

## RTL Group pulls through crisis with strong results – net result on the level of 2008

Luxembourg, 11 March 2010 – RTL Group, the leading European entertainment network, announces its audited results for the year ended 31 December 2009.

### Highlights

| In EUR million   | Year to<br>December<br>2009          | Year to<br>December<br>2008 | Per cent<br>change |
|--|--------------------------------------|-----------------------------|--------------------|
| <b>Revenue</b>   | <b>5,410</b>                         | <b>5,774</b>                | <b>(6.3)</b>       |
| <b>Underlying revenue<sup>1</sup></b>  | <b>5,284</b>                         | <b>5,711</b>                | <b>(7.5)</b>       |
| <b>Reported EBITA<sup>2</sup></b>  | <b>755</b>                           | <b>916</b>                  | <b>(17.6)</b>      |
| Restructuring charges  | 34                                   | 32                          |                    |
| Start-up losses <sup>3</sup>   | 46                                   | 23                          |                    |
| <b>Adjusted EBITA</b>  | <b>835</b>                           | <b>971</b>                  | <b>(14.0)</b>      |
| Reported EBITA margin (%)  | 14.0                                 | 15.9                        |                    |
| Adjusted EBITA margin (%)  | 15.4                                 | 16.8                        |                    |
| <b>Reported EBITA</b>  | <b>755</b>                           | <b>916</b>                  | <b>(17.6)</b>      |
| Impairment of goodwill and of disposal group and amortisation and impairment of fair value adjustments on acquisitions | (247)                                | (407)                       |                    |
| Loss from sale of subsidiaries, joint ventures and other investments   | –                                    | (9)                         |                    |
| Net financial income   | 10                                   | 28                          |                    |
| Income tax expense   | (220)                                | (232)                       |                    |
|  | <i>of which: Current tax expense</i> | <i>(192)</i>                | <i>(195)</i>       |
|  | <i>Deferred tax expense</i>          | <i>(28)</i>                 | <i>(37)</i>        |
| <b>Profit for the year</b>   | <b>298</b>                           | <b>296</b>                  | <b>+0.7</b>        |
| Attributable to:   |                                      |                             |                    |
| Minority interest  | 93                                   | 102                         |                    |
| RTL Group shareholders   | 205                                  | 194                         | +5.7               |
| <b>EPS (in EUR)</b>  | <b>1.33</b>                          | <b>1.26</b>                 |                    |
| <b>Adjusted EPS (in EUR)<sup>4</sup></b>   | <b>2.85</b>                          | <b>3.87</b>                 |                    |
| <b>Proposed/paid total dividend per share (in EUR)</b>   | <b>3.50</b>                          | <b>3.50</b>                 |                    |

Regulated information

<sup>1</sup> Adjusted for Alpha Media Group in Greece, RTL Klub in Hungary, other minor scope changes and at constant exchange rates

<sup>2</sup> EBITA represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions and gain or loss from sale of subsidiaries, joint ventures and other investments

<sup>3</sup> Primarily Alpha Media Group in Greece and the digital television channels in the UK

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

### **Record second half-year leads to satisfying set of results for fiscal year 2009**

- Reported Group revenue down 6.3 per cent to EUR 5,410 million as most TV advertising markets across Europe declined by double-digit rates; RTL Group's investments in content production and diversification businesses helped to better balance the Group's financial position
- With a record second half-year EBITA of EUR 437 million (up 5.6 per cent year-on-year), full-year EBITA reached EUR 755 million (down 17.6 per cent), despite
  - higher start-up losses (EUR 46 million) which mainly resulted from the first-time full-year consolidation of Alpha Media Group in Greece, and
  - significant one-time charges, including restructuring costs in the UK, Germany and Greece totalling EUR 34 million, and a significant programme write-down at Five amounting to EUR 22 million
- Healthy EBITA margin of 14.0 per cent (2008: 15.9 per cent); the EBITA margins of the big five profit contributors – Mediengruppe RTL Deutschland, Groupe M6, FremantleMedia, RTL Nederland and RTL Belgium – remained stable or even increased
- Net profit attributable to RTL Group shareholders up 5.7 per cent to EUR 205 million despite goodwill impairments on Five Group in the UK and Alpha Media Group in Greece
- Net cash from operating activities was EUR 763 million, resulting in an operating cash conversion of 106 per cent and a net cash position of EUR 789 million at the end of 2009
- Proposed dividend for 2009 of EUR 3.50 per share, based on RTL Group's sound financial position and the fact that there is no major acquisition target in the short term (for 2008: total dividend of EUR 3.50 per share)

### **Costs down by EUR 371 million, audience ratings up**

- Since the fourth quarter of 2008, RTL Group has placed a strong focus on cost cutting in response to the substantial slowdown in advertising bookings. On a constant scope basis – excluding restructuring costs and other one-off effects – operating costs fell EUR 371 million, compared to 2008
- Despite significant programme cost savings, RTL Group's families of channels achieved higher audience shares in almost all countries
  - Germany: costs down by 14 per cent, audience share up to 34.4 per cent (+1.5 percentage points)
  - France: costs down by 7 per cent, audience share up to 21.6 per cent (+0.4 percentage points)
  - The Netherlands: costs down by 14 per cent, audience share up to 32.3 per cent (+1.8 percentage points)
  - Belgium: costs down by 6 per cent, audience share up to 38.9 per cent (+2.9 percentage points)
  - UK: costs down by 19 per cent, audience share slightly up to 6.27 per cent (+0.03 percentage points)

- Mediengruppe RTL Deutschland increased its clear audience leadership over main competitor ProSiebenSat1 to 4.3 percentage points, mainly driven by the strong performance of flagship channel RTL Television. EBITA was EUR 366 million, down 11.6 per cent due to significantly lower advertising revenue
- Groupe M6 demonstrated its resilience in a strong economic downturn: EBITA remained almost stable at EUR 195 million, driven by significantly lower programme costs at the main channel and higher profit contributions from its digital channels and diversification activities. Groupe M6 was the only family of channels in France with growing ratings
- Worldwide production arm FremantleMedia reached again the record results level of the previous year. Despite general pressure on the profit margins, EBITA remained stable at EUR 155 million
- EBITA of RTL Nederland increased to EUR 72 million, thanks to an early focus on cost reduction. A strong ratings performance was mainly driven by the flagship channel, RTL 4, which significantly increased its audience share to become the clear market leader once again
- The newly acquired Alpha Media Group initiated comprehensive restructuring and cost reduction measures in reaction to the downturn of the Greek market. Despite these savings, Alpha TV's audience share increased significantly year-on-year, proving that the new programming strategy is working

### **Continued investments in digital activities, content and diversification**

- In total, RTL Group's online platforms across Europe registered more than 1 billion video streams, delivering professionally produced content to our viewers – an increase of 49 per cent compared to 2008
- On-going improvement and extensions of RTL Group's popular catch-up TV services
  - Launch of Vox Now in Germany, W9 Replay in France, and RTL Most in Hungary
  - Groupe M6 complemented its market-leading offer with a new paid service, M6 VOD, which features premium content such as movies and season passes for popular TV series, and M6 Bonus, a free service offering highlights of M6's signature programmes, as well as interviews, making-ofs and outtakes
  - M6 Replay and RTL Gemist also became available on TV screens
  - Selected programmes from M6 Replay and RTL Now are also available on mobile phones
- At the beginning of October 2009, RTL Nederland launched the special-interest channel RTL Lounge, which targets young women with Dutch and international drama and lifestyle programmes. The channel has already become the most viewed digital channel in the Netherlands
- In February 2009, FremantleMedia acquired a 75 per cent stake in Original Productions, the US-based creator of hit TV shows such as *Ice Road Truckers*

- In a unique extension of the *Idols* brand, FremantleMedia created a TV programme-based attraction – *The American Idol Experience* – at Walt Disney World Resort, Florida, which opened in February 2009
- Audiovisual rights companies Universum Film in Germany and SND in France achieved record results

**“Good results, significant net cash position, high dividend proposal”**

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

“In 2009, RTL Group had to operate in a tough economic environment, in particular during the first half of the year when the TV advertising markets declined at double-digit rates. With a strong year-end finish, RTL Group again achieved good full-year results and continued to operate at high levels of profitability.

At the beginning of 2009, in the midst of the economic uncertainty, we made it our top priority to significantly reduce the cost base in our core business of TV broadcasting, without losing audience shares. We have clearly achieved this goal. In almost every country, we actually increased our audience shares as our local management teams combined comprehensive cost cutting with smart programming decisions.

RTL Group has succeeded in limiting the negative EBITA impact of the advertising revenue shortfall and achieved a net result at the level of 2008. Our focus on cash generation led to a significant net cash position of EUR 789 million at the end of 2009. Based on this sound financial position and the fact that we don't see a major acquisition target in the short term, the Board has decided to recommend a gross dividend payout of EUR 3.50 per share, on par with the 2008 fiscal year.

The 2009 results across all our countries also show that our industry is flexible and resilient even in difficult situations and is able to master the challenges of the future. RTL Group's decentralised structure with strong CEOs gives the company a solid competitive edge.

Although the revenue decline has slowed considerably since autumn 2009, we cannot expect a quick recovery of advertising revenues to previous levels. While we remain cautious, we will also continue to invest in promising business opportunities, based on our strong brands and content. These include on-demand services as non-linear TV viewing grows rapidly, digital pay channels to establish a second revenue stream, content production, and our broad range of diversification businesses.”



RTL Group results conference call for journalists:

Date: Thursday 11 March 2010  
11:00 (Luxembourg) / 10:00 (London)

Number to dial: +44 (0)203 003 2666

Password: Media

Slides from the presentation and an MP3 file will also be available to download at [RTLGroup.com](http://RTLGroup.com)

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**About RTL Group**

RTL Group is the leading European entertainment network, with interests in 45 television channels and 31 radio stations in 11 countries and content production throughout the world. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, Five in the UK, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia and Hungary, Alpha TV in Greece, Ren TV in Russia and Antena 3 in Spain. RTL Group's flagship radio station is RTL in France, and the company also owns or has interests in other stations in France, Germany, Belgium, the Netherlands, Spain and Luxembourg. RTL Group's content production arm, FremantleMedia, is one of the largest international producers outside the US. Each year, it produces 9,500 hours of programming across 57 countries.

## Revenue

Advertising market conditions were extremely challenging across Europe. All markets reported negative growth in 2009 with most recording double digit declines on 2008.

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

|             | 2009 net TV advertising market growth rate (in per cent) | RTL Group advertising market share 2009 (in per cent) | RTL Group advertising market share 2008 (in per cent) | RTL Group audience share in main target group 2009 (in per cent) | RTL Group audience share in main target group 2008 (in per cent) |
|-------------|--|---|---|--|--|
| Germany     | (8.5) <sup>5</sup>                                       | 43.5  | 46.4  | 34.4 <sup>6</sup>  | 32.9 <sup>6</sup>  |
| France      | (12.0) <sup>7</sup>                                      | 23.4  | 21.4  | 21.6 <sup>8</sup>  | 21.2 <sup>8</sup>  |
| UK          | (12.5) <sup>5</sup>                                      | 8.4   | 9.6   | 6.27 <sup>9</sup>  | 6.24 <sup>9</sup>  |
| Netherlands | (10.7) <sup>5</sup>                                      | 39.5  | 39.0  | 32.3 <sup>10</sup>   | 30.5 <sup>10</sup>   |
| Belgium     | (3.8) <sup>5</sup>                                       | 72.0  | 70.2  | 38.9 <sup>11</sup>   | 36.0 <sup>11</sup>   |
| Spain       | (23.2) <sup>12</sup>                                     | 26.0  | 23.2  | 17.6 <sup>13</sup>   | 17.9 <sup>13</sup>   |

Revenue decreased by 6.3 per cent to EUR 5,410 million (2008: EUR 5,774 million). On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was down 7.5 per cent, or EUR 427 million, to EUR 5,284 million.

## EBITA

Reported EBITA decreased by 17.6 per cent to EUR 755 million (2008: EUR 916 million) due to higher start-up losses (EUR 46 million), which mainly resulted from the first-time full-year consolidation of Alpha Media Group in Greece, significant one-time charges, including restructuring costs in the UK, Germany and Greece totalling EUR 34 million, and a one-off programme write-down at Five amounting to EUR 22 million.

On an adjusted basis, after stripping out restructuring costs and start-up losses, EBITA was down 14.0 per cent to EUR 835 million (2008: EUR 971 million).

Group operating expenses were down 4.4 per cent at EUR 4,726 million in 2009 compared to EUR 4,941 million in 2008 reflecting significant programme cost savings. On a constant scope basis and after adjustment for restructuring related expenses, costs were down EUR 371 million, a reduction of 7.7 per cent.

