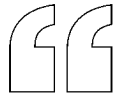


# press release



Luxembourg, 10 March 2005. RTL Group, Europe's leading broadcaster and content provider announces its audited results for the year ended 31 December 2004.

## Highlights

In EUR million	Year to December 2004	Year to December 2003	Per cent Change	PRO FORMA <sup>1</sup> Year to December 2004	PRO FORMA <sup>1</sup> Year to December 2003	Per cent Change
<b>Revenue</b>	<b>4,878</b>	<b>4,452</b>	<b>+9.6</b>	<b>4,926</b>	<b>5,039</b>	<b>(2.2)</b>
<b>Reported EBITA<sup>2</sup></b>	<b>711</b>	<b>487</b>	<b>+46.0</b>	<b>717</b>	<b>594</b>	<b>+20.7</b>
Restructuring costs and non recurring items	15	60	(75.0)	15	60	(75.0)
Start up losses <sup>3</sup>	38	14	>100.0	38	14	>100.0
<b>Adjusted EBITA</b>	<b>764</b>	<b>561</b>	<b>+36.2</b>	<b>770</b>	<b>668</b>	<b>+15.3</b>
Reported EBITA margin (%)	14.6	10.9	n.a.	14.6	11.8	n.a.
Adjusted EBITA margin (%)	15.7	12.6	n.a.	15.6	13.3	n.a.
<b>Reported EBITA</b>	<b>711</b>	<b>487</b>	<b>+46.0</b>	<b>717</b>	<b>594</b>	<b>+20.7</b>
Amortisation and impairment of goodwill and fair value adjustments on acquisitions <sup>4</sup>	(19)	(317)	>100.0	(20)	(333)	>100.0
Gain/(loss) from sale of subsidiaries, joint ventures and other investments	(18)	3	n.a.	(18)	3	n.a.
Net financial expense	(44)	(55)	(20.0)	(44)	(54)	(18.5)
Income tax expense	(196)	(95)	>100.0	(198)	(128)	+54.7
Minority interest	(67)	(9)	>100.0	(70)	(72)	(2.8)
<b>Reported net result</b>	<b>367</b>	<b>14</b>	<b>&gt;100.0</b>	<b>367</b>	<b>10</b>	<b>&gt;100.0</b>
<b>Adjusted EPS (EUR)<sup>5</sup></b>	<b>2.63</b>	<b>2.14</b>	<b>+22.9</b>	<b>2.64</b>	<b>2.21</b>	<b>+19.5</b>
<b>Proposed / paid dividend per share (EUR)</b>	<b>0.95</b>	<b>0.80</b>	<b>+18.8</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>

<sup>1</sup> Following the change in consolidation method for M6, which has been fully consolidated from February 2004, pro forma un-audited numbers have been provided as if M6 had been fully consolidated as of 1 January 2003

<sup>2</sup> EBITA represents earnings before interest and income tax expense excluding amortisation and impairment of goodwill and fair value adjustments on acquisitions and gain/(loss) from sale of subsidiaries, joint ventures and other investments

<sup>3</sup> RTL Shop, RTL Televizija, Traumpartner TV, Yorin FM and RTL FM (2003 : RTL Shop, RTL Televizija, RTL FM and Plug TV)

<sup>4</sup> No amortisation of goodwill has been recognised for the year ended December 2004 as a result of the early adoption of IFRS 3 as from 1 January 2004

<sup>5</sup> Adjusted earnings per share represents the net profit/(loss) for the year adjusted for amortisation and impairment of goodwill and fair value adjustments on acquisitions and gain or loss from sale of subsidiaries, joint ventures and other investments, net of income tax expense

## **Strong operational performance produces record levels of profit and margin**

- Record reported EBITA of EUR 711 million, up 46.0 per cent with margin rising from 10.9 per cent to 14.6 per cent
- Pro forma EBITA of EUR 717 million, up 20.7 per cent
- Strong audience and advertising market positions maintained in spite of the Euro 2004 championships and the Olympic Games being shown on rival channels
- Group revenue of EUR 4,878 million, up 9.6 per cent. Pro forma revenue of EUR 4,926 million, down 2.2 per cent but with underlying revenue up 1.2 per cent
- Positive net result of EUR 367 million, up from EUR 14 million in 2003
- Net cash position of EUR 246 million reflecting strong operating cash conversion of 99 per cent
- Proposed dividend of EUR 0.95 per share, up 18.8 per cent

## **Profit centre highlights**

- All established profit centres EBITA positive and with increased contribution
- Record EBITA at RTL Television, M6, Five, RTL Nederland, Antena3 and FremantleMedia
- Five continues to make gains in both audience and advertising market share
- Successful turnarounds at Antena 3 and RTL Nederland
- FremantleMedia's record results driven by successes in the US and Germany

## **Strategic developments**

- Full consolidation of M6 following the near complete exit of Suez
- Launch of RTL Televizija, a new television channel in Croatia, and increase of participation from 33 per cent to 65.5 per cent
- Acquisition of strategic participation in Grupo Media Capital in Portugal
- Strengthening of family of channels through the launch of Plug TV in Belgium in February and the acquisition of Paris Premiere by M6 in France in May
- Completion of restructuring of technical services division with disposal of London Playout Centre in March
- Partial sale of Sportfive, Europe's leading sport rights trading business in June

Gerhard Zeiler, Chief Executive Officer of RTL Group said “2004 has been a record year for RTL Group and most of our profit centres. We have continued to actively manage our portfolio of assets, expanded geographically into Croatia and Portugal and further strengthened our families of channels in France and Belgium.

In 2004 advertising market conditions continued to be mixed in Europe. Spain was the out- performer with the UK and France strong and Belgium showing moderate growth. Germany and the Netherlands continued to be weak. In the first two months of 2005 the picture remains mixed with low forward visibility. We are therefore cautious on how the advertising markets will develop this year.

The broadcasting industry has gone through a testing period over the last few years. We have taken the necessary measures to improve our profitability, generate cash, and build a strong balance sheet with no financial debt. We are thus well placed to seize internal and external growth opportunities.

Our strategy remains consistent and based upon three themes - the development of the families of channels to counter audience fragmentation, growth and exploitation of diversification businesses and geographic expansion. We are convinced that this continues to be the right approach to further strengthen our unique position as the only truly pan-European television company.”

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## Financial review

Advertising market conditions remained mixed across Europe in 2004 with strong growth in Spain, the United Kingdom and France, moderate growth in Belgium and continued weakness in Germany and the Netherlands.

