



INTERIM REPORT

January – June 2016

RTL
GROUP

ENTERTAIN. INFORM. ENGAGE.

ENTERTAIN. INFORM. ENGAGE.

Our mission:

We are innovators who shape the media world across broadcast, content and digital.

We build inspiring environments where creative and pioneering spirits can thrive.

We create and share stories that entertain, inform, and engage audiences around the world.

We embrace independence and diversity in our people, our content and our businesses.

We have a proud past, a vibrant present and an exciting future.

Our new mission statement



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HIGHLIGHTS



M6 is Euro's big winner

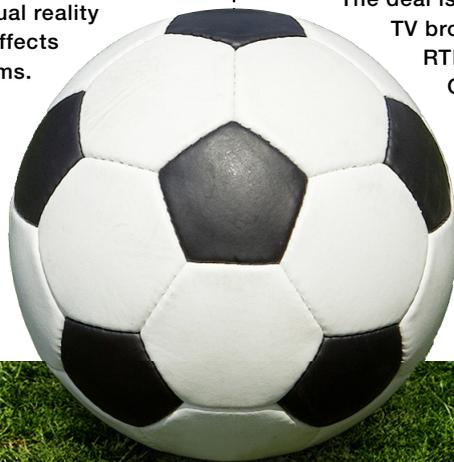
M6 broadcast a total of 11 matches, including the final of Europe's biggest football competition – Uefa Euro 2016. The Portugal vs France final achieved the same ratings as the Brazil vs France 1998 World Cup final – 20.8 million viewers, corresponding to 71.8 per cent of the total audience, the competition's biggest audience. It also represents the channel's best ever rating and the fifth biggest French television audience in history. In addition to the football matches, the channel introduced innovative features to its Uefa Euro 2016 programmes, allowing viewers a more close-up experience of the football tournament through virtual reality images and teleportation effects with holograms.



Keeping the ball rolling

In May 2016, RTL Television signed a new exclusive TV broadcasting rights agreement with Uefa to air 28 of the 40 matches that the German national football team is due to play from 2018 to 2022. The new deal grants RTL Television exclusive broadcasting rights to all of Germany's Euro 2020 qualifying games and all of its World Cup 2022 qualifiers.

The deal is on top of the exclusive TV broadcasting rights that RTL Television already holds for Germany's qualifying matches for the World Cup 2018 in Russia for the period from September 2016 to October 2017.



“NEW ALL-TIME HIGH IN GROUP EBITA; INVESTMENTS START TO PAY OFF”



Joint statement from **Guillaume de Posch** and **Anke Schäferkordt**,
Co-Chief Executive Officers of RTL Group

“The very strong performance in the first half of 2016 confirmed once again the sustainable success of RTL Group’s portfolio and growth strategy. Group EBITA has reached a new all-time high, while digital revenue continued to grow by double-digit rates year-on-year. This set of excellent results allows us to pay an interim dividend of € 1.00 per share to our shareholders.

While we focus our M&A investments on content and digital, our broadcasting businesses continue to generate strong audience figures and high cash flows. Our biggest profit centre, Mediengruppe RTL Deutschland, is going from strength to strength and has succeeded in generating higher first-half EBITA for seven consecutive years.

We are also delighted to see that our French TV and radio broadcasters have outperformed their respective audience and advertising markets and posted significantly higher EBITA contributions for the first half of the year. With

M6 Mobile, the management team of Groupe M6 – together with Orange – has demonstrated how to capitalise on our powerful brands to diversify revenue streams, create successful services, and add substantial value in a win-win relationship.

Overall, our higher investments in the programming grids of our broadcasters and in the creative diversity of FremantleMedia are clearly paying off. Excluding the month of June 2016 with the European football championship, our families of channels in the main markets of Germany, France, the Netherlands and Belgium scored higher or at least stable audience shares in ever more competitive environments.

Creative diversity, a pioneering spirit in digital video and advertising technology, and sustainable financial strength are and will remain RTL Group’s key success factors to further shape the Total Video universe.”

RTL Group reports record first-half EBITA and raises full-year EBITA outlook

- H1/2016: revenue up 3.2 per cent and EBITA up 8.6 per cent, driven by Groupe M6 and Mediengruppe RTL Deutschland
- RTL Group raises full-year EBITA outlook and now expects EBITA to grow slightly year-on-year; revenue outlook confirmed
- Interim dividend of € 1.00 per share to be paid in September 2016

Luxembourg, 25 August 2016 – RTL Group announces its results for the six months ended 30 June 2016.

	Half-year to June 2016 €m	Half-year to June 2015 €m	Per cent change
Revenue	2,878	2,788	+3.2
Underlying revenue ¹	2,861	2,780	+2.9
Reported EBITA ²	580	534	+8.6
Reported EBITA margin (%)	20.2	19.2	
EBITDA ³	679	628	+8.1
EBITDA margin (%)	23.6	22.5	
Reported EBITA	580	534	
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(8)	2	
Re-measurement of earn-out arrangements and gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	7	
EBIT	572	543	+5.3
Net financial income/(expense)	1	(10)	
Income tax expense	(183)	(145)	
Profit for the period	390	388	+0.5
Attributable to:			
– Non-controlling interests	49	37	
– RTL Group shareholders	341	351	(2.8)
Reported EPS (in €)	2.22	2.28	(2.6)

¹ Adjusted for minor scope changes and at constant exchange rates

² 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 of subsidiaries, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

³ EBITDA represents EBIT excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

H1/2016: continued strong growth in digital, EBITA margin further improved

- Reported Group **revenue** was up 3.2 per cent to €2,878 million (H1/2015: €2,788 million). This was driven by higher revenue from Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland and RTL Group's rapidly growing digital businesses
- RTL Group's **digital revenue**⁴ continued to show dynamic growth, up 20.5 per cent to €264 million (H1/2015: €219 million)
- RTL Group's revenue is well diversified with 50.6 per cent from TV advertising, 19.2 per cent from content, 9.2 per cent from digital activities, 4.6 per cent from platform revenue (€134 million), 4.5 per cent from radio advertising and 11.9 per cent other revenue
- Reported **EBITA** was up strongly by 8.6 per cent to €580 million (H1/2015: €534 million), mainly based on a significantly higher profit contribution from Mediengruppe RTL Deutschland and on a positive one-off effect at Groupe M6 amounting to €43 million. The **EBITA margin** increased to 20.2 per cent (H1/2015: 19.2 per cent)
- **EBITDA** was up 8.1 per cent, reaching €679 million (H1/2015: €628 million), with an **EBITDA margin** of 23.6 per cent (H1/2015: 22.5 per cent)
- Despite the significantly higher EBITA, **net profit** attributable to RTL Group shareholders was down to €341 million (H1/2015: €351 million), largely due to higher tax charges
- **Net cash from operating activities** was €403 million (H1/2015: €295 million), resulting in an operating cash conversion rate of 88 per cent (H1/2015: 74 per cent)
- As of 30 June 2016, RTL Group had a **net debt position** of €958 million (31 December 2015: net debt of €670 million). On 28 April 2016, RTL Group paid out an amount of €460 million for the final dividend for the financial year 2015 (€3.00 per share)
- On 24 August 2016, RTL Group's Board of Directors authorised the distribution of an **interim dividend** of €1.00 per share, to be paid in September 2016. This reflects the Group's strong cash flows and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times

Segments: Mediengruppe RTL Deutschland with yet another record first-half EBITA

- RTL Group estimates that the net TV advertising markets were up in all markets in which the Group is active, with the exception of Hungary. For the full year 2016, RTL Group continues to expect that TV advertising revenue will be geared towards the first half of the year
- **Mediengruppe RTL Deutschland's** EBITA grew significantly by 5.5 per cent to another record high of €362 million (H1/2015: €343 million), driven by higher TV advertising revenue
- At **Groupe M6**, EBITA increased strongly to €139 million (H1/2015: €105 million), mainly driven by the positive one-off effect from the gradual phase-out of the M6 Mobile contract which more than compensated the impact of the higher programming costs for the Uefa Euro 2016 live broadcasts
- **FremantleMedia's** EBITA increased to €30 million (H1/2015: €28 million), benefiting from higher profit contributions from the company's operations in Asia Pacific, the UK and Germany
- **RTL Nederland's** EBITA was down to €26 million (H1/2015: €27 million), mainly due to higher programme investments

⁴ Excluding e-commerce, home shopping and platform revenue for digital TV

Q2/2016: Groupe M6 drives EBITA growth

- In the second quarter of 2016, RTL Group's revenue was down 2.3 per cent to €1,446 million (Q2/2015: €1,480 million), due to lower revenue from FremantleMedia (primarily phasing effects), negative exchange rate effects and lower advertising revenue in the month of June because of the Uefa Euro 2016 (with the exception of Groupe M6 in France)
- EBITA was up 3.2 per cent to €351 million (Q2/2015: €340 million), driven by Groupe M6 and Mediengruppe RTL Deutschland
- Net profit attributable to RTL Group shareholders was €203 million (Q2/2015: €245 million)

Outlook

- Based on the strong performance in the first half of 2016 and on the significant positive one-off effect from the gradual phase-out of the M6 Mobile contract (positive EBITA impact of €43 million in 2016), RTL Group raises its EBITA outlook given on 10 March 2016. Assuming there will not be major changes in the economic climate across RTL Group's markets, the Group now expects its full-year EBITA to be slightly up (+1.0 per cent to +2.5 per cent) compared to the full year 2015 (previously: to be broadly stable)
- At the same time, RTL Group confirms its revenue outlook: the Group still expects its total full-year revenue to continue to grow moderately (+2.5 per cent to +5.0 per cent), predominantly driven by the Group's digital businesses and Mediengruppe RTL Deutschland

RTL Group continues to make steady progress across all strategic pillars

Broadcast

- M6 broadcast a total of 11 matches, including the final, for the biggest European football competition – Uefa Euro 2016. The final, between Portugal and France, achieved the same audience as the final of the 1998 World Cup between Brazil and France: 20.8 million viewers represented a total audience share of 71.8 per cent. This was a new all-time audience record for M6 since its creation, the most watched programme on French television year-to-date and the fifth largest TV audience ever recorded in France
- In May, RTL Television signed a new exclusive TV broadcasting rights agreement with Uefa to air 28 of the 40 matches that the German national football team is due to play in the period 2018 to 2022. The new deal grants RTL Television exclusive broadcasting rights for all of Germany's Euro 2020 qualifying games and for all of its World Cup 2022 qualifiers. The deal comes on top of the exclusive TV broadcasting rights RTL Television already holds for the period from September 2016 to October 2017 for Germany's qualifying matches for the World Cup 2018 in Russia
- In June, Mediengruppe RTL Deutschland launched two new linear TV channels:
 - RTL Plus offers a mix of entertainment programmes comprising popular classics and game shows. Starting in autumn, RTL Plus will revive iconic game shows such as *Family Feud*, *Jeopardy*, *Wheel of Fortune* or *Ruck Zuck* with all new episodes
 - Toggo Plus – Germany's first free-to-air time-shift channel – gives viewers a second chance to watch all of Super RTL's children's programmes again, exactly one hour after their initial airing

Content

- On 11 January, FremantleMedia acquired a 51 per cent majority stake in Abot Hameiri, a leading Israeli production company specialising in entertainment formats, scripted reality and drama, with an option to increase its share in the future
- On 25 April, FremantleMedia partnered with Sam Pollard and James Abadi, creators of the multi-award-winning *Release the Hounds* format, to launch the new UK independent production company Dr Pluto. FremantleMedia has a 25 per cent stake in the new company with an option to increase its share in the future
- On 26 April, FremantleMedia invested in Squawka, a London-based football media company. FremantleMedia took a 35 per cent share, with options to increase its share in the future, making it the largest single shareholder in this digital business
- On 13 May, FremantleMedia acquired a 25 per cent stake in the new production company Wild Blue Media, with options to increase its share in the future. Wild Blue is headed up by former BBC and Studio Lambert alum Gary Hunter. The company will focus on creating new returnable brands with broad international appeal across factual, factual entertainment and live events
- On 25 May, FremantleMedia North America acquired a 25 per cent stake in Eureka Productions, with options to increase its share in the future. Eureka develops, sells and produces unscripted travelling formats (for example reality competitions) and docu-series for leading broadcasters and cable networks in the US and Australia
- On 7 June, FremantleMedia acquired a 25 per cent stake in the new scripted independent production company Dancing Ledge, with options to increase its share in the future. The company was founded by Award-winning drama producer Laurence Bowen. Current projects feature some of the UK's most talented writers and a development deal with Martin Freeman
- On 27 June, UFA Fiction secured the film rights to a biopic of the two celebrity magicians, Siegfried and Roy. FremantleMedia International will hold the international distribution rights to the film

Digital

- RTL Group has a strong and rapidly growing presence across all digital platforms. In the first half of 2016:
 - RTL Group's catch-up TV services, websites and MCNs attracted a total 123.1 billion online video views, up 190 per cent year-on-year (H1/2015: 42.5 billion)
 - thereof: FremantleMedia's 250 Youtube channels attracted 9.0 billion views, up 47.5 per cent year-on-year (H1/2015: 6.1 billion)
- RTL Group now generates more than 20 billion online video views per month
- Mediengruppe RTL Deutschland, Groupe M6 and RTL Nederland reported double-digit online video advertising revenue growth rates. Comparing H1/2016 with H1/2015: Mediengruppe RTL Deutschland was up 61 per cent, Groupe M6 was up 32 per cent and RTL Nederland was up 29 per cent
- At the beginning of March, Mediengruppe RTL Deutschland launched a new video service called TV Now. The new offering bundles video content and live streams from Mediengruppe RTL Deutschland's six free-to-air channels (RTL Television, Vox, N-TV, RTL Nitro, Super RTL and RTL II) into a single, homogeneous brand, replacing the previously separate services associated with individual channels
- In March, Mediengruppe RTL Deutschland announced the acquisition of a 93.75 per cent majority stake in Smartclip, with a call option to acquire the remaining shares. The purchase price was €46.9 million. Smartclip bundles the online video advertising inventory of 700 publishers worldwide, and manages the integration and serving of video advertising to all internet-connected devices. Smartclip complements RTL Group's investments in digital advertising sales, including in particular SpotX. Approval from Germany's Federal Cartel Office was received on 22 April 2016 and consequently Smartclip has been fully consolidated since the gain of control

Financial review

Revenue

In the first half of 2016, RTL Group estimates that the net TV advertising markets increased in all markets in which the Group is active, with the exception of Hungary. For the full year 2016, RTL Group continues to expect that TV advertising revenue will be geared towards the first half of the year.

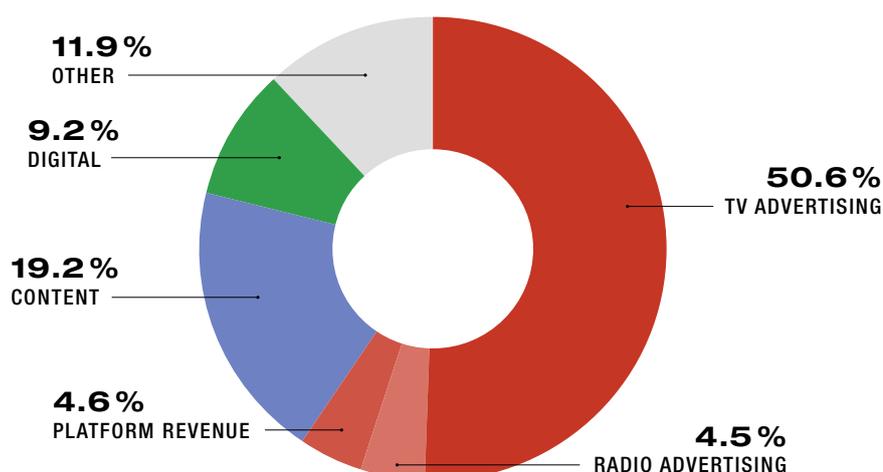
A summary of RTL Group's key markets is shown below, including estimates of net advertising market growth rates and the audience share of the main target audience group.