<sup>5</sup> Industry/IREP and RTL Group estimates

<sup>6</sup> Target group: 14-49

<sup>7</sup> Source: Groupe M6 estimate

<sup>8</sup> Target group: housewives under 50 (including digital channels)

<sup>9</sup> Target group: 16+ (including digital channels)

<sup>10</sup> Target group: shoppers 20-49, 18-24h

<sup>11</sup> Target group: shoppers 18-54, 17-23h

<sup>12</sup> Source: Infoadex

<sup>13</sup> Target group: 16-54 (including digital channels)

## Review by segments\*

| <b>Revenue</b><br>In EUR million | Year to<br>December<br>2009 | Year to<br>December<br>2008* | Per cent<br>change<br>(%) | Per cent<br>of total<br>2009<br>(%) |
|----------------------------------|-----------------------------|------------------------------|---------------------------|-------------------------------------|
| Mediengruppe RTL Deutschland     | 1,732                       | 2,020                        | (14.3)                    | 32.0                                |
| Groupe M6                        | 1,377                       | 1,354                        | +1.7                      | 25.4                                |
| FremantleMedia                   | 1,183                       | 1,203                        | (1.7)                     | 21.9                                |
| RTL Nederland                    | 371                         | 436                          | (14.9)                    | 6.9                                 |
| Five Group                       | 303                         | 432                          | (29.9)                    | 5.6                                 |
| <i>Revenue in local currency</i> | 269                         | 341                          | (21.1)                    | –                                   |
| RTL Belgium                      | 203                         | 216                          | (6.0)                     | 3.8                                 |
| French radio                     | 174                         | 189                          | (7.9)                     | 3.2                                 |
| Other segments                   | 313                         | 180                          | +73.9                     | 5.8                                 |
| Eliminations                     | (246)                       | (256)                        | (3.9)                     | (4.6)                               |
| <b>Total revenue</b>             | <b>5,410</b>                | <b>5,774</b>                 | <b>(6.3)</b>              | <b>100.0</b>                        |

| <b>EBITA</b><br>In EUR million | Year to<br>December<br>2009 | Year to<br>December<br>2008* | Per cent<br>change<br>(%) | Per cent<br>of total<br>2009<br>(%) |
|--------------------------------|-----------------------------|------------------------------|---------------------------|-------------------------------------|
| Mediengruppe RTL Deutschland   | 366                         | 414                          | (11.6)                    | 48.5                                |
| Groupe M6                      | 195                         | 196                          | (0.5)                     | 25.8                                |
| FremantleMedia                 | 155                         | 155                          | 0.0                       | 20.5                                |
| RTL Nederland                  | 72                          | 70                           | +2.9                      | 9.5                                 |
| Five Group:                    |                             |                              |                           |                                     |
| <i>Operating EBITA</i>         | (10)                        | 2                            | n.a.                      | (1.3)                               |
| <i>Restructuring costs</i>     | (9)                         | (4)                          | >100.0                    | (1.2)                               |
| <i>Non-recurring items</i>     | (22)                        | –                            | n.a.                      | (2.9)                               |
| RTL Belgium                    | 36                          | 39                           | (7.7)                     | 4.8                                 |
| French radio                   | 15                          | 32                           | (53.1)                    | 2.0                                 |
| Other segments                 | (43)                        | 4                            | n.a.                      | (5.7)                               |
| Eliminations                   | –                           | 8                            | n.a.                      | 0.0                                 |
| <b>Reported EBITA</b>          | <b>755</b>                  | <b>916</b>                   | <b>(17.6)</b>             | <b>100.0</b>                        |

\* Profit centre information has been re-presented in conformity with the requirements of IFRS 8 (“Operating segments”)

## Mediengruppe RTL Deutschland

| In EUR million        | Year to<br>December<br>2009 | Year to<br>December<br>2008 | Per cent<br>change<br>(%) |
|-----------------------|-----------------------------|-----------------------------|---------------------------|
| <b>Revenue</b>        | <b>1,732</b>                | <b>2,020</b>                | <b>(14.3)</b>             |
| <b>Adjusted EBITA</b> | <b>374</b>                  | <b>414</b>                  | <b>(9.7)</b>              |
| Restructuring costs   | (8)                         | –                           | n.a.                      |
| <b>EBITA</b>          | <b>366</b>                  | <b>414</b>                  | <b>(11.6)</b>             |

### Financial results

Due to the downturn of the German TV advertising market – estimated to have dropped 8.5 per cent in 2009 – high pressure on spot price discounts, and the deconsolidation of RTL Shop (sold in August 2008) revenue of **Mediengruppe RTL Deutschland** decreased by 14.3 per cent to EUR 1,732 million (2008: EUR 2,020 million).

Following an exceptional 2008 for Mediengruppe RTL Deutschland, during which the company increased its net advertising share to more than 46 per cent, competitors were expected to win back some market share during 2009. The combined estimated net share of Mediengruppe RTL Deutschland (including RTL II) decreased to 43.5 per cent (2008: 46.4 per cent), a more normalised level of the years 2004 to 2007.

The profit centre's EBITA decreased by 11.6 per cent to EUR 366 million (2008: EUR 414 million), mainly reflecting the significant shortfall in advertising revenue, but Mediengruppe RTL Deutschland has reacted quickly to the crisis. Operating expenses in the core TV business (RTL Television, Vox, N-TV), excluding restructuring costs, have been reduced by EUR 189 million – 14 per cent year-on-year – mainly resulting from programme cost savings at the channels RTL Television and Vox. Thanks to these measures, the EBITA margin of the profit centre could even be improved to 21.1 per cent (2008: 20.5 per cent).

### Audience ratings

Despite significant programme cost savings, the combined average audience share of **Mediengruppe RTL Deutschland** in the key 14 to 49 target group increased significantly by 1.5 percentage points to 34.4 per cent (2008: 32.9 per cent), a new record level. As a result, the RTL family of channels also increased its market leadership over its main commercial competitor, ProSiebenSat1 (30.1 per cent), and the public channels (23.1 per cent).

This positive development was driven mainly by the flagship channel, **RTL Television**, which, for the 17th consecutive year, and by a large margin, was the number one choice among young viewers. With a 16.9 per cent audience share (2008: 15.7 per cent) in its main target group, RTL Television achieved the biggest gain recorded by any channel in the reporting period and its best result since 2003, coming in 5 percentage points ahead of the number two commercial channel, ProSieben (11.9 per cent), and 6.1 percentage points ahead of the number three commercial channel, Sat 1 (10.8 per cent).

Seventy-eight of the 100 most-watched programmes in 2009 were aired by RTL Television (target group 14 to 49). In terms of total audience, the boxing match between Vitali Klitschko



and Kevin Johnson on 12 December 2009 was RTL Television's highest rated programme of the year, attracting 11.18 million viewers.

RTL Television succeeded in establishing new formats across all genres, including new shows such as *5 gegen Jauch*, new series such as *Lasko – Die Faust Gottes*, and new comedy formats such as *Willkommen bei Mario Barth*. In the second half of the year, the channel also introduced a new afternoon line-up featuring scripted docu-soaps, which helped to boost the channel's audience share among 14 to 49-year-old viewers from 12.4 per cent (1 January to 30 August) to 21.9 per cent (31 August to 17 December) between 14:00 and 17:00.

RTL Television was particularly successful in prime time (20:15 to 23:15), where the channel led the market in nearly every time slot, thanks to its big entertainment shows and its strong line-up of factual entertainment formats and US series. Overall, the channel achieved an average prime time audience share of 18.6 per cent in the 14 to 49 target group, up 1.0 percentage point year-on-year. Again, this was the biggest gain recorded by any channel.

In January 2009, the fourth season of the jungle show *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity... Get Me Out Of Here!) achieved an average audience share of 34.4 per cent among young viewers, up 2.7 percentage points from the previous year. The same was true for the sixth season of *Deutschland sucht den Superstar* (Idols), broadcast from January to May 2009. The show scored an average audience share of 30.6 per cent in the 14 to 49 age group, up from 29.5 per cent in 2008. The third season of *Das Supertalent* (Got Talent) delivered the format's highest ratings yet, with an average audience share of 33.2 per cent (2008: 27.9 per cent).

The most popular US series on German television were again broadcast by RTL Television. These included *Dr. House* (average audience share 14 to 49: 24.2 per cent) and *CSI: Miami* (average audience share 14 to 49: 22.2 per cent). Real-life formats such as *Bauer sucht Frau* (The Farmer Wants A Wife), *Raus aus den Schulden* (Get Out of Debt) and *Rach – Der Restauranttester* also performed strongly in prime time.

RTL Television's main news programme, *RTL Aktuell*, beat the competition among young viewers once again, with an average audience share of 20.5 per cent. The show also scored a higher total audience share (18.9 per cent) than the main news programmes of the public channels Das Erste and ZDF.

**Vox's** audience share in the target group of 14 to 49-year-old viewers remained stable at 7.5 per cent, putting the channel well ahead of the major public broadcasters Das Erste (6.6 per cent) and ZDF (6.3 per cent).

While the competition in access prime time has intensified, Vox continued to score high ratings in this time slot thanks to its popular weekday cooking-themed line-up of *Das perfekte Dinner* (Come Dine With Me – average audience share 14 to 49: 10.3 per cent) and *Unter Volldampf* (Pressure Cooking – average audience share 14 to 49: 8.0 per cent). Since March 2009, the daily docu-soap *Mieten, kaufen, wohnen* (Renting, buying, living) – showing people looking for flats and houses – has increased its ratings at the 18:00 time slot, providing Vox with a powerful lead-in to access prime time.

Quality US series continue to be key to Vox's success in prime time. In addition to established audience favourites such as *CSI: NY*, *Law & Order: Criminal Intent*, *Boston Legal* and *Crossing Jordan*, Vox successfully launched the new series *Life* (average audience share 14 to 49: 10.5 per cent) and *Burn Notice* (average audience share 14 to 49: 10.7 per cent).

Vox's blockbuster movies proved particularly popular in 2009, drawing 19.3 per cent of 14 to 49-year-old viewers for *Harry Potter and the Philosopher's Stone*, 18.5 per cent for *Transporter – The Mission*, and 18.2 per cent for *Ice Age*. Since the start of the new season in September

2009, Vox has achieved an average audience share of 11.1 per cent among young viewers on Thursday evenings (20:00 to 1:00), thanks to its strong movie line-up, putting the channel slightly ahead of its major commercial competitor, Sat 1 (11.0 per cent).

**RTL II** achieved a 6.2 per cent audience share in the 14 to 49 target group during 2009, slightly up from 6.1 per cent in 2008. Key elements of the channel's programme grid were popular docu-soaps such as *Frauentausch*, *Zuhause im Glück* and *Die Kochprofis* plus movies and science-fiction series in prime time, and the ninth season of the classic reality show *Big Brother* in access prime time.

In prime time, RTL II successfully launched the new makeover show *Extrem schön* (average audience share 14 to 49: 8.6 per cent) and the British science-fiction hit *Torchwood* (average audience share 14 to 49: 7.8 per cent). Other popular prime time series included the third season of *Battlestar Galactica*, the fifth and final season of *Stargate Atlantis*, and the award-winning mystery series, *Heroes*.

Last year's movie highlights on RTL II included the fantasy comedy *Charlie And The Chocolate Factory* (audience share 14 to 49: 16.3 per cent), family film *Nanny McPhee* (audience share 14 to 49: 15.2 per cent) and the action hit *Eraser* (audience share 14 to 49: 14.4 per cent).

The channel's contribution to RTL Group's EBITA decreased to EUR 9 million from EUR 12 million in 2008, reflecting lower advertising revenue.

Driven by higher ratings in access prime time and during the morning time slot (6:00 to 12:00), **Super RTL** increased its audience share in its key target group of 3 to 13-year-olds to 21.3 per cent (2008: 20.4 per cent), extending its lead over its two main competitors – the public channel Kika (15.5 per cent) and the commercial channel Nick (9.5 per cent). Super RTL has been the clear leader in Germany's children's TV market for 11 consecutive years.

The channel's pre-school strand, *Toggolino*, owes its success to the classic *Caillou* (average audience share 3 to 13: 49.8 per cent) as well as to new formats such as *Chuggington* (average audience share 3 to 13: 49.1 per cent). In access prime time, Super RTL scored highly with live-action formats such as *Disney's Hannah Montana*, *Disney's Die Zauberer vom Waverly Place* and *Hotel Zack & Cody* (average audience share 3 to 13: 29.9 per cent), the latter being Super RTL's most popular children's programme. In prime time, highest performing shows included background magazines for popular entertainment shows from RTL Television such as *Das Supertalent – Backstage* and *DSDS – Das Magazin*, and family-oriented programmes such as animated movies.

