

Q3

2015

INTERIM

REPORT

JANUARY - SEPTEMBER 2015

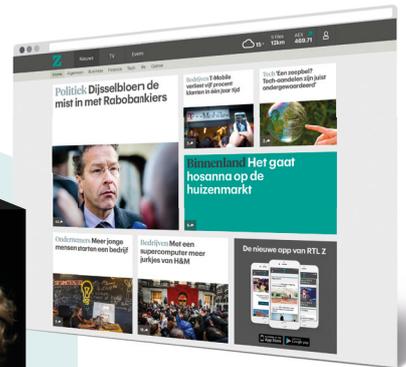
HIGHLIGHTS

AN X MARKS THE SPOT

On 2 September 2015, SpotXchange announced its rebranding to SpotX. This decision was made to reflect the changes in the market and to highlight the company's evolution from an ad exchange to an integral inventory management platform, developed specifically for premium publishers. Today, the platform incorporates an ad server, a supply side platform and programmatic infrastructure including both open and private marketplace capabilities to help publishers manage all aspects of their video inventory – in a transparent, brand-safe way.

On 2 November 2015, SpotX and ad-tech start-up Clypd announced the development of a single solution for media owners to manage the sale of all forms of TV assets and video inventory. The pairing of SpotX's digital video platform and Clypd's linear TV platform will create ad sales solutions that empower media companies to holistically monetise audiences and video across all distribution points. SpotX and Clypd are part of the RTL Digital Hub which was launched in June 2015 to bundle RTL Group's recent investments in the online video market.

Mike Shehan - CEO of SpotX



Rens de Jong presents Z In Zaken (Z in Business), where different types of entrepreneurs tell their success stories

'BUSINESS, NOT AS USUAL'

On 7 September 2015, RTL Nederland launched the latest addition to its family of channels: RTL Z focuses on Business, Finance, Tech and Lifestyle. With the slogan 'Business, not as usual', the channel targets Dutch viewers with an entrepreneurial mindset. The other two pillars of the new channel are digital and live events. During the morning and day, RTL Z offers general, stock-exchange and breaking news. In the evening, the focus is on in-depth and background analysis, with opinion and entertainment. Until its launch as a stand-alone channel, RTL Z was a programming window on RTL 7 - RTL Nederland's channel targeting men aged 20 to 49 with news, action, comedy and sports.



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RTL GROUP'S GROWTH ACCELERATES IN Q3/2015

- **Revenue up 7.5 per cent, digital revenue up 86.6 per cent, EBITA up 13.8 per cent in Q3/2015 to record levels**
- **FremantleMedia broadens content portfolio with investments in scripted, entertainment and factual genres**

Luxembourg, 12 November 2015 – RTL Group, the leading European entertainment network, announces its results for the nine months ending 30 September 2015.

Q3/2015: dynamic growth continues

- In the third quarter of 2015, reported Group **revenue** was up 7.5 per cent to €1,353 million (Q3/2014: €1,259 million), driven by growth from:
 - RTL Group's digital revenue with dynamic growth of 86.6 per cent, to €125 million
 - Mediengruppe RTL Deutschland (+6.8 per cent);
 - FremantleMedia (+5.0 per cent);
 - and RTL Nederland (+15.4 per cent)
- **Reported EBITA** was up strongly by 13.8 per cent to €182 million (Q3/2014: €160 million), thanks to the performance of Mediengruppe RTL Deutschland (+8.6 per cent) and RTL Nederland (+38.9 per cent)
- **Net profit attributable to RTL Group shareholders** increased by 9.7 per cent to €113 million (Q3/2014: €103 million)

January to September 2015: Mediengruppe RTL Deutschland and digital drive revenue and EBITA

- Reported Group **revenue** increased by 4.9 per cent to €4,141 million (January to September 2014: €3,946 million), reaching a new record level. This result was driven by positive exchange rate effects, the strong performance of Mediengruppe RTL Deutschland (+7.2 per cent); and fast growing digital revenue (+91.1 per cent to €344 million) benefitting from organic growth and new acquisitions
- **Reported EBITA** was up 5.8 per cent to €716 million compared to €677 million in the first nine months of 2014. This increase was mainly driven by Mediengruppe RTL Deutschland. **EBITA margin** at 17.3 per cent (January to September 2014: 17.2 per cent)
- **EBITDA** was up 3.2 per cent to €844 million for the first nine months of 2015 (January to September 2014: €818 million)
- **Net profit attributable to RTL Group shareholders** increased by 52.1 per cent to €464 million (January to September 2014: €305 million).
- **Net cash** from operating activities was €481 million, leading to an operating cash conversion of 75 per cent
- Following the payment of an extraordinary interim dividend of €154 million on 10 September 2015, RTL Group had **net financial debt** of €1,099 million as of 30 September 2015 (30 June 2015: €1,003 million)

Segments: Mediengruppe RTL Deutschland EBITA up by €39 million in the first nine months

- **TV advertising markets** across Europe continued to show signs of improvement over the first nine months of 2015. With the exception of the Netherlands, all European net TV advertising markets in RTL Group's territories were up or stable year-on-year
- During the first nine months of 2015 **Mediengruppe RTL Deutschland's EBITA** increased strongly by 9.3 per cent to €457 million (January to September 2014: €418 million). This improvement was mainly driven by higher TV advertising and diversification revenue
- **Groupe M6's EBITA** was down to €136 million (January to September 2014: €143 million), mainly reflecting lower contribution from the company's diversification business
- **FremantleMedia's EBITA** decreased to €51 million (January to September 2014: €54 million), due to the reduction in *American Idol* and higher investment in the creative pipeline
- **RTL Nederland's EBITA** decreased to €52 million (January to September 2014: €62 million), mainly caused by higher investments in TV and digital
- **RTL Hungary's EBITA** was up to €17 million (January to September 2014: €6 million), driven by one-off effects such as the partial reversal of a stock valuation allowance and the re-claim of the advertising tax paid in 2014

“A very encouraging basis for another successful full year”



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

“During the first nine months of 2015, RTL Group significantly increased revenue, EBITA and net profit, mainly driven by the strong performance of Mediengruppe RTL Deutschland and our rapidly growing digital business. The third quarter 2015 was particularly positive, with revenue and EBITA for RTL Group at record levels. This is a very encouraging basis for another successful full year, despite the challenging comparatives in the fourth quarter.

Looking at our revenue split, digital is now accountable for 8 per cent of RTL Group’s total revenue. For us, TV does not stand for television alone anymore, but for ‘total video’ – and we have built leading market positions across the whole value chain of this total video market. Investments in broadcast, content and digital are transforming our leading European entertainment network into a global force in video production, aggregation and monetisation.”

Digital investments become revenue growth driver

- The businesses within RTL Digital Hub continued to show strong revenue growth. Year on year, in the nine months to 30 September 2015: BroadbandTV was up 62 per cent, StyleHaul was up 98 per cent¹, SpotX was up 53 per cent¹
- In the first nine months of 2015, RTL Group's catch-up TV services, websites and multi-channel networks attracted a total of 71.5 billion online video views, up 193 per cent year-on-year (January to September 2014: 24 billion)
- These businesses do however require on-going investments in order to strengthen their market leading positions and therewith some will generate start-up losses in the near future
- RTL Group currently generates more than 9.5 billion online video views per month
- In November, RTL Group led the most recent funding round for VideoAmp, a US-based platform for cross-screen data optimisation, and holds a 18.9 per cent minority stake on a fully diluted basis once the financing round of Videoamp has been completed.

Continued investments in creative talent

- FremantleMedia is increasing creative diversity within the company – organically and by acquisitions. Over the past months, FremantleMedia made a series of investments, strengthening capabilities in the scripted, entertainment and factual genres:
 - In August, FremantleMedia acquired a 62.5 per cent majority stake in **Wildside**, an Italian TV and feature film production company with the opportunity to buy the remaining shareholding in the future
 - In September, the company invested in **Fontaram**, now holding a 51 per cent majority stake with the opportunity to buy the remaining shareholding in the future
 - In September, FremantleMedia entered into the share capital of **Naked Entertainment** and now owns a 25 per cent stake with the opportunity to buy the remaining shareholding in the future. Naked Entertainment is a start-up production company focusing on entertainment and factual entertainment from multi award-winning producer Simon Andreae
 - In September, FremantleMedia acquired a 75 per cent stake in Dutch business **No Pictures Please**, a factual programming company owned by presenter and producer Ewout Genemans, with the opportunity to buy the remaining shareholding in the future
 - In October, FremantleMedia acquired a 51 per cent majority stake in French scripted producer **Kwaï** with the opportunity to buy the remaining shareholding in the future. The Paris-based fiction company specialises in TV films and series and is headed up by writer and producer Thomas Bourguignon

Outlook

RTL Group raises its revenue outlook given at the half-year results 2015 presentation on 27 August 2015: Assuming there will be no major changes in the economic climate across RTL Group's markets, the Group now expects its total revenue to be moderately up compared to the full year 2014 (previously: to be slightly up).