	Net TV advertising market growth rate H1/2016 (in per cent)	RTL Group audience share in main target group H1/2016 (in per cent)	RTL Group audience share in main target group H1/2015 (in per cent)
Germany	+3.5 to +4.5 ⁵	28.2 ⁶	28.7 ⁶
France	+1.6 ⁷	21.7 ⁸	20.5 ⁸
The Netherlands	+1.5 ⁵	32.8 ⁹	32.8 ⁹
Belgium	+4.2 ⁵	36.2 ¹⁰	35.9 ¹⁰
Hungary	(3.9) ⁵	34.2 ¹¹	38.0 ¹¹
Croatia	+1.8 ⁵	28.9 ¹²	26.1 ¹²
Spain	+8.4 ¹³	30.2 ¹⁴	28.1 ¹⁴

Revenue was up to €2,878 million (H1/2015: €2,788 million). On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was up 2.9 per cent to 2,861 million (H1/2015: €2,780 million).

RTL Group revenue split

RTL Group's revenue is well diversified with 50.6 per cent from TV advertising, 19.2 per cent from content, 9.2 per cent from digital activities, 4.6 per cent from platform revenue (€134 million), 4.5 per cent from radio advertising and 11.9 per cent other revenue.



5 Source: Industry and RTL Group estimates

6 Source: GfK, Target group: 14–59

7 Source: Groupe M6 estimate

8 Source: Mediamétrie.

Target group: women under 50 responsible for purchases (free-to-air channels: M6, W9 and 6ter)

9 Source: SKO.

Target group: 20–49, 18–24h

10 Source: Audimétrie.

Target group: shoppers 18–54, 17–23h

11 Source: AGB Hungary.

Target group: 18–49, prime time (including cable channels)

12 Source: AGB Nielsen Media Research.

Target group: 18–49, prime time

13 Source: Infodex

14 Source: TNS Sofres.

New commercial target group: viewers aged 25–59 (previously: 16–54)

EBITA and EBITDA

Reported EBITA was €580 million, up when compared to €534 million in H1/2015. This resulted in an increase in the EBITA margin to 20.2 per cent (from 19.2 per cent as at 30 June 2015). The main contributors to the Group's improved EBITA were Mediengruppe RTL Deutschland, following a good advertising revenue performance and Groupe M6, which benefited from the contractual indemnity from Orange due to the gradual phase-out of the M6 Mobile contract.

The Group's EBITDA was also up at €679 million (H1/2015: €628 million), resulting in an EBITDA margin of 23.6 per cent (H1/2015: 22.5 per cent).

Group operating expenses were at €2,413 million in H1/2016 compared to €2,300 million in H1/2015.

Further group financials

Main portfolio changes

Abot Hameiri

On 11 January 2016, FremantleMedia acquired a 51 per cent majority stake in Abot Hameiri, a leading Israeli production company specialising in entertainment formats, scripted reality and drama. Abot Hameiri was founded in 2006 and has produced local versions of some of the biggest international entertainment formats such as *The X Factor* (a FremantleMedia/Syco Entertainment format), *Survivor* and *Amazing Race*.

Smartclip

On 22 April 2016, Mediengruppe RTL Deutschland acquired a 93.75 per cent majority stake in Smartclip Holding AG and five of its subsidiaries operating in Germany, Italy, the Netherlands and Sweden ("Smartclip"). Smartclip bundles the online video advertising inventory of 700 publishers worldwide, and manages the integration and serving of video advertising to all internet-connected screens.

Investments accounted for using the equity method

The total contribution of these investments increased to a profit amounting to €32 million (H1/2015: €29 million).

Interest expense

Net interest expense amounted to €11 million (H1/2015: expense of €11 million) for the six months ended 30 June 2016.

Income tax expense

In the first half of 2016, the tax expense was €183 million (H1/2015: expense of €145 million).

Profit attributable to RTL Group shareholders

The profit for the period attributable to RTL Group shareholders was €341 million (H1/2015: €351 million), a decrease of 2.8 per cent.

Earnings per share

Reported earnings per share, based upon 153,577,040 shares, was €2.22 (H1/2015: €2.28 per share based upon 153,600,189 shares).

Net debt position and cash conversion

The consolidated net debt position at 30 June 2016 was €958 million (31 December 2015: net debt of €670 million) after the Group paid a final 2015 dividend amounting to €460 million (€3.00 per share) on 28 April 2016. The Group continues to generate significant operating cash flow with an EBITA to cash conversion ratio of 88 per cent (H1/2015: 74 per cent).

	As at 30 June 2016 € m	As at 31 December 2015 € m
Net debt cash position		
Gross balance sheet debt	(1,311)	(1,129)
Add: cash and cash equivalents	340	448
Add: cash deposit and others	13	11
Net debt cash position	(958)¹⁵	(670)

¹⁵ Of which €89 million held by Groupe M6 (2015: €174 million)

Review by segments

Half-year to June 2016 (H1/2016)

Revenue	Half-year to June 2016 € m	Half-year to June 2015 € m	Per cent change
Mediengruppe RTL Deutschland	1,039	995	+4.4
Groupe M6	648	632	+2.5
FremantleMedia	618	637	(3.0)
RTL Nederland	236	226	+4.4
RTL Belgium	104	104	–
RTL Radio (France)	84	78	+7.7
Other segments	246	224	+9.8
Eliminations	(97)	(108)	N/A
Total revenue	2,878	2,788	+3.2

EBITA	Half-year to June 2016 € m	Half-year to June 2015 € m	Per cent change
Mediengruppe RTL Deutschland	362	343	+5.5
Groupe M6	139	105	+32.4
FremantleMedia	30	28	+7.1
RTL Nederland	26	27	(3.7)
RTL Belgium	22	26	(15.4)
RTL Radio (France)	11	7	+57.1
Other segments	(10)	(1)	N/A
Eliminations	–	(1)	N/A
Reported EBITA	580	534	+8.6

EBITA margin	Half-year to June 2016 per cent	Half-year to June 2015 per cent	Percentage point change
Mediengruppe RTL Deutschland	34.8	34.5	+0.3
Groupe M6	21.5	16.6	+4.9
FremantleMedia	4.9	4.4	+0.5
RTL Nederland	11.0	11.9	(0.9)
RTL Belgium	21.2	25.0	(3.8)
RTL Radio (France)	13.1	9.0	+4.1
RTL Group	20.2	19.2	+1.0

Review by segments

Second quarter of 2016 (Q2/2016)

Revenue	Q2/2016 €m	Q2/2015 €m	Per cent change
Mediengruppe RTL Deutschland	524	510	+2.7
Groupe M6	335	324	+3.4
FremantleMedia	278	342	(18.7)
RTL Nederland	127	128	(0.8)
RTL Belgium	53	54	(1.9)
RTL Radio (France)	46	43	+7.0
Other segments	136	127	+7.1
Eliminations	(53)	(48)	N/A
Total revenue	1,446	1,480	(2.3)

EBITA	Q2/2016 €m	Q2/2015 €m	Per cent change
Mediengruppe RTL Deutschland	196	190	+3.2
Groupe M6	91	64	+42.2
FremantleMedia	17	25	(32.0)
RTL Nederland	25	30	(16.7)
RTL Belgium	12	15	(20.0)
RTL Radio (France)	9	8	+12.5
Other segments	1	7	(85.7)
Eliminations	–	1	N/A
Reported EBITA	351	340	+3.2

EBITA margin	Q2/2016 per cent	Q2/2015 per cent	Percentage point change
Mediengruppe RTL Deutschland	37.4	37.3	+0.1
Groupe M6	27.2	19.8	+7.4
FremantleMedia	6.1	7.3	(1.2)
RTL Nederland	19.7	23.4	(3.7)
RTL Belgium	22.6	27.8	(5.2)
RTL Radio (France)	19.6	18.6	+1.0
RTL Group	24.3	23.0	+1.3

Mediengruppe RTL Deutschland

Financial results

In the reporting period, the German net TV advertising market was estimated to be up between 3.5 and 4.5 per cent year-on-year. Mediengruppe RTL Deutschland grew its revenue by 4.4 per cent to €1,039 million (H1/2015: €995 million), driven by higher TV and digital advertising and platform revenue. As a result, EBITA was up significantly by 5.5 per cent to €362 million (H1/2015: €343 million) and the unit's EBITA margin further improved to 34.8 per cent (H1/2015: 34.5 per cent).

	Half-year to June 2016 €m	Half-year to June 2015 €m	Per cent change
Revenue	1,039	995	+4.4
EBITDA	368	350	+5.1
EBITA	362	343	+5.5

Audience ratings

The combined average audience share of Mediengruppe RTL Deutschland in the target group of viewers aged 14 to 59 was down slightly to 28.2 per cent in the first six months of 2016 (H1/2015: 28.7 per cent). This was mainly due to Uefa Euro 2016 being broadcast on public channels. For the period January to May 2016, thus excluding the Uefa Euro 2016 effect, the combined audience share of Mediengruppe RTL Deutschland was stable at 28.9 per cent. Over the first six months, the German RTL family of channels increased the lead over its main commercial competitor, ProSiebenSat1 (25.2 per cent), to 3.0 percentage points (H1/2015: lead of 2.3 percentage points).

With an audience share of 12.3 per cent in the target group of viewers aged 14 to 59 during the first six months of 2016 (H1/2015: 12.5 per cent), RTL Television remained the viewers' number one choice – ahead of ZDF (8.9 per cent), ARD/Das Erste (8.7 per cent), Sat 1 (8.6 per cent) and ProSieben (8.0 per cent). Looking at the period January to May, RTL Television slightly increased its audience share in the commercial target group year-on-year, from 12.6 per cent in 2015 to 12.7 per cent in 2016.

The most watched programme on RTL Television in the first half of 2016 was the finale of *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity – Get Me Out Of Here!) which had an audience share of 43.4 per cent in the target group of viewers aged 14 to 59 and 8.69 million total viewers. The tenth season of the jungle show attracted an average audience share of 37.3 per cent in the target group, up from the season in 2015 (35.9 per cent). In fiction, the story about Adi and Rudi Dassler, *Duell der Brüder – Die Geschichte von Adidas und Puma* (Brothers' Duel – The Story Of Adidas And Puma) was watched by 4.96 million total viewers and on average 21.2 per cent of viewers aged 14 to 59 tuned in to the movie on Good Friday. With an audience share of 33.1 per cent in the target group of viewers aged 14 to 59 and 5.78 million total viewers, the Formula 1 Grand Prix in Monaco was the most-watched race in three years on RTL Television. Other audience favourites were *Wer wird Millionär?* (Who Wants To Be A Millionaire?) which reached 5.70 million total viewers (2015: 5.4 million) for an average audience share of 15.6 per cent (2015: 15.2 per cent) in the target group and *Deutschland sucht den Superstar* (Idols) with an average audience share of 19.1 per cent in the target group of viewers aged 14 to 59.

In the first half of the year, Vox's average audience share in the target group of viewers aged 14 to 59 was stable at 6.6 per cent (H1/2015: 6.6 per cent). The music show *Sing meinen Song – Das Tauschkonzert* continued to be very popular with an audience share of 9.8 per cent among viewers aged 14 to 59. Also especially successful were the cooking shows *Grill den Henssler* with an average audience share of 9.4 per cent, up compared to the 2015 season (2015: 8.4 per cent), and *Kitchen Impossible* with an average audience share of 8.8 per cent in the target group. With the documentary *Asternweg – Ein*



Jahr danach, showing Kaiserslautern's poor working-class district, Vox scored an audience share of 10.5 per cent among viewers aged 14 to 59. The documentary won the renowned German TV Award. Another audience favourite was *Zwischen Tüll und Tränen* in Vox's daytime. The new docu-soap presenting brides-to-be finding a wedding dress attracted an audience share of 10.0 per cent in the target group.

During the first half of 2016, **RTL II** attracted 5.0 per cent of the viewers aged 14 to 59 (H1/2015: 5.4 per cent). In prime time, *Daniela Katzenberger – Mit Lucas im Hochzeitsfieber* (7.4 per cent) and *Daniela & Lucas – Die Hochzeit* (13.7 per cent) were very popular among viewers aged 14 to 59.

During the first six months of 2016, the average audience share of **RTL Nitro** remained stable at 1.7 per cent in the target group of viewers aged 14 to 59 (H1/2015: 1.8 per cent). With 25 hours and 50 minutes' airtime, the longest live broadcast the *ADAC Zurich 24h – Race* achieved a world record for RTL Nitro in May 2016. The average audience share among viewers aged 14 to 59 was 2.4 per cent.

Super RTL achieved an average daytime audience share of 21.1 per cent in its target group of children aged 3 to 13 (H1/2015: 18.3 per cent, 6:00 to 20:15) and continued to be the most popular children's channel in Germany, ahead of *Kika* (18.9 per cent), Disney Channel (9.6 per cent) and Nickelodeon (7.9 per cent). The increase of 2.8 percentage points compared to H1/2015 was mainly driven by the morning programme slot *Toggolino* and the broadcast of several successful formats such as the DreamWorks series *Dinotrux*, *Dragons* and *The Adventures Of Puss In Boots*, or the remake of *Alvin And The Chipmunks* in access prime time.

The news channel **N-TV** attracted 1.1 per cent (H1/2015: 1.0 per cent) of viewers aged 14 to 59. During the morning, an average 1.9 per cent of all viewers tuned in to N-TV.

RTL Plus, the latest addition to Mediengruppe RTL Deutschland's family of channels, was launched on 4 June 2016. Although distribution has been limited, it already achieved an audience share of 0.4 per cent in the 14 to 59 target demographic in its first month.

Digital and diversification

In March 2016, Mediengruppe RTL Deutschland announced the acquisition of a 93.75 per cent majority stake in Smartclip, with a call option to acquire the remaining shares. Smartclip bundles the online video advertising inventory of 700 publishers worldwide, and manages the integration and serving of video advertising to all internet-connected devices. Smartclip complements RTL Group's investments in digital advertising sales, including in particular SpotX. Approval from Germany's Federal Cartel Office was received on 22 April 2016 and consequently Smartclip has been fully consolidated since the gain of control.

In May 2016, RTL II started its digital video offering RTL II You, available 24/7 for linear and on-demand viewing on PC, Smart TV and all mobile devices. RTL II You combines original and licensed content with exclusive premieres of popular YouTube stars for its target group of 14 to 25 year olds.

RTL Interactive is Mediengruppe RTL Deutschland's subsidiary for digital and other diversification products, including online video. During the first half of 2016, Mediengruppe RTL Deutschland – combining the unit's catch-up TV services, TV sites, thematic websites, YouTube channels, pages on Facebook and the video streaming service Clipfish – generated a total of 640 million video views of professionally produced content (H1/2015: 611 million, excluding YouTube and Facebook).

In March 2016, Mediengruppe RTL Deutschland launched **TV Now**. This new video service bundles video content of the Group's six free-to-air channels (RTL Television, Vox, N-TV, RTL Nitro, Super RTL and RTL II; since June 2016 RTL Plus and Toggo Plus) in a single umbrella brand, replacing the previously separate services associated with individual channels – RTL Now, Vox Now, N-TV Now, RTL Nitro Now, Super RTL Now and RTL II Now.

In April 2016, Mediengruppe RTL Deutschland expanded its online couponing business by launching two new platforms for Austria and Switzerland.

In May 2016, the Blogwalk app was launched and the apps of *Wetter.de* and *Sport.de* were refreshed.

Since June 2016, Clipfish is also available on Apple TV, further extending the service's availability on internet-connected TV sets and via streaming devices such as Amazon Fire or Chromecast.

Groupe M6

Financial results

The French net TV advertising market was up by an estimated 1.6 per cent compared to the first half of 2015. While Groupe M6's TV channels clearly outperformed the market and the company's rights-trading business SND reported significantly higher revenue, Groupe M6's distance-selling unit Ventadis reported lower revenue. As a result, Groupe M6's total revenue was up 2.5 per cent to €648 million (H1/2015: €632 million).