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

The news channel **N-TV** had the best year in its history, achieving an average audience share of 1.0 per cent among viewers aged 14 to 49 (2008: 0.9 per cent), proving that the channel's general programming strategy – news, business reports and live events during daytime, and magazines and features during prime time – is working well. In June, the channel reached particularly large audiences with its coverage of the death of Michael Jackson and with the spectacular nature documentary *Home*.

The profit centre's three special-interest digital channels – **RTL Crime**, **RTL Living** and **Passion** – continued to grow steadily and are among the leading pay-TV channels in Germany, Austria and Switzerland, with over 2.5 million subscribing households.

Since autumn 2009, RTL Television and Vox have been available in HDTV via satellite operator SES Astra's new HD+ offering. Both channels are broadcast as a high-definition simulcast, featuring programming highlights such as films and series in real HD. The number of programmes available in HD will be gradually expanded over the next few years.

### New media and diversification activities

Within **Mediengruppe RTL Deutschland**, RTL Interactive is responsible for diversification activities including digital content and services. Throughout 2009, the company's websites continued to focus on the expansion of professionally produced video content, which draws large numbers of internet users and is attractive to advertisers. Several websites were relaunched during the year to offer more video content, including *RTL.de*, *N-TV.de*, *Vip.de* and *Teleboerse.de*. With 6.49 million unique users per month according to the latest AGOF Internet Facts report (Q3/2009), *RTL.de* was once again Germany's leading infotainment portal.

During 2009, the catch-up TV service *RTLnow.de* registered 136 million long-form video views – complete episodes of series or shows – up 16 per cent year-on-year. On 1 July 2009, Vox and RTL Interactive launched a similar service called *Voxnow.de*.

Combining these catch-up TV services with the clip portal *Clipfish.de*, the websites *RTL.de*, *Vox.de* and *N-TV.de*, plus thematic portals such as *Kochbar.de*, *Frauenzimmer.de* and *Vip.de*, the number of video views of professionally produced content increased to 344 million (up 29 per cent compared to 2008). This increase was driven by RTL Television's big entertainment shows *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity... Get Me Out Of Here!) – with 12 million video views – and *Deutschland sucht den Superstar* (Idols) – with over 40 million video views across all internet portals.

With 6.75 million unique users per month, according to the latest AGOF Internet Facts report (Q3/2009), *Wer-kennt-wen.de* established itself at the top of the German social networks rankings. The site had over 7.3 million registered members at the end of the year, up from 5 million members at the end of 2008.

Mediengruppe RTL Deutschland also stepped up its mobile internet activities in 2009, launching mobile versions of websites such as *Kochbar.de* and *Vox.de*, while RTL Television's mobile portal was relaunched at the end of the year to offer significantly more video content. The strategy was complemented by a series of new iPhone applications tying in to popular RTL Television shows (including *Das Supertalent* and *Wer wird Millionär?*), Formula 1 news (including live video streams) and the news from N-TV.

**Universum Film** acquires audiovisual rights to distribute movies in cinemas, and to release both movies and TV formats on DVD or video-on-demand platforms. The company – a subsidiary of Mediengruppe RTL Deutschland – performed strongly in 2009, reporting significantly higher revenue and EBITA contributions, largely due to successful theatrical releases such as *Transporter III*, *Crank 2 – High Voltage*, *Niko, ein Rentier hebt ab* and *Prinzessin Lillifee*.

## Groupe M6

| In EUR million                             | Year to<br>December<br>2009 | Year to<br>December<br>2008 | Per cent<br>change |
|--|-----------------------------|-----------------------------|--------------------|
| <b>Revenue</b>                             | <b>1,377</b>                | <b>1,354</b>                | <b>+1.7</b>        |
| <b>Adjusted EBITA</b>                      | <b>199</b>                  | <b>206</b>                  | <b>(3.4)</b>       |
| Restructuring costs<br>and start-up losses | (4)                         | (10)                        | (60.0)             |
| <b>Reported EBITA</b>                      | <b>195</b>                  | <b>196</b>                  | <b>(0.5)</b>       |

### Financial results

Based on its diversified portfolio and balanced mix of revenue streams, reported revenue of Groupe M6 increased by 1.7 per cent to EUR 1,377 million (2008: EUR 1,354 million), demonstrating the group's resilience in a strong economic downturn.

Advertising revenue at the main channel, **M6**, fell 8.0 per cent, while the overall net TV advertising market in France was estimated to be down 12.0 per cent in 2009. As a result, Groupe M6's net advertising market share increased to 23.4 per cent (2008: 21.4 per cent). Revenue from Groupe M6's digital channels continued to grow strongly, up 17.7 per cent year-on-year, mainly driven by the strong performance of the free digital channel, W9. The group's diversification and audiovisual rights activities reported revenue growth of 9.2 per cent.

Reported EBITA remained almost stable at EUR 195 million (2008: EUR 196 million). A number of key factors compensated for the shortfall in advertising revenue. These included higher profit contributions from Groupe M6's digital channels and diversification businesses; initial results from the company's cost-savings plan; and significantly lower programme costs at the main channel, M6, as the company did not reinvest the EUR 46 million spent last year on European football championship rights.

### Audience ratings

In 2009, Groupe M6 was the only family of channels with growing ratings. The combined audience share in the commercial target group of housewives aged under 50 increased to 21.6 per cent (2008: 21.2 per cent), driven by the strong growth of W9.

Despite the continued audience fragmentation in France, mainly driven by the rapid expansion of free digital terrestrial television (DTT), the audience share of **M6** in the commercial target group remained almost stable at 17.2 per cent (2008: 17.5 per cent). As a result, M6 not only remained the second most popular channel in France in this demographic, it also continued to reduce the gap to the market leader, TF1.

M6 profited from its strong access prime time line-up, with the factual entertainment show *Un dîner presque parfait* (Come Dine With Me) and the magazine *100% mag* making M6 the most watched channel in the main commercial target group in the 18:00 to 19:40 time slot.

2009 was marked by a daring move by M6 to change its evening news format. Replacing the short all-image news bulletin *6 Minutes*, the new live show, *Le 19.45*, features a stand-up presenter, and provides in-depth coverage and location reporting on topical issues. Launched on 7 September 2009, *Le 19.45* was the only major news bulletin in France to gain new viewers: between September and December 2009, it reached an average total audience of 2.5 million viewers, which represents an increase of 200,000 viewers compared to the average audience of *6 Minutes* over the same period in 2008.

In the strategic prime time slot (20:45 to 22:45) M6 was the only major channel to improve its audience share in the commercial target group, from 20.6 per cent in 2008 to 21.3 per cent in 2009. The channel continued to draw large audiences with its established programme brands, including the talent show *Nouvelle Star* (Idols), US series such as *NCIS*, *Bones* and *Desperate Housewives*, factual entertainment formats such as *L'amour est dans le pré* (The Farmer Wants A Wife) and *Pékin Express*, and the popular information magazines, *Capital* and *Zone Interdite*.

M6 also managed to create a major TV event by broadcasting a World Cup football qualifying match for the first time. The channel drew 8.2 million viewers for the Ireland versus France match, making it M6's most-watched programme in 2009.

Groupe M6's main digital channel, **W9**, continued its rapid growth throughout 2009. The channel's total audience share increased to 2.5 per cent (2008: 1.8 per cent) – the biggest increase recorded by any French channel. W9 also confirmed its market leadership among the DTT channels, with an average audience share of 3.3 per cent in the main commercial target group.

Underlining its positioning as a 'mini-generalist' channel, W9 scored high ratings in various genres, including movies, the US series *Missing* and *The Simpsons*, the factual entertainment formats *Cauchemar en cuisine* (Kitchen Nightmares) and *Le convoi de l'extrême* (Ice Road Truckers), and the *Idols* spin-off, *Nouvelle Star – ça continue*, during the late night slot. In autumn, W9 became the first DTT channel to broadcast a major event show – *The X Factor* – which was co-produced with RTL-TVI in Belgium, and attracted up to 900,000 viewers. W9 also set a new ratings record for a DTT channel on 27 October 2009, attracting 1.5 million viewers with the movie *Astérix et les Vikings*. In total, W9 aired 69 of the 100 highest-rated programmes across DTT channels in 2009.

#### New media and diversification activities

In 2009, Groupe M6's diversification and audiovisual rights activities proved their resilience and helped to limit the decrease in advertising revenue. Groupe M6's leading role in the field of diversification is highlighted by the fact that its overall share of non-advertising revenue further increased to 47.4 per cent (2008: 44.4 per cent).

The catch-up TV service, **M6 Replay**, has quickly established itself as one of the favourite video sites among French internet users. Since its launch in March 2008, more than 211 million programmes have been watched on the platform – 150 million being viewed in 2009. The service currently counts almost 2.6 million unique users each month, who watch close to 20.7 million videos on the site. According to a recent study by Aegis Media Expert, M6 Replay offers the highest recall of advertising messages on the internet. Following agreements with service providers such as Orange, SFR and Canal Sat, M6 Replay is also available on TV screens via IPTV and on mobile devices. Based on the positive uptake from advertising clients, the platform broke even in 2009.

Following the success of M6 Replay, the group launched a catch-up TV service for W9 – **W9 Replay** – in December 2009. Groupe M6 complemented its market-leading online video offer with a new paid service, **M6 VOD**, which features premium content such as movies and season passes for popular TV series, while **M6 Bonus** is a free channel offering highlights of M6's signature programmes, as well as interviews, making-of documentaries and outtakes, similar to the bonus features found on DVDs.

After the integration of Cyréal group and the successful launch of thematic internet portals based on Groupe M6's brands – including *Turbo.fr* (cars), *Deco.fr* (home decoration) and *Teva.fr* (women) – **M6 Web** improved its market position. In 2009, Groupe M6 reached an

average audience of 12 million unique users per month across all its internet sites, compared to 11 million unique users in 2008.

The **audiovisual rights** division benefited from the box office success of the movies *Twilight chapitre 1 – Fascination*, *Harvey Milk* and *Prédications*.

Groupe M6's football club, **Girondins de Bordeaux**, ended the 2008/09 season as winners of the League Cup and the French championship (Ligue 1). Therefore, the team qualified for the UEFA Champions League season 2009/10, where it advanced to the round of 16 in November 2009, finishing the group stage with 16 out of 18 possible points, above Bayern München and Juventus Turin. At the end of 2009, the team coached by former world champion Laurent Blanc ranked again number 1 in the French championship. Based on this series of successes, the profit contribution from the football club Girondins de Bordeaux increased to EUR 7.4 million in 2009 (2008: EUR 5.6 million), while revenue was up to EUR 104 million (2008: EUR 79 million).

## FremantleMedia

| In EUR million        | Year to<br>December<br>2009 | Year to<br>December<br>2008 | Per cent<br>change |
|-----------------------|-----------------------------|-----------------------------|--------------------|
| <b>Revenue</b>        | <b>1,183</b>                | <b>1,203</b>                | <b>(1.7)</b>       |
| <b>Adjusted EBITA</b> | <b>160</b>                  | <b>159</b>                  | <b>+0.6</b>        |
| Restructuring costs   | (5)                         | (4)                         | +25.0              |
| <b>Reported EBITA</b> | <b>155</b>                  | <b>155</b>                  | <b>0.0</b>         |

### Financial results

Despite the economic downturn, RTL Group's production arm, FremantleMedia, again reached the record results level of the previous year. The company generated revenue of EUR 1,183 million (2008: EUR 1,203 million) and reported an EBITA of EUR 155 million (2008: EUR 155 million), with solid performances around FremantleMedia's global network of companies, particularly in the US, UK and the company's Enterprises business, plus the first-time profit contribution from the newly acquired US production company, Original Productions.

### Production businesses

In 2009, FremantleMedia's global network of production companies was responsible for nearly 9,500 hours of award-winning TV programming across 57 countries, making it one of the largest creators of international programme brands. The company distributed its programmes to more than 150 countries.

FremantleMedia productions topped the ratings charts in nearly every major territory in the world, including the US, the UK, Germany, Australia and France. Many of the company's key formats also set new records and delivered larger audiences than ever before, including *Got Talent* in the UK and Germany, *The X Factor* in the UK and Denmark, and *The Farmer Wants A Wife* in France and the Netherlands.

FremantleMedia's entertainment formats continued to travel well during 2009. For the second year running, *Hole In The Wall*, a Japanese game show from Fuji TV, was FremantleMedia's most successful travelling format of the year, entering 13 new markets and bringing its total number of territories up to 39. *Got Talent*, which is co-produced with Syco in the UK and the US, added another nine new markets to its roster in 2009, while *Take Me Out* – a new dating

format developed by FremantleMedia France – is well on its way to becoming a major global format, rolling out to five new territories in 2009, taking its total number up to eight territories.