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

	2004 net TV advertising market growth rate (in per cent)	RTL Group advertising market share 2004 (in per cent)	RTL Group advertising market share 2003 (in per cent)	2004 Audience share in main target group (in per cent)	2003 Audience share in main target group (in per cent)
Germany	+1.0 <sup>6</sup>	37.7 <sup>7</sup>	39.2 <sup>7</sup>	32.9 <sup>8</sup>	33.2 <sup>8</sup>
France	+6.5 <sup>6</sup>	22.1	22.4	18.6 <sup>9</sup>	18.5 <sup>9</sup>
UK	+6.5 <sup>6</sup>	8.3	8.1	6.7 <sup>10</sup>	6.6 <sup>10</sup>
Netherlands	+1.2 <sup>6</sup>	39.7	38.4	30.2 <sup>11</sup>	31.1 <sup>11</sup>
Belgium	+4.0 <sup>12</sup>	66.7	66.9	32.5 <sup>13</sup>	30.7 <sup>13</sup>
Spain	+15.2 <sup>14</sup>	27.0	24.8	21.9 <sup>15</sup>	20.9 <sup>15</sup>
Hungary	+19.3 <sup>16</sup>	50.0	52.0	36.5 <sup>17</sup>	39.8 <sup>17</sup>

Revenue increased by 9.6 per cent to EUR 4,878 million (2003: EUR 4,452 million).  
On a like-for-like basis (excluding portfolio changes) revenue was up 1.2 per cent.

Revenue EUR million	Year to December 2004	Year to December 2003	Per cent Change	PRO FORMA Year to December 2004	PRO FORMA Year to December 2003	Per cent Change
<b>Television</b>	3,707	3,184	+16.4	3,755	3,786	(0.8)
<b>Content</b>	1,086	1,294	(16.1)	1,086	1,294	(16.1)
<b>Radio</b>	244	241	+1.2	244	241	+1.2
<b>Other</b>	88	70	+25.7	88	70	+25.7
<b>Eliminations</b>	(247)	(337)	(26.7)	(247)	(352)	(29.8)
<b>Total</b>	4,878	4,452	+9.6	4,926	5,039	(2.2)

Reported EBITA increased by 46.0 per cent to EUR 711 million, a record result and the EBITA margin rose from 10.9 per cent to 14.6 per cent.

Stripping out restructuring costs and start-up losses, EBITA was up by 36.2 per cent to EUR 764 million with the margin improving from 12.6 per cent to 15.7 per cent.

<sup>6</sup> Net TV advertising market growth: Industry/IREP and RTL Group estimates

<sup>7</sup> Gross advertising market share, excluding RTL II

<sup>8</sup> Target group: 14-49, including RTL II

<sup>9</sup> Target group: housewives under 50

<sup>10</sup> Target group: 4+

<sup>11</sup> Target group: Shoppers 20-49

<sup>12</sup> Source: IP estimate

<sup>13</sup> Target group: 18-54, 17:00 – 23:00

<sup>14</sup> Source: Antena3 estimates

<sup>15</sup> Target group: 13-55, all day

<sup>16</sup> Source: RTL Klub estimate

<sup>17</sup> Target group: 18-49, 19:00 – 22:59

The improvement was across the board with the largest changes coming from M6, FremantleMedia, RTL Nederland, Antena 3 and Five.

EBITA In EUR million	Year to December 2004	Year to December 2003	<b>PRO FORMA</b> Year 2004	<b>PRO FORMA</b> Year 2003	Reported EBITA Margin 2004 (%)	Reported EBITA Margin 2003 (%)	<b>PRO FORMA</b> EBITA Margin 2004 (%)	<b>PRO FORMA</b> EBITA Margin 2003 (%)
<b>Television</b>	562	383	568	490	15.2	12.0	15.1	12.9
<b>Content</b>	118	86	118	86	10.9	6.6	10.9	6.6
<b>Radio</b>	37	48	37	48	15.2	19.9	15.2	19.9
<b>Other</b>	(6)	(30)	(6)	(30)	(6.8)	(42.9)	(6.8)	(42.9)
<b>Total</b>	<b>711</b>	<b>487</b>	<b>717</b>	<b>594</b>	<b>14.6</b>	<b>10.9</b>	<b>14.6</b>	<b>11.8</b>

Adjusted EBITA In EUR million	Restructuring costs 2004	Start up losses 2004	Adjusted EBITA 2004	Adjusted EBITA 2003	Adjusted EBITA Margin 2004 (%)	Adjusted EBITA Margin 2003 (%)
<b>Television</b>	13	23	598	446	16.1	14.0
<b>Content</b>	-	-	118	88	10.9	6.8
<b>Radio</b>	-	15	52	53	21.3	22.0
<b>Other</b>	2	-	(4)	(26)	(4.5)	(37.1)
<b>Total</b>	<b>15</b>	<b>38</b>	<b>764</b>	<b>561</b>	<b>15.7</b>	<b>12.6</b>

Group operating expenses increased to EUR 4,333 million from EUR 4,037 million, up 7.3 per cent. Stripping out the effects of portfolio changes, restructuring costs and start-up businesses, the underlying operating expenses decreased by 1.0 per cent.

Net interest expense fell to EUR 25 million (2003: EUR 35 million) reflecting the move into a net cash position over the year. It also includes interest charges on pension liabilities.

The financial results other than interest include write-downs on financial assets as well as fair value adjustments on embedded derivatives.

Following the early adoption of IFRS 3, RTL Group no longer amortises goodwill (2003: EUR 215 million). An impairment of EUR 6 million was recorded as at 31 December 2004 (2003: EUR 102 million).

As part of the gain of control of M6, RTL Group has completed a full fair value exercise. The amortisation of these fair values amounted to EUR 13 million as at 31 December 2004 (2003: EUR Nil) and is reported in the heading Amortisation and impairment of goodwill and fair value adjustments on acquisitions.

The loss from sale of subsidiaries, joint ventures and other investments of EUR 18 million arose on the disposal of Sportfive and the London Playout Centre.

The tax expense increased to EUR 196 million (2003: EUR 95 million), mainly due to the higher results and the effect of the full consolidation of M6. The effective tax rate was approximately 33 per cent (2003: 34 per cent).

The net profit for the year was EUR 367 million (2003: net profit EUR 14 million).

Reported earnings per share, based upon 153,618,853 shares, was EUR 2.39 per share (2003: EUR 0.09 per share). The adjusted earnings per share, taking into account the amortisation and impairment of goodwill and fair value adjustments on acquisitions and the gain or loss from sale of subsidiaries, joint ventures and other investments, net of income tax increased to EUR 2.63 (2003: EUR 2.14).

### Net debt / cash position

The consolidated net cash position at 31 December 2004 was EUR 246 million (2003: net debt EUR 298 million). The decrease in net debt reflects strong operating cash conversion, the effects of the full consolidation of M6 as well as disposals, mainly Sportfive and the London Payout Centre.