RTL Group confirms its EBITA outlook given at the half-year results 2015 presentation. The Group still expects full-year reported EBITA to be in line with last year, despite lower contributions from one-off gains in 2015.

JANUARY TO SEPTEMBER 2015

FINANCIAL REVIEW

	January to September 2015 €m	January to September 2014 restated ² €m	Per cent change
Revenue	4,141	3,946	+4.9
Reported EBITA ³	716	677	+5.8
Reported EBITA margin (%)	17.3	17.2	
Reported EBITDA ⁴	844	818	+3.2
Reported EBITDA margin (%)	20.4	20.7	
Reported EBITA	716	677	
Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(2)	(101)	
Re-measurement of earn-out arrangements	3	1	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	4	2	
EBIT	721	579	
Net financial expense	(15)	(24)	
Income tax expense	(195)	(196)	
Profit for the period	511	359	
Attributable to:			
– Non-controlling interests	47	54	
– RTL Group shareholders	464	305	+52.1
Reported EPS (in €)	3.02	1.99	

² All financial data for January to September 2014 restated for impact of IFRIC 21

³ 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

⁴ 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

Revenue

Advertising markets across Europe continued to show signs of improvement over the first nine months of 2015. With the exception of the Netherlands, all European net TV advertising markets in RTL Group's territories were up or stable year-on-year.

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

	Net TV advertising market growth rate January to September 2015 (in per cent)	RTL Group audience share in main target group January to September 2015 (in per cent)	RTL Group audience share in main target group January to September 2014 (in per cent)
Germany	+3.0 to +4.0 ⁵	28.6 ⁶	28.8 ⁶
France	+2.0 ⁷	21.0 ⁸	20.6 ⁸
Netherlands	(0.5) ⁵	31.9 ⁹	31.5 ⁹
Belgium	+0.2 ⁵	36.2 ¹⁰	34.6 ¹⁰
Hungary	+0.4 ⁵	37.3 ¹¹	35.9 ¹¹
Croatia	+0.8 ⁵	26.8 ¹²	25.2 ¹²
Spain	+8.0 ¹³	28.4 ¹⁴	30.1 ¹⁴

During the period January to September 2015, revenue was up by 4.9 per cent to €4,141 million (January to September 2014: €3,946 million). On a like-for-like basis (adjusting for portfolio changes and at constant exchange rates) revenue was up 2.1 per cent to €3,913 million (January to September 2014: €3,832 million).

EBITA and EBITDA

Reported EBITA increased by 5.8 per cent to €716 million (January to September 2014: €677 million), resulting in an EBITA margin of 17.3 per cent (January to September 2014: 17.2 per cent). The Group's EBITDA was €844 million for the first nine months of the year (January to September 2014: €818 million), resulting in an EBITDA margin of 20.4 per cent (January to September 2014: 20.7 per cent).

Group operating expenses were up 4.8 per cent at €3,484 million, compared to €3,323 million for the first nine months of 2014.

Net debt and cash conversion

The consolidated net debt at 30 September 2015 amounted to €1,099 million (30 June 2015 net debt of €1,003 million; 30 September 2014: net debt of €926 million; 31 December 2014: net debt of €599 million). The Group intends to maintain a conservative level of gearing of between 0.5 and 1.0 times net debt to full-year EBITDA in order to benefit from a more efficient capital structure.

The Group continues to generate significant operating cash flow with an EBITA to cash conversion ratio of 75 per cent in the first nine months of 2015 (January to September 2014: 87 per cent).

Net debt position

	As at 30 September 2015 € m	As at 31 December 2014 € m
Gross balance sheet debt	(1,396)	(1,104)
Add: cash and cash equivalents	283	483
Add: cash deposit and others	14	22
Net debt position	(1,099)¹⁵	(599)

⁵ Industry/IREP and RTL Group estimates

⁶ Source: GfK. Target group: 14–59

⁷ Source: Groupe M6 estimate

⁸ Source: Médiamétrie. Target group: housewives under 50 (including digital channels)

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: Infoadex

¹⁴ Source: TNS Sofres. Target group: 16–54

¹⁵ Of which €100 million held by Groupe M6 (as at 31 December 2014: €256 million)

Main portfolio changes

Oxygem

On 9 January 2015 Groupe M6, via its subsidiary M6 Web, acquired the entire share capital of French media group Oxygem. The acquisition of Oxygem allows Groupe M6 to extend the range of topics covered by its websites and will significantly boost its digital presence. Oxygem's websites (including *CuisineAZ.com*, *Passeportsanté.net*, *Radins.com*, *Météocity.com*) are geared towards everyday themes, such as cookery, health, consumer tips and bargains, weather, beauty and slimming and are aimed mainly at women aged under 50.

YoBoHo

On 1 April 2015, BroadbandTV Corp. has 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 holds consequently an interest of 50.3 per cent (36.8 per cent on a fully diluted basis). YoBoHo, based in Mumbai, produces kids-and-family oriented video for distribution across digital platforms.

UFA Sports

On 20 April 2015, RTL Group agreed to fully dispose of the interests held in UFA Sports GmbH and its affiliates (Apareo Holding GmbH, its affiliate Apareo Deutschland GmbH and UFA Sports Asia Pte Ltd excluded).

Wildside

On 7 August 2015, FremantleMedia acquired a 62.5 per cent majority stake in Wildside, an Italian TV and feature film production company. The acquisition strengthens FremantleMedia's prime-time scripted business in the Italian market and bolsters the global content pipeline of FremantleMedia.

No Pictures Please

On 11 September 2015, FremantleMedia acquired a 75 per cent stake in Dutch business No Pictures Please, a factual programming company owned by popular presenter and producer Ewout Genemans. The company will sit alongside FremantleMedia's entertainment and scripted businesses in the Netherlands, Blue Circle and Four One Media.

Naked Entertainment

On 14 September 2015, FremantleMedia entered the share capital of Naked Entertainment and now owns a 25 per cent stake. The newly formed production company from multi award-winning producer, Simon Andrew, is based in London and will develop original entertainment, and factual entertainment formats, with series and one-off specials.

Investments accounted for using the equity method

The total contribution of investments accounted for using the equity method increased to €36 million (January to September 2014: €30 million).

Interest expense

Net interest expense amounted to €18 million (January to September 2014: expense of €20 million).

Income tax expense

In the first nine months of 2015, the tax expense was €195 million (January to September 2014: expense of €196 million).

Profit attributable to RTL Group shareholders

The profit for the period attributable to RTL Group shareholders was up 52.1 per cent to €464 million (January to September 2014: €305 million).

Earnings per share

Reported earnings per share, based upon 153,593,380 shares, was €3.02 (January to September 2014: €1.99 per share, based on 153,591,437 shares).

Major related party transactions

The major related party transactions can be found in note 14 to the condensed consolidated interim financial information.

Subsequent Events

See note 15 to the condensed consolidated interim financial information.

Outlook

RTL Group raises its revenue outlook given at the half-year results 2015 presentation on 27 August 2015: Assuming there will be no major changes in the economic climate across RTL Group's markets, the Group now expects its total revenue to be moderately up compared to the full year 2014 (previously: to be slightly up).

RTL Group confirms its EBITA outlook given at the half-year results 2015 presentation: The Group still expects full-year reported EBITA to be in line with last year, despite lower contributions from one-off gains in 2015.

JANUARY TO SEPTEMBER 2015

REVIEW BY SEGMENT

Revenue	January to September 2015 €m	January to September 2014 restated ¹⁶ €m	Per cent change
Mediengruppe RTL Deutschland	1,466	1,368	+7.2
Groupe M6	898	935	(4.0)
FremantleMedia	1,014	982	+3.3
RTL Nederland	331	315	+5.1
RTL Belgium	147	141	+4.3
RTL Radio (France)	113	112	+0.9
Other segments	329	229	+43.7
Eliminations	(157)	(136)	n.a.
Total revenue	4,141	3,946	+4.9

EBITA	January to September 2015 €m	January to September 2014 restated ¹⁶ €m	Per cent change
Mediengruppe RTL Deutschland	457	418	+9.3
Groupe M6	136	143	(4.9)
FremantleMedia	51	54	(5.6)
RTL Nederland	52	62	(16.1)
RTL Belgium	32	29	+10.3
RTL Radio (France)	6	4	+50.0
Other segments	(17)	(33)	+48.5
Eliminations	(1)	–	n.a.
Reported EBITA	716	677	+5.8

EBITA margins	January to September 2015 per cent	January to September 2014 restated ¹⁶ per cent	Percentage point change
Mediengruppe RTL Deutschland	31.2	30.6	+0.6
Groupe M6	15.1	15.3	(0.2)
FremantleMedia	5.0	5.5	(0.5)
RTL Nederland	15.7	19.7	(4.0)
RTL Belgium	21.8	20.6	+1.2
RTL Radio (France)	5.3	3.6	+1.7
RTL Group	17.3	17.2	+0.1

¹⁶ All financial data for January to September 2014 restated for impact of IFRIC 21

Q3 / 2015

FINANCIAL REVIEW

	Q3/2015 €m	Q3/2014 restated ¹⁷ €m	Per cent change
Revenue	1,353	1,259	+7.5
Reported EBITA	182	160	+13.8
Reported EBITA margin (%)	13.5	12.7	
Reported EBITDA	216	206	+4.9
Reported EBITDA margin (%)	16.0	16.4	
Reported EBITA	182	160	
Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(4)	(1)	
EBIT	178	159	
Net financial expense	(5)	(9)	
Income tax expense	(50)	(37)	
Profit for the period	123	113	
Attributable to:			
– Non-controlling interests	10	10	
– RTL Group shareholders	113	103	+9.7
Reported EPS (in €)	0.74	0.67	

Revenue

During the third quarter of 2015, revenue was up 7.5 per cent to €1,353 million (Q3/2014: €1,259 million). Mediengruppe RTL Deutschland reported strong revenue growth of 6.8 per cent in the quarter thanks to continued growth in the overall TV advertising market. FremantleMedia reported revenue growth of 5.0 per cent, while RTL Nederland reported strong revenue growth of 15.4 per cent, driven by an improving TV advertising market. Revenue growth in the “Other Segments” rose 40.0 per cent in the quarter, once again driven by the Groups digital businesses, BroadbandTV, StyleHaul and SpotX, due to both organic growth and the timing of consolidation effects.