Groupe M6's EBITA increased strongly to €139 million (H1/2015: €105 million), mainly driven by the positive one-off effect from the gradual phase-out of the M6 Mobile contract (positive EBITA impact of €43 million) which more than compensated the impact of the higher programming costs for the Uefa Euro 2016 live broadcasts. In addition, Groupe M6 reported higher EBITA contributions from its rights business and the football club Girondins de Bordeaux.

	Half-year to June 2016 €m	Half-year to June 2015 €m	Per cent change
Revenue	648	632	+2.5
EBITDA	207	167	+24.0
EBITA	139	105	+32.4

Audience ratings

Thanks to its improved programme line-up, Groupe M6's family of free-to-air channels made progress and achieved an average audience share of 21.7 per cent of the commercial target, women under 50 responsible for purchases (H1/2015: 20.5 per cent), and of 13.8 per cent in the total audience demographic (H1/2015: 13.4 per cent). This made it the only group to achieve year-on-year growth in each of the two targets.

In the first six months of 2016, M6 recorded an audience share of 15.8 per cent (H1/2015: 14.9 per cent), registering the strongest growth of all French TV channels in the commercial target group.

M6 clearly benefited from the record audiences achieved by broadcasting a total of 11 matches, including the final, of the biggest European football competition – Uefa Euro 2016. The 11 live matches aired on M6 were watched by 9.7 million viewers on average, representing 39.4 per cent of total audience. The final between Portugal and France achieved the same audience as the final of the World Cup in 1998 between Brazil and France, namely 20.8 million viewers which represented 71.8 per cent of total audience, the best audience of the competition. This also was a new all-time audience record for M6 since its creation, the most watched programme on French television year-to-date and the fifth largest TV audience ever recorded in France.

In prime time, M6 launched successful new shows like *À l'état sauvage* (Running Wild), which scored an audience share of 26.9 per cent among women under 50 responsible for purchases and *Garde à Vous* (22.2 per cent). M6 also continued to develop its major brands: the seventh season of *Top Chef* was watched by an average 22.1 per cent of the target group, while the comedy show, *Le Marrakech du Rire*, achieved an average audience share of 30.9 per cent (its best score ever). The tenth season of the US series *X-Files*, which was an emblematic programme for M6 in the 1990s, scored an average audience share of 26.3 per cent. In access prime time, M6 scored high ratings in its commercial target group with *Chasseurs d'appart* (21.1 per cent). *Scènes de Ménages* remained the most-watched programme in the target group in its time slot (19.8 per cent).



W9 was the second ranked DTT channel throughout the entire day in the commercial target group of women under 50 responsible for purchases with a stable 3.7 per cent audience share (H1/2015: 3.7 per cent). In prime time, W9 scored high ratings with movies. In access prime time, *Les Marseillais South Africa*, a spin-off of the hit *Les Marseillais*, reached a 7.2 per cent audience share (the best season for the show).

6ter was the leader for the commercial target of women under 50 responsible for purchases among the DTT channels launched in December 2012, with a 2.2 per cent audience share (H1/2015: 1.9 per cent).

Digital and diversification

Thanks to the performances of **M6 Web**, Groupe M6 confirmed its position of leading French TV group online with 20.3 million unique users a month on average¹⁶ across its network and across all devices (PC, tablet and mobile). During the reporting period, Groupe M6's total online video views grew significantly to 925 million (H1/2015: 593 million), mainly driven by the success of the digital entertainment platform 6play and the development of Groupe M6's multi-channel networks. These expanded in January with Vloggist and Dot Move, respectively a women's lifestyle and a dance-dedicated YouTube channel. In 2016, 6play pursued its growth and reaped the benefits of its new interface, more fluid and intuitive. Six months after the launch of its new version, 6play already has more than 10 million registered users, with a rapidly growing audience and an average of 110 million video views per month across all screens¹⁷. 6play has also recently added Refresh to its features, available only on the 6play mobile app. Aimed at the young audience, the new feature offers a selection of short videos of its flagship programmes, making the navigation through the application easier and faster.

The first half was marked by the announcement of the gradual transfer of **M6 Mobile** customers to Orange services. Groupe M6 will continue to receive payment for managing the account holder base and trademark licence until 30 June 2019.

In the first half of 2016, 11 films were released in cinemas by Groupe M6's film distribution company **SND** (vs. 4 films in 2015). The half was marked by the success of *The Divergent Series: Allegiant* (2.2 million cinema tickets sold), *The Hateful Eight* (1.8 million) and *Adopte un veuf* (1.1 million). The three films co-produced by Groupe M6's film production company **M6 Films** (*Chocolat*, *Amis publics*, and *Un Homme à la hauteur*) recorded a combined 3.3 million cinema tickets sold.

The football club **Girondins de Bordeaux**, which ended the French Ligue 1 Championship in 11th place, benefited from the sale of players during the winter transfer window.

¹⁶ Source: Médiamétrie, January to March 2016

¹⁷ Source: Médiamétrie, December 2015 to May 2016

FremantleMedia

Financial results

Revenue at RTL Group's content business, FremantleMedia, decreased by 3.0 per cent to €618 million in the first half of 2016 (H1/2015: €637 million). The decrease is mainly due to negative exchange rate effects and lower revenue from North America, in part due to lower volume on *American Idol*. This was partly balanced by growth in Europe and Asia Pacific, including scope effects following the consolidation of recent acquisitions, as the company seeks to strengthen its content pipeline. The figures follow a very strong first quarter, which profited significantly from positive phasing effects.

FremantleMedia's EBITA in contrast increased by 7.1 per cent to €30 million (H1/2015: €28 million), benefiting from higher profit contributions from the company's operations in Asia Pacific, the UK and Germany.

	Half-year to June 2016 €m	Half-year to June 2015 €m	Per cent change
Revenue	618	637	(3.0)
EBITDA	39	38	+2.6
EBITA	30	28	+7.1

Non-scripted

The farewell season of FremantleMedia's *American Idol* performed strongly on Fox in the US. Throughout the season, the iconic show that shaped an entire genre of entertainment formats attracted on average 11.2 million viewers with an average audience share of 9.7 per cent among viewers aged 18 to 49. The show ranked number one or two for total audience across every single episode. *American Idol* has been the number one entertainment show on Fox for eight consecutive years.

Also in the US, *Family Feud* hit a new high in January 2016 – reaching the highest national household rating since the advent of 'People Meters' audience measurement in 1987, scoring a 7.5 household rating¹⁸. *Family Feud* ranks jointly with *Wheel of Fortune* as the number one game show in daytime syndication for households and is the leading show overall for the key demographics of adults aged 25 to 54 and women aged 25 to 54.

On 26 June 2016, the revived *Match Game* premiered on ABC in the US, with a total of 6.7 million viewers and an audience share of 4.8 per cent among viewers aged 18 to 49. This was the highest summer audience for ABC in this time slot in nearly ten years.

In the UK, the tenth season of *Britain's Got Talent* on ITV has been the most-watched British show of the year 2016 so far, with an average audience share of 49.7 per cent among adults aged 16 to 34.

After eight years, *Idols* returned to the Netherlands, airing on RTL 5. It was the channel's highest-rated programme since 2006 and registered an average audience share of 29.9 per cent among viewers aged 20 to 34.

FremantleMedia China announced the commission of the gameshow *The Eureka Moment* with CCTV. The FremantleMedia format was co-developed for local audiences with CCTV Creation and premiered on CCTV-1 in July 2016, ranking number one in its time slot.



¹⁸ Total number of households watching the show expressed as a percentage of the total TV household population

Scripted

FremantleMedia North America and the US channel Starz began shooting the adaptation of Neil Gaiman's acclaimed contemporary fantasy novel, *American Gods*. The series is scheduled to air in spring 2017.

On 10 May 2016, the fourth season of *Wentworth* premiered on SoHo in Australia. The latest season achieved an average audience share of 5.3 per cent, making it the highest rated programme on the channel SoHo in 2016 so far and one of the most popular original dramas in Australian subscription television.

In January 2016, *Deutschland 83* became the UK's highest ever rated foreign-language drama launch, attracting a consolidated 2.5 million viewers and audience share of 9.4 per cent among viewers aged 16 to 34 to its first episode. The series scored on average 6.6 per cent of viewers aged 16 to 34. The show also went on to win a prestigious Peabody Award in the US in April.

In March 2016, the German public broadcaster ZDF showed the three-part mini-series *Ku'damm 56* which was watched by an average audience of 6.0 million viewers, representing an average total audience share of 17.5 per cent. ZDF commissioned a second season called *Ku'damm 59* in June 2016.

FremantleMedia International

In April 2016, FremantleMedia International (FMI) announced it had sold over 1,000 hours of content from all genres to key Asian SVOD platforms Iflix, Doonee and iQiyi Taiwan. Titles include entertainment formats *American Idol*, *Britain's Got Talent* and *The X Factor UK*; factual shows *Grand Designs*, *Jamie's Food Revolution* and *Oliver Stone's The Untold History Of The United States*; and dramas such as *Merlin* and *Blue*.

Capital an adaptation of the bestselling novel by John Lanchester and produced by Kudos, one of the world's leading scripted producers, was sold by FMI to broadcasters in the key markets of the US, Canada, Australia and New Zealand.

Kids & Family Entertainment

In February 2016, FremantleMedia Kids & Family Entertainment announced it sold its top rating and critically acclaimed new series *Danger Mouse* to free-to-air broadcasters in key regions such as France, Australia and the Middle East. A second season of *Danger Mouse* was commissioned by the BBC on 19 May 2016.

On 17 June 2016, the BBC's pre-school kids' channel, CBeebies, commissioned *Bitz & Bob* from FremantleMedia Kids & Family. The ground-breaking comedy adventure combines funny and whimsical stories with key principles of science, technology, engineering, arts and maths.

Digital and Branded Entertainment

In the first six months of 2016, FremantleMedia strongly increased its online video views, with content recording 9.0 billion views on YouTube – up from 6.1 billion in the first half of 2015. Additionally, FremantleMedia's number of YouTube subscribers grew by almost 10 million to 33.7 million subscribers across 250 channels (H1/2015: 23.8 million). FremantleMedia content registered 196 million fans across YouTube, Facebook, Twitter and Instagram.

In the first half of 2016, Europe's leading multi-channel network, Divimove, increased its video views to 10.0 billion (H1/2015: 4.5 billion views), attracted 160 million subscribers and 350 million social media fans across its 1,200 digital influencers in Germany, Spain, the Netherlands, Italy, Poland and France.

On 4 April 2016, FremantleMedia India launched its first web series exclusively on Facebook. Entitled *Confessions – It's Complicated*, the series uses Facebook Live to enable people to share their experiences and perspectives in real time. The series has reached 12 million views by the end of June 2016.

In the first half of 2016, Ludia launched two new mobile games, including *Kung Fu Panda: Battle of Destiny* and *Teenage Mutant Ninja Turtles: Legends*. The former was Best iPad Game Overall in 16 countries and the latter leading in 68 countries in the same category. During this same period, Ludia's games were downloaded 20 million times and reached an average 2 million daily active users.

RTL Nederland

Financial results

The Dutch net TV advertising market was estimated to be up 1.5 per cent in the first half of 2016. RTL Nederland increased revenue to €236 million (H1/2015: €226 million), mainly driven by growing platform and sponsoring revenue and higher revenue from the company's live entertainment operations which typically generates lower margins compared to TV broadcasting. This, along with higher programme investments and higher personnel costs, resulted in an EBITA of €26 million (H1/2015: €27 million).

	Half-year to June 2016 €m	Half-year to June 2015 €m	Per cent change
Revenue	236	226	+4.4
EBITDA	30	31	(3.2)
EBITA	26	27	(3.7)

Audience ratings

During the first six months of 2016, the combined prime-time audience share of RTL Nederland's channels in the target group of viewers aged 20 to 49 was stable at 32.8 per cent (H1/2015: 32.8 per cent), clearly ahead of the public broadcasters (25.3 per cent) and the SBS group (20.2 per cent), and despite of the Uefa Euro 2016 effect. For the period January to May 2016, thus excluding the Uefa Euro 2016 effect, the combined audience share of RTL Nederland increased to 33.6 per cent (January to May 2015: 33.0).

RTL Nederland's flagship channel, RTL 4, registered an average audience share of 19.3 per cent in the target group of shoppers aged 20 to 49 (H1/2015: 19.8 per cent). Popular programmes included *The Voice Of Holland*, *Holland's Got Talent*, *Divorce*, *The Voice Kids* and the daily drama *Goede Tijden, Slechte Tijden*.



rtlxl

RTL 5 achieved an audience share of 6.3 per cent among viewers aged 20 to 34 in the reporting period (H1/2015: 6.2 per cent). The relaunch of *Idols* was by far the biggest success on RTL 5, while other successful programmes included *Temptation Island*, *Lelijke Eendjes*, *The Raft: Overleven Op Zee* and *Battle On The Dancefloor*.

The men's channel RTL 7 scored an average audience share of 5.9 per cent among male viewers aged 20 to 49 in the first half of 2016 (H1/2015: 6.6 per cent). The final of Europa League Football, Liverpool vs Sevilla, attracted a 24.7 per cent audience share, while the movie *Casino Royale* scored 21.4 per cent of the target group.

During the first six months of 2016, the women's channel RTL 8 attracted an average audience share of 3.6 per cent among women aged 20 to 49 (H1/2015: 3.3 per cent). Among the most popular formats were crime series such as *CSI: New York*, *CSI: Miami* and *Bones*, as well as movies such as *Memory Keeper's Daughter*.

Business and news channel RTL Z scored an audience share of 0.6 per cent in the target group viewers with upper social status aged 25 to 49.

Digital and diversification

RTL Nederland's network of websites generated a total 707 million video views¹⁹ (including YouTube) in the first six months of 2016, an increase of 75 per cent year on year (H1/2015: 404 million). The most popular formats were *The Bold & The Beautiful*, *Divorce* and all video content related to the daily soap *Goede Tijden, Slechte Tijden*.

In February 2016, RTL Nederland announced a collaboration with StukTV to develop content targeting younger viewers. StukTV is the largest online entertainment channel in the Netherlands with nearly one million subscribers and 12 million video views a month on YouTube. Through this partnership RTL MCN is the largest Dutch premium multi-channel network in the field of entertainment with over 70 million video views a month.

In June, RTL Ventures acquired a minority share in e-health company Heilzaam.

¹⁹ Playlist starts

RTL Belgium

Financial results

In the first half of 2016, the net TV advertising market in French-speaking Belgium was estimated to be up 4.2 per cent while the net radio advertising market was estimated to be slightly down. RTL Belgium's revenue was stable at €104 million (H1/2015: €104 million), with higher TV advertising more than compensating lower radio advertising. EBITA was down at €22 million (H1/2015: €26 million), reflecting a lower profit contribution from the radio business and higher TV programming investments.

	Half-year to June 2016 €m	Half-year to June 2015 €m	Per cent change
Revenue	104	104	–
EBITDA	25	28	(10.7)
EBITA	22	26	(15.4)

Audience ratings

The combined prime-time audience share of RTL Belgium's family of TV channels in the target group (shoppers aged 18 to 54) increased to 36.2 per cent (H1/2015: 35.9 per cent). RTL Belgium's lead over the public channels remained high, at 14.9 percentage points.

The market-leading channel in French-speaking Belgium, **RTL-TVI**, achieved an average prime-time audience share of 26.9 per cent in the target group (H1/2015: 26.1 per cent), 10.8 percentage points ahead of the second highest-rated channel, the French commercial broadcaster TF1. **Plug RTL** reported a prime-time audience share of 6.2 per cent among young viewers aged 15 to 34 (H1/2015: 6.1 per cent), while **Club RTL** ended the first half of 2016 with a prime-time audience share of 6.2 per cent in its main target group of male viewers aged 18 to 54 (H1/2015: 6.1 per cent).