<b>Net debt / cash position</b> In EUR million	As at 31 December 2004	As at 31 December 2003
Gross balance sheet debt	(597)	(811)
Add : loans receivable <sup>18</sup>	439	203
Gross financial debt	(158)	(608)
Add : cash	346	274
Add : Marketable securities <sup>19</sup>	58	36
<b>Net cash / (debt) position</b>	<b>246</b>	<b>(298)</b>

### Portfolio changes

The most significant portfolio change was the first time full consolidation of M6 as from February 2004 following the sale by Suez of the majority of its M6 participation. As a result of this transaction, RTL Group has gained control of M6 and, in accordance with IAS 27, fully consolidated M6 from February 2004. Due to the significant impact of this change, RTL Group has prepared pro forma numbers, for the year to December 2004 and December 2003 as if M6 had been fully consolidated from 1 January 2003.

In March 2004 RTL Group sold its London based television facilities services company (London Payout Centre) to Ascent Media and completed the sale of its stake in Sportfive to Advent International/Goldman Sachs in June 2004. RTL Group retained a 25 per cent shareholding in Sportfive.

In June 2004 RTL Group increased its shareholding in RTL Televizija by acquiring a further 25 per cent and in November acquired an additional 7.5 per cent taking the total stake to 65.5 per cent at the end of 2004.

In October 2004 RTL Group acquired an 11.6 per cent participation in the Portuguese media company Grupo Media Capital, its first step into this market. This investment is treated as a financial asset.

RTL Group's strategy is focused on building a family of channels that are targeted to different demographics. Our experience has shown that this is an effective way of competing in a multi-channel environment. During 2004 we continued to develop this concept. In France, M6 acquired "Paris Premiere" from Suez and in Belgium RTL TVi launched "Plug TV".

<sup>18</sup> The loans receivable relate to Five and other financing (n-tv and TPS via M6 and deposits placed with Bertelsmann AG)

<sup>19</sup> EUR 58 million relates to M6 own shares (for its stock option plan) which will be re-classified to equity from 1 January 2005

## Review by profit centre

Revenue In EUR million	Year to		Per cent Change	Per cent of total 2004
	December 2004	December 2003		
Profit Centre Germany	1,826	1,877	(2.7)	37.4
Profit Centre M6 <sup>20</sup>	1,145	570	>100.0	23.5
Profit Centre FremantleMedia	866	819	+5.7	17.8
Profit Centre Netherlands	338	327	+3.4	6.9
Profit Centre Five	276	250	+10.4	5.7
Profit Centre French Radio	207	208	(0.5)	4.2
Profit Centre Belgium	167	148	+12.8	3.4
Profit Centre Luxembourg	151	-	n.a.	3.1
Profit Centre Sportfive	135	269	(49.8)	2.8
Profit Centre Croatia	14	-	n.a.	0.3
Profit Centre Others	24	225	(89.3)	0.5
Profit Centre Technical Services	-	93	(100.0)	-
Eliminations	(271)	(334)	(18.9)	(5.6)
<b>Total revenue</b>	<b>4,878</b>	<b>4,452</b>	<b>+9.6</b>	<b>100.0</b>

## EBITA In EUR million

	Year to December 2004		Year to December 2003		Per cent Change in EBITA	Per cent of total EBITA 2004
	EBITA	Margin %	EBITA	Margin %		
Profit Centre Germany	262	14.3	261	13.9	+0.4	36.9
Profit Centre M6 <sup>20</sup>	209	18.3	100	17.5	>100.0	29.4
Profit Centre FremantleMedia	101	11.7	68	8.3	+48.5	14.2
Profit Centre Netherlands	39	11.5	25	7.6	+56.0	5.5
Profit Centre Five	18	6.5	9	3.6	+100.0	2.5
Profit Centre French Radio	43	20.8	41	19.7	+4.9	6.0
Profit Centre Belgium	26	15.6	28	18.9	(7.1)	3.7
Profit Centre Luxembourg	5	3.3	-	n.a.	n.a.	0.7
Profit Centre Sportfive	11	8.1	18	6.7	(38.9)	1.5
Profit Centre Croatia	(19)	n.a.	-	n.a.	n.a.	(2.7)
Profit Centre Antena 3	17	n.a.	(35)	n.a.	n.a.	2.4
Profit Centre Others	(1)	(4.2)	(32)	(14.2)	+96.9	(0.1)
Profit Centre Technical Services	-	-	4	4.3	(100.0)	0.0
<b>Reported EBITA</b>	<b>711</b>	<b>14.6</b>	<b>487</b>	<b>10.9</b>	<b>+46.0</b>	<b>100.0</b>

<sup>20</sup> From February 2004 on, M6 has been fully consolidated by RTL Group. The 2003 results are based on the proportionate consolidation method

## Profit Centre Germany

The combined audience share of the family of channels decreased slightly to 32.9 per cent (target group 14-49), its second best year, from the record high of 33.2 per cent in 2003. The RTL family remained the clear market leader with a 3.5 percentage point gap over its commercial rival. Despite the continued weak television advertising market, the profit centre further improved its EBITA reporting record results in 2004.

In EUR million	Year to December 2004	Year to December 2003	Per Cent change
<b>Revenue</b>			
TV	1,733	1,774 <sup>21</sup>	(2.3)
Radio	13	12	+8.3
RTL Shop	80	91	(12.1)
<b>Total</b>	<b>1,826</b>	<b>1,877</b>	<b>(2.7)</b>
<b>EBITA</b>			
TV	264	267	(1.1)
Radio	1	4	(75.0)
RTL Shop	(3)	(10)	+70.0
<b>Total</b>	<b>262</b>	<b>261</b>	<b>+0.4</b>

**RTL Television** was audience market leader in Germany, with a 16.8 per cent share, for the twelfth consecutive year in the key target group of 14-49 year old viewers. This reflects the variety of the programming and strength in all genres. 2004 was a year of major sporting events on the public broadcasters and RTL TV came in second in terms of overall audience share at 13.8 per cent, just behind ARD at 13.9 per cent. RTL Television dominated the top 100 list of the most widely viewed broadcasts of the year, with no fewer than 49 entries. Excluding the Olympic Games and the European Football championships this figure rose to 68 out of the top 100 broadcasts.

RTL Television's most successful shows during 2004 were the local versions of *"I'm a celebrity get me out of here"* (highest share of 54.0 per cent in the target group), the anniversary shows *"20 years of RTL"* (highest market share of 31.9 per cent) and the quiz shows *"German test"* and *"IQ test"* which both had audience highs of over 29 per cent. Movie highlights included *"Ice Age"* (39.2 per cent share) and *"The Princess Diaries"* which had a market share of 32.2 per cent. The new reality-soap *"Super Nanny"* also produced high ratings (up to 25.5 per cent) for the channel.

News shows such as *"RTL Aktuell"* and *"Punkt 12"* dominated their respective time slots with audience shares of 20.5 per cent and 29.3 per cent respectively.