EBITA and EBITDA

Reported EBITA increased strongly by 13.8 per cent to €182 million (Q3/2014: €160 million). Group operating expenses were at €1,184 million (Q3/2014: €1,112 million). Reported EBITDA increased 4.9 per cent to €216 million (Q3/2014: €206 million).

¹⁷ All financial data for Q3/2014 restated for impact of IFRIC 21

Q3 / 2015

REVIEW BY SEGMENT

Revenue	Q3/2015 €m	Q3/2014 restated ¹⁸ €m	Per cent change
Mediengruppe RTL Deutschland	471	441	+6.8
Groupe M6	266	265	+0.4
FremantleMedia	377	359	+5.0
RTL Nederland	105	91	+15.4
RTL Belgium	43	39	+10.3
RTL Radio (France)	35	32	+9.4
Other segments	105	75	+40.0
Eliminations	(49)	(43)	n.a.
Total revenue	1,353	1,259	+7.5

EBITA	Q3/2015 €m	Q3/2014 restated ¹⁸ €m	Per cent change
Mediengruppe RTL Deutschland	114	105	+8.6
Groupe M6	31	32	(3.1)
FremantleMedia	23	25	(8.0)
RTL Nederland	25	18	+38.9
RTL Belgium	6	3	+100.0
RTL Radio (France)	(1)	(3)	+66.7
Other segments	(16)	(20)	+20.0
Eliminations	–	–	n.a.
Reported EBITA	182	160	+13.8

EBITA margins	Q3/2015 per cent	Q3/2014 restated ¹⁸ per cent	Percentage point change
Mediengruppe RTL Deutschland	24.2	23.8	+0.4
Groupe M6	11.7	12.1	(0.4)
FremantleMedia	6.1	7.0	(0.9)
RTL Nederland	23.8	19.8	+4.0
RTL Belgium	14.0	7.7	+6.3
RTL Radio (France)	(2.9)	(9.4)	+6.5
RTL Group	13.5	12.7	+0.8

¹⁸ All financial data for Q3/2014 restated for impact of IFRIC 21

MEDIENGRUPPE RTL DEUTSCHLAND

Financial results

In the reporting period, the German net TV advertising market was estimated to be up between 3.0 per cent and 4.0 per cent year-on-year. Mediengruppe RTL Deutschland outperformed the TV advertising market and also generated higher diversification revenue. As a result, Mediengruppe RTL Deutschland increased its total revenue significantly by 7.2 per cent to €1,466 million (January to September 2014: €1,368 million). Accordingly, EBITA was up strongly by 9.3 per cent, reaching €457 million (January to September 2014: €418 million) – the best ever nine-month operating profit of the unit.

	January to September 2015 €m	January to September 2014 restated €m	Per cent change
Revenue	1,466	1,368	+7.2
EBITDA	467	429	+8.9
EBITA	457	418	+9.3

Audience ratings

In the first nine months of 2015, the channels of **Mediengruppe RTL Deutschland** scored a combined audience share of 28.6 per cent in the target group of viewers aged 14 to 59 (January to September 2014: 28.8 per cent), ahead of the ProSiebenSat.1 channels which scored a combined audience share of 26.7 per cent.

RTL Television remained the clear market leader in the target group, attracting an audience share of 12.3 per cent (January to September 2014: 12.6 per cent), ahead of Sat 1 (9.6 per cent), ProSieben (8.3 per cent), ZDF (7.8 per cent) and ARD/Das Erste (7.7 per cent).

The most-popular programme on RTL Television in the reporting period was the Uefa European Football Championship Qualifier between Germany and Scotland on 7 September 2015, with a total of 11.97 million viewers. The average audience share among viewers aged 14 to 59 was 38.0 per cent. The ninth season of *Ich bin ein Star – Holt mich hier raus!* (I'm A Celebrity – Get Me Out Of Here!) once again proved successful, with an average audience share of 35.9 per cent in the target group of viewers aged 14 to 59, making it the most watched serial TV format in this demographic in the reporting period.



From January until September, **Vox**'s average audience share in the target group of viewers aged 14 to 59 was 6.5 per cent (January to September 2014: 6.7 per cent). The music show *Sing meinen Song – Das Tauschkonzert* was especially popular, with an average audience share of 11.1 per cent in the target group of viewers aged 14 to 59. In total, the second season of *Die Höhle der Löwen* attracted an average of 11.7 per cent of viewers in the target group.

RTL II's average audience share among viewers aged 14 to 59 proved solid at 5.3 per cent (January to September 2014: 5.4 per cent). Shows such as *Köln 50667* and *Berlin – Tag & Nacht* continued to be popular in access prime time. Other popular formats included the docu soaps *Die Geissens*, *Die Reimanns* and *Daniela Katzenberger – Mit Lucas im Babyglück*.

RTL Nitro continues its growth and attracted an average 1.9 per cent of viewers aged 14 to 59 during the first nine months of 2015, up from 1.5 per cent in the same period in 2014.

Super RTL achieved an average daytime audience share of 19.5 per cent in its target group of children aged 3 to 13 (January to September 2014: 20.2 per cent, 6:00 to 20:15) and continued to be the most popular commercial children's channel in Germany, ahead of Nickelodeon (9.5 per cent) and Disney Channel (9.3 per cent). In September, Super RTL started broadcasting *Puss In Boots*, another promising series from the output deal with Dreamworks.

The news channel **N-TV** attracted 1.0 per cent (January to September 2014: 1.0 per cent) of viewers aged 14 to 59.

Digital and diversification

RTL Interactive is responsible for diversification activities within Mediengruppe RTL Deutschland, including digital content and services.

During the first nine months of 2015, Mediengruppe RTL Deutschland's family of catch-up services – combined with the clip portal *Clipfish.de*, Clipfish Music HbbTV and the unit's channel and thematic websites – generated a total of 878 million video views of professionally produced content (compared to 2014: 855 million). Around 21 per cent of these views were generated on mobile devices.

GROUPE M6

Financial results

In the first nine months of 2015, Groupe M6's revenue was down to €898 million (January to September 2014: €935 million), mainly due to the scope effect of Mistergooddeal which was sold in March 2014 and lower revenue from the home shopping unit HSS. This was partly offset by higher advertising revenue from 6ter and the acquisition of Oxygem. Accordingly, EBITA decreased to €136 million (January to September 2014: €143 million), mainly reflecting lower EBITA contributions from the company's diversification businesses. The French net TV advertising market was slightly up by an estimated 2.0 per cent compared to the first nine months of 2014.

	January to September 2015 € m	January to September 2014 restated € m	Per cent change
Revenue	898	935	(4.0)
EBITDA	219	223	(1.8)
EBITA	136	143	(4.9)

Audience ratings

Groupe M6's combined audience share was 21.0 per cent in the key commercial target group of women under 50 responsible for purchases during the first nine months of 2015 (January to September 2014: 20.6 per cent).

In the first nine months of 2015, flagship channel M6 scored an average audience share of 15.2 per cent in the target group of women under 50 responsible for purchases (January to September 2014: 15.6 per cent). The tenth season of *L'Amour est dans le pré* scored an audience share of 34.2 per cent in the target group, making it the leading programme in terms of both target group and total audience. In access prime time, *Le 19.45* was still the leading news programme among women under 50 responsible for purchases (with an average audience share of 20.7 per cent) and *Scènes de Ménages* remained the most watched programme in the target group in its time slot.

W9 slightly increased its audience share to an average 3.8 per cent of women under 50 responsible for purchases (January to September 2014: 3.7 per cent). W9 was the most-watched DTT channel in prime time and scored a new DTT record with 4.1 million viewers tuning in to the Fifa women's world cup game between France and Germany.