According to the most recent CIM audience survey, covering April to June 2016, the Belgian radio family has a combined audience share of 30.5 per cent (April to June 2015: 27.0 per cent). **Radio Contact** is the leading music radio station (audience share April to June: 15.9 per cent) and **Bel RTL** is the number one general-interest radio station in the French community (audience share April to June: 14.6 per cent).

Digital and diversification

In the first half of 2016, the number of unique visitors on the **RTL.be** website has increased to 296,090 a day (up 4.6 per cent compared to H1/2015). The RTL Info app, launched in December 2014, now reaches 192,000 unique visitors every day. Thanks to strong mobile adoption in the Belgian population combined with a cross-platform strategy at RTL Belgium, mobile visits now represent 55 per cent of digital traffic compared to 35 per cent in the first half of 2015.

RTL Belgium reached an average of 9.6 million video views a month, for a total of 57.3 million video views in the reporting period.



RTL Radio (France)

Financial results

The net radio advertising market in France decreased slightly by an estimated 0.4 per cent compared to the same period in 2015. Based on its continued strong audience performance, the French RTL radio family significantly outperformed the market, with revenue increasing by 7.7 per cent to €84 million (H1/2015: €78 million). EBITA was also up strongly, reaching €11 million (H1/2015: €7 million), profiting from higher advertising sales.

	Half-year to June 2016 €m	Half-year to June 2015 €m	Per cent change
Revenue	84	78	+7.7
EBITDA	14	9	+55.6
EBITA	11	7	+57.1

Audience ratings

The average audience share of the flagship station **RTL Radio** increased to 12.4 per cent (January-June 2015: 11.8 per cent). RTL Radio attracted an average of 6.4 million listeners a day (January-June 2015: 6.5 million listeners a day) and, in audience share, is 7 percentage points ahead of the next commercial competitor (January to June 2015: 4.5).

RTL 2 gained 22,000 listeners in cumulated audience year-on-year, reaching 2.4 million listeners a day (H1/2015: 2.4 million). Its average audience share over the period remained stable at 2.4 per cent (January to June 2015: 2.4 per cent).

Following a disputed allegation that **Fun Radio** had influenced the audience results unfairly, Médiamétrie published the radio audience figures of the survey covering the period April to June 2016 without Fun Radio and also republished the figures for the previous period January to March 2016 without Fun Radio. Therefore, RTL Radio is not in a position to publish audience shares for Fun Radio for the first half of 2016.

Digital and diversification

According to the latest available Médiamétrie results, covering the first five months of the year 2016 **RTL.fr** has confirmed its position as the leading radio website in France, achieving an average of 3.3 million unique visitors per month compared to 3.4 million for the same period of 2015.



Other segments

This section comprises the fully consolidated businesses RTL Hungary, RTL Croatia, the German radio business, and the investment accounted for using the equity method, Atresmedia in Spain. It also includes RTL Group's digital assets BroadbandTV, StyleHaul and SpotX, bundled in the RTL Digital Hub.

In the first half of 2016, the Hungarian net TV advertising market was estimated to be down by 3.9 per cent. As a result, revenue of **RTL Hungary** decreased to €45 million (H1/2015: €47 million). The unit's EBITA decreased to €5 million (H1/2015: €16 million), reflecting lower TV advertising sales, higher programming costs and, above all, the lack of positive one-off effects in the reporting period. In the first half of 2015, the EBITA of RTL Hungary was impacted by positive one-off effects amounting to €8 million – this included the partial reversal of a stock valuation allowance and the re-claim of the advertising tax paid in 2014.

With a combined average prime-time audience share of 34.2 per cent among viewers aged 18 to 49 (H1/2015: 38.0 per cent), the gap between the Hungarian RTL family of channels and its competitor TV2 Group was 18.9 percentage points (H1/2015: 23.2 percentage points). Flagship channel **RTL Klub** attracted an average 18.5 per cent of viewers aged 18 to 49 in prime time (H1/2015: 20.6 per cent), 8.2 percentage points ahead of its closest commercial competitor TV2 with 10.3 per cent (H1/2015: 11.5 per cent). The news show *Híradó* was watched by an average 19.5 per cent of the target group (H1/2015: 21.6 per cent), making it the most popular news show in the country. The daily series *Éjjel-nappal Budapest* (Budapest Day & Night) registered an average audience share of 22.5 per cent among viewers aged 18 to 49 in the first half of 2016, while the daily soap *Barátok közt* (Between Friends) attracted an average audience share of 22.7 per cent.

RTL Hungary's cable channels achieved a combined prime-time audience share of 15.7 per cent in the target group (H1/2015: 17.4 per cent). The general entertainment channel Cool was the country's leading cable channel, scoring a prime-time audience share of 5.8 per cent (H1/2015: 7.1 per cent), followed by Film Plusz with 5.4 per cent (H1/2015: 5.9 per cent). RTL II attracted 2.0 per cent of the viewers aged 18 to 49 in prime time (H1/2015: 2.2 per cent).

The catch-up TV service **RTL Most** is the leading local brand for professionally produced online video content. The service registered 13 million video views in the reporting period (H1/2015: 18 million video views).



In Croatia, the net TV advertising market was estimated to be up 1.8 per cent. **RTL Croatia** significantly outperformed the market and grew its revenue to €19 million (H1/2015: €17 million). EBITA was stable at a break-even position, reflecting higher programming cost.

RTL Croatia's channels achieved a combined prime-time audience share of 28.9 per cent in the target demographic 18 to 49 (H1/2015: 26.1 per cent). This significant increase was due to stronger performance by all three channels. For the period January to May 2016, thus excluding the Euro 2016 effect, the combined prime-time audience share of RTL Croatia was even higher, reaching 30.2 of the target group (January to May 2015: 25.9).

The flagship channel **RTL Televizija**, recorded a prime-time audience share of 19.2 per cent (H1/2015: 19.0 per cent). For the period January to May 2016, without the Uefa Euro 2016 effect, the prime-time audience share was 20.3 per cent (January to May 2015: 18.8 per cent). **RTL 2**'s audience share slightly increased to 6.6 per cent (H1/2015: 6.2 per cent). Free-to-air children's channel **RTL Kockica** had the biggest growth, from 1.0 per cent in H1/2015 to 3.2 per cent in H1/2016 among viewers 18 to 49. In day time (07:00 to 20:00) it achieved 17.1 per cent (H1/2015: 15.3 per cent) in the target group of children aged 4 to 14.

In January RTL Televizija, broadcast a selection of European Handball Championship for Men games and scored on average 28.0 per cent in the target group, while the Croatian team matches averaged an audience share of 43.1 per cent. The sixth season of *Ljubav je na selu* (Farmer Wants A Wife) was the channel's most watched show in the second quarter of the year, attracting on average 30.1 per cent of the target group. In its second season children's singing show *Zvezdice* (Little Stars) achieved an average audience share of 21.1 per cent, while the third season of popular culinary show *Tri, dva, jedan – kuhaj* (Three, Two, One – Cook) achieved on average 20.7 per cent in the target audience. Launched to replace the late news show, *RTL Direkt* gathered an average 19.2 per cent of the viewers in the target group.

In the first half of 2016, **RTL Croatia's digital platforms** recorded an increase of 95 per cent in its page views to reach 129 million (H1/2015: 66 million), and in its monthly unique visitors which rose by 48 per cent to 1.6 million (H1/2015: 1.09 million). Its video views were significantly up by 69 per cent to over 12 million (H1/2015: 7.1 million), including 1.5 million video views from its catch-up TV platform RTL Sada. This growth is the result of the ongoing external growth strategy based on extending the existing digital web properties – with the integration of two new verticals and three regional portals since January 2016 – as well as strengthening the core websites, which recorded significant growth in the first six months of the year. *RTL.hr*, the flagship website for TV and programme brands, strongly benefited from the performance of successful programmes available online like *Farmer Wants A Wife* and *Big Brother*, while *Vijesti.hr* – RTL Croatia's news portal – recorded strong growth due to its extensive coverage of breaking news and strong presence on social media.

Atresmedia in Spain: The Spanish net TV advertising market was estimated to be up 8.4 per cent year-on-year. Driven by higher TV advertising sales, Atresmedia's total revenue increased by 7.5 per cent to €544 million (H1/2015: €506 million), while first-half operating profit (EBITDA) grew by 28.0 per cent to €119 million (H1/2015: €93 million). The EBITDA growth was based on significantly higher profit contributions from Atresmedia's TV channels. The company's net profit for the reporting period was €84 million, up strongly from €55 million in the first half of 2015. The profit share of RTL Group (EBITA contribution) was €16 million (H1/2015: €11 million).

In the first half of 2016, Atresmedia's family of channels recorded an audience share of 30.2 per cent in its new target group, viewers aged 25 to 59 (H1/2015: 28.1 per cent)²⁰. The increase was driven by the two channels Mega and Atreseries, which were launched in the second half of 2015. Flagship channel **Antena 3** achieved an audience share of 13.2 per cent in the new target group (H1/2015: 13.4 per cent) and Atresmedia's second largest channel, **La Sexta**, scored an audience share of 8.5 per cent in the new target audience (H1/2015: 8.3 per cent).

RTL Radio Deutschland reported growing revenue at €25 million (H1/2015: €23 million), reflecting higher radio advertising revenue. As a result, EBITA increased to €5 million (H1/2015: €4 million).

²⁰ The previous commercial target group was viewers aged 16 to 54

The **RTL Digital Hub** bundles RTL Group's investments in the online video segment, in particular BroadbandTV, StyleHaul and SpotX. It also includes the minority shareholdings in Clypd, a company specialising in the automated sale of linear TV advertising, and VideoAmp, a platform for cross-screen data optimisation.

In early 2016, **BroadbandTV** became the largest multi-channel network worldwide, with 79,000 content creators and 16.5 billion monthly views. In the first half of 2016, BroadbandTV registered a total of 90.6 billion video views – up 289 per cent from H1/2015. BroadbandTV's revenue was up 128 per cent year on year. In March, BroadbandTV unveiled its new brand identity and custom-designed global headquarters to coincide with its eleventh anniversary. In May, BroadbandTV partnered with the NBA to launch NBA Playmakers, the world's premier basketball video network, geared to reach targeted and engaged audiences in sports, fitness, fashion and lifestyle. According to February 2016 Tubular data, BroadbandTV ranks number one in monthly viewership, in each of the verticals that it operates.

With nearly 6,000 creators, **StyleHaul** is the largest global style community of content creators. In the first half of 2016, StyleHaul registered a total of 11.6 billion video views – up 63 per cent compared to H1/2015. In the reporting period, StyleHaul increased its revenue by 35 per cent. In May, at the key online video industry event NewFronts, StyleHaul announced a new millennial moms vertical, a virtual reality series based on the young adult book *Free to Fall*, and a docu-series that follows singer Pia Mia behind-the-scenes during her time as the creative director for Madonna's fashion line *Material Girl*. It also announced a partnership with its RTL Group sister company BMG called Collide, which will see BMG's rising stars and StyleHaul video creators join forces to create original content. YouTube music star and double Grammy award winner Andra Day is the first BMG artist to participate in the Collide project. Moreover, in the first half of 2016, StyleHaul launched its second original series, *Relationship Status*, on Verizon's go90 platform.

SpotX's revenue was up 5 per cent in the first half of 2016. While revenue from its programmatic services around its video inventory management platform continued to grow, revenue from its non-programmatic "Managed Services"²¹ declined significantly in the reporting period. This decrease was mainly due to the market's overall shift to more programmatic buying of digital video advertising. SpotX expects a certain catch-up effect in the second half of the year with higher advertising revenue ahead of the US elections in November 2016. For the full year 2016, SpotX expects its revenue to grow by double-digit rates.

In the first half of the year, SpotX continued to expand across the globe, with headcount now exceeding 300 and new offices established in Belfast and Stockholm. In the reporting period, SpotX registered 128.5 million ad impressions each day, up 6 per cent (H1/2015: 121 million). More than 5.4 billion video ad decisions were processed daily via SpotX, an increase of 26 per cent (H1/2015: 4.3 billion). Private marketplace use has grown to account for 44 per cent of transactions made on SpotX's platform, indicating sustained growth in publishers selling premium inventory via direct deals with buyers.

²¹ Managed Services means that SpotX works together with inventory buyers/advertisers that do not use programmatic tools to deliver defined campaign objectives.

Principal risks and uncertainties

RTL Group derives the majority of its revenue from the various advertising markets in which the Group operates. This is an area highly exposed to the general economic conditions and consumer confidence. Advertising market conditions in the first half of 2016 were largely positive, with the exception of Hungary. Although there have been concerns raised about the “Brexit” vote on the advertising markets in which the Group operates, there has been, so far, no observable signs of any negative impact.

The state of the advertising market is just one of the key operational drivers of the Group. Other drivers include audience share, advertising market share and the overall level of programme cost. Should any of these key drivers change substantially compared to the Group’s position as at 30 June 2016 then the Group would be impacted – either positively or negatively – in the second half of the year. Given that 2016 is a major sports year there are also additional factors, such as phasing of advertising spend, that make it harder to foresee the outcome on our business. For the full year 2016, RTL Group continues to expect that TV advertising revenue will be geared towards the first half of the year.

The Group’s content arm, FremantleMedia, is subject to pricing pressure from its clients and is facing reduced production and distribution volumes for some of its programme genres. Should the business not develop creatively, through the development of new formats, or should it miss a new programming trend, then its results would be affected negatively. Conversely, should the creative renewal proceed rapidly, the business will be positively impacted by this development.

The Group’s content arm also derives a substantial proportion of its revenues in foreign currency, notably the US dollar. Should there be sudden unexpected movements in exchange rates, either up or down, then reported revenue would also be impacted either positively or negatively.

The Group continues to monitor its cost base closely but cannot rule out increased programme investments, should the competitive landscape require it, which would have a negative short-term impact on earnings. The launch of new channels by the Group’s operating units will also involve programme and other investments which will, in the short-term, have a negative impact on earnings.

RTL Group’s 2015 Annual Report sets out the most significant risk factors and litigations relating to the company’s operations at the time of going to press. RTL Group does not consider these principal risks and uncertainties to have changed in a material way.

Additional risks and uncertainties not currently known to the Group, or that the Group does not currently deem material, may also have an adverse effect on its business.

Major related party transactions

The major related party transactions can be found in note 16 to the condensed consolidated interim financial information.

Subsequent events

See note 17 to the condensed consolidated interim financial information.

Outlook

Based on the strong performance in the first half of 2016 and on the significant positive one-off effect from the gradual phasing-out of the M6 Mobile contract (positive EBITA impact of €43 million in 2016), RTL Group raises its EBITA outlook given on 10 March 2016. Assuming there will not be major changes in the economic climate across RTL Group’s markets, the Group now expects its full-year EBITA to be slightly up (+1.0 per cent to +2.5 per cent) compared to the full year 2015 (previously: to be broadly stable).

At the same time, RTL Group confirms its revenue outlook: the Group still expects its total full-year revenue to continue to grow moderately (+2.5 per cent to +5.0 per cent), predominantly driven by the Group’s digital businesses and Mediengruppe RTL Deutschland.