Formula One once again proved to be a ratings winner for RTL Television, and this despite the dominance of Ferrari and Michael Schumacher. The average share, across the 18 races, was 48.5 per cent in the 14-49 target group with six races obtaining better ratings than in 2003.

<sup>21</sup> includes EUR 30 million of one-off rights sale

In-house produced fiction such as “*Shark Alarm in Majorca*”, “*Crazy Race 2*” and “*Alarm for Cobra 11*”, which continues to be the most successful series on German television, attracted large audiences to the station.

For the first time ever the teletext services offered by RTLNewMedia outpaced the service provided by the public station ARD. The teletext services provided by RTL in 2004 attracted an average of 5.68 million viewers per day (source: GfK) and form an increasingly important part of the diversification business model. In terms of new media, the website RTL.de reported 3.3 billion page impressions (up 8 per cent) and 205.2 million unique visitors, up 25 per cent (source: IVW). This improvement has helped drive revenues up, despite a stagnating online market, with particularly good developments coming from pay-as-you-go games and videos.

In December 2004, RTL Television launched **Traumpartner tv**, a digital channel dedicated to the singles market in Germany. There are an estimated 13 million single people in Germany and this new dating channel has been specifically targeted at this group. Management expects the channel to break even within 3 years.

**VOX** had another very successful year finishing with a 5.5 per cent audience share in its target group, an increase of ten per cent year-on-year. It marks the fifth successive year of increase since RTL Group acquired the station. Its strong performance has been driven by US formats such as “*CSI : Crime Scene Investigation*”, “*Gilmore Girls*” and “*Six Feet Under*”. The in-house produced cooking show “*Doesn't taste good, doesn't exist*” has become the most successful cookery show on private TV whilst the movie line up, which included hits such as “*Armageddon*” and “*Titanic*”, also performed strongly.

**RTL II's** main programme highlights include “*Big Brother*”, “*Frauentausch*”, “*24*” and “*Stargate SG1*”. The Bollywood film “*In guten wie in schweren Tagen*” was also very successful, especially amongst female viewers, and marked the first time an Indian film was shown in prime time in Germany.

RTL II finished the year with a share of viewing among the 14-49 age category of 7.5 per cent, up from 7.1 per cent in 2003, and a contribution to RTL Group's EBITA of EUR 18 million (2003: EUR 18 million).

**Super RTL** achieved its highest ever audience share since launch reaching 24.1 per cent in its target group of 3-13 year olds. This success is due to Disney formats such as “*Disney grosse Pause*”, cartoons such as “*SpongeBob*”, various knowledge magazines including “*Art Attack*”, “*Finger Tips*” and the in-house developed “*Toggo*” formats.

**n-tv**, the German news channel, completed a year of restructuring with the move from Berlin to Cologne. At the same time, a significant investment was made in digital newsrooms demonstrating the commitment of the shareholders to the station and its employees. The strength of its news coverage was further demonstrated at the end of the year when the station covered the Asian Tsunami disaster.

## Profit Centre M6

The audience share of M6 increased slightly to 18.6 per cent (target group housewives under 50) from 18.5 per cent in 2003. EBITA reached a record level.

In EUR million	Year to December 2004 <sup>22</sup>	Year to December 2003	Per cent Change	PRO FORMA Year to December 2004	PRO FORMA Year to December 2003	Per cent change
<b>Revenue</b>	<b>1,145</b>	<b>570</b>	<b>&gt;100.0</b>	<b>1,193</b>	<b>1,177</b>	<b>+1.4</b>
<b>Reported EBITA</b>	<b>209</b>	<b>100</b>	<b>&gt;100.0</b>	<b>215</b>	<b>206</b>	<b>+4.4</b>

**M6** pursued a new strategy in 2004 with more investment in French fiction, both in access and prime time. Successes include “*Si j’étais elle*” (4.9 million viewers with a 4+ audience share of 19.9 per cent), “*Trois pères a la maison*” (4.3 million viewers and a 4+ audience share of 17.7 per cent) and “*Bien Agités*” (3.6 million viewers and a 4+ audience share of 14.7 per cent). With 20 new programmes including “*Ma vie aux urgences*” and “*On a échangé nos mamans*” and 15 new series including “*NCIS Enquêtes Spéciales*” M6 continues to be a station that brings innovative new formats to its audience. The programme investment has been rewarded with an increase in the under 35 years age group of 0.6 percentage points year on year to 19.9 per cent.

Other programme successes included the film “*Le masque de Zorro*” (7.5 million viewers and a 4+ audience share of 29.7 per cent - which was a record for a film on M6) and the docu-reality show “*Le Pensionnat de Chavagnes*” which recorded an audience share high of 6.2 million, or 28.9 per cent in the 4+ group. The average share for this programme was 23.3 per cent in the 4+ age group (5.2 million viewers) and 31.9 per cent in the target group of housewives under 50. A second season of the local Pop Idol format “*La Nouvelle Star*” also proved to be a ratings success achieving audiences of up to 17.3 per cent in the 4+ group.

In May M6 completed the acquisition of Paris Premiere thus further strengthening its family of channels. Paris Premiere is M6’s flagship thematic channel.

<sup>22</sup> From February 2004 on, M6 has been fully consolidated by RTL Group. The 2003 results are based on the proportionate consolidation method.

## Profit Centre FremantleMedia

FremantleMedia, RTL Group's worldwide production business, had a record year driven in particular by strong performances in the US and Germany.

In EUR million	Year to December 2004	Year to December 2003	Per cent change
<b>Revenue</b>	<b>866</b>	<b>819</b>	<b>+5.7</b>
<b>Underlying EBITA :</b>	<b>101</b>	<b>85</b>	<b>+18.8</b>
Rights impairment	-	(15)	
Restructuring and non-recurring items	-	(2)	
<b>Reported EBITA</b>	<b>101</b>	<b>68</b>	<b>+48.5</b>

Organised into three key business areas – production, licensing and distribution – and with operations in over 25 countries, **FremantleMedia** creates award-winning primetime drama, serial drama, entertainment, factual and comedy for broadcasters around the world.

### Production

In 2004 FremantleMedia produced almost 8,000 hours of programming. Success has been broad based, coming from both local and international programme launches from FremantleMedia's creative network of high profile brands. The production output during 2004 re-inforced FremantleMedia's strong record in sourcing new concepts, hot talent and fresh treatments that underpin the future of the business.

In addition to an array of FremantleMedia-branded production companies around the globe, the creative network comprises a host of high profile labels including talkbackTHAMES (UK), the UFA labels (Germany), Blue Circle (the Netherlands) and Grundy (Australia).