In the target group of women under 50 responsible for purchases, 6ter remained the leading channel among the six DTT channels launched in December 2012, attracting an average audience share of 2.0 per cent – up from 1.3 per cent in the first nine months of 2014. Popular formats include *Norbert Commis d'Office*, movies, *Once Upon A Time* and *Storage Wars*.

Digital and diversification

During the first nine months of 2015, Groupe M6's total video views grew significantly to 871 million (January to September 2014: 783 million), mainly driven by 6play's success and the development of Groupe M6's multi-channel networks (Golden Moustache, Rose Carpet). In March 2015, 6play achieved a new record with more than 80 million views, mainly driven by the performances of its exclusive digital channels.



FREMANTLEMEDIA

Financial results

Revenue at RTL Group’s content business, FremantleMedia, increased to €1,014 million (January to September 2014: €982 million), mainly due to positive exchange rate effects. EBITA was down to €51 million (January to September 2014: €54 million), reflecting the reduction in *American Idol* and increased investment in the creative pipeline.

	January to September 2015 € m	January to September 2014 restated € m	Per cent change
Revenue	1,014	982	+3.3
EBITDA	64	79	(19.0)
EBITA	51	54	(5.6)

Production business

FremantleMedia is increasing creative diversity within the company – organically and by acquisitions. Over the past months, FremantleMedia made a series of investments, strengthening capabilities in the scripted, entertainment and factual genres. During the reporting period, FremantleMedia invested in a total of five production companies: Corona TV, Wildside, Fontaram, Naked Entertainment and No Pictures Please.

Non-scripted

American Idol series 14 was once again the leading entertainment series on Fox so far this year, winning an average total audience of 10.8 million viewers. The series has been Fox’s number one entertainment show for the past ten years. The tenth series of *America’s Got Talent* attracted an average audience share of 10.3 per cent among viewers aged 18 to 49 on NBC, making it once again the highest rated summer entertainment show in the United States.

La Banda, a new music reality competition developed by FremantleMedia, Syco Entertainment, Saban Brands and Univision Network, launched on Univision in September 2015 and ranked number two in its time slot in LA, Miami and Houston. The series has grown week-on-week to hit a series high audience of 3.0 million in the fourth episode.



Britain's Got Talent, airing in its ninth season from April to May 2015, was the country's highest rated show of the year so far. The series was watched by an average 10.5 million viewers and won an average audience share of 51.1 per cent among viewers aged 16 to 34.

Airing its 12th season from January to May, *Deutschland sucht den Superstar* (Idols) won an average 4.1 million viewers, averaging an audience share of 19.0 per cent among viewers aged 14 to 59.

The second series of *Master Athletes* won an average audience share of 23.4 per cent in the target group of viewers aged 12 to 59, increasing the audience by 83 per cent since the launch episode. The final was Sweden's number one show of the day and doubled the audience of its nearest time slot competitor.

Who Knew?, a new game show produced by UFA Show and Factual, launched on the German public broadcaster Das Erste in July 2015, ranking number one in its timeslot across the series. The weekend long version was Germany's highest rated Saturday night game show launch in eight years.

Scripted

In June, the US cable channel Starz gave the go-ahead to FremantleMedia North America's adaptation of Neil Gaiman's acclaimed contemporary fantasy novel *American Gods*.

FremantleMedia International (FMI) secured multi-territory pre-sales for UFA Fiction's *Deutschland 83* including a partnership with Sundance TV that saw the inspired Cold War drama become the first German-language series to air on a major US network. FMI subsequently announced sales of the drama series *Deutschland 83* to 20 channels and platforms, including Canal Plus (France), Channel Four (UK), Channel One (Russia), Sky Italia (Italy), Hulu (US), RTL Klub (Hungary) and Hotvision (Israel).

Modus, the new drama from Miso Film, launched on TV4 in Sweden in September drawing in 1.3 million viewers and was TV4's highest rated drama launch in over two years and number one in its time slot across all key demographics.

Kids & Family

In September, the eagerly-anticipated reimagining of animated adventure series *Danger Mouse* launched on CBBC in the UK. The new series launched to both critical acclaim and strong results, becoming CBBC's highest rated launch show in over two years. *Danger Mouse* was also number one in its timeslot for Children aged 6 to 12 across all multi channels.

Digital

Europe's leading multi-channel network Divimove attracts over 1.5 billion views a month and has 115 million subscribers across its 1,600 digital influencers in six countries. The talent network has more than 250 million social media fans.

FremantleMedia's YouTube presence continued to reach new heights throughout the first nine months of 2015:

- FremantleMedia content had 9.6 billion views in January to September 2015 (January to September 2014: 3.7 billion) and a total of 26 million subscribers.
- FremantleMedia now has more than 230 YouTube channels with 36 new channels launched so far in 2015, including *The Farmer Wants A Wife Bulgaria*, *Mongolia's Got Talent*, *Family Feud Romania*, *Cambodian Idol* and *X Factor Lithuania*

In April, Ludia, launched the highly anticipated *Jurassic World: The Game*, which achieved 16 million downloads since its launch. In the first nine months of 2015, Ludia reached over 661 million active users across all platforms and its games were downloaded 61 million times during the same period.

RTL NEDERLAND

Financial results

Total revenue of RTL Nederland increased to €331 million (January to September 2014: €315 million), due to higher revenue from the lower margin diversification business. This, along with higher costs in the TV and digital business, resulted in declining EBITA amounting to €52 million (January to September 2014: €62 million). The Dutch net TV advertising market was estimated to be down 0.5 per cent year-on-year, recovering compared to the first half of the year.

	January to September 2015 € m	January to September 2014 restated € m	Per cent change
Revenue	331	315	+5.1
EBITDA	58	66	(12.1)
EBITA	52	62	(16.1)

Audience ratings

During the first nine months of 2015, the combined prime-time audience share of RTL Nederland's channels in the target group of viewers aged 20 to 49 was up to 31.9 per cent (January to September 2014: 31.4 per cent), clearly ahead of the public broadcasters (24.4 per cent) and the SBS group (21.0 per cent).

RTL Nederland's flagship channel, RTL 4, registered an average audience share of 18.9 per cent in the target group of shoppers aged 20 to 49 (January to September 2014: 18.6 per cent). Popular programmes included *The Voice Of Holland Blind Auditions*, *Divorce*, the daily drama *Goede Tijden, Slechte Tijden* and *Familie Kruys*.

RTL 5 achieved an audience share of 6.2 per cent among viewers aged 20 to 34 in the reporting period (January to September 2014: 6.1 per cent). Popular programmes included *Expeditie Robinson*, *Bizarre Eters*, *Peter R. De Vries Internetpesters Aangepakt*, *Holland's Next Top Model* and movies such as *Taken 2*.

The men's channel RTL 7 scored an average audience share of 6.3 per cent among male viewers aged 20 to 49 in the first nine months of 2015 (January to September 2014: 6.7 per cent). During the first nine months of 2015, the women's channel RTL 8 attracted an average audience share of 3.5 per cent among women aged 20 to 49 (January to September 2014: 3.6 per cent). Among the most popular formats were *CSI: Miami*, *Crime Scene Investigation* and movies such as *The Terminal* and *Letters To Juliet*.

The newest channel in RTL Nederland's portfolio, RTL Z, launched on 7 September 2015. With not 100 per cent distribution yet, the share in the upper socio-demographic category of professionals aged 25 to 59 was 0.4 per cent.

Digital and diversification

RTL Nederland's network of websites generated a total 543 million video views¹⁹ (including video views on YouTube and RTL MCN) in the first nine months of 2015 (January to September 2014: 443 million²⁰). The most popular formats were *The Bold & The Beautiful*, *RTL Nieuws* and all video content related to the daily soap *Goede Tijden, Slechte Tijden*. 62 per cent of these online video views were generate via mobile (January to September 2014: 48 per cent)



¹⁹ Playlist starts
²⁰ Due to a change in measurement, this figure is different to the one published in the half-year report 2014

RTL BELGIUM

Financial results

Due to higher TV revenue, RTL Belgium's revenue was up to €147 million (January to September 2014: €141 million), while EBITA was up to €32 million. The net TV advertising market in Belgium was estimated to be stable in the reporting period.

	January to September 2015 € m	January to September 2014 restated € m	Per cent change
Revenue	147	141	+4.3
EBITDA	35	33	+6.1
EBITA	32	29	+10.3

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 (January to September 2014: 34.6 per cent). RTL Belgium's lead over the public channels (La Une and La Deux) remained high at 17.7 percentage points.

The market-leading channel in French-speaking Belgium, **RTL-TVI**, achieved an average prime-time audience share of 25.9 per cent in the target group (January to September 2014: 25.1 per cent), 9.6 percentage points ahead of the second highest-rated channel, the French commercial broadcaster TF1. **Club RTL** reported a prime-time audience share of 6.0 per cent among male viewers aged 18 to 54 (January to September 2014: 7.0 per cent), while **Plug RTL** increased prime-time audience share strongly in the first nine months of 2015 to 7.4 per cent in its main target group of young viewers aged 15 to 34 (January to September 2014: 4.5 per cent).

