITZERLAND*						
Grundy Schweiz AG		**65.0**	F		65.0	F
TURKEY*						
FremantleMedia TV Film Yapim		**100.0**	F		100.0	F
UK*						
Alomo Productions Ltd	(16)	**100.0**	F	(16)	100.0	F
Arbie Production Ltd		**50.0**	P		–	
Clement/La Fresnais Productions Ltd	(16)	**100.0**	F	(16)	100.0	F
Eurowide Television Ltd (*former Channel Three Ltd*)	(16)	**100.0**	F	(16)	100.0	F
Fremantle (UK) Productions Ltd		**100.0**	F		100.0	F
Fremantle Licensing Ltd	(16)	**100.0**	F		–	
FremantleMedia Ltd		**100.0**	F		100.0	F
FremantleMedia Group Ltd	(12)	**100.0**	F	(12)	100.0	F
FremantleMedia Overseas Ltd		**100.0**	F		100.0	F
FremantleMedia Services Ltd (*former Little Pond Television Ltd*)		**100.0**	F		100.0	F
RTL Group Systems Ltd		**100.0**	F		100.0	F
RTL London Ltd	(21)	**–**	NC	(16)	–	
Select TV Ltd	(16)	**100.0**	F	(16)	100.0	F
Somerford Brooke Productions Ltd (*former Little Pond Television Ltd*)	(16)	**100.0**	F	(16)	100.0	F
Talkback (UK) Productions Ltd		**100.0**	F		100.0	F
Talkback Productions Ltd	(18)	**100.0**	F	(18)	100.0	F
Talkback Thames Ltd (*former Not Any Old Radio Commercials Ltd*)	(18)	**100.0**	F	(18)	100.0	F
Thames Television Holdings Ltd		**100.0**	F		100.0	F
Thames Television Ltd	(19)	**100.0**	F	(19)	100.0	F
Witzend Productions Ltd	(16)	**100.0**	F	(16)	100.0	F

CONTENT	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
USA*						
All American Entertainment Inc	(13)	**100.0**	F	(13)	100.0	F
All American Music Group	(13)	**100.0**	F	(13)	100.0	F
Allied Communications Inc		**100.0**	F		100.0	F
American Idols Productions Inc	(13)	**100.0**	F	(13)	100.0	F
Blue Orbit Productions	(13)	**100.0**	F		–	
Complex Properties Ltd	(13)	**100.0**	F		–	
Feudin' Productions Inc	(13)	**100.0**	F	(13)	100.0	F
Fremantle Goodson Inc	(13)	**100.0**	F	(13)	100.0	F
Fremantle International Inc	(13)	**100.0**	F	(13)	100.0	F
Fremantle Merchandising Inc	(13)	**100.0**	F	(13)	100.0	F
Fremantle Productions Inc	(13)	**100.0**	F	(13)	100.0	F
Fremantle Productions Latin America Inc		**100.0**	F		100.0	F
Fremantle Productions North America Inc	(13)	**100.0**	F	(13)	100.0	F
FremantleMedia Licensing Inc	(9)	**100.0**	F	(9)	100.0	F
FremantleMedia North America Inc (*former Pearson Television Inc*)	(13)	**100.0**	F	(13)	100.0	F
Good Games Live Inc	(13)	**100.0**	F	(13)	100.0	F
Kickoff Productions Inc	(13)	**100.0**	F	(13)	100.0	F
LBS Communications Inc	(13)	**100.0**	F	(13)	100.0	F
Little Pond Television Inc	(13)	**100.0**	F	(13)	100.0	F
Marathon Productions Inc	(13)	**100.0**	F		–	
Mark Goodson Productions LLC	(13)	**100.0**	F	(13)	100.0	F
MG Productions Inc	(13)	**100.0**	F	(13)	100.0	F
Music Box Library	(13)	**100.0**	F	(13)	–	
OTL Productions Inc	(13)	**100.0**	F	(13)	100.0	F
Reg Grundy Productions Holdings Inc	(13)	**100.0**	F	(13)	100.0	F
Studio Production Services Inc	(13)	**100.0**	F	(13)	–	
Terrapin Productions Inc	(13)	**100.0**	F	(13)	100.0	F
The Baywatch Productions Company	(13)	**100.0**	F	(13)	100.0	F
The Price is Right Productions Inc	(13)	**100.0**	F	(13)	100.0	F
Thumbdance LLC	(13)	**100.0**	F		50.0	P
Tick Tock Productions Inc	(13)	**100.0**	F	(13)	100.0	F

BROADCASTING RADIO	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
BELGIUM*						
Cobelfra SA		**44.1**	F		44.1	F
Contact Vlaanderen NV		**42.1**	P		42.1	P
Inadi SA		**44.1**	F		44.1	F
IP Plurimédia SA		**65.8**	F		65.8	F
Joker FM SA		**44.1**	F		44.1	F
New Contact SA (*former Contact SA*)		**49.8**	P		49.8	P
Radio Belgium Holding SA		**44.1**	F		44.1	F
FRANCE*						
Ediradio SA		**99.7**	F		99.7	F
ID (Information et Diffusion) Sàrl		**99.7**	F		99.7	F
IP France SA		**99.7**	F		99.7	F
IP Régions SA		**99.7**	F		99.7	F
RTL Fun Développement Sàrl		**99.7**	F		99.7	F
RTL Net SAS		**99.7**	F		99.7	F
SCP Sàrl		**99.7**	F		99.7	F
SERC SA		**99.7**	F		99.7	F
Sodera SA		**99.7**	F		99.7	F
Wip On! SAS		**99.7**	F		–	