2004 saw FremantleMedia grow its drama business with the launch of four new series in Germany, Croatia and South Africa. Following the success of Invento-created telenovela "*Finding Rodrigo*", in Columbia, production steeped up a gear with the launch of Germany's first locally produced telenovela "*Bianca – Wege Zum Gluck*" on ZDF. In addition, all the major existing drama programmes continue to draw significant audiences for their broadcasters. These include "*The Bill*" in the UK (which was recommissioned for an additional five years) and "*Neighbours*" in Australia to "*Good times bad times*" in Germany.

In 2004, FremantleMedia focused building on the local strengths of the company by networking the different companies on both a creative and business level. This unique global creative and commercial network forms the backbone of FremantleMedia enabling it to compete more effectively and roll out formats such as "*Idols*", which is now produced in 30 countries worldwide.

Highlights in entertainment and reality included the highly successful launch of the new prime time entertainment show "*The X Factor*" in the UK and the continuing strength of the "*Idols*" brand in all territories with no less than four new launches of the programme in Asia alone. In factual entertainment FremantleMedia launched new shows such as "*The Sex Inspectors*" while existing brands such as "*How Clean*

*is Your House*” continued to be rolled out internationally, including a series on Lifetime TV in the US. During the year, FremantleMedia acquired most of the international rights to *“The Apprentice”* and has already sold the format to sixteen territories around the world. New comedy launches included the critically acclaimed *“Green Wing”* in the UK.

## Licensing

FremantleMedia Licensing Worldwide has enjoyed its best ever year. In addition to growing its traditional licensing business, new business streams are continuously being developed from a variety of in-house and third-party programmes.

Mobile services highlights include a SMS/WAP/Java *“Family Feud”* game which was played by more than 100,000 people in the first six months following launch thus making it one of the most successful mobile games ever. Similarly, a *“Baywatch”* Java game has proved very popular in the US and UK whilst *“The Price Is Right”* Java game performed well in the US and an online slot machine *“Play Your Cards Right”* game was launched in the UK.

With *“The X Factor”* in the UK, FremantleMedia was able to make a new level of mobile content available through exclusive video clips via Hutchinson’s ‘3’ network. This was the first service of its kind on the network.

## Distribution

FremantleMedia International Distribution’s strategy of refocusing the company from a reliance on US drama series to investing in factual programming has begun to pay off. It has a slate of new franchises including deals with nine new UK independents in 2004. Top selling programmes in 2004 included the serial drama, *“Neighbours”*, popular police drama series, *“The Bill”*, the talent search *“American Idol 3”*, hit business reality show *“The Apprentice”*, body and soul transformation series *“The Swan”* and the animated comedy series *“Mr Bear”*.

## Profit Centre Netherlands

Audience shares of the family of channels decreased slightly to 30.2 per cent (shoppers 20-49) from 31.1 per cent but RTL remained the clear market leader. In spite of the weak television advertising market and the start up losses in the radio business, EBITA increased significantly to a record level in 2004. Holland Media Group (HMG) was re-named RTL Nederland in 2004 and completed its move to one location.

In EUR million	Year to December 2004	Year to December 2003	Per Cent change
<b>Revenue</b>			
TV	331	320	+3.4
Radio	7	7	0.0
<b>Total</b>	<b>338</b>	<b>327</b>	<b>+3.4</b>
<b>EBITA</b>			
TV	54	30	+80.0
Radio	(15)	(5)	n.a.
<b>Total</b>	<b>39</b>	<b>25</b>	<b>+56.0</b>

Amongst shoppers aged 20-49, **RTL Nederland** achieved an audience share of 30.2 per cent, down from last years 31.1 per cent, mainly due to the impact of the European football championships and the Olympic Games being on the public channels. In the younger age group of 20-34 years old, RTL Nederland had the largest audience share by a considerable margin with 31.7 per cent against both SBS (27.8 per cent) and the public channels (26.1 per cent).

**RTL 4** continues to be the cornerstone for the success of our operations in the Netherlands. It remains the clear market leader in the core target audience of "Shoppers 20-49" with an audience share of 18.2 per cent, some 2.8 percentage points ahead of its nearest competitor. Programme successes this year include "Wife Swap" (which drew up to 2 million viewers), a new Dutch drama series called "Grijpstra & de Gier" (with audiences up to 2.1 million viewers) and the continued popularity of "Idols".

**Yorin** managed to improve its audience share in its target group mainly due to formats such as "CSI Miami", "Extreme Makeover" and the local format "Patty's Posse". However, it was with the final episode of "Friends" that Yorin achieved not only its highest rated show of the year (15 per cent in its target group) but also the best ever rated episode of the series.

Sports coverage on **RTL5** continued to bring in good audiences with particular successes being the "Voetbal Insite : De Nabeschouwing" (post match discussion) and the UEFA Cup football.

In radio, substantial investments have been made including the recruitment of top DJ's and the development of up-and-coming talent. This strategy has already led to a substantial rise in audience shares with the last available ratings, those for November-December, at 8.0 per cent for Yorin FM (target 20 to 34) and 4.1 per cent for RTL FM in its 20 to 49 target group.

### Profit Centre Five

The audience share of Five increased slightly to 6.7 per cent (target group adults) from 6.6 per cent. This, combined with a strong growth in the advertising market, led to a substantial increase in profitability at Five.

In EUR million	Year to December 2004	Year to December 2003	Per cent change
<b>Revenue</b>	<b>276</b>	<b>250</b>	<b>+10.4</b>
Revenue in local currency 100%	290	267	+8.6
<b>Reported EBITA</b>	<b>18</b>	<b>9</b>	<b>+100.0</b>
EBITA in local currency 100%	19	10	+90.0

**Five**, has continued the positive momentum of 2003 with further increases in audience, advertising share and profitability. This advance in profitability was achieved in spite of an increase in programme investment of some 10 per cent. The UK advertising market performed strongly in 2004, up almost 7 per cent. Five outperformed significantly with revenue growing by almost 9 per cent. With the exception of Channel 4, five was the only terrestrial broadcaster to increase its adult

share of viewing and also performed extremely well in Freeview homes, averaging an adult audience share of 9.1 per cent for the year on Freeview sets.

Key programming highlights include the reality series, “*The Farm*” and “*Cosmetic Surgery Live*” which was particularly popular with 16-34 year old viewers, averaging 12 per cent of that age group. Factual output continued to do well, with the “*Extraordinary People*” strand averaging over 2 million viewers. Highlights in News and Current Affairs include one-off documentaries fronted by Donal MacIntyre and Alastair Campbell’s interviews of, among others, Bill Clinton and Peter Mandelson. Football continued to play a prominent role in the channel with the UEFA Cup Semi Final between Marseille and Newcastle drawing over 3 million viewers.