According to the most recent CIM audience survey, covering April to June 2015, the Belgian radio family increased its audience share of 31 per cent (April to June 2014: 26.5 per cent). **Bel RTL** was the number two general-interest radio station in the French Community (audience share: 14.1 per cent) and **Radio Contact** was the leading music radio station (audience share: 12.9 per cent).

Digital and diversification

In the first nine months of 2015, the number of unique visitors on the *RTLInfo.be* website has increased to 275,324 per day (January to September 2014: 267,032). RTL Belgium reached an average of 10 million video views every month, for a total of 89 million video views in the reporting period.

RTL RADIO (FRANCE)

Financial results

Revenue of the French RTL radio family increased to €113 million (January to September 2014: €112 million), while EBITA increased strongly to €6 million (January to September 2014: €4 million). The net radio advertising market in France declined by an estimated 2.3 per cent compared to the same period in 2014.

	January to September 2015 € m	January to September 2014 restated € m	Per cent change
Revenue	113	112	+0.9
EBITDA	9	7	+28.6
EBITA	6	4	+50.0

Audience ratings

The latest audience survey by Médiamétrie for the period July to August 2015²¹ showed a cumulated audience on the French radio market of 77.9 per cent: during this period 77.9 per cent of all French people aged 13 and older listened to at least one minute of radio programme. The combined audience share of RTL Group's French family of radio stations was 18.4 per cent.

The audience share of the flagship station **RTL Radio** was 11.3 per cent, reaching 5.6 million of listeners a day. RTL Radio was the leading French radio station, 4.4 percentage points ahead of the next commercial competitor.

Fun Radio reached 3.3 million listeners a day and its audience share was 3.7 per cent.

RTL 2 reached 2.4 million listeners a day. The station's audience share was 3.4 per cent.

Digital and diversification

According to the latest available Médiamétrie results, covering the first eight months of the year 2015, *RTL.fr* has confirmed its position as the leading radio website in France, achieving an average of 3.0 million unique visitors per month compared to 3.2 million for the same period of 2014 in a context where radio site traffic has decreased by 8 per cent year-on-year.

²¹ Due to a change in methodology by Médiamétrie, audience figures are not comparable to previous audience figures

OTHER SEGMENTS

This section comprises the fully consolidated businesses RTL Hungary, RTL Hrvatska (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 SpotX, BroadbandTV and StyleHaul, bundled in the RTL Digital Hub.

Revenue of **RTL Hungary** remained stable at €68 million (January to September 2014: €68 million), while EBITA was strongly up to €17 million (January to September 2014: €6 million), mainly due to one-off effects such as the partial reversal of stock valuation allowance and the re-claim of the advertising tax paid in 2014. The Hungarian TV advertising market was estimated to be slightly up 0.4 per cent over the reporting period, compared to the first nine months of 2014.

With a combined average prime-time audience share²² of 37.3 per cent among viewers aged 18 to 49 (January to September 2014: 35.9 per cent), the gap between the Hungarian RTL family of channels and its competitor TV 2 Group increased to 22.7 percentage points (January to September 2014: 18.2 percentage points). Flagship channel **RTL Klub** attracted an average 20.0 per cent of viewers aged 18 to 49 in prime time (January to September 2014: 19.9 per cent), 8.9 percentage points ahead of its closest commercial competitor TV 2 (January to September 2014: lead of 5.1 percentage points). The news show *Hirado* was watched by an average 21.0 per cent of the target group (January to September 2014: 18.5 per cent), making it the most popular news show in the country. **RTL Hungary's cable channels** achieved a combined prime-time audience share of 17.3 per cent in the target group (January to September 2014: 16.0 per cent).

The catch-up TV service **RTL Most** is the leading local brand for professionally produced online video content. The service registered 25 million video views in the reporting period (January to September 2014: 46 million video views). The decrease was mainly due to the different broadcast schedule of the reality format *Való Világ* compared to the previous year.

RTL Hrvatska: Revenue of RTL Hrvatska was stable at €23 million (January to September 2014: €23 million), with EBITA being stable at a loss of €1 million. In Croatia, the TV advertising market was estimated to be up slightly 0.8 per cent.

In March 2015, RTL Hrvatska launched three new channels: RTL Passion, RTL Crime and RTL Living. The new channels replace RTL Plus – Croatia's first IPTV channel – which was founded in 2008, and are available from more than 90 per cent of cable and IPTV operators. The company now operates three free-to-air and three pay-TV channels – more than any competitor.

RTL Hrvatska's channels achieved a combined prime-time audience share of 26.8 per cent in the target group of viewers aged 18 to 49 (January to September 2014: 25.2 per cent). This increase was driven by a stronger performance of the two main channels, RTL Televizija and RTL 2. The flagship channel **RTL Televizija** recorded a prime-time audience share of 19.2 per cent (January to September 2014: 17.8 per cent), while **RTL 2** recorded an audience share of 6.6 per cent (January to September 2014: 6.2 per cent). RTL Hrvatska's children's channel, **RTL Kockica**, achieved an average daytime (7:00 to 20:00) audience share of 15.2 per cent in the target group of children aged 4 to 14 (January to September 2014: 18.0 per cent).

RTL Hrvatska websites registered 11.4 million online video views during the reporting period (January to September 2014: 6.2 million), including 2.2 million video views from its catch-up TV platform, **RTL Sada**. The service provides the opportunity for time-shifted viewing of all locally produced shows from RTL Televizija, RTL 2 and RTL Kockica as well as some web-only content.



²² Since 1 January 2015, the Hungarian audience figures include time-shifted viewing within a seven-day period after broadcast.

Atresmedia in Spain: According to Infoadex estimates, the Spanish TV advertising market grew by 8.0 per cent year-on-year. Atresmedia's net revenue increased by 11.4 per cent to €698 million (January to September 2014: €626 million), while first-half operating profit (EBITDA) was up 42.9 per cent to €120 million (January to September 2014: €84 million), driven by higher revenue, partly balanced by higher costs. Atresmedia has announced a net profit for the reporting period of €69 million (January to September 2014: €47 million).

In the first nine months of 2015, Atresmedia's family of channels recorded an audience share of 28.4 per cent in the target group (January to September 2014: 30.1). This decline was mainly due to the closure of three channels in May 2014. Flagship channel Antena 3 achieved an audience share of 13.2 per cent in the target group (January to September 2014: 13.7 per cent) and Atresmedia's second largest channel, La Sexta, reached 8.0 per cent of the target audience, up from 7.6 per cent in the first nine months of 2014.

Atresmedia's contribution to RTL Group's EBITA amounted to €14 million (January to September 2014: €9 million).

Reported revenue from **RTL Radio Deutschland** was slightly down to €35 million (January to September 2014: €36 million), while EBITA remained stable at €4 million.

RTL Digital Hub

In June 2015, RTL Group announced the creation of the RTL Digital Hub, a new unit that bundles the company's recent investments in the online video segment, in particular BroadbandTV, StyleHaul and SpotX. RTL Digital Hub also includes the BroadbandTV subsidiary YoBoHo and the shareholding in Clypd, a company specialising in the automated sale of TV advertising.

In September, SpotXchange rebranded itself from SpotXchange to **SpotX**. It continues to grow strongly and is working closely with RTL Group to leverage synergies and shared knowledge as the business expands into Europe. From January to September 2015, SpotX increased its net revenue by 62 per cent²³. In the reporting period, SpotX registered an average of 114 million ad impressions each day (January to September 2014: 60 million). More than 5 billion video ad decisions are processed daily via SpotX (January to September 2014: 2 billion).

BroadbandTV is the number two multi-channel network (MCN) on YouTube worldwide, with over 44,000 channels and 5.7 billion monthly views (including YoBoHo). In January to September 2015, BroadbandTV registered a total of 38.1 billion video views – up 134 per cent from January to September 2014. BroadbandTV's revenue was up 85 per cent compared to the same period in 2014.