Condensed consolidated interim income statement

for the periods to 30 June

	Notes	Three months ended 30 June		Six months ended 30 June	
		2016 € m	2015 € m	2016 € m	2015 € m
Revenue		1,446	1,480	2,878	2,788
Other operating income	7	60	10	83	20
Consumption of current programme rights		(417)	(489)	(926)	(937)
Depreciation, amortisation, impairment and valuation allowance		(41)	(29)	(102)	(96)
Other operating expenses		(715)	(630)	(1,385)	(1,267)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(4)	4	(8)	2
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	11	-	4	-	4
Profit from operating activities		329	350	540	514
Share of results of investments accounted for using the equity method		18	15	32	29
Earnings before interest and taxes ("EBIT")		347	365	572	543
Interest income		2	2	3	4
Interest expense		(7)	(8)	(14)	(15)
Financial results other than interest	8	8	-	12	1
Profit before taxes		350	359	573	533
Income tax expense		(115)	(92)	(183)	(145)
Profit for the period		235	267	390	388
Attributable to:					
RTL Group shareholders		203	245	341	351
Non-controlling interests		32	22	49	37
Profit for the period		235	267	390	388
EBITA²²		351	340	580	534
Impairment of disposal group		-	14	-	-
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries		(4)	4	(8)	2
Re-measurement of earn-out arrangements		-	3	-	3
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	11	-	4	-	4
Earnings before interest and taxes ("EBIT")		347	365	572	543
EBITDA²³		391	381	679	628
Depreciation, amortisation and impairment		(44)	(37)	(107)	(92)
Impairment of disposal group		-	14	-	-
Re-measurement of earn-out arrangements		-	3	-	3
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	11	-	4	-	4
Earnings before interest and taxes ("EBIT")		347	365	572	543
Earnings per share (in €)					
- Basic		1.32	1.59	2.22	2.28
- Diluted		1.32	1.59	2.22	2.28

22 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 of subsidiaries, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

23 EBITDA represents earnings before interest and taxes excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of comprehensive income

for the periods to 30 June

	Notes	Three months ended 30 June		Six months ended 30 June	
		2016 €m	2015 €m	2016 €m	2015 €m
Profit for the period		235	267	390	388
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Re-measurement of post-employment benefit obligations		(9)	30	(21)	5
Income tax		2	(7)	4	(1)
		(7)	23	(17)	4
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		(4)	(28)	(7)	30
Effective portion of changes in fair value of cash flow hedges	14.3.	19	(31)	(17)	34
Income tax		(6)	10	5	(11)
		13	(21)	(12)	23
Change in fair value of cash flow hedges transferred to profit or loss	14.3.	–	(5)	–	(14)
Income tax		–	2	–	4
		–	(3)	–	(10)
Fair value gains / (losses) on available-for-sale financial assets		1	(2)	2	–
Income tax		–	1	–	1
		1	(1)	2	1
		10	(53)	(17)	44
Other comprehensive income / (loss) for the period, net of income tax		3	(30)	(34)	48
Total comprehensive income for the period		238	237	356	436
Attributable to:					
RTL Group shareholders		208	217	310	398
Non-controlling interests		30	20	46	38
Total comprehensive income for the period		238	237	356	436

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of financial position

	Notes	30 June 2016 € m	31 December 2015 € m
Non-current assets			
Programme and other rights		102	85
Goodwill		2,997	2,959
Other intangible assets		220	215
Property, plant and equipment		351	352
Investments accounted for using the equity method	10.	410	400
Loans and other financial assets		176	207
Deferred tax assets		345	370
		4,601	4,588
Current assets			
Programme rights		1,259	1,093
Other inventories		20	19
Income tax receivable		39	34
Accounts receivable and other financial assets	16. 1.	1,682	2,014
Cash and cash equivalents		340	449
		3,340	3,609
Assets classified as held for sale	11.	-	-
Current liabilities			
Loans and bank overdrafts		787	605
Income tax payable		62	45
Accounts payable	16. 1.	2,485	2,742
Provisions		124	132
		3,458	3,524
Net current assets/(liabilities)		(118)	85
Non-current liabilities			
Loans	16. 1.	524	524
Accounts payable		419	443
Provisions		263	235
Deferred tax liabilities		42	62
		1,248	1,264
Net assets		3,235	3,409
Equity attributable to RTL Group shareholders		2,800	2,954
Equity attributable to non-controlling interests		435	455
Equity		3,235	3,409

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim statement of changes in equity

for the periods to 30 June

Notes	Share capital €m	Treasury shares €m	Currency translation reserve €m	Hedging reserve €m	Revaluation reserve €m	Reserves and retained earnings €m	Equity attributable to RTL Group shareholders €m	Equity attributable to non-controlling interests €m	Total equity €m
Balance at 1 January 2015	192	(45)	(149)	42	77	2,711	2,828	447	3,275
Total comprehensive income:									
Profit for the period	-	-	-	-	-	351	351	37	388
Foreign currency translation differences	-	-	29	-	-	-	29	1	30
Effective portion of changes in fair value of cash flow hedges, net of tax	14. 3.	-	-	23	-	-	23	-	23
Change in fair value of cash flow hedges transferred to profit or loss, net of tax	14. 3.	-	-	(10)	-	-	(10)	-	(10)
Fair value gains/(losses) on available-for-sale financial assets, net of tax	-	-	-	-	1	-	1	-	1
Re-measurement of post-employment benefit obligations, net of tax	-	-	-	-	-	4	4	-	4
	-	-	29	13	1	355	398	38	436
Capital transactions with owners:									
Dividends	-	-	-	-	-	(538)	(538)	(71)	(609)
Equity-settled transactions, net of tax	-	-	-	-	-	2	2	1	3
(Acquisition)/disposal of treasury shares	14. 2.	(2)	-	-	-	-	(2)	-	(2)
Transactions on non-controlling interests without a change in control	15.	-	-	-	-	(2)	(2)	6	4
Transactions on non-controlling interests with a change in control	15.	-	-	-	-	-	-	1	1
Derivatives on equity instruments	-	-	-	-	-	(3)	(3)	(3)	(6)
Transactions on treasury shares of associates	-	(2)	-	-	-	1	1	-	1
	-	(2)	-	-	-	(540)	(542)	(66)	(608)
Balance at 30 June 2015	192	(47)	(120)	55	78	2,526	2,684	419	3,103
Balance at 1 January 2016	192	(47)	(117)	48	73	2,805	2,954	455	3,409
Total comprehensive income:									
Profit for the period	-	-	-	-	-	341	341	49	390
Foreign currency translation differences	-	-	(6)	-	-	-	(6)	(1)	(7)
Effective portion of changes in fair value of cash flow hedges, net of tax	14. 3.	-	-	(11)	-	-	(11)	(1)	(12)
Fair value gains/(losses) on available-for-sale financial assets, net of tax	-	-	-	-	2	-	2	-	2
Re-measurement of post-employment benefit obligations, net of tax	-	-	-	-	-	(16)	(16)	(1)	(17)
	-	-	(6)	(11)	2	325	310	46	356
Capital transactions with owners:									
Dividends	14. 4.	-	-	-	-	(460)	(460)	(71)	(531)
Cancellation of shares	14. 1.	-	-	-	-	(2)	(2)	-	(2)
Equity-settled transactions, net of tax	-	-	-	-	-	3	3	2	5
Transactions on non-controlling interests without a change in control	15.	-	-	-	-	(1)	(1)	1	-
Transactions on non-controlling interests with a change in control	15.	-	-	-	-	(3)	(3)	1	(2)
Derivatives on equity instruments	-	-	-	-	-	1	1	1	2
Transactions on treasury shares of associates	-	-	-	-	-	(2)	(2)	-	(2)
	-	-	-	-	-	(464)	(464)	(66)	(530)
Balance at 30 June 2016	192	(47)	(123)	37	75	2,666	2,800	435	3,235

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Condensed consolidated interim cash flow statement

for the periods to 30 June

	Three months ended 30 June		Six months ended 30 June		
	Notes	2016 €m	2015 €m	2016 €m	2015 €m
Cash flows from operating activities					
Profit before taxes		350	359	573	533
Adjustments for:					
– Depreciation and amortisation		49	45	102	100
– Value adjustments, impairment and provisions		41	6	68	27
– Share-based payments expenses		2	2	4	4
– Re-measurement of earn-out arrangements		-	3	-	3
– Gain on disposal of assets		(1)	(4)	(17)	(4)
– Financial results including net interest expense and share of results of investments accounted for using the equity method		(19)	(4)	7	14
Use of provisions		(23)	(35)	(36)	(60)
Working capital changes		(176)	(151)	(108)	(124)
Income taxes paid		(139)	(134)	(190)	(198)
Net cash from operating activities		84	87	403	295
Cash flows from investing activities					
Acquisitions of:					
– Programme and other rights		(36)	(15)	(70)	(48)
– Subsidiaries, net of cash acquired	6.	(42)	(20)	(48)	(45)
– Other intangible and tangible assets		(23)	(25)	(54)	(59)
– Other investments and financial assets	10.	(25)	(8)	(31)	(17)
		(126)	(68)	(203)	(169)
Proceeds from the sale of intangible and tangible assets	5.	3	1	42	10
Disposal of other subsidiaries, net of cash disposed of		-	2	-	2
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets		1	42	1	44
Interest received		1	1	2	3
		5	46	45	59
Net cash used in investing activities		(121)	(22)	(158)	(110)
Cash flows from financing activities					
Interest paid		-	-	(15)	(16)
Transactions on non-controlling interests		(3)	1	(1)	7
Acquisition of treasury shares		-	(3)	-	(2)
Term loan facility due to shareholder	16.1.	502	443	162	240
Proceeds from loans	16.2.	2	4	27	7
Repayment of loans		(3)	(2)	(8)	(4)
Dividends paid		(521)	(597)	(521)	(597)
Net cash used in financing activities		(23)	(154)	(356)	(365)
Net decrease in cash and cash equivalents		(60)	(89)	(111)	(180)
Cash and cash equivalents and bank overdrafts at beginning of period		389	406	444	479
Effect of exchange rate fluctuation on cash held		-	(10)	(4)	11
Effect of cash in disposal group held for sale		-	3	-	-
Cash and cash equivalents and bank overdrafts at end of period		329	310	329	310

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Notes to the condensed consolidated interim financial information

1. REPORTING ENTITY AND STATEMENT OF COMPLIANCE

RTL Group SA (the “Company”), the parent company, is domiciled and incorporated in Luxembourg. This condensed consolidated interim financial information is presented in accordance with the requirements of IAS 34 Interim Financial Reporting as adopted by the European Union and should be read in conjunction with the consolidated annual financial statements for the year ended 31 December 2015.

RTL Group (“the Group”) forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities. Management have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore RTL Group continues to adopt the going concern basis in preparing its condensed consolidated interim financial information.

This condensed consolidated interim financial information was approved by the Board of Directors on 24 August 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been consistently applied by the Group entities and are consistent with those used in previous year, except as follows:

a. New and amended standards and interpretations adopted by the Group

- IAS 19 revised, “Defined Benefit Plans: Employee Contributions”²⁴;
- Annual improvements 2010–2012. These amendments include changes from the 2010–2012 cycle of the annual improvements project, that affect seven standards: IFRS 2, “Share-based payment”, IFRS 3, “Business Combinations”, IFRS 8, “Operating segments”, IFRS 13, “Fair value measurement”, IAS 7, “Statement of cash flows”, IAS 16, “Property, plant and equipment” and IAS 38, “Intangible assets”. This implies consequential amendments to IFRS 9, “Financial instruments”, IAS 37, “Provisions, contingent liabilities and contingent assets”, and IAS 39, “Financial instruments – Recognition and measurement”²⁴;
- Amendments to IAS 1, “Disclosure Initiative”²⁴;
- Amendments to IAS 16, “Property, plant and equipment” and IAS 38, “Intangible assets” on depreciation and amortisation and IAS 16, “Property, plant and equipment” and IAS 41, “Agriculture” related to accounting for bearer plants. In the first amendment, the IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. However, there is a rebuttable presumption, that revenue-based amortisation is permitted when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated²⁴;
- Amendment to IAS 27, “Equity method in separate financial statements”²⁴;
- Amendment to IFRS 11, “Joint arrangements” on acquisition of an interest in a joint operation²⁴;
- Annual improvements 2012–2014. These amendments include changes from the 2012–2014 cycle of the annual improvements project, that affect four standards: IFRS 5, “Non-current assets held for sale and discontinued operations”, IFRS 7, “Financial instruments: disclosures”, IAS 19, “Employee benefits” and IAS 34, “Interim financial reporting”. This implies consequential amendments to IFRS 1, “First-time adoption of international financial reporting standards”²⁴.

²⁴ The application of these standards, interpretations and amendments had no significant impact for the Group

b. Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following new standards and amendments have been published but are not effective for the Group's accounting period beginning on 1 January 2016. The Group has yet to assess the impact of the new standards and amendments:

- IFRS 9, "Financial instruments" (and related amendment on general hedge accounting) – effective from 1 January 2018. The IASB has published the complete version of IFRS 9 which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today²⁵;
- Amendment to IFRS 10, "Consolidated financial statements", IFRS 12 "Disclosure of interests in other entities" and IAS 28, "Associates and joint ventures" on sale or contribution of assets and on investment entities applying the consolidation exception – effective from 1 January 2016²⁵;
- IFRS 14, "Regulatory deferral accounts" – effective from 1 January 2016²⁶;
- IFRS 15, "Revenue from contracts with customers" applies to all contracts with customers except those that are financial instruments, leases or insurance contracts and introduces a five-step process that the Group will have to follow. The quantitative impact anticipated from implementing IFRS 15 is currently being determined. The new Standard goes beyond just "commercial effect", "fair value" and "risk and rewards" and will also result in a significant increase in the volume of disclosures related to revenue. IFRS 15 will be effective for reporting periods beginning on or after 1 January 2018²⁵;
- Amendment to IAS 7, "Statement of cash flows", Disclosure initiative – effective from 1 January 2017²⁵;
- Amendment to IAS 12, "Income taxes", recognition of deferred tax assets for unrealised losses – effective from 1 January 2017²⁵;
- IFRS 16, "Leases" defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments. The leases of satellite transponders qualifying as service agreements are no more reported in operating leases. The quantitative and disclosure impacts anticipated from implementing IFRS 16 are currently being determined. IFRS 16 will be effective for reporting periods beginning on or after 1 January 2019²⁵;
- Amendments to IFRS 2, "Share-based payment", Classification and Measurement of Share-based Payment Transactions – effective from 1 January 2018²⁵.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2015.

4. FINANCIAL RISK MANAGEMENT

4.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements; it should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2015. There have been no changes in the risk management policies and organisation since year end.

²⁵ These standards and interpretations have not yet been endorsed by the European Union

²⁶ The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard

4. 2. Accounting classifications and fair value hierarchy**4. 2. 1. Financial instruments by category**

Except for the long-term loan arrangement with Bertelsmann SA & Co. KGaA, the fair value of each class of financial assets and liabilities approximates to their carrying amount.

The fair value of the 10-year-term facility – calculated as the present value of the payments associated with the debt and based on the applicable yield curve and RTL Group credit spread – amounts to €561 million (31 December 2015: €548 million).

4. 2. 2. Fair value hierarchy

The following table presents the Group's financial assets and liabilities measured at fair value. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets (or liabilities);
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or the liability that are not based on observable market data (unobservable inputs).

	Total € m	Level 1 € m	Level 2 € m	Level 3 € m
Assets				
Available-for-sale investments	57	10	–	47
Derivatives used for hedging ²⁷	106	–	106	–
Derivatives in relation to call options	5	–	–	5
At 30 June 2016	168	10	106	52
Liabilities				
Derivatives used for hedging ²⁸	36	–	36	–
Liabilities in relation to put options on non-controlling interests	28	–	–	28
At 30 June 2016	64	–	36	28

There were no transfers between Levels 1, 2 and 3 during the six month period ended 30 June 2016.

	Total € m	Level 1 € m	Level 2 € m	Level 3 € m
Assets				
Available-for-sale investments	55	8	–	47
Derivatives used for hedging ²⁹	102	–	102	–
Derivatives in relation to call options	6	–	–	6
At 31 December 2015	163	8	102	53
Liabilities				
Derivatives used for hedging ³⁰	22	–	22	–
Liabilities in relation to put options on non-controlling interests	28	–	–	28
At 31 December 2015	50	–	22	28

There were no transfers between Levels 1, 2 and 3 during the year 2015.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The quoted market price used for financial assets by the Group is the current bid price.