The company also has a strong stable of popular daily soaps, telenovelas, drama series and factual entertainment formats.

In the **US**, *American Idol* remained the country's most watched prime time entertainment show for the fifth consecutive year. Season eight of the programme, which is co-produced by 19 Entertainment, and broadcast by the Fox network, achieved an average audience of 24.9 million viewers and a share of 23.5 per cent among viewers aged 18 to 49 – over three times higher than Fox's prime time average share. Returning to NBC in the summer of 2009, the fourth season of *America's Got Talent* was the network's highest rated series, attracting an average audience of 12.3 million viewers. Originally launched in 1956, *The Price Is Right*, on CBS, remained the number one daytime game show, averaging 4.6 million viewers in 2009. In October, the classic game show *Let's Make A Deal*, a Hatos Hall Productions format, returned to CBS as a daytime strip, gaining daily audiences of over 2 million viewers.

In the **UK**, audiences for all of FremantleMedia's major entertainment formats experienced year-on-year growth. Series three of *Britain's Got Talent*, shown on ITV 1, was the most successful yet, winning an average total audience share of 52.8 per cent. The season finale was watched by 18.3 million viewers – nearly one-third of the UK population – making it the highest rated entertainment show this decade and the top-performing programme of 2009. Contestant Susan Boyle became a worldwide phenomenon within days. Since her first audition, she has been watched hundreds of millions of times on YouTube around the world, making her one of the most viewed stars ever on the video platform. Returning to ITV 1 in the autumn, series six of *The X Factor*, co-produced with Syco, was the most popular yet. It became the UK's second highest rated series of 2009, with an average total audience share of 46.9 per cent. Series-on-series, the average audience for *The X Factor* rose by 20 per cent.

FremantleMedia also produced top-rated programmes for the other major channels in the UK, including season five of *The Apprentice*, a Mark Burnett Productions format for BBC One, and the popular property show *Grand Designs* for Channel 4, while *Neighbours*, produced by FremantleMedia Australia, remained Five's most watched daytime programme.

In **Germany**, series three of *Das Supertalent* (Got Talent) delivered the highest ratings yet for the format, with an average audience of 6.8 million viewers, representing an audience growth of 25 per cent year-on-year. For the target audience of viewers aged 14 to 49, *Das Supertalent* achieved an average audience share of 33.2 per cent. Meanwhile, season six of *Deutschland sucht den Superstar* (Idols) scored an average audience share of 30.6 per cent among young viewers for RTL Television, also up from the previous year.

Airing in October, the two-part event movie *Der Vulkan*, produced by Teamworx, a subsidiary of FremantleMedia's German production arm UFA, won a total audience of 6.3 million viewers, making it RTL Television's highest rated TV movie of the year.

In **Australia**, the finale of the cooking game show *Master Chef* attracted 3.7 million viewers, making it the most watched non-sports show ever aired in that territory. On average, the first season of the show, which was broadcast on Network Ten, achieved a total audience share of 41.3 per cent.

As part of its global growth strategy, which combines organic growth with selected acquisitions, FremantleMedia acquired a 75 per cent stake in Original Productions – the US-based creator of hit TV shows such as *Ice Road Truckers* and *Ax Men* – in February 2009.

The FremantleMedia subsidiaries Talkback Thames and UFA Fernsehproduktion formed a joint Drama Development Unit in Berlin to create drama co-productions for the UK and German markets. The move follows a successful collaboration between the two companies last year on

*The Bill* and *Soko Leipzig*, popular prime time police dramas in Britain and Germany respectively.

### FremantleMedia Enterprises (FME)

FremantleMedia Enterprises (FME) works with FremantleMedia's own brands and those of third parties to create added revenue opportunities through international content distribution, licensing, new media and home entertainment.

Through their global distribution network, FME continued to distribute the hit UK drama series *The Adventures of Merlin*, a Shine production for BBC One. At the end of 2009, the first season of the programme had been sold to 52 broadcasters in over 180 countries, and season two has to date sold to more than 165 countries. In December, the BBC announced its commission of a third series.

FME secured international sales of *American Idol* to more than 150 countries, including France, Japan, the UK and Australia. In a unique extension of the *Idols* brand, the company succeeded in closing a deal to create a TV programme-based attraction – *The American Idol Experience* – at Walt Disney World Resort, Florida, which opened in February 2009.

Other new live events FME launched in 2009 include *America's Got Talent Live* in Las Vegas, *Taste of Emeril's – Cooking Challenge* in Atlantic City, and the inaugural table tennis tournament *Hardbat Classic*, also in Las Vegas. The long-running *The Price is Right Live* in Las Vegas also enjoyed continued success.

The *Britain's Got Talent* website, created by Talkback Thames Digital, had record-breaking success with over 51 million videos watched. The award-winning website for *The X Factor* attracted nearly 30 million video views. The official *X Factor* YouTube channel reached number five in the all-time most popular UK channel chart.

### **RTL Nederland**

| <u>In EUR million</u> | <u>Year to<br/>December<br/>2009</u> | <u>Year to<br/>December<br/>2008</u> | <u>Per<br/>cent<br/>change</u> |
|-----------------------|--------------------------------------|--------------------------------------|--------------------------------|
| <b>Revenue</b>        |                                      |                                      |                                |
| TV                    | 318                                  | 372                                  | (14.5)                         |
| Radio                 | 53                                   | 64                                   | (17.2)                         |
| <b>Total</b>          | <b>371</b>                           | <b>436</b>                           | <b>(14.9)</b>                  |
| <b>EBITA</b>          |                                      |                                      |                                |
| TV                    | 53                                   | 59                                   | (10.2)                         |
| Radio                 | 19                                   | 29                                   | (34.5)                         |
| Restructuring costs   | –                                    | (18)                                 | n.a.                           |
| <b>Total</b>          | <b>72</b>                            | <b>70</b>                            | <b>+2.9</b>                    |

### Financial results

Total revenue at **RTL Nederland** was down 14.9 per cent to EUR 371 million (2008: EUR 436 million) as TV and radio advertising revenue decreased considerably. The Dutch TV advertising market was estimated to be down 10.7 per cent, with RTL Nederland taking 39.5 per cent of the market (2008: 39.0 per cent).



Total EBITA of the profit centre increased to EUR 72 million (2008: EUR 70 million), thanks to an early focus on cost reduction. The TV activities reduced their operating costs by EUR 41 million – 14 per cent year-on-year – mainly driven by programme cost savings and lower personnel costs resulting from the company's restructuring in 2008, which had impacted the unit's previous year EBITA.

### Audience ratings

RTL Nederland's family of channels achieved a combined prime time audience share of 32.3 per cent in the main commercial target group of shoppers aged 20 to 49, up 1.8 percentage points from 2008 (30.5 per cent). This put RTL Nederland clearly ahead of its main commercial competitor, SBS group (28.0 per cent), and the public broadcasters (26.1 per cent).

The ratings increase was mainly driven by the flagship channel **RTL 4**, which grew its average prime time audience share strongly, from 14.9 to 17.0 per cent, in the target group of shoppers aged 20 to 49. The channel's theme nights on weekdays consist of a diverse range of new and established programmes that have attracted large audiences. They include factual entertainment formats such as *Uitstel Van Executie*, *Mijn Tent Is Top*, and *De Froggers: Effé Geen Cent Te Makken*, plus US crime series such as *CSI* and *Bones*. Weekend nights are dominated by family entertainment formats and shows, including *Ik Hou Van Holland*, *Ushi & Dushi*, and the successful new comedy format *De TV Kantine*. Series two of *X Factor* performed very well, winning an average audience share of 30.9 per cent in the target group (shoppers aged 20 to 49) and was the channel's highest rated show of 2009 for this audience. RTL 4's early evening, with formats such as *Editie NL*, *RTL Boulevard*, *RTL Nieuws* and the long-running daily soap *Goede Tijden, Slechte Tijden* (Good Times, Bad Times) also achieved strong ratings in 2009.

**RTL 5** finished 2009 with a 9.6 per cent prime time audience share in the 20 to 34-year-old demographic, up from 9.1 per cent in 2008, with blockbuster movies, Dutch versions of reality shows (*Benelux Next Top Model*, *Expeditie Robinson*, *So You Think You Can Dance*), dating shows (*Take Me Out*, *Daten In Het Donker*) and the game show *Wipe Out* scoring high ratings among young viewers. **RTL 7** achieved an audience share of 6.7 per cent in its main target demographic of men aged 20 to 49 (2008: 6.9 per cent). Key pillars of the channel's schedule are live broadcasts of football games, the weekly football magazine *Voetbal International*, motor sports and movies for men. **RTL 8** achieved a prime time audience share of 3.3 per cent in its key target group of women aged 20 to 49, slightly down from 2008 (3.4 per cent).

At the beginning of October 2009, RTL Nederland launched its first special-interest channel, **RTL Lounge**, which is available through some cable providers' pay packages. Aimed primarily at young women, its programming is based on drama series and lifestyle, with the prime time lifestyle slot covering a different theme each day of the week. RTL Lounge has already become the most viewed digital channel.

In July 2009, RTL Nederland and cable operator UPC signed a cooperation agreement to make all RTL channels available in high definition.

**Radio 538** is a hit radio station, which plays a range of contemporary and recent chart music, plus dance music and R&B, presented by the Netherlands' most popular DJs. Cooperation between RTL Nederland's TV and radio activities was strengthened during 2009. For example, Radio 538 hosts a series of popular events and promotions in cooperation with the RTL TV channels, including the highly popular Queen's Day party in Amsterdam in partnership with RTL 5, and Hotel 538, a meet and greet between *X Factor* finalists and Radio 538 listeners.

In 2009, Radio 538 achieved an average audience share of 16.2 per cent among listeners aged 20 to 49 (2008: 16.9 per cent), making it the country's leading radio station by a large margin. The station's share of the net radio advertising market was 25.1 per cent (2008: 26.9 per cent).

Despite the economic downturn, the radio station remained highly profitable, with a 35.8 per cent profit margin (2008: 45.0 per cent).

At the end of October, the RTL brand returned to the Dutch radio market to launch the digital radio station RTL Lounge Radio, which targets the same female audience as the new digital TV channel. Radio 538 supplies technology and programming for RTL Lounge Radio.

#### New media and diversification activities

RTL Nederland's internet activities grew strongly in 2009. The company's network of websites – including the general portal *RTL.nl*, the catch-up TV service *RTLGemist.nl*, the new cooking portal *Etenvandaag.nl*, the new gaming portal *Spelsalon.nl*, and a variety of websites dedicated to popular formats such as *X Factor* – increased its average number of unique users per month to 5.1 million (2008: 3.9 million).

The number of video views more than doubled to 185 million (2008: 91 million). The most popular streams were episodes of the daily soap *Goede Tijden, Slechte Tijden*, the entertainment news show *RTL Boulevard*, and clips from the *RTL Nieuws* website. The offer extended its reach during 2009 through cooperation with leading cable networks Ziggo and UPC, making it available on TV screens. A new functionality has also been added to UPC's on-demand service, enabling viewers to watch episodes of several RTL TV series before they are broadcast on RTL Nederland's channels.

#### **Five Group**

| In EUR million                   | Year to<br>December<br>2009 | Year to<br>December<br>2008 | Per cent<br>change<br>(%) |
|----------------------------------|-----------------------------|-----------------------------|---------------------------|
| <b>Revenue</b>                   | <b>303</b>                  | <b>432</b>                  | <b>(29.9)</b>             |
| <i>Revenue in local currency</i> | 269                         | 341                         | (21.1)                    |
| EBITA Five main channel          | 4                           | 16                          | (75.0)                    |
| EBITA Five digital channels      | (14)                        | (14)                        | 0.0                       |
| Operating EBITA                  | (10)                        | 2                           | n.a.                      |
| Restructuring costs              | (9)                         | (4)                         | >100.0                    |
| Programme write-down             | (22)                        | –                           | n.a.                      |

#### Financial results

In a net TV advertising market estimated to be down 12.5 per cent year-on-year, revenue of the **Five Group** fell 29.9 per cent to EUR 303 million (2008: EUR 432 million). In local currency, revenue was down 21.1 per cent. After several years of growing its share of the advertising market, the Five family of channels – including the digital channels Five USA and Fiver – lost market share in 2009, accounting for 8.4 per cent of the net TV advertising market (2008: 9.6 per cent).

The Five Group reported an operating loss of EUR 10 million (2008: operating EBITA of EUR 2 million). This figure excludes restructuring costs of EUR 9 million and a programme write-down amounting to EUR 22 million, relating to revised revenue expectations for acquired US series, based on weak market conditions.