With nearly 6,000 creators, **StyleHaul** is the leading multichannel network for beauty, fashion and women's lifestyle. In the first nine months of 2015, StyleHaul registered a total of 11.4 billion video views – up 82 per cent compared to January to September 2014. In the reporting period, StyleHaul increased its revenue by 98 per cent²³.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

for the periods to 30 September

	Three months ended 30 September		Nine months ended 30 September	
	2015 € m	2014 Restated ²⁴ € m	2015 € m	2014 Restated ²⁴ € m
Revenue	1,353	1,259	4,141	3,946
Other operating income	6	7	26	25
Consumption of current programme rights	(459)	(441)	(1,396)	(1,293)
Depreciation, amortisation and impairment	(39)	(48)	(135)	(144)
Other operating expenses	(686)	(623)	(1,953)	(1,886)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(4)	(1)	(2)	(101)
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	–	4	2
Profit from operating activities	171	153	685	549
Share of results of investments accounted for using the equity method	7	6	36	30
Earnings before interest and taxes (“EBIT”)	178	159	721	579
Interest income	1	2	5	6
Interest expense	(8)	(8)	(23)	(26)
Financial results other than interest	2	(3)	3	(4)
Profit before taxes	173	150	706	555
Income tax expense	(50)	(37)	(195)	(196)
Profit for the period	123	113	511	359
Attributable to:				
RTL Group shareholders	113	103	464	305
Non-controlling interests	10	10	47	54
Profit for the period	123	113	511	359
EBITA²⁵	182	160	716	677
Impairment of goodwill of subsidiaries	–	–	–	(88)
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(4)	(1)	(2)	(13)
Re-measurement of earn-out arrangements	–	–	3	1
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	–	4	2
Earnings before interest and taxes (“EBIT”)	178	159	721	579
Earnings per share (in €)				
– Basic	0.74	0.67	3.02	1.99
– Diluted	0.74	0.67	3.02	1.99

²⁴ See note 2²⁵ 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

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 September

	Three months ended 30 September		Nine months ended 30 September	
	2015 € m	2014 Restated ²⁶ € m	2015 € m	2014 Restated ²⁶ € m
Profit for the period	123	113	511	359
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Re-measurement of post-employment benefit obligations	1	(16)	6	(42)
Income tax	–	4	(1)	9
	1	(12)	5	(33)
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences	(7)	12	23	9
Effective portion of changes in fair value of cash flow hedges	(11)	48	23	54
Income tax	3	(15)	(8)	(16)
	(8)	33	15	38
Change in fair value of cash flow hedges transferred to profit or loss	(9)	(1)	(23)	(1)
Income tax	3	1	7	1
	(6)	–	(16)	–
Fair value gains/(losses) on available-for-sale financial assets	(2)	–	(2)	(5)
Income tax	(1)	–	–	–
	(3)	–	(2)	(5)
	(24)	45	20	42
Other comprehensive income/(loss) for the period, net of income tax	(23)	33	25	9
Total comprehensive income for the period	100	146	536	368
Attributable to:				
RTL Group shareholders	89	136	487	315
Non-controlling interests	11	10	49	53
Total comprehensive income for the period	100	146	536	368

²⁶ See note 2

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	30 September 2015 €m	31 December 2014 restated ²⁷ €m
Non-current assets			
Programme and other rights		94	93
Goodwill		2,947	2,867
Other intangible assets		211	199
Property, plant and equipment		349	337
Investments accounted for using the equity method	8.	383	381
Loans and other financial assets		183	192
Deferred tax assets		354	395
		4,521	4,464
Current assets			
Programme rights		1,171	1,028
Other inventories		19	15
Income tax receivable		62	56
Accounts receivable and other financial assets	14.	1,680	1,702
Cash and cash equivalents		283	483
		3,215	3,284
Assets classified as held for sale	9.	–	4
Current liabilities			
Loans and bank overdrafts		881	583
Income tax payable		36	42
Accounts payable	14.	2,400	2,459
Provisions		116	166
		3,433	3,250
Net current assets		(218)	38
Non-current liabilities			
Loans	14.	515	521
Accounts payable		442	396
Provisions		245	250
Deferred tax liabilities		58	60
		1,260	1,227
Net assets		3,043	3,275
Equity attributable to RTL Group shareholders		2,612	2,828
Equity attributable to non-controlling interests		431	447
Equity		3,043	3,275

²⁷ See note 2

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 September

	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 2014	192	(44)	(168)	(8)	85	3,102	3,159	434	3,593
Total comprehensive income:									
Profit for the period	-	-	-	-	-	305	305	54	359
Foreign currency translation differences	-	-	9	-	-	-	9	-	9
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	38	-	-	38	-	38
Fair value gains/(losses) on available-for-sale financial assets, net of tax	-	-	-	-	(5)	-	(5)	-	(5)
Re-measurement of post-employment benefit obligations, net of tax	-	-	-	-	-	(32)	(32)	(1)	(33)
	-	-	9	38	(5)	273	315	53	368
Capital transactions with owners:									
Dividends	-	-	-	-	-	(999)	(999)	(72)	(1,071)
Equity-settled transactions, net of tax	-	-	-	-	-	3	3	2	5
(Acquisition)/disposal of treasury shares	-	(7)	-	-	-	-	(7)	-	(7)
Transactions on non-controlling interests without a change in control	-	-	-	-	-	1	1	4	5
Transactions on non-controlling interests with a change in control	-	-	-	-	-	(16)	(16)	(2)	(18)
Derivatives on equity instruments	-	-	-	-	-	(2)	(2)	(3)	(5)
Transactions on treasury shares of associates	-	-	-	-	-	12	12	-	12
	-	(7)	-	-	-	(1,001)	(1,008)	(71)	(1,079)
Balance at 30 September 2014 (restated²⁸)	192	(51)	(159)	30	80	2,374	2,466	416	2,882
Balance at 1 January 2015 (restated²⁸)	192	(45)	(149)	42	77	2,711	2,828	447	3,275
Total comprehensive income:									
Profit for the period	-	-	-	-	-	464	464	47	511
Foreign currency translation differences	-	-	22	-	-	-	22	1	23
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	15	-	-	15	-	15
Change in fair value of cash flow hedges transferred to profit or loss, net of tax	-	-	-	(16)	-	-	(16)	-	(16)
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	-	-	-	-	-	4	4	1	5
	-	-	22	(1)	(2)	468	487	49	536
Capital transactions with owners:									
Dividends	-	-	-	-	-	(691)	(691)	(71)	(762)
Equity-settled transactions, net of tax	-	-	-	-	-	3	3	3	6
(Acquisitions)/disposal of treasury shares	-	(3)	-	-	-	-	(3)	-	(3)
Transactions on non-controlling interests without a change in control	-	-	-	-	-	(5)	(5)	2	(3)
Transactions on non-controlling interests with a change in control	-	-	-	-	-	(6)	(6)	2	(4)
Derivatives on equity instruments	-	-	-	-	-	(1)	(1)	(1)	(2)
	-	(3)	-	-	-	(700)	(703)	(65)	(768)
Balance at 30 September 2015	192	(48)	(127)	41	75	2,479	2,612	431	3,043

28 See note 2

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 September

	Three months ended 30 September		Nine months ended 30 September	
	2015 € m	2014 Restated ²⁹ € m	2015 € m	2014 Restated ²⁹ € m
Cash flows from operating activities				
Profit before taxes	173	150	706	555
Adjustments for:				
– Depreciation and amortisation	38	46	138	143
– Value adjustments, impairment and provisions	12	7	39	143
– Share-based payments expenses	3	2	7	5
– Gain on disposal of assets	(3)	(4)	(7)	(7)
– Financial results including net interest expense and share of results of investments accounted for using the equity method	3	4	20	22
Use of provisions	(23)	(24)	(83)	(74)
Working capital changes	(5)	(11)	(129)	(74)
Income taxes paid	(12)	(135)	(210)	(277)
Net cash from operating activities	186	35	481	436
Cash flows from investing activities				
Acquisitions of:				
– Programme and other rights	(29)	(27)	(77)	(78)
– Subsidiaries, net of cash acquired	(19)	(107)	(64)	(130)
– Other intangible and tangible assets	(36)	(26)	(95)	(63)
– Other investments and financial assets	(6)	(1)	(23)	(23)
Current deposit with shareholder	–	–	–	(75)
	(90)	(161)	(259)	(369)
Proceeds from the sale of intangible and tangible assets	5	4	15	14
Disposal of other subsidiaries, net of cash disposed of	–	–	2	–
Proceeds from the sale of investments accounted for using the equity method, other investments and financial assets	3	–	47	4
Current deposit with shareholder	–	–	–	75
Interest received	1	2	4	5
	9	6	68	98
Net cash used in investing activities	(81)	(155)	(191)	(271)
Cash flows from financing activities				
Interest paid	(2)	(1)	(18)	(26)
Transactions with non-controlling interests	(9)	(1)	(2)	–
Acquisition of treasury shares	(1)	(4)	(3)	(7)
Term loan facility due to shareholder	38	441	278	713
Proceeds from loans	7	–	14	8
Repayment of loans	(3)	(3)	(7)	(7)
Dividends paid	(167)	(321)	(764)	(1,071)
Net cash from/(used in) financing activities	(137)	111	(502)	(390)
Net decrease in cash and cash equivalents	(32)	(9)	(212)	(225)
Cash and cash equivalents and bank overdrafts at beginning of period	310	327	479	540
Effect of exchange rate fluctuation on cash held	(2)	–	9	3
Cash and cash equivalents and bank overdrafts at end of period	276	318	276	318

²⁹ See note 2

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 2014.

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 on 11 November 2015 by the Audit Committee upon delegation granted by the Board of Directors.