Films and Acquired Series have, as expected, performed strongly, with the highlight being the television premiere of “*Terminator 3 – Rise of the Machines*” which was watched by 4.9 million viewers, a 20 per cent share. “*Crime Scene Investigation*” continued to lead the way in terms of top quality American series and in 2005 this brand has been extended with the launch of “*CSI New York*”. Five successfully launched “*Joey*” (the “*Friends*” spin off) in February 2005 and will also be airing terrestrial premieres including “*Spiderman*” and “*Black Hawk Down*” which are part of Columbia Tri-star’s 2002 theatrical releases.

### Profit Centre French Radio

The audience share of the French radio family remained broadly stable at 17.6 per cent (target 13+). Profitability improved further compared to 2003.

In EUR million	Year to December 2004	Year to December 2003	Per cent change
<b>Revenue</b>	<b>207</b>	<b>208</b>	<b>(0.5)</b>
<b>Reported EBITA</b>	<b>43</b>	<b>41</b>	<b>+4.9</b>

2004 was a year of new programme investments at RTL and FUN, leading to a more modern schedule and improved perceptions amongst the public.

**RTL Radio** has invested in new programmes and new hosts in 2004. Notable new faces include Pascale Clark (“*On refait le monde*”) and Laurence Ferrari (“*Questions de famille*”). RTL Radio’s entertainment hosts continue to prove popular with well known stars for RTL’s reference shows including Nagui, Julien Courbet, Jean-Pierre Foucault and Laurent Boyer.

In October, RTL Radio broadcast its 10,000<sup>th</sup> “*Les Grosses Têtes*” with a special show at L’Opéra Comique reflecting on 27 years of Philippe Bouvard and his special guests.

RTL Radio’s news and information slot broadcast between 07.00 and 09.00 was ranked as the radio news source most consulted by French people. Further recognition of the station’s improved image was provided by IPSOS research that found that the “*Vivre ensemble RTL*” media campaign had a 95 per cent recollection rate reflecting the successful efforts to highlight the values of the station and its proximity to its listeners.

RTL Radio’s share of the radio advertising market was 17.2 per cent (2003: 19.0 per cent). The change reflects the new methodology used by SECODIP, which now

includes Radio France (2003 comparatives on a like-for-like basis would have given an increased advertising market share of 18.3 per cent).

**RTL 2** continued to command a regular and loyal audience averaging a 2.7 per cent share, stable year on year. Following changes in 2004 more music is being played in the schedule. The station's two major pillars – the "Pop-Rock Sound" and the prime time morning show "The Grand Bazaar", hosted by Alexandre Devoise, continue to attract a large audience share with Alexandre Devoise recording his best ever audience share with more than 1 million listeners per quarter of an hour at the beginning of the year. RTL2 continues to sponsor and promote the best French and international artists including Joe Cocker, Lenny Kravitz, U2 and Gerald de Palmas.

**FUN RADIO's** "Hits and Fun" format averaged a 3.2 per cent audience share, slightly down on last year. It has entered into a number of partnerships with worldwide international stars such as Kylie Minogue and Destiny's Child. At the end of 2004 FUN Radio launched a new morning show hosted by Cauet which proved to be an instant success. Within weeks of the launch listener numbers exceeded 2 million per quarter of an hour. This performance enabled FUN Radio to overtake Europe 2 for the first time in two years as the audience share in morning prime time (06.00 to 10.00) increased 24 per cent year-on-year.

### Profit Centre Belgium

Audience shares of the family of channels improved to 32.5 per cent (target 18-54, 17.00 – 23.00) up from last years 30.7 per cent. The television advertising market grew moderately and despite the losses related to the start-ups of the new television channel, Plug TV, and a new radio station, BXL, the high level of profitability was maintained.

In EUR million	Year to December 2004	Year to December 2003	Per Cent change
<b>Revenue</b>			
TV	147	130	+13.1
Radio	20	18	+11.1
<b>Total</b>	<b>167</b>	<b>148</b>	<b>+12.8</b>
<b>EBITA</b>			
TV	18	19	(5.3)
Radio	8	9	(11.1)
<b>Total</b>	<b>26</b>	<b>28</b>	<b>(7.1)</b>

News remains one of the main strengths of **RTL-TVI** with its "*Le journal de 19 heures*" being the market leader (43 per cent average market share) throughout the year. Other programme highlights include magazines, shows and blockbuster movies. The top movies of the year included "*Harry Potter à l'école des sorciers*" which had a market share of 45.7 per cent, "*Asterix et Obelix*" which had a share of 43.9 per cent and "*Le journal de Bridget Jones*" which had a share of 38.5 per cent. Variety shows such as "*Le Pirette Show*" and "*60 ans de rêve et d'émotions*" also performed well with market shares of 41 per cent and 33 per cent respectively.

**Club RTL** continues to focus on children's programmes during the day and sports in the evening. Thanks to a strong Disney and Warner catalogue Club RTL achieved a 29 per cent market share (4-14 years old, 15:30 – 20:00 hours) with programmes including such as *"The Simpsons"* and *"Art Attack"*. Football remains the backbone of the sports coverage with the Champions League on both Tuesday and Wednesday nights and the national team matches (the highest audience share achieved in 2004 was the match Belgium versus Serbia with a 30 per cent market share).

**Plug TV**, launched on 13 February 2004, caters for the young adult audience of 15-34 years old. In this target group Plug TV achieved a 4 per cent market share in its first year of operation thanks to reality formats such as *"L'île de la tentation"* and *"La nouvelle star"* and the entertainment format *"Les enfants de la tele"*.

**Bel RTL** retained its position as the number one radio station in the south of the country, where it had 18.8 per cent of the 12+ audience (CIM Radio March – May). **Radio Contact** also performed well recording an audience market share of 12.6 per cent, putting it just behind Vivacité.

On 27 September 2004, Bel RTL launched a new station, **BXL**, specifically aimed at the Brussels region.

### Profit Centre Luxembourg

This profit centre comprises the Luxembourg radio and television businesses, Broadcasting Centre Europe (BCE), the technical services provider and CLT-UFA International (the rights trading activity).

In EUR million	Year to December 2004	Year to December 2003	Per cent change
<b>Revenue</b>	<b>151</b>	-	-
Of which : CLT-UFA International	72	-	-
Other Luxembourg activities	79	-	-
<b>Reported EBITA</b>	<b>5</b>	-	-
Of which : CLT-UFA International	7	-	-
Other Luxembourg activities	(2)	-	-

**RTL Radio Lëtzebuerg** remains the reference station for both news and entertainment with an audience share of 74 per cent (12+, 05.00 – 24.00) and an average listening time of 169 minutes. Its programme schedule is built around news, community interactivity and entertainment.

**RTL Télé Lëtzebuerg** increased its prime time audience share (12+, 19.00 – 20.00) to 70 per cent (from 66 per cent in 2003). The station continues to invest in news, entertainment and community involvement with its internet site being visited by 58 per cent of the local internet users.