Throughout the reporting period, management worked intensively on recalibrating the company's cost base. In early March 2009, Five presented a comprehensive restructuring plan, designed to increase the efficiency of the broadcaster. The plan called for leaner management structures and a significant headcount reduction. Eighty seven positions out of a total workforce of 354 were impacted. At the same time, Five undertook stringent cost management across all of its channels to limit the EBITA impact of the advertising revenue shortfall. The business took the decision to concentrate its efforts on the more commercially valuable parts of the schedule, such as prime time. In local currency, the Five Group reduced its operating costs, excluding restructuring costs and write-downs, by GBP 65 million or 19 per cent in 2009, mainly as a result of significant programme cost savings.

### Audience ratings

Five was the only terrestrial family of channels in the UK to increase its adult viewing share in 2009, up slightly to 6.27 per cent (2008: 6.24 per cent). The ITV and Channel 4 families both lost audience share.

As in previous years, all of the UK's main terrestrial channels lost audience share, largely due to fragmentation from the increasing penetration of multichannel digital TV. Five experienced the least decline of all the commercial channels, retaining a 4.98 per cent audience share among viewers aged 16 and over (2008: 5.14 per cent).

Cornerstones of the **Five** schedule, such as the *CSI* franchises, attracted some of the channel's highest ever audiences during the reporting period. The episode broadcast on 17 March 2009, which centered on the departure of lead character Gil Grissom (William Petersen), drew 4.3 million adults – the highest audience ever for a drama on Five, despite the crime series being in its ninth season. *CSI*'s ongoing popularity provided the springboard for Five to launch two new acquisitions, *Flash Forward* and *The Mentalist*, and to market the channel as the home of US drama on British TV. The series premiere of *The Mentalist*, on 26 March, achieved the highest audience for a new drama in the channel's history with 4.12 million adult viewers and an 18.3 per cent share. Over the course of 2009, *The Mentalist* averaged 2.84 million viewers (12 per cent total audience share). *FlashForward*, a tense episodic drama, also made an impressive debut with 4.1 million viewers and averaged 3.6 million individuals across the series, a share of 13.1 per cent.

These achievements also extended to some of Five's long-running domestic commissions. The final day of The Ashes cricket tournament between England and Australia delivered the highest audience ever for the channel's cricket coverage: 2.09 million viewers. Similarly, the 12<sup>th</sup> season of *The Gadget Show* was its most successful to date, attracting an average of 1.62 million viewers across the series and a 6.6 per cent total audience share.

In the digital arena, Five's two digital channels capitalised on new brand identities by achieving a third consecutive year of share growth. **Five USA**'s share of adult viewing grew by more than a fifth to 0.75 per cent (2008: 0.61 per cent). **Fiver**'s audience share among viewers aged 16 and over increased to 0.54 per cent (2008: 0.49 per cent).

### New media and diversification activities

Following a relaxation in the rules surrounding teleshopping, 2009 saw Five enter the gaming arena. The company concluded an innovative commercial airtime deal with Net Play TV to broadcast a live interactive casino programme during the late night teleshopping window of the main channel. The five-year deal offers revenue participation to Five; the company has also been granted a 5 per cent option over the share capital of Net Play TV.

Two internet gaming products, Five Casino and Five Bingo, developed in partnership with Party Gaming, were rolled out during the period. The company also launched two category-specific websites designed to showcase selected Five TV content to precise demographics. FiveFwd, aimed at young male fans of cars and technology, carries content from *The Gadget Show* and motoring series *Fifth Gear*. Holy Soap, intended for female soap fans, contains full length episodes of Five's two Australian serials, *Neighbours* and *Home and Away*, as well as news, episodes and clips from all the major TV soaps.

As a result of these efforts, in 2009 the number of monthly unique visitors to Five's portfolio of websites rose by 28 per cent to an average of 1.83 million (2008: 1.43 million). The number of long-form videos served by Demand Five rose to an average of 1.3 million per month (2008: 0.3 million). In all, Five's family of websites served 50.7 million long- and short-form video streams in 2009 (2008: 12.6 million).

Five concluded a deal with Google to make a library of full-length TV programmes available via YouTube. The deal enables YouTube users in the UK to access more than 250 hours of recently-broadcast catch-up TV and archive programmes. Five Sales sells display and video advertising around the content.

The company also grew its brand presence offline. The inaugural *Gadget Show Live*, based on the popular factual series, won the UK Association of Exhibition Organisers' award for Best Consumer Launch. All 30,000 tickets for the three-day event, which took place in April at the National Exhibition Centre in Birmingham, were sold out in advance. It will now become an annual event.

## RTL Belgium

| <u>In EUR million</u> | <b>Year to<br/>December<br/>2009</b> | <b>Year to<br/>December<br/>2008</b> | <b>Per<br/>cent<br/>change</b> |
|-----------------------|--------------------------------------|--------------------------------------|--------------------------------|
| <b>Revenue</b>        |                                      |                                      |                                |
| TV                    | 158                                  | 164                                  | (3.7)                          |
| Radio                 | 45                                   | 52                                   | (13.5)                         |
| <b>Total</b>          | <b>203</b>                           | <b>216</b>                           | <b>(6.0)</b>                   |
| <b>EBITA</b>          |                                      |                                      |                                |
| TV                    | 20                                   | 20                                   | 0.0                            |
| Radio                 | 16                                   | 19                                   | (15.8)                         |
| <b>Total</b>          | <b>36</b>                            | <b>39</b>                            | <b>(7.7)</b>                   |

## Financial results

Revenue at the Belgian profit centre, which includes TV and radio activities, decreased by 6.0 per cent to EUR 203 million (2008: EUR 216 million). The net TV advertising market in French-speaking Belgium was estimated to be down 3.8 per cent, with **RTL Belgium** outperforming the market. The radio advertising market also decreased significantly. The shortfall in advertising revenue was partly compensated by a strong increase in non-advertising revenue. This was mainly due to the first-time consolidation of the home-shopping service HSS Belgium, which has become a 50/50 joint venture with Groupe M6.

Total EBITA for the profit centre decreased to EUR 36 million (2008: EUR 39 million), mainly due to a lower profit contribution from the unit's radio business, while operating costs at RTL Belgium's TV business were reduced by EUR 6 million (6 per cent year-on-year).

### Audience ratings

The RTL family of TV channels significantly enhanced its position as market leader in French-speaking Belgium, with an average prime time audience share of 38.9 per cent in the target group of shoppers aged 18 to 54 – 2.9 percentage points higher than in 2008 (36.0 per cent). This record result underlines the complementary positioning of RTL-TVI (general-interest), Club RTL (sport, children's programming and alternative fiction) and Plug RTL (young viewers aged 15 to 34). In terms of total audience, the family of channels aired 81 of the year's 100 top programmes.

This positive development was mainly driven by the flagship channel **RTL-TVI**, which increased its average prime time audience share to 28.9 per cent in the main commercial target group (2008: 26.3 per cent) and widened its lead over the public broadcaster La Une to 17.1 percentage points. RTL-TVI was also the clear market leader in terms of total audience share.

RTL-TVI's news programmes remained the clear favourite among viewers in French-speaking Belgium. With a total audience share of 43.7 per cent, the midday news scored the highest ratings every day in 2009, while the main news bulletin, *Le Journal*, was number one on all but four evenings, with an average total audience share of 46.6 per cent – 14.5 percentage points ahead of its direct competitor, *JT*, on the public broadcaster La Une. RTL-TVI also drew large audiences with its early-evening information programmes such as *Tout s'explique*, *Images à l'appui*, *Coûte que Coûte*, *Enquêtes* and the emblematic *Place Royale*. All the top 10 magazine shows of 2009 were aired by RTL-TVI.

In January 2009, the factual entertainment show *Un dîner presque parfait* (Come Dine With Me) moved from Plug RTL to the flagship RTL-TVI where the format continued to grow in popularity, scoring an average audience share of 39.6 per cent in the main commercial target group of shoppers aged 18 to 54. Based on this success, and on higher ratings for the game show *Septante et un*, the channel's audience share increased to 31.3 per cent in the 17:00 to 19:00 time slot.

In prime time, the first season of the Belgian version of the romantic docu-soap *L'amour est dans le pré* (The Farmer Wants A Wife) scored an average audience share of 37.6 per cent among shoppers aged 18 to 54, making it the second most popular entertainment format after RTL-TVI's show with the Belgian comedian François Pirette. The highest rated of today's US series were again aired by RTL-TVI, including *Desperate Housewives*, *CSI: Miami*, *Dr House*, *CSI: NY*, and *NCIS Enquêtes Spéciales*. On Thursday evenings, traditionally reserved for films, RTL-TVI recorded an average audience share of 34.1 per cent in its main target group.

**Club RTL** continued to focus on children's programmes during the day and sports in the evening. The channel drew large audiences with its football show *La Coupe*, broadcasting Belgian Cup matches, the animated sitcom *Les Simpson* (The Simpsons), French comedy series *Camera Café*, and films. Club RTL ended the year with a prime time audience share of 7.1 per cent in its main target group of male viewers aged 18 to 54 (2008: 7.2 per cent).

**Plug RTL** continued its audience growth following last year's rebranding and repositioning. The channel's prime time audience share among young viewers aged 15 to 34 increased to 4.8 per cent (2008: 4.4 per cent). The channel's flagship formats include popular entertainment programmes from Groupe M6, such as *D&Co*, *Pékin Express* and *Nouvelle Star*, plus repeats of hit US series such as *CSI: Miami*, *Lost* and *Heroes*.

According to the CIM audience survey covering January to June 2009, **Radio Contact** took the lead in the French-speaking Belgium radio market for the first time since 2001, increasing its

audience share from 15.1 per cent to 17.9 per cent. It was followed by **Bel RTL**, which achieved an audience share of 17.2 per cent (2008: 19.5 per cent), and remained the market leader in terms of daily reach. With a combined audience share of 35.1 per cent, the two RTL Belgium stations came in ahead of the five public radio stations of the RTBF (31.5 per cent). In the recently published audience survey for the second half of 2009, Bel RTL became again the market leader in terms of audience share, with 18.9 per cent, while Radio Contact continued its strong audience performance, achieving a 17.6 per cent audience share.

#### New media and diversification activities

In 2009, the number of video views across RTL Belgium's websites increased by a massive 111 per cent to 27 million video streams. This growth was driven by the installation of new video players on all websites, offering users easier access to a greater choice of video content, and intensified on-air promotion on RTL Belgium's TV channels.

The news website *RTLInfo.be* increased its number of unique visitors per day by 20 per cent year-on-year, while video-on-demand platform, RTL à l'infini, also recorded sound progresses, with a 58 per cent increase in the number of videos ordered by digital TV subscribers compared to 2008. At the end of 2009, RTL à l'infini launched a monthly subscription service, Selection, offering viewers unlimited access to a choice of the best programmes from RTL Belgium's TV channels. Subscribers benefit from significant savings against pay-per-view prices.

#### **French radio**

| In EUR million        | Year to<br>December<br>2009 | Year to<br>December<br>2008 | Per cent<br>change |
|-----------------------|-----------------------------|-----------------------------|--------------------|
| <b>Revenue</b>        | <b>174</b>                  | <b>189</b>                  | <b>(7.9)</b>       |
| <b>Adjusted EBITA</b> | <b>18</b>                   | <b>32</b>                   | <b>(43.8)</b>      |
| Restructuring costs   | (3)                         | -                           | n.a.               |
| <b>Reported EBITA</b> | <b>15</b>                   | <b>32</b>                   | <b>(53.1)</b>      |

#### Financial results

In a net radio advertising market estimated to be down 8.7 per cent, reported revenue of the French radio profit centre decreased by 7.9 per cent to EUR 174 million (2008: EUR 189 million). The net advertising share of the RTL radio family increased to 28.3 per cent (2008: 28.0 per cent). Reported EBITA, including restructuring costs and one-time charges, was EUR 15 million (2008: EUR 32 million).

The company recently launched a comprehensive cost-reduction plan, with the aim of reducing its cost base by 10 per cent over the three years from 2009 to 2011. In 2009, operating costs of the profit centre were already down EUR 6 million or 4 per cent, mainly due to lower personnel costs. In December 2009, the company announced the launch of a voluntary mobility plan in 2010 for non-journalist personnel. The plan could result in the departure of more than 10 per cent of the total of 200 staff potentially involved.

## Audience ratings

RTL Radio, RTL 2 and Fun Radio achieved a combined average audience share of 19.1 per cent, down 0.7 percentage points on 2008. However, the RTL radio family remained clearly ahead of its direct commercial competitors, the radio families of NRJ (15.1 per cent; down 0.8 percentage points on 2008) and Lagardère (14.1 per cent, down 0.1 percentage points on 2008).

In a challenging environment where major stations such as Europe 1 and NRJ significantly revamped their morning prime time slots, the flagship station **RTL Radio** achieved a market-leading average audience share of 12.4 per cent (2008: 13.0 per cent) and remained the unchallenged leader in the other key ratings criteria – daily cumulated audience and time spent listening.