²⁷ Out of which €50 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is applied

Out of which €56 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied

²⁸ Out of which €6 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is applied

Out of which €30 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied

²⁹ Out of which €52 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is applied

Out of which €50 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied

³⁰ Out of which €5 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is applied

Out of which €17 million are derivatives used to offset currency exposure relating to recognised monetary assets and liabilities for which hedge accounting as defined under IAS 39 is not applied

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more significant inputs is not based on observable market data, the instrument is included in Level 3.

The Group's finance department, which includes Group Treasury and Controlling teams, perform the recurring and non-recurring valuations of items to be valued at fair value for financial purposes, including Level 3 fair values. These teams report directly to the Chief Financial Officer, who reports to the Audit Committee at least once every quarter, in line with the Group's quarterly reporting dates. The main Level 3 related inputs used by RTL Group relate to the determination of the expected discounted cash flows as well as the discount rates used in the different valuations.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments (Level 2);
- The fair value of forward foreign exchange contracts classified under Level 2 are determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;
- For instruments classified under Level 3, other techniques, such as discounted cash flow analysis, based for the main instruments on the significant unobservable inputs (e.g. forecast revenue growth rates and market multiples are used to determine fair value for the remaining financial instruments) or the Black-Scholes model. The volatility is primarily determined by reference to comparable publically traded peers.

The following tables present the change in Level 3 instruments for the period ended 30 June:

	Financial assets at fair value through profit or loss € m	Assets Available- for-sale investments € m	Total assets € m	Liabilities Liabilities at fair value through profit or loss € m
Balance at 1 January 2016	6	47	53	28
Gains and losses recognised in profit or loss ("Financial results other than interest")	(1)	–	(1)	–
Balance at 30 June 2016	5	47	52	28
Total gains/(losses) for the period included in profit or loss for assets held at the end of the reporting period	(1)	–	(1)	–

	Financial assets at fair value through profit or loss € m	Assets Available- for-sale investments € m	Total assets € m	Liabilities Liabilities at fair value through profit or loss € m
Balance at 1 January 2015	–	50	50	30
Gains and losses recognised in other comprehensive income	–	(2)	(2)	–
Effect of movements in foreign exchange	–	–	–	2
Balance at 30 June 2015	–	48	48	32

5. SEGMENT REPORTING

	Mediengruppe RTL Deutschland		Groupe M6	
	2016 €m	2015 €m	2016 €m	2015 €m
Three months ended 30 June				
Revenue from external customers	523	510	332	323
Inter-segment revenue	1	–	3	1
Total revenue	524	510	335	324
Profit/(loss) from operating activities	188	181	88	61
Share of results of investments accounted for using the equity method	7	9	1	1
EBIT	195	190	89	62
EBITDA	199	193	117	88
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)	(3)	(3)	(26)	(24)
EBITA	196	190	91	64
Impairment of disposal group	–	–	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(1)	–	(2)	(1)
Re-measurement of earn-out arrangements	–	–	–	(1)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	–	–	–
EBIT	195	190	89	62
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
Profit for the period				

	Mediengruppe RTL Deutschland		Groupe M6	
	2016 €m	2015 €m	2016 €m	2015 €m
Six months ended 30 June				
Revenue from external customers	1,038	994	643	624
Inter-segment revenue	1	1	5	8
Total revenue	1,039	995	648	632
Profit/(loss) from operating activities	344	324	135	101
Share of results of investments accounted for using the equity method	17	19	1	1
EBIT	361	343	136	102
EBITDA	368	350	207	167
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)	(6)	(7)	(68)	(62)
EBITA	362	343	139	105
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(1)	–	(3)	(2)
Re-measurement of earn-out arrangements	–	–	–	(1)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	–	–	–
EBIT	361	343	136	102
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
Profit for the period				

Notes to the condensed consolidated interim financial information

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m
241	309	127	126	52	53	45	43	126	116	-	-	1,446	1,480
37	33	-	2	1	1	1	-	10	11	(53)	(48)	-	-
278	342	127	128	53	54	46	43	136	127	(53)	(48)	1,446	1,480
17	31	25	32	12	15	9	8	(10)	21	-	1	329	350
-	-	-	(2)	-	-	-	-	10	7	-	-	18	15
17	31	25	30	12	15	9	8	-	28	-	1	347	365
20	31	27	32	14	16	11	9	3	11	-	1	391	381
(3)	(6)	(2)	(2)	(2)	(1)	(2)	(1)	(2)	(4)	-	-	(40)	(41)
17	25	25	30	12	15	9	8	1	7	-	1	351	340
-	-	-	-	-	-	-	-	-	14	-	-	-	14
-	-	-	-	-	-	-	-	(1)	5	-	-	(4)	4
-	6	-	-	-	-	-	-	-	(2)	-	-	-	3
-	-	-	-	-	-	-	-	-	4	-	-	-	4
17	31	25	30	12	15	9	8	-	28	-	1	347	365
												2	2
												(7)	(8)
												8	-
												(115)	(92)
												235	267

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m	2016 €m	2015 €m
549	562	236	224	103	103	83	77	226	204	-	-	2,878	2,788
69	75	-	2	1	1	1	1	20	20	(97)	(108)	-	-
618	637	236	226	104	104	84	78	246	224	(97)	(108)	2,878	2,788
31	35	26	29	22	26	11	7	(29)	(7)	-	(1)	540	514
(1)	(1)	-	(2)	-	-	-	-	15	12	-	-	32	29
30	34	26	27	22	26	11	7	(14)	5	-	(1)	572	543
39	38	30	31	25	28	14	9	(4)	6	-	(1)	679	628
(9)	(10)	(4)	(4)	(3)	(2)	(3)	(2)	(6)	(7)	-	-	(99)	(94)
30	28	26	27	22	26	11	7	(10)	(1)	-	(1)	580	534
-	-	-	-	-	-	-	-	(4)	4	-	-	(8)	2
-	6	-	-	-	-	-	-	-	(2)	-	-	-	3
-	-	-	-	-	-	-	-	-	4	-	-	-	4
30	34	26	27	22	26	11	7	(14)	5	-	(1)	572	543
												3	4
												(14)	(15)
												12	1
												(183)	(145)
												390	388

Notes to the condensed consolidated interim financial information

	Mediengruppe RTL Deutschland		Groupe M6	
	June 2016 €m	December 2015 €m	June 2016 €m	December 2015 €m
Segment assets (assets classified as held for sale and investments accounted for using the equity method excluded)	1,651	1,540	1,588	1,508
Investments accounted for using the equity method	65	75	7	6
Segment assets	1,716	1,615	1,595	1,514
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	1,015	999	576	572
Segment liabilities	1,015	999	576	572
Invested capital	701	616	1,019	942
Segment assets				
Deferred tax assets				
Income tax receivable				
Other assets				
Cash and cash equivalents				
Total assets				
Segment liabilities				
Deferred tax liabilities				
Income tax payable				
Other liabilities				
Total liabilities				

Notes to the condensed consolidated interim financial information

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments ³¹		Eliminations		Total Group	
June 2016 €m	December 2015 €m	June 2016 €m	December 2015 €m	June 2016 €m	December 2015 €m	June 2016 €m	December 2015 €m	June 2016 €m	December 2015 €m	June 2016 €m	December 2015 €m	June 2016 €m	December 2015 €m
1,875	1,903	390	423	172	168	162	165	692	715	(120)	(120)	6,410	6,302
33	17	7	7	-	-	-	-	298	295	-	-	410	400
1,908	1,920	397	430	172	168	162	165	990	1,010	(120)	(120)	6,820	6,702
522	539	147	153	102	102	60	63	374	384	(116)	(116)	2,680	2,696
522	539	147	153	102	102	60	63	374	384	(116)	(116)	2,680	2,696
1,386	1,381	250	277	70	66	102	102	616	626	(4)	(4)	4,140	4,006
												6,820	6,702
												345	370
												39	34
												397	642
												340	449
												7,941	8,197
												2,680	2,696
												42	62
												62	45
												1,922	1,985
												4,706	4,788

31 The impact of RTL City project on the invested capital of the Group is €92 million (€117 million at 31 December 2015). The decrease is mainly due to a cash inflow of €32 million related to disposals recognised in previous years

6. ACQUISITIONS AND DISPOSALS

6.1. Acquisitions and increases in interests held in subsidiaries

Had the business combinations occurred at the beginning of the year, the revenue and the profit attributable to RTL Group shareholders would not have materially changed.

6.2. Details of main acquisitions and disposals, increases in interests held in subsidiaries

Abot Hameiri

On 11 January 2016, FremantleMedia Netherlands BV ("FremantleMedia") acquired 51 per cent of Abot Hameiri Communications Ltd ("AH"), an Israeli content development and TV production company, which primarily focuses on the development and production of both established and original entertainment, scripted drama and factual programmes. The acquisition is in line with the growth strategy of strengthening the creative pipeline and entering new markets. The transaction qualifies as a business combination since RTL Group gained the control of AH.

The purchase consideration amounts to €7 million, net of cash acquired, and includes a top-up adjustment based on the level of profitability realised in 2015. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. Goodwill of €8 million mainly represents the value of creative talent and market competence of Abot Hameiri's workforce and will not be tax deductible. AH is allocated to the FremantleMedia cash generating unit.

FremantleMedia holds an option on the remaining 49 per cent of the share capital. The strike price of the option, exercisable in 2021, is based on a variable component. The consideration for 100 per cent of AH is capped at €46 million. If FremantleMedia does not exercise the option, the non-controlling shareholders have a drag-along right and a call option. The fair value of the related derivative is € nil at 30 June 2016.

Transaction-related costs of €0.3 million, mainly consisting of legal fees and due diligence costs, are reported in "Other operating expenses".

	Fair value at date of gain of control € m
Cash and cash equivalents	1
Current programme rights	7
Accounts receivable and other financial assets	1
Accounts payable	(9)
Net assets acquired	–
Goodwill	8
Total purchase consideration	8
Cash and cash equivalents in operations acquired	(1)
Cash outflow on acquisition	7

Smartclip

On 11 March 2016, RTL Group Vermögensverwaltungs GmbH entered into an agreement to acquire 93.75 per cent of smartclip Holding AG and five of its subsidiaries operating in Germany, Italy, the Netherlands and Sweden ("Smartclip"). Smartclip bundles the online video advertising inventory of 700 publishers worldwide, and manages the integration and serving of video advertising to all internet-connected screens. As a strong sales house and technological innovator, Smartclip also creates solutions for Smart-TV and multiscreen advertising. Smartclip complements RTL Group's investments in digital advertising sales. The German cartel office approved the transaction on 22 April 2016. The transaction qualifies as a business combination since RTL Group gained the control of Smartclip.

The purchase consideration amounts to €37 million, net of cash acquired. Intangible assets include the trade name (€1 million) and customer contracts (€4 million). A corresponding deferred tax liability amounts to €1 million. Goodwill of €38 million is attributable to the skills and market competence of Smartclip's workforce and the synergies expected. The goodwill arising from the acquisition is not tax deductible. Smartclip is allocated to the Mediengruppe RTL Deutschland cash generating unit.

The remaining 6.25 per cent are subject to symmetrical put and call options exercisable in 2017. The strike price of the put option is based on a variable component and capped at €200 million on a 100 per cent basis. The related amount has been initially recognised as a financial liability for €3 million through equity for the present value of the redemption amount. The financial liability subsequently measured at amortised cost remained unchanged at 30 June 2016. Any further re-measurement of the liability will be recorded through the income statement.

Transaction-related costs of €0.2 million, mainly consisting of legal fees and due diligence costs, are reported in "Other operating expenses" (12 months ended 31 December 2015: €0.4 million).

	Fair value at date of gain of control € m
Cash and cash equivalents	11
Other intangible assets	9
Accounts receivable and other financial assets	12
Accounts payable	(20)
Net deferred tax liabilities	(1)
Non-controlling interests	(1)
Net assets acquired	10
Goodwill	38
Total purchase consideration	48
Cash and cash equivalents in operations acquired	(11)
Cash outflow on acquisition	37

Other

A second instalment of the SpotX earn-out was paid during the second quarter 2016 for an amount of €4 million (30 June 2015: €7 million).

The fair value of the derivative related to the SpotX call option has been decreased to €2 million at 30 June 2016 (31 December 2015: €3 million). The related expense of €1 million is reported in "Financial results other than interest" (note 8).

The consideration recognised in November 2013 at the time of the gain of control of Miso Film and related to the 49 per cent non-controlling interests had been initially recognised as a financial liability through equity for the present value of the redemption amount. The financial liability has been re-measured from €5 million to €6 million at 30 June. The related expense of €1 million is reported in "Financial results other than interest" (note 8). At 31 December 2015, an income of €4 million had been recognised.

Since the gain of control of 495 Productions on 26 March 2014 by RTL Group, the minority shareholder holds a put option on the remaining 25 per cent non-controlling interests. The financial liability has been re-measured to €3 million at 30 June 2016 (31 December 2015: €7 million) in line with the future performance plan. The related income of €4 million is reported in “Financial results other than interest” (note 8).

Since the gain of control in June 2013, RTL Group holds a call option on the BroadbandTV Corp. (“BBTV”) non-controlling interests measured at fair market value. RTL Group started the process for a potential exercise of the call option in June 2016. As part of that process, the fair market value of BBTV will be determined, after which RTL Group has to decide whether or not it will actually exercise its call option. Such decision is currently expected before the end of 2016. Should RTL Group decide not to exercise its call, the non-controlling shareholders would be entitled to an exit mechanism within a 2-year period thereafter by first offering their stake to RTL Group and, if RTL Group does not accept the offer, by dragging RTL Group’s stake in a 100 per cent sale of the company at a price at least equal to the price offered to RTL Group.

June 2015 (updated at 30 June 2016)

Oxygem

On 9 January 2015, Groupe M6 acquired 100 per cent of Oxygem SA and its subsidiaries (“Oxygem”). Oxygem operates various websites. The acquisition strengthened the monetisation capabilities of Groupe M6 in the online advertising market and generates significant synergies by cross-fertilising digital expertise. The transaction qualified as a business combination since RTL Group gained the control of Oxygem.

The purchase consideration amounted to €18 million, net of cash acquired and, in addition to €6 million, corresponding to the reimbursement of a loan previously granted to Oxygem by the seller. The fair value of the brand names, subscriber base and technology was measured for €8 million, of which €7 million for the brand names. A corresponding deferred tax liability was recognised for €3 million. As a result, a goodwill of €17 million was recognised. The latter was attributable mainly to the synergies expected and to the skills and expertise of the Oxygem workforce. The goodwill is not tax deductible. Oxygem was allocated to the Groupe M6 cash generating unit.

The transaction-related costs of €0.2 million were reported in “Operating expenses”.

	Fair value at date of gain of control € m
Cash and cash equivalents	2
Other intangible assets	8
Accounts receivable and other financial assets	7
Accounts payable	(3)
Employee benefit obligations	(2)
Loans	(7)
Net deferred tax liabilities	(2)
Net assets acquired	3
Goodwill	17
Total purchase consideration	20
Loan previously granted by the seller	6
Cash and cash equivalents in operations acquired	(2)
Cash outflow on acquisition	24

YoBoHo

On 1 April 2015, BroadbandTV Corp. ("BBTV") acquired 87.6 per cent (71.3 per cent on a fully diluted basis) of YoBoHo New Media Private Limited and its subsidiary YoBoHo New Media Inc. ("YoBoHo"). RTL Group consequently held an interest of 50.3 per cent (36.9 per cent on a fully diluted basis) in YoBoHo. YoBoHo, which is based in Mumbai, produces kids-and-family oriented video for distribution across digital platforms. The acquisition of YoBoHo supported RTL Group's ambitions to secure a leading position in the global online video market. The transaction qualified as a business combination since RTL Group gained the control over YoBoHo.

The purchase consideration, partly contributed to YoBoHo, amounted to €8 million, net of cash acquired and was contingent on a cash-and-debt free position adjusted for normalised working capital. The identified intangible assets amounted to €4 million and reflected the value placed in original characters (€2 million) and trade names and a non-compete agreement (€2 million). A corresponding deferred tax liability was recognised for €1 million. The goodwill of €6 million corresponded to the value of creative talent, workforce and synergies. It is not tax deductible. YoBoHo was allocated to the BBTV cash generating unit.