**BCE** continues to provide both RTL Group and third party clients with essential technical support covering digital production and broadcast infrastructure, IP telephony, broadband lines and data storage and high definition production and post production facilities. BCE has also been closely involved in the testing and roll-out of Digital Radio Mondiale (DRM) for RTL Group stations in both France and Germany. In 2004 BCE achieved record results.

**CLT-UFA International (CUI)** manages a portfolio of film rights, series and other rights. It returned to profitability in 2004 despite a reduction in revenue.

### Profit Centre Sportfive

Following the partial disposal of Sportfive on 25 June 2004, RTL Group has, from 1 July 2004, equity accounted for Sportfive, thus significantly reducing the revenue contributed to RTL Group.

In EUR million	Year to December 2004	Year to December 2003	Per cent change
<b>Revenue</b>	<b>135<sup>23</sup></b>	<b>269</b>	<b>(49.8)</b>
<b>Reported EBITA</b>	<b>11</b>	<b>18</b>	<b>(38.9)</b>

The **Sportfive** business is focused on football with 34 European football federations represented by the company. Sportfive will market at least 238 out of the 282 qualifying matches leading up to the 2006 World Cup and also represents 10 national leagues in worldwide television distribution negotiations. Sportfive continues to be the marketing force behind the UEFA Cup and is also involved in other sporting events covering handball, rugby, boxing and beach volleyball.

The 2004 EBITA result includes a one-off compensation payment as part of the sales process.

In February 2005 SPORTFIVE won the broadcasting rights for the 2008 European Football Championships. This is the first time since 1960 that an agency will market these rights.

### Profit Centre Croatia

RTL Group and a consortium of local partners successfully launched **RTL Televizija** on 30 April 2004 by replacing one of the public channels, HTV3, which ceased broadcasting on 31 March 2004. During the remainder of 2004, RTL Group increased its shareholding from an initial 33 per cent to 65.5 per cent.

RTL Televizija had a very successful start achieving a 29.5 per cent audience share in its target group of 18-49 since launch. The new station provides innovative, unconventional and varied formats of which almost 40 per cent is locally produced.

In EUR million	Year to December 2004	Year to December 2003	Per cent change
<b>Revenue</b>	<b>14</b>	<b>-</b>	<b>n.a.</b>
<b>Reported EBITA</b>	<b>(19)</b>	<b>-</b>	<b>n.a.</b>

<sup>23</sup> 2004 only includes 6 months worth of revenue due to the change in consolidation method following the partial sale of our interest in Sportfive

The start-up losses reflect the investment in the technical infrastructure and the programme schedule, particularly from September onwards when formats such as “*Big Brother*” were launched. “*Big Brother*” provided the programme highlight of the year. During the final, a peak share of 97.7 per cent of all television viewers tuned in to watch the result. Other successful new formats include the local language version of the FremantleMedia drama series “*Forbidden Love*”. This is the first ever local production of a soap in Croatia and since its launch on 25 October 2004 it has obtained an average audience share of 28.9 per cent (18-49 target group). Other new programmes include “*Sanja*” a talk show with an average audience share of 27 per cent, “*Explosiv*” an infotainment show with an average audience share of 26.5 per cent and “*Salto*” which is based upon the US show “Funniest Home Videos” and which achieved a share of 32.2 per cent in the 18-49 target group. Movies also played an important part in the new station’s programme schedule with 9 out of the top 10 rated films, since RTL Televizija launched, being broadcast by the channel.

### Profit Centre Antena 3

**Antena 3** improved its audience share to 21.9 per cent (target 13-55) from 20.9 per cent in 2003. Strong advertising market growth and an increase in the market share from 24.8 per cent to 27.0 per cent, combined with the effects of the restructuring efforts in 2003, enabled Antena 3 to achieve record results. The EBIT<sup>24</sup> was EUR 181 million, up from EUR 64 million in 2003.

As a result of the improvement in the operational performance of the business, and the absence of significant restructuring and other one-off charges, the profit contributed to RTL Group was EUR 17 million, up from a loss of EUR 35 million in 2003.

### Profit Centre Others

This profit centre now comprises the corporate centre, the participation in RTL Klub (Hungary) and other minor investments.

In EUR million	Year to December 2004	Year to December 2003	Per cent change
<b>Revenue</b>	<b>24</b>	<b>225</b>	<b>(89.3)</b>
Of which : CLT-UFA International	0	165	(100.0)
<b>Reported EBITA</b>	<b>(1)</b>	<b>(32)</b>	<b>+96.9</b>
Others	7 <sup>25</sup>	(3)	n.a.
Corporate centre	(15)	(24)	+37.5
CLT-UFA International	0	(11)	>100.0
RTL Klub	7	6	+16.7

In Hungary, **RTL Klub** maintained its leading market position. It has a strong programming portfolio based around successful locally produced shows, US movies, sports such as football, boxing and Formula One and television events. The third season of “*Való Világ*”, the daily reality show, launched at the beginning of 2004 and proved to be the most successful ever. Audience shares fell slightly in 2004 largely due to increased fragmentation (there are over 40 Hungarian

<sup>24</sup> Local GAAP accounts as presented by Antena 3 on 100 per cent basis on 27 January 2005 (before extraordinary items)

<sup>25</sup> Includes release of provisions following the sale of Sportfive and litigations settled

channels) and an improvement at the public broadcaster, MTV, which benefited from the Euro 2004 football championships and the Olympic Games.

Due to a strong advertising market and growing diversification revenue, RTL Group's share of results rose to EUR 7 million (2003: EUR 6 million).

### **Portfolio changes**

The most significant portfolio change was the first time full consolidation of M6 as from February 2004 following the sale by Suez of the majority of its M6 participation. As a result of this transaction, RTL Group has gained control of M6 and, in accordance with IAS 27, fully consolidated M6 from February 2004. Due to the significant impact of this change, RTL Group has prepared pro forma numbers, for the year to December 2004 and December 2003 as if M6 had been fully consolidated from 1 January 2003.

In March 2004 RTL Group sold its London based television facilities services company (London Playout Centre) to Ascent Media and completed the sale of its stake in Sportfive to Advent International/Goldman Sachs in June 2004. RTL Group retained a 25 per cent shareholding in Sportfive.

In June 2004 RTL Group increased its shareholding in RTL Televizija by acquiring a further 25 per cent and in November acquired an additional 7.5 per cent taking its participation to 65.5 per cent at the end of 2004.

In October 2004 RTL Group acquired an 11.6 per cent participation in the Portuguese media company Grupo Media Capital, its first step into this market. This investment is treated as a financial asset.

RTL Group's strategy is focused on building a family of channels that are targeted to different demographics. Our experience has shown that this is an effective way of competing in a multi-channel environment. During 2004 we continued to develop this concept. In France, M6 acquired "Paris Premiere" from Suez and in Belgium RTL TVi launched "Plug TV".