Several key programme slots continued to perform strongly and maintained their leading position, including *Ca Peut Vous Arriver*, hosted by Julien Courbet, and the station's legendary afternoon hit show, *Les Grosses Têtes*, hosted by Philippe Bouvard. In terms of audience share, both programmes were 88 per cent ahead of their closest rival in their respective time slot. RTL Radio also defended the clear leadership of its prime time (7:30 to 9:30) news programme, which attracted an average audience of 4 million listeners, representing a 13.9 per cent total audience share.

RTL Radio confirmed its status as the number one French radio station by continuing to provide exclusive content to its listeners and by introducing new concepts. In the midst of the financial crisis, RTL Radio launched *Journée RTL emploi* (Job Creation Day), an entire day dedicated to helping people find jobs. The programme gave advice on people's problems, while job offers were published for free on its website. The programme became a regular monthly special from September, quickly gaining popularity. Between its launch in March 2009 and November 2009, the number of job offers available online tripled to 35,000.

In 2009, RTL Radio again teamed up with international stars such as Prince, Seal, and Michael Bubl , along with up-and-coming talents such as Melody Gardot, who chose RTL's studios for intimate concerts. The station was also the partner of long-anticipated comebacks such as the AC/DC and Paul McCartney concerts.

Positioning **Fun Radio** as a 'dance-floor music format' proved to be a winning strategy. In a difficult market for music radio stations – which have lost 3.8 percentage points of total audience share over the past four years – Fun Radio stabilised its audience share at 3.8 per cent. The popular morning show, hosted by Manu and Virginie, attracts more than 1.5 million listeners daily, and the station has established itself as the reference radio station in the dance music scene by adding Madonna (a former NRJ exclusive) to its portfolio of musical partnerships, which already includes Britney Spears, Lady Gaga, David Guetta and Beyonc .

**RTL 2**, the pop/rock station, ended 2009 with an average audience share of 2.9 per cent (2008: 3.0 per cent). With a popular morning show, which reached its highest audience level in spring, and an appealing mix of new pop/rock artists such as Jason Mraz and Renan Luce, and old favourites such as U2 and Phil Collins, RTL 2 successfully bucked the decline among music stations. In December 2009, the station announced that Calogero – a major French singer and former NRJ exclusive – would join the RTL 2 partnerships.

## New media and diversification activities

At the end of May 2009, the French media regulator, Conseil Sup rieur de l'Audiovisuel (CSA), granted digital transmission licences to 160 radio stations in three major cities – Paris, Marseille and Nice. The RTL radio family was granted one additional licence for **RTL L'Equipe**, a 50/50 joint venture with the leading French sports daily, *L'Equipe*. The station was launched in

October 2007 as an internet radio station dedicated to sports and news, and has significantly increased its online audience since then. The average number of unique users per month grew to 157,000 in 2009.

Over the course of the year, traffic to the websites operated by **RTL Net**, RTL Radio's online subsidiary, has significantly increased by 62 per cent to 3.4 million unique visitors per month (2008: 2.1 million unique visitors). In particular, RTL Radio's website, *RTL.fr*, has confirmed its position as the number one radio site in France. With a monthly average of 2.5 million unique visitors in 2009, the site increased its audience by over 60 per cent compared to 2008.

In 2009, RTL Net continued developing its internet activities with four new thematic websites, including *RTLConso.fr*, dedicated to helping consumers, and *OnRefaitLesCourses.fr*, which provides France's six million racegoers with tips and advice on horse betting. RTL Net also launched a new version of *RTL2.fr*, WAP mobile websites for each of the three radio stations, and three iPhone applications – Fun Radio's becoming the most downloaded app of any French radio station.

In November 2009, Fun Radio extended its *Starfloor* CD brand by creating, in partnership with the Groupe M6 TV channels, a huge dance music event at the Coliseum in Paris Bercy. This unique live concert featured stars such as Shakira, Martin Solveig, Bob Sinclair and Flo-Rida. The 14,000 tickets available for the concert were sold out a month before the event took place.

## Other segments

This segment comprises the fully consolidated businesses RTL Klub (Hungary), Alpha Media Group (Greece), RTL Televizija (Croatia), and RTL Group's Luxembourgish activities, plus UFA Sports, the Corporate Centre, the German radio business and the at-equity participations in Grupo Antena 3 (Spain) and Ren TV (Russia).

Following a change in the shareholding structure, which resulted in RTL Group holding 67 per cent of the economic rights, **RTL Klub** has been fully consolidated into the 2009 accounts from 1 April 2009. Since this date, consolidated revenue amounted to EUR 83 million and EBITA to EUR 18 million (profit share based upon equity accounting in 2008: EUR 10 million). In a net TV advertising market estimated to be down 17.3 per cent, the channel's market share decreased to 46.7 per cent (2008: 47.8 per cent). In reaction to the difficult economic climate, the company implemented stringent cost management and succeeded in reducing operating costs by 18 per cent year-on-year.

At the end of 2009, more than 80 per cent of Hungarian households had access to multichannel services – mainly due to the expansion of digital satellite TV – while the total number of Hungarian-speaking channels increased to 82 at the end of 2009, with 18 of them being launched in the past 18 months. As a result of this increasing audience fragmentation, RTL Klub's prime time audience share in the key demographic of 18 to 49-year-old viewers decreased to 30.7 per (2008: 32.6 per cent). Despite this, the channel extended its lead over its closest competitor, TV 2, to 8.6 percentage points (2008: 7.9 percentage points).

RTL Klub's clear audience leadership was achieved by its broad range of programmes, including established audience favourites such as the daily soap *Barátok Közt* (Between Friends), the tabloid news magazine *Fókusz*, the daily news show *Híradó*, US drama series such as *The Mentalist*, *ER*, *CSI: Miami*, *CSI: NY* and *Grey's Anatomy*, and blockbuster movies. RTL Klub's biggest hit in 2009 was the second season of the talent show *Csillag születik* (A Star Is Born). With a modified concept and a new jury, the show achieved an average audience share of 50.2 per cent in the commercial target group. Another popular programme in 2009 was the reality show *Marry me, Dániel!*, featuring the eccentric musician Dániel Benko (average audience share 18 to 49: 36.8 per cent).



RTL Klub was the first commercial broadcaster to join Antenna Hungária's digital terrestrial platform, Min Dig TV, an important step to facilitate the digital switchover.

At the end of September 2009, RTL Klub launched RTL Most, Hungary's first catch-up TV service. The website offers RTL Klub's domestic programmes in high quality shortly after they air on TV. Between its launch and the end of the year, more than 12 million long-form videos were viewed by around 300,000 registered users.

In December 2008, RTL Group gained control of the Greek broadcasting company **Alpha Media Group**. In reaction to the substantial economic downturn – the Greek TV advertising market fell by an estimated 18.7 per cent in 2009 – local management initiated a comprehensive turnaround plan for the company. First, the programme grid of Alpha TV was completely overhauled, positioning it as a family-oriented channel with a focus on docu-soaps and entertainment, while at the same time retaining the channel's hit formats such as the morning entertainment show *Kafes me tin Eleni*, the real life entertainment programme *Pame Paketo*, and the satirical comedy show *Al Tsantiri Niouz* with Lakis Lazopoulos. Second, operating costs were reduced drastically over the reporting period. Excluding restructuring costs, operating costs were down by EUR 40 million or 29 per cent year-on-year, resulting from significantly lower programme and overhead costs. In total, the headcount of the company was reduced from 669 to 506 employees over the year.

The channel's new programming strategy has already proved successful. Overall, Alpha TV increased its average audience share in its main target group of viewers aged 15 to 44 to 13.7 per cent in 2009, up from 12.5 per cent in 2008. The channel scored particularly high ratings with local adaptations of internationally successful formats, including *Come Dine With Me*, *Kitchen Nightmares* and *The Farmer Wants A Wife*. In access prime time, *Come Dine With Me* has become the most watched show in its time slot, achieving an average audience share of 25.1 per cent among viewers aged 15 to 44 since its launch on 30 March 2009. In prime time, the satirical comedy show *Al Tsantiri Niouz* remained the channel's – and the market's – most successful programme, with an average audience share of 52.4 per cent in the target group in 2009. In Q4/2009, Alpha TV improved its average audience share among young viewers to 15.1 per cent, up 2.6 percentage points compared to Q4/2008. In prime time, the gain was even bigger, plus 7.2 percentage points to 18.1 per cent.

Despite significantly lower revenue amounting to EUR 70 million – down 28.3 per cent on a pro-forma basis – the company could even achieve a better result than in 2008, thanks to its clear focus on cost-cutting. EBITA was minus EUR 34 million, including restructuring costs of EUR 6 million. This compares to a pro-forma EBITA of minus EUR 41 million in 2008. In 2010, the company will operate with a significantly reduced cost base.

In a Croatian TV advertising market that fell by an estimated 19.1 per cent, revenue of **RTL Televizija** decreased by 18.0 per cent to EUR 41 million (2008: EUR 50 million). Consequently, the channel's net TV advertising market share increased to 42.5 per cent (2008: 41.4 per cent). EBITA was minus EUR 3 million (2008: EUR 2 million), reflecting the shortfall in advertising revenue. Excluding the significant programme investment for the handball world championship in January 2009, the company's operating costs fell EUR 6 million or 12 per cent.

Over two weeks in January 2009, RTL Televizija broadcast more than 70 hours of handball World Cup coverage, including 27 live matches. The final, between the Croatian and French national teams, became the most watched programme in the history of TV audience measurement in Croatia, among viewers aged 18 to 49, drawing an audience share of 81.3 per cent and a total audience share of 74.9 per cent.

In 2009, RTL Televizija remained the market leader in the main commercial target group of viewers aged 18 to 49, both in prime time and throughout the whole day. While the channel

increased its average audience share in prime time – by 0.3 percentage points to 28.0 per cent – the all-day audience share was slightly down to 26.2 per cent (2008: 26.4 per cent).

The channel scored high ratings in all genres. The Croatian version of the popular hit show *Idols – Hrvatska traži zvijezdu* – achieved an average audience share of 32.1 per cent among young viewers, while docu soaps such as *Ljubav je na selu* (The Farmer Wants A Wife) and *Jezikova Juha* (Kitchen Nightmares) also proved highly popular. All of the year's top ten prime time series in the 18 to 49 demographic were aired by RTL Televizija, including *Desperate Housewives*, *Grey's Anatomy*, *Mentalist*, *Bones*, and *CSI: Miami*. Movies also continue to be an important part of RTL Televizija's schedule. The channel presented all of the ten most-watched movies on Croatian television in 2009. The main news bulletin, *Vijesti*, achieved an average audience share of 33.7 per cent among young viewers.

The company has developed a dedicated specialized second-chance channel, RTL Plus, which offers viewers well-known, locally produced entertainment formats and US series, which already aired on RTL Televizija. RTL Plus is currently exclusively available via IPTV services in Croatia, but it will become part of both cable and IPTV services targeted at Croatian expatriates in the US, Canada and Australia from 15 February 2010.

Following its re-establishment in 2008, sports marketing agency **UFA Sports** closed several important deals in 2009. In May, the agency signed a ten-year marketing partnership with historic football club, FC St Pauli. UFA Sports will support the Hamburg second-league club with marketing, media, advertising and hospitality, and will provide comprehensive consulting on matters of stadium planning and financing. In June, the German Football Association (DFB) granted the national TV and media rights for international matches played by Germany's junior national football teams to UFA Sports for the next two years, and in October, the company signed an extensive marketing agreement with the Slovak Football Association (SFA) and the country's top football league.

Turning to the Group's at-equity participations in Spain and Russia.

**Grupo Antena 3:** Across RTL Group's European markets, the Spanish net TV advertising market was hit hardest by the economic downturn in 2009, falling by an estimated 23.2 per cent. Grupo Antena 3 managed to outperform the market with the company's TV ad revenues declining by 15.5 per cent. As a result, its net share of the TV advertising market increased to 26.0 per cent (2008: 23.2 per cent). Following a new media law, the public channels have stopped airing advertisements since 1 January 2010.

On a 100 per cent basis, consolidated revenue of Grupo Antena 3 fell 15.5 per cent to EUR 704 million (2008: EUR 833 million), while operating profit (EBITDA) declined to EUR 81 million (2008: EUR 164 million) and net profit dropped to EUR 61 million (2008: EUR 91 million). Grupo Antena 3's operating expenses decreased by 7 per cent in 2009. The profit share of RTL Group was EUR 13 million (2008: EUR 19 million).