BBTV also benefits from a call option for the remaining non-controlling interests. The call window opens two years from 2015 closing and ends 18 months thereafter; the non-capped strike price is determined on the basis of the fair value of YoBoHo.

The transaction-related costs of €0.3 million were reported in "Operating expenses" at 30 June 2015 (€0.5 million at 31 December 2015).

	Fair value at date of gain of control € m
Non-current programme and other rights	2
Other intangible assets	2
Accounts receivable and other financial assets	1
Accounts payable	(1)
Net deferred tax liabilities	(1)
Non-controlling interests	(1)
Net assets acquired	2
Goodwill	6
Total purchase consideration	8
Cash outflow on acquisition	8

UFA Sports

On 20 April 2015, RTL Group agreed with Lagardère Unlimited Germany GmbH (“Lagardère Unlimited”) to fully dispose of the interests held in UFA Sports GmbH and some of its subsidiaries (“UFA Sports”). The subsidiaries apereo Holding GmbH, apereo Deutschland GmbH and UFA Sports Asia Pte Ltd were excluded from the deal and remained with RTL Group. The German competition authorities approved the transaction on 15 June 2015. In consequence, RTL Group lost control over UFA Sports and derecognised all related assets and liabilities. In conjunction with the disposal, UFA Sports repaid the net amounts owed to and by RTL Group of €11 million thanks to the reserve contribution made by the acquirer Lagardère Unlimited (€6 million). At the same time, RTL Group equalised the net cash position of UFA Sports for €2.5 million, of which €1.4 million for a guarantee granted for commercial bad debts.

	2015 € m
Cash and cash equivalents	(1)
Intangible assets	(6)
Loans and other financial assets	(3)
Accounts receivable	(11)
Accounts payable	6
Employee benefit obligations	1
Loans	1
Net assets disposed	(13)
Capital reserve injection by the acquirer	6
Incremental costs associated with the disposal	(3)
Waiver of financial liability	3
Loss on the disposal	(7)
Waiver of financial liability	(3)
Cash and cash equivalents in operations disposed	(1)
Cash inflow on disposal	2

Other

On 7 January 2015, RTL Group acquired 100 per cent of Dinnersite BV (“Dinnersite”), an online restaurant guide. The combination with Couverts, the online table reservation portal owned by RTL Ventures BV, created a leading position in the Dutch online restaurant booking market. The transaction qualified as a business combination since RTL Group gained the control of Dinnersite. The purchase consideration amounted to below €1 million, net of cash acquired. Goodwill was € nil million. Dinnersite BV merged into Couverts Reserveren NV in 2015.

RTL Group, through FremantleMedia North America Inc, incorporated on 13 March 2015 the new company Big Balls LLC, held at 95 per cent, in order to launch a digital broadcasting network (“digi-net”) in the US called Buzzr, scheduling FremantleMedia’s large library of classic game shows.

On 1 April 2015, RTL Nederland BV (“RTL NL”) acquired 100 per cent of Grand Gear Media BV, which operates a Dutch digital platform named Bright, a cross-media platform operating in the field of innovative lifestyle related-content and the Bright Assets and all Bright digital platforms and databases such as *Bright.nl*, *Uitpakparty*, *Bright Ideas*, *Bright Store* and events. The transaction qualified as a business combination since RTL Group gained control. Goodwill was € nil million. Grand Gear Media BV merged into RTL Nederland BV in 2015.

On 1 April 2015, RTL Group gained the control of Dutch Learning Company BV (“DLC”) through a capital increase of €1 million. From that date, RTL Group holds 80.3 per cent of the share capital of DLC. As a result, a goodwill of €1 million was recognised. The goodwill is not tax deductible. Before 1 April 2015, DLC was accounted for using the equity method. The measurement at fair value of the 37.8 per cent interest previously held was insignificant. Since 1 August 2015, RTL Group holds 100 per cent of the share capital of DLC.

On 7 April 2015, the non-controlling interests of The Entertainment Group BV (“TEG”) agreed with RTL Nederland Interactief BV (“RTL Interactief”) on the transfer of the remaining 35 per cent held in the share capital for an amount of €3 million fully paid at 30 June 2015. On 22 July 2013, RTL Group had gained the control of TEG, which had been consolidated at 100 per cent.

The contingent consideration related to Best of TV, acquired on 7 January 2014, had been paid during the first half of 2015 (€6 million).

An amount of €4 million had been received by the Group at 30 June 2015 following the completion of the true-up exercise on StyleHaul.

6.3. Assets and liabilities acquired

Detail of the net assets acquired and goodwill on acquisitions are as follows:

	2016 € m
Purchase consideration:	
– Cash paid	60
– Payments on prior years' acquisitions	(4)
Total purchase consideration	56
Less:	
Fair value of net assets acquired	(10)
Goodwill	46

6.4. Cash outflow on acquisitions

The fair value of the net assets and liabilities arising from the acquisitions of the first half of 2016 are as follows:

	2016 Fair value € m
Cash and cash equivalents	12
Other intangible assets	9
Current programme rights	7
Accounts receivable and other financial assets	13
Accounts payable	(29)
Net deferred tax liabilities	(1)
Non-controlling interests	(1)
Net assets acquired	10
Goodwill	46
Total purchase consideration	56
Payments on prior years' acquisitions	4
Cash and cash equivalents in operations acquired	(12)
Cash outflow on acquisition	48

7. OTHER OPERATING INCOME

As announced on 27 May 2016, Groupe M6 and Orange have jointly agreed to gradually transfer M6 Mobile customers to Orange services. M6 mobile by Orange customers will keep their services as well as all the related benefits, such as the management of the customer community by Groupe M6, until their transfer. As such, Groupe M6 will continue to manage and benefit from the account holder base and trademark licence until 30 June 2019. In addition, Groupe M6 has recognised and cashed-in a contractual compensation of €50 million at 30 June 2016.

8. FINANCIAL RESULTS OTHER THAN INTEREST

	June 2016 € m	June 2015 € m
Cash flow hedges ineffectiveness	11	2
Net gain on other financial instruments at fair value through profit or loss	(1)	–
Other financial results	2	(1)
	12	1

9. IMPAIRMENT TEST

RTL Group's management have conducted impairment tests on some cash generating units ("CGU") and investments accounted for using the equity method where indications of a possible change in recoverable amount arose over the six months ended 30 June 2016 and on those that had the most limited headroom at 31 December 2015.

	June 2016		December 2015	
	Perpetual growth rate % a year	Discount rate %	Perpetual growth rate % a year	Discount rate %
Cash-generating units				
FremantleMedia	2.5	7.1	2.5	7.4
Other segments:				
– StyleHaul	2.0	13.0	2.0	13.0

The assumptions and results of the impairment testing conducted at 30 June 2016 are described here after.

FremantleMedia

Taking into account the development of FremantleMedia over the 6 month period to 30 June 2016, management have revised upwards, moderately, their business plan. This takes into account the strengthening of the production business through a number of talent deals and recent acquisitions and the continuing strength of FremantleMedia's main franchises. Accordingly, despite the continued pricing pressure within the overall content business, FremantleMedia expects to slightly increase its EBITA margin over the life of the business plan. Based on this revised plan, the headroom that existed at the level of FremantleMedia has been increased to €374 million (31 December 2015: €189 million). The value in use on the basis of a discounted cash flow model was retained for determining the recoverable amount.

For FremantleMedia, if, for the second half of 2016 and each of the following periods, the estimated revenue growth and the EBITA margin had been reduced by 1 per cent and the discount rate had been increased by 1 per cent, the compounded effect of these corresponding variations would have resulted in an impairment loss against goodwill of €378 million (€463 million at 31 December 2015).

When taken individually, the following changes in the key assumptions would reduce the recoverable amount of the CGU FremantleMedia as follows:

	30 June 2016 €m	31 December 2015 €m
Variation		
Revenue growth reduced by (1) per cent on each period	(228)	(191)
EBITA margin reduced by (1) per cent on each period	(215)	(198)
Discount rate increased by 100 basis points	(309)	(263)

StyleHaul

The significant increase of video views was not fully reflected in the revenue growth due to the delayed launch of certain diversification revenue streams, mostly on content revenue, and the lower revenue per thousand impressions ("RPM"). Based on a revised plan, the headroom has been slightly reduced to €10 million (31 December 2015: €11 million). The value in use was retained for determining the recoverable amount; the fair values derived from market valuations were also considered.

If, for the second half of 2016 and each of the following periods, the estimated revenue growth and the EBITA margin of StyleHaul had been reduced by 1 per cent and the discount rate had been increased by 1 per cent, the compounded effect of these corresponding variations would have resulted in an impairment loss against goodwill of €20 million (€19 million at 31 December 2015).

When taken individually, the following changes in the key assumptions would reduce the recoverable amount of the CGU StyleHaul as follows:

	30 June 2016 €m	31 December 2015 €m
Variation		
Revenue growth reduced by (1) per cent on each period	(8)	(9)
EBITA margin reduced by (1) per cent on each period	(6)	(5)
Discount rate increased by 100 basis points	(16)	(16)

Hungarian language cable channels and M-RTL

Following the introduction of a new advertising tax in Hungary, RTL Group's management had recognised in 2014:

- at 30 June, the full impairment of the goodwill for an amount of €77 million and additional impairment losses on non-current intangible assets for €11 million, of which €9 million related to assets identified in connection with the initial purchase price allocations; and
- at 31 December, a valuation allowance on current programme rights for an amount of €7 million.

On 27 May 2015, the Hungarian Parliament amended retrospectively the advertising tax. The tax rate was changed into a flat rate of 5.3 per cent for a tax base above HUF 100 million and zero under HUF 100 million.

The retrospective impact resulted in a one-off positive impact of €5 million reported in deduction of the "Other operating expenses" at 30 June 2015.

In addition, RTL Group's management re-assessed:

- the fair value of the non-current intangible assets identified in connection with the initial purchase price allocations and fully reversed the remaining impairment for an amount of €7 million;
- the net realisable value of the current programme rights. This resulted in the recognition of a reversal of €3 million.

A further €1 million reversal was recognised at 30 June 2016, primarily driven by the fact that RTL Hungary will be able to collect distribution revenue as from the 1 July 2016.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Main changes in the Group's ownership interest in associates

June 2016

On 14 April 2016, RTL Group exercised the option to acquire an additional 24.5 per cent interest, for €7 million, in Divimove GmbH bringing the Group's shareholding to 75.5 per cent. RTL Group continues to have a significant influence in Divimove GmbH. On 15 June 2016, the shareholders decided to amend the option agreement related to the last 24.5 per cent. The fair value of the derivative related to the call option remains unchanged at 30 June 2016 (€3 million).

On 25 April 2016, FremantleMedia Ltd ("FremantleMedia") entered with a 25 per cent stake into the share capital of Dr Pluto Films Ltd ("Dr Pluto"), a newly created production company that will develop concepts across all genres and platforms. The carrying amount of Dr Pluto is below GBP 1 million at 30 June 2016. In addition, FremantleMedia granted a loan facility of GBP 0.5 million to Dr Pluto. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2021 and 2023. The strike price of the options is based on a variable component. If FremantleMedia exercises its 2021 call option but not the 2023 one, the other shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain conditions. In the event that FremantleMedia does not exercise the call options, the holders of the 75 per cent interest have the option to acquire the shares held by the Group or drag FremantleMedia shares to a sale with a third party. The fair value of the derivatives is € nil million at 30 June 2016.

Atresmedia implemented a share buy-back programme in the second quarter of 2016 to acquire shares or the remuneration plan for directors and senior management. The programme was approved at the Ordinary General Meeting of Shareholders held on 20 April 2016. Consequently a total of 791,880 shares were acquired by Atresmedia. In June, Atresmedia met its commitment to deliver shares to Gala Desarrollos Comerciales, S.L. linked to the merger with La Sexta's shareholders; Atresmedia transferred 789,738 treasury shares. This was the final delivery of shares under this agreement.

On 30 November 2015, FremantleMedia Ltd and Squawka Ltd ("Squawka") entered in a contractual arrangement and a loan agreement for a total of €2 million, of which less than €1 million was paid at 31 December 2015. Once the full amount of the loan was paid, FremantleMedia had the option to convert it and to acquire a minority shareholding in Squawka and an additional option to acquire a further minority shareholding through a capital injection. At 31 December 2015, FremantleMedia was not a shareholder but jointly controlled Squawka on the basis of the contractual arrangement. The initial contractual arrangement was modified in 2016 and as a result FremantleMedia no longer has the joint control but can exercise significant influence. The conversion of the loan (GBP 1.5 million) and a capital injection of GBP 3.5 million on 26 April 2016 provided a 35 per cent stake to FremantleMedia. FremantleMedia holds call options on the remaining 65 per cent shares exercisable in 2017 and 2020. The strike price of the options is based on a variable component. If FremantleMedia exercises its 2017 call option but not the 2020 one, the other shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain conditions.

On 13 May 2016, FremantleMedia Ltd entered with a 25 per cent stake into the share capital of Wild Blue Productions Ltd (subsequently renamed Wild Blue Media Ltd, "Wild Blue"), a newly created production company that will develop, produce and sell international non-scripted formats across factual, factual entertainment and live events genre. The carrying amount of Wild Blue is below GBP 1 million at 30 June 2016. In addition, FremantleMedia granted Wild Blue a loan facility of GBP 0.5 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2020 and 2022. The strike price of the options is based on a variable component. If FremantleMedia exercises its 2020 call option but not the 2022 one, the other shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain conditions. In the event that FremantleMedia does not exercise the call options, the holders of the 75 per cent interest have the option to acquire the shares held by the Group or drag FremantleMedia shares to a sale with a third party. The fair value of the derivatives is € nil million at 30 June 2016.

On 25 May 2016, Fremantle Productions North America Inc (“FPNA”) acquired for €2 million, 25 per cent stake in Eureka Productions LLC, a production company, incorporated on 16 December 2015, and its 100 per cent held subsidiary Eureka Productions Pty Ltd (“Eureka”). Eureka develops, sells and produces unscripted travelling formats (for instance reality competitions) and docu-series for leading broadcasters and cable networks in the US and Australia. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. In addition, FPNA granted Eureka a loan facility of USD 6 million; the loan receivable amounts to USD 4 million at 30 June 2016. FPNA holds call options on the remaining 75 per cent shares exercisable in 2020 and 2022. The strike price of the options is based on a variable component. If FPNA exercises its 2020 call option but not the 2022 one, the other shareholders will have the option to require FPNA to purchase all the remaining shares, subject to certain conditions. In the event that FPNA does not exercise the call options, the holders of the 75 per cent interests have the option to acquire the shares held by the Group or drag FPNA shares to a sale with a third party. The fair value of the derivatives is € nil million at 30 June 2016.

On 7 June 2016, FremantleMedia Ltd entered with a 25 per cent stake into the share capital of Dancing Ledge Productions Ltd (“Dancing Ledge”), a newly created production company that will develop, produce and sell international scripted formats across the US and UK markets. The carrying amount of Dancing Ledge is below GBP 1 million at 30 June 2016. In addition, FremantleMedia granted a loan facility of GBP 0.5 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2021 and 2023. The strike price of the options is based on a variable component. If FremantleMedia exercises its 2021 call option but not the 2023 one, the other shareholders will have the option to require FremantleMedia to purchase all the remaining shares, subject to certain conditions. In the event that FremantleMedia does not exercise the call options, the holders of the 75 per cent interests have the option to acquire the shares held by the Group or drag FremantleMedia shares to a sale with a third party. The fair value of the derivatives is € nil million at 30 June 2016.