BROADCASTING RADIO	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
GERMANY*						
AH Antenne Hörfunksender GmbH & Co. KG		**57.0**	F		53.8	E
Antenne Mecklenburg-Vorpommern GmbH & Co. KG		**25.4**	E		25.4	E
Antenne Niedersachsen Gesch. GmbH & Co. KG		**35.9**	E		35.9	E
Antenne Sachsen Hörfunks- und Versorgungs GmbH		**69.2**	F		69.2	F
AVE Gesellsch. für Hörfunkbeteiligungen GmbH		**99.7**	F		99.7	F
AVE I Vermögensverwaltungs-gesellschaft mbH & Co. KG		**49.7**	E		49.7	E
AVE II Vermögensverwaltungsgesellschaft		**99.7**	F		99.7	F
AVE V GmbH		**99.7**	F		99.7	F
AVE VI KG		**49.7**	E		49.7	E
BCS Broadcast Sachsen GmbH & Co. KG		**38.1**	E		38.1	E
MPD Medien Produktions und Distributions-gesellschaft GmbH & Co. KG		**57.0**	F		–	NC
MV Beteiliguns GmbH & Co. KG		**25.4**	E		–	
MV Marketing GmbH		**25.4**	E		–	
Neue Spreeradio Hörfunkgesellschaft mbH		**99.7**	F		99.7	F
Radio Center Berlin GmbH		**99.7**	F		99.7	F
Radio Hamburg GmbH & Co. KG		**29.1**	E		29.1	E
Radio Systems GmbH	(20)	**–**	NC		99.7	F
RB Blauen GmbH		**42.0**	E		42.0	E
RTL Radio Berlin GmbH		**99.7**	F		99.7	F
RTL Radio Deutschland GmbH		**99.7**	F		99.7	F
RTL Radio Vermarktungs GmbH & Co. KG		**99.7**	F		99.7	F
UFA Programmgesellschaft in Bayern mbH		**99.7**	F		99.7	F
GREECE*						
Alpha Radiofoniki Kronos SA	(24)	**66.4**	F		–	
Alpha Radiofoniki SA	(24)	**66.3**	F		–	
NETHERLANDS*						
Radio 538 BV		**73.4**	F		73.4	F

OTHERS	NOTE	GROUP'S OWNERSHIP 2008	CONSOLIDATED METHOD (1)	NOTE	GROUP'S OWNERSHIP 2007	CONSOLIDATED METHOD (1)
BELGIUM*						
Audiomedia Investments Bruxelles SA		**100.0**	F		100.0	F
TVI Interactions SA (*former TVI Editions SA*)	(20)	**–**	NC		65.8	F
FRANCE*						
IP Network SA		**99.7**	F		99.7	F
Société Immobilière Bayard d'Antin SA		**99.7**	F		99.7	F
GERMANY*						
RTL Group Central & Eastern Europe GmbH		**99.7**	F		99.7	F
RTL Group Deutschland GmbH		**99.7**	F		99.7	F
RTL Group GmbH		**99.7**	F		99.7	F
RTL Group Vermögensverwaltungs GmbH (*former Darpar 128 GmbH*)		**100.0**	F		100.0	F
JERSEY*						
CLT-UFA Holdings Ltd		**99.7**	F		99.7	F
LUXEMBOURG*						
B. & C.E. SA		**99.7**	F		99.7	F
CLT-UFA SA		**99.7**	F		99.7	F
IP Luxembourg Sàrl		**99.7**	F		99.7	F
IP Network International SA		**99.7**	F		99.7	F
Media properties Sàrl		**99.7**	F		99.7	F
RTL Group Central & Eastern Europe SA		**99.7**	F		99.7	F
RTL Group Germany SA		**99.7**	F		99.7	F
NETHERLANDS*						
RTL Group Beheer BV		**100.0**	F		100.0	F
RTL Nederland Producties BV		**73.4**	F		73.4	F
UK*						
CLT-UFA UK Radio Ltd		**99.7**	F		99.7	F
CLT-UFA UK Television Ltd		**99.7**	F		99.7	F

**Country of incorporation*

(1) *M: parent company*
F: full consolidation
P: proportionate consolidation
E: equity accounting
NC: not consolidated
(2) *Groupe M6*
(3) *Five Group*
(4) *UFA Berlin Group*
(5) *Trebitsch Group*
(6) *M-RTL Group*
(7) *Antena 3 De Television Group*
(8) *Phönix Group*
(9) *Fremantle Licensing Group*
(10) *Fremantle Productions Group*
(11) *FremantleMedia Australia Group*
(12) *FremantleMedia Central Group*
(13) *FremantleMedia North America Group*
(14) *FremantleMedia Productions Netherlands Group*
(15) *Grundy Organisation (Holdings) Group*
(16) *Select TV Group*
(17) *Start Television Produktions Group*
(18) *Talkback Productions Group*
(19) *Thames Television Group*
(20) *Company absorbed by a company of the Group*
(21) *Company sold or liquidated*
(22) *Ren TV Group*
(23) *Content Union Group*
(24) *Alpha Media Group*