2. SIGNIFICANT ACCOUNTING POLICIES

Changes in accounting policy

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

- IFRIC 21, “Levies”, sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37, “Provisions”. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The adoption of IFRIC 21 did not have a material impact on the consolidated financial statements of the Group as at 31 December 2013 and 2014. However, the effects of IFRIC 21 alter the timing of the recognition of certain levies in France (such as C3S) for the interim reporting. The impact for the nine months ended 30 September 2014 results in a decrease in the profit from operating activities of €1 million. The condensed consolidated interim income statement and the condensed consolidated interim statement of comprehensive income have been restated accordingly;
- Annual improvements 2011–2013. The amendments include changes from the 2011–13 cycle of the annual improvements project that affects four standards: IFRS 1, “First time adoption”, IFRS 3 “Business combination”, IFRS 13, “Fair value measurement” and IAS 40, “Investment property”.^{30, 31}

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 2015. The Group has yet to assess the impact of the new standards and amendments:

- IAS 19 revised, “Defined Benefit Plans: Employee Contributions” – effective for annual periods beginning on or after 1 July 2014³²;
- Annual improvements 2010–2012. These amendments include changes from the 2010–12 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 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” – effective for annual periods beginning on or after 1 July 2014³²;
- “Disclosure Initiative (Amendments to IAS 1)” – effective from 1 January 2016 to encourage companies to apply professional judgement in determining the information to disclose in their financial statements³³;

³⁰ Endorsed by the European Union for periods beginning on or after 1 January 2015.

³¹ The application of these standards, interpretations and amendments had no significant impact for the Group.

³² Endorsed by the European Union for periods beginning on or after 1 February 2015. The Group will therefore apply those standards and amendments as from 1 January 2016.

³³ These standards and interpretations have not yet been endorsed by the European Union.

- 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 – effective from 1 January 2016. 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, past the headline is a rebuttable presumption, and 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 correlated³⁴;
 - Amendment to IAS 27, “Separate financial statements”, on equity method on separate financial statements – effective from 1 January 2016³⁴;
 - 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 2016³⁴;
 - Amendment to IFRS 11, “Joint arrangements” on acquisition of an interest in a joint operation – effective from 1 January 2016³⁴;
 - Annual improvements 2012–2014 – effective from 1 January 2016³⁴;
 - 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 today³⁴;
 - IFRS 14, “Regulatory deferral accounts” – effective from 1 January 2016³⁴;
 - 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 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 applicable for reporting periods beginning on or after 1 January 2018³⁴.
- Other restatements**
- Following the completion of the purchase price allocation during the first half of 2015 for SpotX and Style Haul (see note 6.1.), comparative information in the condensed consolidated statement of financial position and the condensed consolidated statement of changes in equity as of 31 December 2014 has been restated for intangible assets, deferred tax, and equity attributable to RTL Group shareholders. As these acquisitions occurred during the second half of 2014, the condensed consolidated interim income statement and the condensed consolidated interim statement of comprehensive income for the nine months ending 30 September have been restated. The impact related to Style Haul, acquired on 1 December 2014, was € nil.

³⁴ These standards and interpretations have not yet been endorsed by the European Union

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 2014.

4. FINANCIAL RISK MANAGEMENT

4. 1.

Financial risks 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 financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2014. There have been no changes in the risk management policies and organisation since year end.

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 are equivalent 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 €547 million (December 2014: €555 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	9	–	48
Derivatives used for hedging ³⁵	99	–	99	–
At 30 September 2015	156	9	99	48
Liabilities				
Derivatives used for hedging ³⁶	40	–	40	–
Liabilities in relation to put options on non-controlling interests	39	–	–	39
At 30 September 2015	79	–	40	39

There were no transfers between Levels 1, 2 and 3 during the nine month period 2015.

	Total €m	Level 1 €m	Level 2 €m	Level 3 €m
Assets				
Available-for-sale investments	58	8	–	50
Derivatives used for hedging ³⁷	78	–	78	–
At 31 December 2014	136	8	78	50
Liabilities				
Derivatives used for hedging ³⁸	16	–	16	–
Liabilities in relation to put options on non-controlling interests	30	–	–	30
At 31 December 2014	46	–	16	30

There were no transfers between Levels 1, 2 and 3 during the year 2014.

³⁵ Out of which €44 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

³⁶ Out of which €28 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

³⁷ Out of which €24 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

³⁸ Out of which €13 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 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.

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 of the significant inputs is not based on observable market data, the instrument is

included in Level 3. 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 rate and market multiple), are used to determine fair value for the remaining financial instruments.

The following table presents the change in Level 3 instruments for the period ended 30 September:

	Financial assets at fair value through profit or loss € m	Available- for-sale investments € m	Total assets € m	Liabilities at fair value through profit or loss € m
Balance at 1 January	–	50	50	30
Effects of movements in foreign exchange	–	–	–	2
Acquisitions and additions	–	–	–	7
Gains/(losses) recognised in other comprehensive income	–	(2)	(2)	–
Balance at 30 September 2015	–	48	48	39

	Financial assets at fair value through profit or loss € m	Available- for-sale investments € m	Total assets € m	Liabilities at fair value through profit or loss € m
Balance at 1 January	–	51	51	–
Acquisitions and additions	–	–	–	18
Balance at 30 September 2014	–	51	51	18

5. SEGMENT REPORTING

	Mediengruppe RTL Deutschland		Groupe M6	
	2015 €m	2014 restated ³⁹ €m	2015 €m	2014 restated ³⁹ €m
Three months ended 30 September				
Revenue from external customers	469	440	265	265
Inter-segment revenue	2	1	1	–
Total revenue	471	441	266	265
Profit/(loss) from operating activities	109	100	30	31
Share of results of investments accounted for using the equity method	4	5	–	–
EBIT	113	105	30	31
EBITDA	117	108	52	64
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)	(3)	(3)	(21)	(32)
EBITA	114	105	31	32
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(1)	–	(1)	(1)
EBIT	113	105	30	31
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
Profit for the period				
Nine months ended 30 September				
Revenue from external customers	1,463	1,366	889	930
Inter-segment revenue	3	2	9	5
Total revenue	1,466	1,368	898	935
Profit/(loss) from operating activities	433	398	131	141
Share of results of investments accounted for using the equity method	23	19	1	–
EBIT	456	417	132	141
EBITDA	467	429	219	223
Depreciation and amortisation (amortisation and impairment of fair value adjustments on acquisitions of subsidiaries excluded)	(10)	(11)	(83)	(80)
EBITA	457	418	136	143
Impairment of goodwill of subsidiaries	–	–	–	–
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(1)	–	(3)	(3)
Re-measurement of earn-out arrangements	–	(1)	(1)	–
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	–	–	1
EBIT	456	417	132	141
Interest income				
Interest expense				
Financial results other than interest				
Income tax expense				
Profit for the period				

39 See note 2

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
2015 €m	2014 restated ⁴⁰ €m	2015 €m	2014 restated ⁴⁰ €m	2015 €m	2014 restated ⁴⁰ €m	2015 €m	2014 restated ⁴⁰ €m	2015 €m	2014 restated ⁴⁰ €m	2015 €m	2014 restated ⁴⁰ €m	2015 €m	2014 restated ⁴⁰ €m
340	328	105	91	43	39	34	31	97	65	-	-	1,353	1,259
37	31	-	-	-	-	1	1	8	10	(49)	(43)	-	-
377	359	105	91	43	39	35	32	105	75	(49)	(43)	1,353	1,259
23	25	25	19	6	3	(1)	(3)	(21)	(22)	-	-	171	153
-	-	-	(1)	-	-	-	-	3	2	-	-	7	6
23	25	25	18	6	3	(1)	(3)	(18)	(20)	-	-	178	159
26	28	27	19	7	5	-	(2)	(13)	(16)	-	-	216	206
(3)	(3)	(2)	(1)	(1)	(2)	(1)	(1)	(3)	(4)	-	-	(34)	(46)
23	25	25	18	6	3	(1)	(3)	(16)	(20)	-	-	182	160
-	-	-	-	-	-	-	-	(2)	-	-	-	(4)	(1)
23	25	25	18	6	3	(1)	(3)	(18)	(20)	-	-	178	159
												1	2
												(8)	(8)
												2	(3)
												(50)	(37)
												123	113
902	884	329	315	146	140	111	110	301	201	-	-	4,141	3,946
112	98	2	-	1	1	2	2	28	28	(157)	(136)	-	-
1,014	982	331	315	147	141	113	112	329	229	(157)	(136)	4,141	3,946
58	44	54	62	32	30	6	4	(28)	(130)	(1)	-	685	549
(1)	2	(2)	-	-	-	-	-	15	9	-	-	36	30
57	46	52	62	32	30	6	4	(13)	(121)	(1)	-	721	579
64	79	58	66	35	33	9	7	(7)	(19)	(1)	-	844	818
(13)	(25)	(6)	(4)	(3)	(4)	(3)	(3)	(10)	(14)	-	-	(128)	(141)
51	54	52	62	32	29	6	4	(17)	(33)	(1)	-	716	677
-	(9)	-	-	-	-	-	-	-	(79)	-	-	-	(88)
-	-	-	-	-	-	-	-	2	(10)	-	-	(2)	(13)
6	1	-	-	-	-	-	-	(2)	1	-	-	3	1
-	-	-	-	-	1	-	-	4	-	-	-	4	2
57	46	52	62	32	30	6	4	(13)	(121)	(1)	-	721	579
												5	6
												(23)	(26)
												3	(4)
												(195)	(196)
												511	359