June 2015 (updated at 30 June 2016)

On 21 January 2015, FremantleMedia Ltd (“FremantleMedia”) acquired a 25 per cent non-controlling stake in Corona Television Ltd (“Corona”), a newly created TV production company based in the UK. The related carrying amount was € nil million at 31 December 2015. The deal, which gave FremantleMedia a first look option on all Corona output, furthered FremantleMedia’s ambition to build its scripted pipeline. In addition, FremantleMedia granted a loan facility of €1 million. FremantleMedia holds call options on the remaining 75 per cent shares exercisable in 2018 and 2020. The strike price of the options is based on a variable component. The fair value of the related derivatives was € nil million at 31 December 2015 and remains unchanged at 30 June 2016.

On 8 April and 5 June 2015, RTL Group acquired a 19.5 per cent (17.4 per cent on a fully diluted basis) non-controlling interest in CLYPD, Inc. (“Clypd”). Clypd is a programmatic TV start-up based in Boston which focuses on the development of an audience-buying platform for linear TV. The company is complementary to the programmatic online video advertising marketplace that SpotX operates. The investment amount was €10 million. Although RTL Group holds less than 20 per cent of the equity shares of Clypd, management consider that the Group exercises a significant influence in Clypd in view of the representation of RTL Group on the Board of Clypd. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities.

The ownership of RTL Group in Atresmedia decreased from 19.2 per cent at 31 December 2014 to 18.6 per cent at 30 June 2015. This transaction resulted in a dilution of RTL Group’s interest generating a gain of €10 million reported in “Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree”.

On 15 June 2015, FremantleMedia Group Ltd took a 35.3 per cent (31.6 per cent on a fully diluted basis) non-controlling interest in UMI Mobile, Inc (“UMI”), a new gaming company in Canada. The related carrying amount was below €1 million at 31 December 2015, unchanged at 30 June 2016. FremantleMedia is entitled, via a call option, to buy the remaining shares of the controlling shareholders at the market value.

Main changes in the Group's ownership interest in joint ventures

June 2016

On 15 January 2016, RTL Nederland Ventures BV ("RTL Nederland") acquired 32.6 per cent of Heilzaam BV ("Heilzaam"), operating eHealth information websites. The purchase consideration of €1 million has been mainly contributed to the company. The transaction qualifies as a joint arrangement as RTL Nederland jointly controls the company. The related carrying amount is €1 million at 30 June 2016.

RTL Nederland Ventures Holding has granted in June 2016 a short-term loan of €3 million to Miinto Nederland Holding BV.

June 2015 (updated at 30 June 2016)

On 27 January 2015, RTL Nederland BV ("RTL NL") entered into the joint venture Buurtfacts BV ("Buurtfacts"). Buurtfacts is a web and app-based platform with a focus on distributing publicly available news, information and facts on a local level. The other shareholders, who hold 45 per cent, had been granted a put option. RTL NL holds a call option on the shares held by the other shareholders. The strike price of the options is based on a variable component. The fair value of the related derivatives was € nil million at 31 December 2015 and remains unchanged at 30 June 2016.

11. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

RTL Group had received in April 2015 an amount of €4 million following the disposal during the first quarter of the investment held in AdSociety.

12. SEASONALITY OF OPERATIONS

The Group's broadcast business is subject to strong seasonal fluctuations and hence the results for the first six months of 2016 do not necessarily permit predictions as to its future performance. Advertising revenue is impacted by underlying economic conditions and the cyclical demand for advertising – which during the important fourth quarter help offset the traditionally weaker summer months. This tendency is expected to be more exaggerated than in 2015 due to the summer sports events, the 2016 Summer Olympics in Rio and the UEFA European Football Championships, with advertisers front loading their bookings to avoid the sports calendar.

The Group's content arm, FremantleMedia, usually generates a higher proportion of both revenue and EBITA in the second half of the year partly due to the seasonality of programme sales but also to the revenue generated by the distribution, licensing and merchandising business. The seasonality is not expected to be substantially different for 2016 and the timing of the delivery of certain high value drama productions may further exaggerate this tendency when compared to 2015.

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €341 million (2015: €351 million) and a weighted average number of ordinary shares outstanding during the period of 153,577,040 (30 June 2015: 153,600,189) calculated as follows:

	June 2016	June 2015
Profit attributable to RTL Group shareholders (in € million)	341	351
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	154,787,554	154,787,554
Capital decrease	(9,790)	–
Effect of treasury shares held	(1,168,701)	(1,168,701)
Effect of liquidity programme	(32,023)	(18,664)
Weighted average number of ordinary shares	153,577,040	153,600,189
Basic earnings per share (in €)	2.22	2.28
Diluted earnings per share (in €)	2.22	2.28

14. EQUITY

14. 1. Share capital, reserves and retained earnings

The Extraordinary General Meeting (EGM) of the Company, held on 25 May 2016, acknowledged that 48,158 physical shares of RTL Group had not been registered in accordance with the provisions of the law of 28 July 2014 regarding the immobilisation of bearer shares in Luxembourg ("Immobilisation Law"). The EGM acknowledged that the Board of Directors set the price of the cancelled shares at €32.96 per share in accordance with article 6 (5) of the law.

As a consequence, at 30 June 2016, the subscribed capital is represented by 154,739,396 (31 December 2015: 154,787,554) fully paid-up ordinary shares, without nominal value; the equity of the Company was reduced by €2 million deposited on 15 July 2016 in escrow with the Caisse of consignment in accordance with the legal provisions.

14. 2. Treasury shares

The Company's General Meeting held on 16 April 2014 had authorised the Board of Directors to acquire a total number of shares of the Company not exceeding 150,000 in addition to the own shares already held (i.e. 1,168,701 own shares) as of the date of the General Meeting. This authorisation is valid for five years and the purchase price per share is fixed at a minimum of 90 per cent and a maximum of 110 per cent of the average closing price of the RTL Group share over the last five trading days preceding the acquisition.

Following the shareholders' resolution and in order to foster the liquidity and regular trading of its shares that are listed on the stock market in Brussels and Luxembourg and the stability of the price of its shares, the Company has entered on 28 April 2014 into a liquidity agreement (the "Liquidity Agreement") with Kepler Capital Markets SA (the "Liquidity Provider"). During the period ended 30 June 2016, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 342,680 shares at an average price of €75.10; and
- sold 342,648 shares at an average price of €75.38, in the name and on behalf of the Company.

At 30 June 2016, a total of 35,451 (31 December 2015: 35,419) RTL Group shares are held by the Company and €7.8 million (31 December 2015: €7.7 million) are in deposit with the Liquidity Provider under the terms of the Liquidity Agreement.

14. 3. Hedging reserves

The hedging reserve (equity attributable to non-controlling interests included) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Between 31 December 2015 and 30 June 2016, the hedging reserve decreased by €17 million before tax effect. This consists of:

- decrease by €24 million due to foreign exchange contracts that existed at 2015 year end and which were still hedging off-balance sheet commitments at 30 June 2016;
- decrease by € nil million due to foreign exchange contracts that existed at 2015 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2016 from the hedging reserve to income statement;
- increase by €7 million due to foreign exchange contracts entered into in 2016 hedging new off-balance sheet commitments.

Between 31 December 2014 and 30 June 2015, the hedging reserve increased by €20 million before tax effect. This consists of:

- increase by €35 million due to foreign exchange contracts that existed at 2014 year end and which were still hedging off-balance sheet commitments at 30 June 2015;
- decrease by €14 million due to foreign exchange contracts that existed at 2014 year end but which were incorporated in the cost of the hedged item and subsequently consumed and released in 2015 from the hedging reserve to income statement;
- decrease by €1 million due to foreign exchange contracts entered into in 2015 hedging new off-balance sheet commitments.

14. 4. Dividends

On 20 April 2016, the Annual General Meeting of Shareholders decided, after having taken into account the interim dividend of €1 per share paid on 10 September 2015, to distribute a final dividend of €3 per share. Accordingly, an amount of €460 million was paid out on 28 April 2016.

15. NON-CONTROLLING INTERESTS**Transactions on non-controlling interests without a change in control****June 2016**

- CBS Studios International contributed for €1.5 million in a capital increase in RTL CBS Asia Entertainment Network LLP, proportionally to its 30 per cent share;
- Groupe M6 has acquired and disposed of own shares in respect to the forward purchase contract and the liquidity programme.

June 2015

- On 1 January 2015, RTL Nederland Interactief BV had disposed of 49 per cent, out of the 100 per cent held in Videostrip BV (renamed SpotXchange Benelux BV) to SpotXchange Inc (held at 70.8 per cent by the Group) resulting in a dilution of RTL Group's interest of 14.2 per cent;
- CBS Studios International had contributed below €1 million in a capital increase in RTL CBS Asia Entertainment Network LLP, proportionally to its 30 per cent share;
- Groupe M6 had acquired and disposed of own shares in respect to the forward purchase contract and the liquidity programme.

Transactions on non-controlling interests with a change in control**June 2016**

This relates to Smartclip (see note 6.2.).

16. RELATED PARTY TRANSACTIONS

16.1. Transactions with shareholders

Financing

Deposits Bertelsmann SE & Co. KGaA

With the view to investing its cash surplus, RTL Group SA entered in 2006 with Bertelsmann SE & Co. KGaA (previously Bertelsmann AG) into a Deposit Agreement, the main terms of which are:

- Interest rates are based on an overnight basis on EONIA plus 10 basis points; or on a one to six month basis, EURIBOR plus 10 basis points;
- Bertelsmann SE & Co. KGaA grants to RTL Group as security for all payments due by Bertelsmann SE & Co. KGaA a pledge on:
 - All shares of its wholly owned French subsidiary Média Communication SAS;
 - All shares of its wholly owned Spanish subsidiary Bertelsmann España SL;
 - All its interests in the German limited liability partnership Gruner + Jahr GmbH & Co. KG;
 - All shares of its wholly owned British subsidiary Bertelsmann UK Ltd.

At 30 June 2016 and 31 December 2015, RTL Group SA did not hold any deposit with Bertelsmann SE & Co. KGaA. The interest income for the period is € nil million (June 2015: € nil million).

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

On 22 December 2011, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into an agreement related to the deposit of surplus cash by RTL Group Deutschland GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr GmbH & Co. KG.

At 30 June 2016 and 31 December 2015, RTL Group Deutschland GmbH did not hold any deposit with Bertelsmann SE & Co. KGaA. The interest income for the period is € nil million (30 June 2015: € nil million).

RTL Group SA has additionally entered into a Treasury Agreement in North America with Bertelsmann Inc. Interest rates are based on US Libor plus 10 basis points. At 30 June 2016, the net balance of the cash pooling receivable and payable amounts to € nil million (31 December 2015: € nil million). The interest income/expense for the period is insignificant (30 June 2015: insignificant).

Loans from Bertelsmann SE & Co. KGaA and BeProcurement Sàrl

On 7 March 2013, RTL Group Deutschland GmbH, a Group company, and Bertelsmann SE & Co. KGaA entered into a shareholder loan agreement pursuant to which Bertelsmann makes available a term loan facility in the amount of €500 million and a revolving and swingline facility in the amount of up to €1 billion. The main terms of these facilities are:

- Term loan facility of €500 million until 7 March 2023 bearing interest at 2.713 per cent per annum; RTL Group SA has the right to early repay the loan subject to break costs. At 30 June 2016, the term loan balance amounts to €500 million (December 2015: €500 million);
- Revolving loans bear interest at the applicable EURIBOR plus a margin of 0.60 per cent per annum, and swingline loans bear interest at EONIA plus a margin of 0.60 per cent per annum. A commitment fee of 35 per cent of the applicable margin is payable where for purposes of calculation of the payable commitment fee the available commitment under the revolving and swingline facilities will be reduced by €200 million. At 30 June 2016, the total of revolving and swingline loan amounts to €704 million (31 December 2015: €542 million).

On 23 June 2016, the term loan facility of €500 million has been transferred from Bertelsmann SE & Co. KGaA to BeProcurement Sàrl controlled by Bertelsmann Luxembourg Sàrl.

The interest expense for the period amounts to €7.6 million (30 June 2015: €8.5 million). The commitment fee charge for the period amounts to €0.4 million (30 June 2015: €0.3 million).

Tax

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

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

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

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

On 15 May 2013, the Board of Directors of RTL Group agreed to the amendment of the Compensation Agreement in light of the consumption of the trade tax and corporate tax losses at the level of Bertelsmann SE and Co. KGaA and of the expected level of indebtedness of RTL Group in the future. The PLP Agreement was slightly amended in 2014.

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

For the interim periods, the Commission is determined on Management reasonable estimate on both expected annual taxable results of the tax group RGD and the tax group Bertelsmann SE & Co. KGaA. This estimate is reviewed on a quarterly basis to take into account actual year-to-date results and material known developments affecting the two entities for the remaining part of the year.

At 30 June 2016, the balance payable to BCH amounts to €293 million (31 December 2015: €583 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €216 million (31 December 2015: €472 million).

For the period ended 30 June 2016, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €84 million (30 June 2015: €69 million). The Commission amounts to €8 million (30 June 2015: €28 million). The brought forward income tax losses available for offset were significantly consumed at 31 December 2015.

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of € nil million (30 June 2015: €3 million).

All Danish entities under common control by an ultimate parent are subject to Danish tax consolidation, which is mandatory under Danish tax law. Blu A/S, a 100 per cent held subsidiary of RTL Group, was elected as the management company of the Bertelsmann Denmark Group.

16. 2. Main transaction with investments accounted for using the equity method

At 30 June 2016, RTL Group owed a cash pooling payable to RTL Disney Fernsehen GmbH & Co. KG for an amount of €22 million (31 December 2015: €5 million).

17. SUBSEQUENT EVENTS

No material events occurred between 30 June 2016 and the date of authorisation of the condensed consolidated interim information as at and for the six months ended 30 June 2016.

Management Responsibility Statement

We, Anke Schäferkordt and Guillaume de Posch, Chief Executive Officers, and Elmar Heggen, Chief Financial Officer, confirm, to the best of our knowledge, that the condensed consolidated interim financial information which has been prepared in accordance with IAS 34 as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of RTL Group and the undertakings included in the consolidation taken as a whole, and that the Directors' report includes a fair review of the development and performance of the business and the position of RTL Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Luxembourg, 24 August 2016

Handwritten signature in blue ink, appearing to read 'A. Schäferkordt' followed by a stylized mark.

Anke Schäferkordt and Guillaume de Posch
Chief Executive Officers

Handwritten signature in blue ink, appearing to read 'Elmar Heggen'.

Elmar Heggen
Chief Financial Officer

Auditors' report



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TO THE SHAREHOLDERS OF RTL GROUP S.A.

Report on review of the condensed consolidated interim financial information

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of RTL Group S.A. and its subsidiaries (the "Group") as of 30 June 2016 and the related condensed consolidated interim income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim financial reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

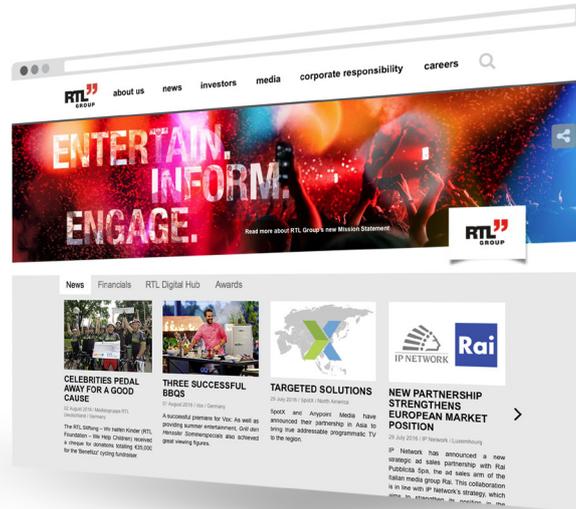
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, "Interim financial reporting" as adopted by the European Union.

Luxembourg, 24 August 2016

PricewaterhouseCoopers, Société coopérative
Represented by

Gilles Vanderweyen

**EXPERIENCE THE
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Financial Calendar

10 November 2016 ————— Results: January to September 2016

Credits

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