In 2009, the main channel Antena 3 has become the market leader in the commercial target group of viewers aged 16 to 54 years, achieving an audience share of 15.4 per cent in 2009 (2008: 16.8 per cent), as the audience share of the main commercial competitor, Telecinco, dropped 3.9 percentage points to 15.3 per cent. Antena 3 aired the country's most-watched programme in 2009 – the broadcast of the Champions League final between FC Barcelona and Manchester United. An average 11.3 million viewers tuned in, for a 61.7 per cent total audience share.

Antena Neox and Antena Nova consolidated their leading position among the digital channels in Spain. In households that receive only digital TV, Antena Neox and Antena Nova's total audience shares are 3.1 per cent and 1.8 per cent respectively.

Grupo Antena 3's family of channels was also in the lead with a combined audience share of 17.6 per cent (2008: 17.9 per cent) in the commercial target group, ahead of the Telecinco (16.7 per cent) and Grupo Sogecable (11.3 per cent) families.

The two radio stations of Grupo Antena 3 – Onda Cero (general interest) and Europa FM (hit music) – continued to improve their audience performance in 2009. In the most recent ratings survey, Onda Cero is Spain's number two radio station with more than 2 million listeners.

RTL Group's shareholding in Grupo Antena 3 slightly increased to 21.6 per cent in 2009.

In Russia, RTL Group holds a 30 per cent stake in **Ren TV**. After years of double-digit growth, the Russian TV advertising market declined significantly in 2009, by an estimated 21.0 per cent in local currency. Ren TV finished the year with an estimated TV advertising market share of 4.7 per cent (2008: 5.3 per cent). The channel has reacted to the economic downturn with a comprehensive cost-cutting programme. In 2009, operating expenses, in local currency, were down 18 per cent year-on-year. RTL Group's share of the results was EUR nil million (2008: EUR 4 million), reflecting the significant advertising revenue shortfall.

The channel's main target demographic are viewers aged 30 to 45, mainly men, so most prime time formats cater to them, including Ren TV's original series *Soldaty*, the court show *Chas suda* (Court Time), the weekly programme *Voennaya tayna* (War Secret) and comedy shows and concerts with Mikhail Zadornov. Ren TV is also a generalist channel with a broad offering that includes the Russian adaptation of the international hit format *Come Dine With Me*. The channel also strongly promotes its award-winning news and information programmes, which clearly differentiate Ren TV from its main competitors STS and TNT. These shows include documentaries, the daily news programme, *24*, and the analytical programme, *Nedelya s Mariannoy Maksimovskoy* (This Week With Marianna Maksimovskaya), which is famous for its independent views. Ren TV is widely considered a major nationwide TV network in Russia with an independent editorial policy.

The channel's audience share among viewers aged 18 to 54 increased to 5.8 per cent in 2009 (2008: 5.4 per cent).

### **Main portfolio changes**

On 20 February 2009, the Group acquired 75 per cent of Original FMM LLC, a Burbank based company producing factual entertainment programmes that appeal to both US and international broadcasters. RTL Group granted a put option on the remaining 25 per cent to the management based on a variable component. The fair value of the put option has been recognised as a liability.

At the extraordinary shareholders meeting held on 20 March 2009, the shareholders of M-RTL Zrt. ("M-RTL") granted their consent and approval to transfers of shares, in particular to the transfer by Pearson Netherlands BV ("PNBV") of its 20 per cent stake in M-RTL to KOS Beteiligungs- und Verwaltungsgesellschaft mbH ("KOS"). As a result, the disagreements among the shareholders, which led to the arbitration proceedings between PNBV, IKO-Telekom Média Holding Rt. (n/k/a IKO Média Holding Zrt.) and M-RTL in December 2006, were settled. Following the transfer of the 20 per cent stake by PNBV to KOS, the economic and voting ownerships in M-RTL was as follows: RTL Group (49 per cent), IKO-Telekom Média Holding Zrt. (31 per cent), and KOS (20 per cent).

As a result of the arrangements among the shareholders entered into on 20 March 2009, RTL Group has the ability in practice to control M-RTL without the acquisition of additional shares and fully consolidates M-RTL since 1 April 2009. Until such date, M-RTL was accounted for using the equity method.

On 26 June 2009, RTL Group acquired from KOS non-voting shares in M-RTL representing an economic interest of 18 per cent for an amount of EUR 41 million. As a result, RTL Group now owns an economic interest of 67 per cent and voting rights of 49 per cent in M-RTL. This acquisition in a fully consolidated entity has been accounted for as an equity transaction and therefore no adjustment was recorded to goodwill.

### Share of results of associates

| EBITA contribution<br>In EUR million            | Year to<br>December<br>2009 | Year to<br>December<br>2008 | Per<br>cent<br>change |
|---|-----------------------------|-----------------------------|-----------------------|
| - Antena 3                                      | 13                          | 19                          | (31.6)                |
| - RTL II  | 9                           | 12                          | (25.0)                |
| - Ren TV  | -                           | 4                           | n.a.                  |
| - RTL Klub                                      |                             |                             | n.a.                  |
| <i>(In 2009 from 1 January<br/>to 31 March)</i> | (2)                         | 10                          |                       |
| Others  | 5                           | (11)                        | n.a.                  |
| <b>Total</b>                                    | <b>25</b>                   | <b>34</b>                   | <b>(26.5)</b>         |

The total contribution of the associated companies decreased to EUR 25 million (2008: EUR 34 million). The main reasons for this decline were the weaker results at Antena 3 and the change in consolidation method (from equity to full consolidation) for RTL Klub as of 1 April 2009.

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

Net interest expense amounted to EUR 12 million (2008: income of EUR 21 million). The reduction is primarily due to the lower interest income received on the Group's cash position due to weaker interest rates throughout 2009.

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

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

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

Intangible assets identified at fair value upon gain of control of Five Group and Alpha Media Group have been impaired for an amount of EUR 18 million (EUR 14 million and EUR 4 million, respectively).

### Impairment of goodwill and of disposal group

An impairment of goodwill and of disposal group was recorded amounting to EUR 211 million. This impairment mainly affects the carrying value of the Group's UK and Greek television activities, and an associate company, and is mainly due to the worse than expected downturn in advertising markets.

In the United Kingdom, in addition to the impairment of fair value adjustment (EUR 14 million), an impairment loss amounting to EUR 140 million has been recognised against the carrying value of the Five Group's assets. This reflects the worsening of both the advertising market and Five's share of the market. During the first half of 2009, the "fair value less costs to sell" approach was retained using a discount rate of 8.4 per cent (December 2008: 9.2 per cent). Based on the above and on the basis of revised cash flow projections, the impairment loss has been fully allocated to goodwill, which has been reduced to nil.

In Greece, in addition to the impairment of fair value adjustment (EUR 4 million), an impairment loss amounting to EUR 66 million has been recognised against the carrying value of Alpha Group's assets. A much weaker Greek advertising market, when compared to the original business plan, has resulted in a significant underperformance, despite a cost reduction plan, including a first voluntary leave programme. During the first half of 2009, the "fair value less costs to sell" approach was retained, by factoring the costs and the benefits of the contemplated restructuring programme and using a discount rate of 9.5 per cent.

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

No net gain/(loss) from sale of subsidiaries, joint ventures and other investments was recognised in 2009 (2008: net loss of EUR 9 million which mainly resulted from the disposal of RTL Shop).

### **Income tax expense**

In 2009, the tax expense was EUR 220 million (2008: expense of EUR 232 million).

Following the PLP agreement (see heading 'Related party transactions'), which was approved by the Board on 26 June 2008 a commission income of EUR 45 million, representing 50 per cent of the tax benefit generated at the level of Bertelsmann AG, has been recorded in tax for the year (2008: EUR 61 million).

A detailed re-assessment of the underlying conditions supporting all the deferred tax assets within the Group has been completed. Following this review a full reversal, amounting to EUR 40 million, has been recorded against the deferred tax assets initially recorded in 2007 in Luxembourg.

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

The profit for the year attributable to RTL Group shareholders was EUR 205 million (2008: EUR 194 million).

### **Earnings per share**

Reported earnings per share, based upon 153,618,853 shares, was EUR 1.33 per share (2008: EUR 1.26 per share). The adjusted earnings per share, taking into account the amortisation of fair value adjustments on acquisitions and impairment of goodwill, gain or loss from sale of subsidiaries, joint ventures and other investments, net of income tax expense and one-off tax effects, decreased by 26.4 per cent to EUR 2.85 (2008: EUR 3.87) per share.

## Net cash position

The consolidated net cash position at 31 December 2009 was EUR 789 million (31 December 2008: EUR 876 million). The Group continues to generate significant operating cash flow with an EBITA cash conversion of 106 per cent (2008: 114 per cent).

| <b>Net cash position</b><br>In EUR million                             | As at 31<br>December<br>2009 | As at 31<br>December<br>2008 |
|--|------------------------------|------------------------------|
| <b>Gross balance sheet debt</b>  | <b>(156)</b>                 | <b>(111)</b>                 |
| <b>Less: loans receivable</b> <sup>14</sup>                            | <b>2</b>                     | <b>2</b>                     |
| <b>Gross financial debt</b>  | <b>(154)</b>                 | <b>(109)</b>                 |
| <b>Add: cash</b>   | <b>395</b>                   | <b>383</b>                   |
| <b>Add: marketable securities and<br/>other short-term investments</b> | <b>6</b>                     | <b>-</b>                     |
| <b>Add: cash deposit</b>   | <b>542</b>                   | <b>602</b>                   |
| <b>Net cash position</b>   | <b>789</b>                   | <b>876</b> <sup>15</sup>     |

## Outlook

Although the revenue decline has slowed considerably since autumn 2009, RTL Group does not expect a quick recovery of advertising revenues to previous levels. While the Group remains cautious, it will also continue to invest in promising business opportunities, based on its strong brands and content. These include on-demand services, as non-linear TV viewing grows rapidly, digital pay channels, to establish a second revenue stream, content production and the company's broad range of diversification businesses.

<sup>14</sup> The loans receivable relate to TCM (via Groupe M6)

<sup>15</sup> Of which EUR 83 million held by Groupe M6 (2008: EUR 36 million)

**CONSOLIDATED INCOME STATEMENT**  
for the year ended 31 December 2009

| <i>In EUR million</i>  | <b>2009</b>       | 2008       |
|--|-------------------|------------|
| Revenue  | <b>5,410</b>      | 5,774      |
| Other operating income   | <b>45</b>         | 37         |
| Consumption of current programme rights  | <b>(1,842)</b>    | (2,095)    |
| Depreciation, amortisation and impairment  | <b>(191)</b>      | (161)      |
| Other operating expenses   | <b>(2,693)</b>    | (2,685)    |
| Impairment of goodwill and of disposal group and amortisation of fair value adjustments on acquisitions of subsidiaries and joint ventures | <b>(246)</b>      | (395)      |
| Gain / (loss) from sale of subsidiaries, joint ventures and other investments  | <b>-</b>          | (9)        |
| <b>Profit from operating activities</b>  | <b><u>483</u></b> | <u>466</u> |
| Share of results of associates   | <b>25</b>         | 34         |
| <b>Earnings before interest and taxes ("EBIT")</b>   | <b><u>508</u></b> | <u>500</u> |
| Interest income  | <b>20</b>         | 63         |
| Interest expense   | <b>(32)</b>       | (42)       |
| Financial results other than interest  | <b>22</b>         | 7          |
| <b>Profit before taxes</b>   | <b><u>518</u></b> | <u>528</u> |
| Income tax expense   | <b>(220)</b>      | (232)      |
| <b>Profit for the year</b>   | <b><u>298</u></b> | <u>296</u> |
| Attributable to:   |                   |            |
| RTL Group shareholders   | <b>205</b>        | 194        |
| Minority interest  | <b>93</b>         | 102        |
| <b>Profit for the year</b>   | <b><u>298</u></b> | <u>296</u> |
| <b>EBITA*</b>  | <b>755</b>        | 916        |
| Impairment of goodwill of subsidiaries and joint ventures and of disposal group  | <b>(210)</b>      | (364)      |
| Impairment of goodwill of associates   | <b>(1)</b>        | (12)       |
| Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures                                   | <b>(36)</b>       | (31)       |
| Gain / (loss) from sale of subsidiaries, joint ventures and other investments  | <b>-</b>          | (9)        |
| <b>Earnings before interest and taxes ("EBIT")</b>   | <b><u>508</u></b> | <u>500</u> |
| <b>Earnings per share (in EUR)</b>   |                   |            |
| - Basic  | <b>1.33</b>       | 1.26       |
| - Diluted  | <b>1.33</b>       | 1.26       |