## CONSOLIDATED INCOME STATEMENT

In EUR million

	2004 Full year	2003 Full year
Revenue	4,878	4,452
Other operating income	118	76
Consumption of current programme rights	(1,599)	(1,501)
Depreciation, amortisation and impairment	(241)	(335)
Other operating expense	(2,493)	(2,201)
Amortisation and impairment of goodwill and fair value adjustments on acquisitions	(19)	(317)
Gain / (loss) from sale of subsidiaries, joint ventures and other investments	(18)	3
<b>Profit / (loss) from operating activities</b>	<u>626</u>	<u>177</u>
Share of results of associates	48	(4)
<b>Earnings before interest and taxes ("EBIT")</b>	<u>674</u>	<u>173</u>
Net interest expense	(25)	(35)
Financial results other than interest	(19)	(20)
<b>Profit / (loss) before taxes</b>	<u>630</u>	<u>118</u>
Income tax expense	(196)	(95)
<b>Profit / (loss) from ordinary activities</b>	<u>434</u>	<u>23</u>
Minority interest	(67)	(9)
<b>Net profit / (loss) for the period</b>	<u><u>367</u></u>	<u><u>14</u></u>

<b>EBITA*</b>	711	487
Amortisation and impairment of goodwill and fair value adjustments on acquisitions	(19)	(317)
Gain / (loss) from sale of subsidiaries, joint ventures and other investments	(18)	3
<b>Earnings before interest and taxes ("EBIT")</b>	<u>674</u>	<u>173</u>

### Earnings per share (in EUR)

- Basic	2.39	0.09
- Diluted	2.39	0.09

\* EBITA represents earnings before interest and taxes excluding amortisation and impairment of goodwill and fair value adjustments on acquisitions and gain/(loss) from sale of subsidiaries, joint ventures and other investments.

## CONSOLIDATED BALANCE SHEET

In EUR million

	<b>2004</b>	<b>2003</b>
	<b>Full year</b>	<b>Full year</b>
<b>Non-current assets</b>		
Programme and sport rights	107	169
Goodwill	3,111	3,203
Other intangible assets	279	74
Property, plant and equipment	377	297
Investments in associates	142	114
Loans and other financial assets	401	284
Deferred tax assets	175	191
	<u>4,592</u>	<u>4,332</u>
<b>Current assets</b>		
Programme rights	1,273	1,159
Other inventories	19	15
Income tax receivable	195	199
Accounts receivable	1,336	1,201
Marketable securities and other short-term investments	58	36
Cash and cash equivalents	346	274
	<u>3,227</u>	<u>2,884</u>
<b>Current liabilities</b>		
Loans and bank overdrafts	361	284
Income tax payable	141	92
Accounts payable	1,680	1,648
	<u>2,182</u>	<u>2,024</u>
<b>Net current assets</b>	<u>1,045</u>	<u>860</u>
<b>Non-current liabilities</b>		
Loans	236	527
Accounts payable	190	186
Provisions	232	189
Deferred tax liabilities	99	22
	<u>757</u>	<u>924</u>
<b>Net assets</b>	<u>4,880</u>	<u>4,268</u>
<b>Shareholders' equity</b>	<u>4,524</u>	<u>4,242</u>
<b>Minority interest</b>	<u>356</u>	<u>26</u>
	<u>4,880</u>	<u>4,268</u>

## CONSOLIDATED CASH FLOW STATEMENT

In EUR million	2004 Full year	2003 Full year
<b>Cash flows from operating activities</b>		
Profit / (loss) before taxes	630	118
Adjustments for :		
- Depreciation and amortisation	212	493
- Value adjustments, impairment and provisions	58	176
- (Gain) / loss on disposal of assets	20	(7)
- Financial results including net interest expense and share of results of associates	21	74
Use of provisions	(22)	(41)
Working capital changes	(34)	(153)
Income taxes refunded / (paid)	(147)	157
	<b>738</b>	<b>817</b>
<b>Cash flows from investing activities</b>		
Acquisitions of :		
- Programme and sport rights	(61)	(58)
- Subsidiaries and joint ventures net of cash acquired	46	(50)
- Other intangible and tangible assets	(130)	(90)
- Other investments and financial assets	(173)	(72)
Current deposit with shareholder	(208)	
	<b>(526)</b>	<b>(270)</b>
Proceeds from the sale of intangible and tangible assets	8	13
Disposal of subsidiaries and joint ventures net of cash disposed of	215	6
Proceeds from the sale of other investments and financial assets	34	59
Interest received	12	18
	<b>269</b>	<b>96</b>
	<b>(257)</b>	<b>(174)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(36)	(53)
Proceeds from loans	87	318
Repayment of loans	(279)	(733)
Net change in bank overdraft	1	(44)
Dividends paid	(181)	(122)
	<b>(408)</b>	<b>(634)</b>
Net cash used in financing activities	<b>(408)</b>	<b>(634)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>73</b>	<b>9</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>274</b>	<b>269</b>
Effect of exchange rate fluctuation on cash held	(1)	(4)
<b>Cash and cash equivalents at end of year</b>	<b>346</b>	<b>274</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2004

<i>In EUR million</i>	Share capital	Share premium	Non distributable reserves	Treasury shares	Other reserves	Retained earnings	Total shareholders' equity
<b>Balance at 31 December 2002</b>	<b>192</b>	<b>6 428</b>	<b>26</b>	<b>(44)</b>	<b>(86)</b>	<b>(2 114)</b>	<b>4 402</b>
Gains and losses:							
- Currency translation adjustment	-	-	-	-	(65)	-	(65)
- Net change on cash flow hedging instruments	-	-	-	-	(29)	-	(29)
- Net change on available-for-sale assets	-	-	-	-	27	-	27
- Net profit for the year	-	-	-	-	-	14	14
Capital transactions with owners and distribution to owners:							
- Dividends	-	-	-	-	-	(107)	(107)
<b>Balance at 31 December 2003</b>	<b>192</b>	<b>6 428</b>	<b>26</b>	<b>(44)</b>	<b>(153)</b>	<b>(2 207)</b>	<b>4 242</b>
Gains and losses:							
- Currency translation adjustment	-	-	-	-	3	-	3
- Net change on cash flow hedging instruments	-	-	-	-	2	-	2
- Net change on available-for-sale assets	-	-	-	-	6	-	6
- Net profit for the year	-	-	-	-	-	367	367
Capital transactions with owners and distribution to owners:							
- Dividends	-	-	-	-	-	(123)	(123)
- Gain of control of M6	-	-	-	-	48	-	48
- Acquisition of minority interest	-	-	-	-	-	(21)	(21)
<b>Balance at 31 December 2004</b>	<b>192</b>	<b>6 428</b>	<b>26</b>	<b>(44)</b>	<b>(94)</b>	<b>(1 984)</b>	<b>4 524</b>