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2009

| <i>In EUR million</i>  | <b>2009</b>       | 2008              |
|--|-------------------|-------------------|
| <b>Profit for the year</b>   | <b>298</b>        | 296               |
| <b>Other comprehensive income</b>                                      |                   |                   |
| Foreign currency translation differences                               | (7)               | (61)              |
| Effective portion of changes in fair value of cash flow hedges         | (16)              | 47                |
| Income tax   | <u>7</u>          | <u>(9)</u>        |
|  | (9)               | 38                |
| Change in fair value of cash flow hedges transferred to profit or loss | 1                 | 28                |
| Income tax   | <u>(1)</u>        | <u>(6)</u>        |
|  | -                 | 22                |
| Fair value gains / (losses) on available-for-sale financial assets     | 15                | (6)               |
| Income tax   | <u>-</u>          | <u>-</u>          |
|  | 15                | (6)               |
| Defined benefit plan actuarial gains / (losses)                        | (7)               | 4                 |
| Income tax   | <u>2</u>          | <u>(1)</u>        |
|  | (5)               | 3                 |
| Share of other comprehensive income of associates                      | (8)               | (5)               |
| <b>Other comprehensive income for the year, net of income tax</b>      | <u>(14)</u>       | <u>(9)</u>        |
| <b>Total comprehensive income for the year</b>                         | <u><u>284</u></u> | <u><u>287</u></u> |
| <b>Attributable to:</b>  |                   |                   |
| RTL Group shareholders   | 194               | 184               |
| Minority interest  | <u>90</u>         | <u>103</u>        |
| <b>Total comprehensive income for the year</b>                         | <u><u>284</u></u> | <u><u>287</u></u> |



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2009**

| <i>In EUR million</i>   | <b>2009</b>         | <b>2008*</b>        |
|---|---------------------|---------------------|
| <b>Non-current assets</b>   |                     |                     |
| Programme rights  | <b>110</b>          | 109                 |
| Goodwill  | <b>2,661</b>        | 2,825               |
| Other intangible assets   | <b>308</b>          | 319                 |
| Property, plant and equipment   | <b>364</b>          | 347                 |
| Investments in associates   | <b>416</b>          | 442                 |
| Loans and other financial assets  | <b>265</b>          | 589                 |
| Deferred tax assets   | <b>465</b>          | 513                 |
|   | <b><u>4,589</u></b> | <b><u>5,144</u></b> |
| <b>Current assets</b>   |                     |                     |
| Programme rights  | <b>1,147</b>        | 1,137               |
| Other inventories   | <b>34</b>           | 32                  |
| Income tax receivable   | <b>42</b>           | 105                 |
| Accounts receivable and other financial assets                                      | <b>2,486</b>        | 2,154               |
| Cash and cash equivalents   | <b>395</b>          | 383                 |
| Assets classified as held for sale  | <b>23</b>           | -                   |
|   | <b><u>4,127</u></b> | <b><u>3,811</u></b> |
| <b>Current liabilities</b>  |                     |                     |
| Loans and bank overdrafts   | <b>75</b>           | 18                  |
| Income tax payable  | <b>152</b>          | 229                 |
| Accounts payable  | <b>2,164</b>        | 2,108               |
| Provisions  | <b>183</b>          | 135                 |
| Liabilities directly associated with non-current assets classified as held for sale | <b>10</b>           | -                   |
|   | <b><u>2,584</u></b> | <b><u>2,490</u></b> |
| <b>Net current assets</b>   | <b><u>1,543</u></b> | <b><u>1,321</u></b> |
| <b>Non-current liabilities</b>  |                     |                     |
| Loans   | <b>81</b>           | 93                  |
| Accounts payable  | <b>332</b>          | 294                 |
| Provisions  | <b>131</b>          | 121                 |
| Deferred tax liabilities  | <b>58</b>           | 86                  |
|   | <b><u>602</u></b>   | <b><u>594</u></b>   |
| <b>Net assets</b>   | <b><u>5,530</u></b> | <b><u>5,871</u></b> |
| <b>Equity attributable to RTL Group shareholders</b>                                | <b><u>4,895</u></b> | <b><u>5,277</u></b> |
| <b>Equity attributable to minority interest</b>                                     | <b><u>635</u></b>   | <b><u>594</u></b>   |
| <b>Equity</b>   | <b><u>5,530</u></b> | <b><u>5,871</u></b> |

\* Re-presented

**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 December 2009

| <i>In EUR million</i>   | <b>2009</b>         | 2008         |
|---|---------------------|--------------|
| <b>Cash flows from operating activities</b>   |                     |              |
| Profit before taxes   | <b>518</b>          | 528          |
| Adjustments for :   |                     |              |
| - Depreciation and amortisation   | <b>196</b>          | 164          |
| - Value adjustments, impairment and provisions  | <b>435</b>          | 532          |
| - Equity-settled share-based payments expenses  | <b>5</b>            | 7            |
| - Loss / (Gain) on disposal of assets   | <b>(8)</b>          | 1            |
| - Financial results including net interest expense and share of results of associates | <b>(16)</b>         | 59           |
| Use of provisions   | <b>(76)</b>         | (52)         |
| Working capital changes   | <b>(67)</b>         | (39)         |
| Income taxes paid   | <b>(224)</b>        | (135)        |
| Net cash from operating activities  | <b><u>763</u></b>   | <u>1,065</u> |
| <b>Cash flows from investing activities</b>   |                     |              |
| Acquisitions of :   |                     |              |
| - Programme rights  | <b>(78)</b>         | (71)         |
| - Subsidiaries and joint ventures net of cash acquired                                | <b>(14)</b>         | (151)        |
| - Other intangible and tangible assets  | <b>(130)</b>        | (109)        |
| - Other investments and financial assets  | <b>(28)</b>         | (102)        |
|   | <b><u>(250)</u></b> | <u>(433)</u> |
| Proceeds from the sale of intangible and tangible assets                              | <b>19</b>           | 22           |
| Disposal of :   |                     |              |
| - RTL Shop, net of cash disposed of   | <b>(2)</b>          | (11)         |
| - Other subsidiaries and joint ventures net of cash disposed of                       | <b>2</b>            | 6            |
| Proceeds from the sale of associates, other investments and financial assets          | <b>56</b>           | 17           |
| Current deposit with shareholder  | <b>60</b>           | 22           |
| Interest received   | <b>18</b>           | 63           |
|   | <b><u>153</u></b>   | <u>119</u>   |
| Net cash used in investing activities   | <b><u>(97)</u></b>  | <u>(314)</u> |
| <b>Cash flows from financing activities</b>   |                     |              |
| Interest paid   | <b>(29)</b>         | (29)         |
| Transaction with minority interest  | <b>(42)</b>         | 4            |
| Proceeds from loans   | <b>109</b>          | 4            |
| Repayment of loans  | <b>(64)</b>         | (9)          |
| Net change in bank overdraft  | <b>(1)</b>          | -            |
| Dividends paid  | <b>(631)</b>        | (856)        |
| Net cash used in financing activities   | <b><u>(658)</u></b> | <u>(886)</u> |
| Net increase / (decrease) in cash and cash equivalents                                | <b>8</b>            | (135)        |
| <b>Cash and cash equivalents at beginning of year</b>                                 | <b>383</b>          | 535          |
| Effect of exchange rate fluctuation on cash held                                      | <b>4</b>            | (17)         |
| <b>Cash and cash equivalents at end of year</b>                                       | <b><u>395</u></b>   | <u>383</u>   |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| In EUR million   | Share capital | Share premium | Treasury shares | Currency translation reserve | Hedging reserve | Revaluation reserve | Retained earnings | Equity attributable to RTL Group shareholders | Equity attributable to minority interest | Total equity |
|--|---------------|---------------|-----------------|------------------------------|-----------------|---------------------|-------------------|---|--|--------------|
| <b>Balance at 1 January 2008</b>   | <b>192</b>    | <b>6,454</b>  | <b>(44)</b>     | <b>(122)</b>                 | <b>(50)</b>     | <b>85</b>           | <b>(639)</b>      | <b>5,876</b>                                  | <b>572</b>                               | <b>6,448</b> |
| <b>Total comprehensive income:</b>   |               |               |                 |                              |                 |                     |                   |   |  |              |
| Profit for the year  | -             | -             | -               | -                            | -               | -                   | 194               | 194   | 102                                      | 296          |
| Foreign currency translation differences   | -             | -             | -               | (62)                         | -               | -                   | -                 | (62)  | 1  | (61)         |
| Effective portion of changes in fair value of cash flow hedges, net of tax         | -             | -             | -               | -                            | 38              | -                   | -                 | 38  | -  | 38           |
| Change in fair value of cash flow hedges transferred to profit or loss, net of tax | -             | -             | -               | -                            | 22              | -                   | -                 | 22  | -  | 22           |
| Fair value losses on available-for-sale financial assets, net of tax               | -             | -             | -               | -                            | -               | (6)                 | -                 | (6)   | -  | (6)          |
| Defined benefit plan actuarial gains, net of tax                                   | -             | -             | -               | -                            | -               | -                   | 3                 | 3   | -  | 3            |
| Share of other comprehensive income of associates                                  | -             | -             | -               | (6)                          | 1               | -                   | -                 | (5)   | -  | (5)          |
|  | -             | -             | -               | (68)                         | 61              | (6)                 | 197               | 184   | 103                                      | 287          |
| <b>Capital transactions with owners:</b>   |               |               |                 |                              |                 |                     |                   |   |  |              |
| Dividends  | -             | -             | -               | -                            | -               | -                   | (767)             | (767)   | (88)                                     | (855)        |
| Equity-settled transactions net of tax   | -             | -             | -               | -                            | -               | -                   | 3                 | 3   | 4  | 7            |
| Transactions on minority interest  | -             | -             | -               | -                            | -               | -                   | (18)              | (18)  | (1)                                      | (19)         |
| Derivatives on equity instruments  | -             | -             | -               | -                            | -               | -                   | 3                 | 3   | 4  | 7            |
| Transactions on treasury shares of associates                                      | -             | -             | -               | -                            | -               | -                   | (4)               | (4)   | -  | (4)          |
|  | -             | -             | -               | -                            | -               | -                   | (783)             | (783)   | (81)                                     | (864)        |
| <b>Balance at 31 December 2008*</b>  | <b>192</b>    | <b>6,454</b>  | <b>(44)</b>     | <b>(190)</b>                 | <b>11</b>       | <b>79</b>           | <b>(1,225)</b>    | <b>5,277</b>                                  | <b>594</b>                               | <b>5,871</b> |
| <b>Total comprehensive income:</b>   |               |               |                 |                              |                 |                     |                   |   |  |              |
| Profit for the year  | -             | -             | -               | -                            | -               | -                   | 205               | 205   | 93                                       | 298          |
| Foreign currency translation differences   | -             | -             | -               | (5)                          | -               | -                   | -                 | (5)   | (2)                                      | (7)          |
| Effective portion of changes in fair value of cash flow hedges, net of tax         | -             | -             | -               | -                            | (8)             | -                   | -                 | (8)   | (1)                                      | (9)          |
| Fair value gains on available-for-sale financial assets, net of tax                | -             | -             | -               | -                            | -               | 15                  | -                 | 15  | -  | 15           |
| Defined benefit plan actuarial losses, net of tax                                  | -             | -             | -               | -                            | -               | -                   | (4)               | (4)   | (1)                                      | (5)          |
| Share of other comprehensive income of associates                                  | -             | -             | -               | (10)                         | 1               | -                   | -                 | (9)   | 1  | (8)          |
|  | -             | -             | -               | (15)                         | (7)             | 15                  | 201               | 194   | 90                                       | 284          |
| <b>Capital transactions with owners:</b>   |               |               |                 |                              |                 |                     |                   |   |  |              |
| Dividends  | -             | -             | -               | -                            | -               | -                   | (538)             | (538)   | (81)                                     | (619)        |
| Equity-settled transactions net of tax   | -             | -             | -               | -                            | -               | -                   | 2                 | 2   | 3  | 5            |
| Gain of control of M-RTL   | -             | -             | -               | -                            | -               | 3                   | -                 | 3   | 26                                       | 29           |
| Transactions on minority interest  | -             | -             | -               | -                            | -               | -                   | (43)              | (43)  | 1  | (42)         |
| Derivatives on equity instruments  | -             | -             | -               | -                            | -               | -                   | 1                 | 1   | 2  | 3            |
| Transactions on treasury shares of associates                                      | -             | -             | -               | -                            | -               | -                   | (1)               | (1)   | -  | (1)          |
|  | -             | -             | -               | -                            | -               | 3                   | (579)             | (576)   | (49)                                     | (625)        |
| <b>Balance at 31 December 2009</b>   | <b>192</b>    | <b>6,454</b>  | <b>(44)</b>     | <b>(205)</b>                 | <b>4</b>        | <b>97</b>           | <b>(1,603)</b>    | <b>4,895</b>                                  | <b>635</b>                               | <b>5,530</b> |