40 See note 2

	Mediengruppe RTL Deutschland		Groupe M6	
	September 2015 €m	December 2014 restated ⁴¹ €m	September 2015 €m	December 2014 restated ⁴¹ €m
Segment assets (assets classified as held for sale and investments accounted for using the equity method excluded)	1,567	1,561	1,539	1,477
Investments accounted for using the equity method	65	75	7	6
Assets classified as held for sale	-	-	-	-
Segment assets	1,632	1,636	1,546	1,483
Segment liabilities (liabilities directly associated with non-current assets classified as held for sale excluded)	997	950	576	643
Segment liabilities	997	950	576	643
Invested capital	635	686	970	840
Segment assets				
Deferred tax assets				
Income tax receivable				
Other assets ⁴²				
Cash and cash equivalents				
Total assets				
Segment liabilities				
Deferred tax liabilities				
Income tax payable				
Other liabilities				
Total liabilities				

41 See note 2

42 Including cash and cash equivalents classified as held for sale

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

FremantleMedia		RTL Nederland		RTL Belgium		RTL Radio (France)		Other segments		Eliminations		Total Group	
September 2015 €m	December 2014 restated ⁴³ €m												
1,841	1,678	395	388	155	165	149	168	660	646	(116)	(133)	6,190	5,950
15	16	7	7	-	-	-	-	289	277	-	-	383	381
-	4	-	-	-	-	-	-	-	-	-	-	-	4
1,856	1,698	402	395	155	165	149	168	949	923	(116)	(133)	6,573	6,335
490	456	125	118	95	110	57	61	328	367	(113)	(133)	2,555	2,572
490	456	125	118	95	110	57	61	328	367	(113)	(133)	2,555	2,572
1,366	1,242	277	277	60	55	92	107	621	556	(3)	-	4,018	3,763
												6,573	6,335
												354	395
												62	56
												464	483
												283	483
												7,736	7,752
												2,555	2,572
												58	60
												36	42
												2,044	1,803
												4,693	4,477

43 See note 2

6. ACQUISITIONS AND DISPOSALS

6. 1.

Details of main acquisitions

Details of the main acquisitions in the period are set out below. Had the business combinations been at the beginning of the year, the revenue and the profit attributable to RTL Group would not have materially changed.

September 2015

Oxygem

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

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

The transaction-related costs amount to €0.2 million and are 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 holds an interest of 50.3 per cent (36.8 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 by BBTV supports RTL Group's ambitions to secure a leading position in the global online video market. The transaction qualifies as a business combination since RTL Group gained the control over YoBoHo.

The purchase consideration, partly contributed to YoBoHo, amounts to €9 million, net of cash acquired and contingent on a cash-and-debt free position adjusted for normalised working capital. A provisional goodwill of €8 million has been recognised. The goodwill will not be tax deductible. YoBoHo is 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 closing and ends 18 months thereafter; the non-capped strike price is determined pursuant to a fair market value determination mechanism.

The transaction-related costs of €0.3 million are reported in "Operating expenses".

	Fair value at date of gain of control €m
Accounts payable	2
Non-controlling Interests	(1)
Net assets acquired	1
Goodwill	8
Total purchase consideration	9
Cash outflow on acquisition	9

Wildside

On 7 August 2015, RTL Group has acquired a 62.5 per cent stake in Wildside Srl and its 100 per cent affiliates (“Wildside”). Wildside is an Italian television and feature film production entity. The acquisition enhances FremantleMedia’s scripted presence in the Italian market and bolsters the global content pipeline of the Group overall. The transaction qualifies as a business combination since RTL Group gained the control over Wildside.

The purchase consideration amounts to €19 million, net of cash acquired; a provisional goodwill of €22 million has been recognised. The goodwill will not be tax deductible. Wildside is allocated to the FremantleMedia cash generating unit.

The remaining 37.5 per cent interest is subject to call and put options exercisable at the latest in 2019. The strike prices are based on a variable component. The consideration for 100 per cent of Wildside is capped at €75 million excluding working capital funding required. The put option has been recognised at the acquisition date for an amount of €8 million (nominal value) through equity as a liability for the present value of the redemption amount. The financial liability is subsequently measured at fair value though profit or loss. This is a Level 3 fair value measurement.

The transaction-related costs of €0.7 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	6
Non-current programme and other rights	8
Current programme rights	8
Net deferred tax asset	1
Accounts receivable and other financial assets	15
Accounts payable	(18)
Loans	(15)
Non-controlling interests	(2)
Net assets acquired	3
Goodwill	22
Total purchase consideration	25
Cash and cash equivalents in operations acquired	(6)
Cash outflow on acquisition	19

Other acquisitions and developments

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 Nederland Ventures BV, creates a leading position in the Dutch online restaurant booking market. The transaction qualifies 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 is nil.

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 with a focus on technology, lifestyle and design and the Bright Assets and all Bright digital platforms and databases such as *Bright.nl*, *Uitpakparty*, Bright Ideas, Bright Store and events. The transaction qualifies as a business combination since RTL Group gained control. The purchase price consists of an earn-out mechanism based on revenue and EBITA. The earn-out mechanism has been recognised for €0.3 million at completion date. The goodwill of €0.3 million will not be tax deductible.

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 has been recognised. The goodwill will not be 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.

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.

On 11 September, RTL Group acquired 75 per cent of No Pictures Please Productions BV (“NPP”), a Dutch programming youth orientated factual producer. NPP will sit alongside FremantleMedia’s enter-

tainment and scripted businesses in the Netherlands. The transaction qualifies as a business combination since RTL Group gained the control of NPP. The purchase consideration amounted to below €1 million, net of cash acquired. The provisional goodwill of below €1 million will not be tax deductible. RTL Group and the non-controlling shareholder entered into an agreement that permits RTL Group to purchase the remaining 25 per cent at first half 2020. The strike price is based on a variable component. If RTL Group will not exercise the call option, the non-controlling shareholder will have the option to acquire the 75 per cent stake.

**September 2014
(updated at 30 September 2015)**

Best of TV

On 7 January 2014, Groupe M6 had acquired 51 per cent of Best of TV SAS and Best of TV Benelux SPRL ("Best of TV"). Best of TV had developed a leading position in France in distributing infomercial and tele-shopping products through major French retail chains. This acquisition enabled Groupe M6 to strengthen the position of its subsidiary, Home Shopping Service, in the home shopping and infomercial business. The transaction qualified as a business combination since RTL Group gained the control of Best of TV. A contingent consideration had been recognised for €5 million at the acquisition date and was re-measured through the profit or loss ("Other operating expenses") for €0.8 million at 30 June 2015, unchanged at 30 September (December 2014: €0.7 million). The contingent liability was paid during the first half of 2015. The purchase consideration amounted to €9 million, net of cash acquired, and resulted in the recognition of a goodwill of €8 million. Goodwill in connection with the transaction is not tax deductible. Best of TV was allocated to the Groupe M6 cash generating unit.

The remaining 49 per cent interest is subject to put and call options based on the fair value of the entity at the exercise date between 2017 and 2025. The amount of the option is capped at €19 million. The put option had been recognised at the acquisition date for €16 million through equity as a liability for the present value of the redemption amount. The financial liability is subsequently measured at fair value though profit or loss. This is a Level 3 fair value measurement.

The transaction-related costs were insignificant.

495 Productions

On 26 March 2014, RTL Group had acquired 75 per cent of 495 Productions Holdings LLC and its 100 per cent affiliates ("495 Productions"). 495 Productions is a US-based production entity specialising in unscripted, female-skewed docu-series for cable networks. This acquisition enabled FremantleMedia to expand and diversify its core TV production business internationally. The transaction qualified as a business combination since RTL Group gained the control of 495 Productions.

The purchase consideration, net of cash acquired, amounted to €18 million. The purchase accounting did not lead to the recognition of additional identifiable assets and liabilities. This resulted in the recognition of a goodwill of €20 million. The goodwill was attributable mainly to the skills and talent of 495 Productions workforce and the synergies expected to be achieved from the integration of 495 Productions into the FremantleMedia business. Goodwill in connection with the transaction is tax deductible. 495 Productions was allocated to the FremantleMedia cash generating unit.

The remaining 25 per cent interest is subject to put and call options based on a performance-related component. The put option liability had been recognised through equity for the present value of the redemption amount of €7 million.

The transaction-related costs of €0.6 million, mainly consisting of legal fees and due diligence costs, were reported in "Other operating expenses".

RTL Group has paid an amount of below €1 million during the first quarter of 2015 corresponding to the deferred consideration.

SpotX

On 1 September 2014, RTL Group had acquired 70.79 per cent of SpotXchange Inc (65.21 per cent on a fully diluted per share basis) and its 100 per cent affiliates ("SpotX"). SpotX is a leading programmatic video advertising platform. With the acquisition of SpotX, RTL Group entered a significantly growing, but still evolving, market and further enhanced its global position in online video, especially with regard to monetisation skills and technological competencies. Thus, the investment supported the digital transformation of RTL Group. The transaction qualified as a business combination since RTL Group gained the control over SpotX.

The purchase consideration, partly contributed to SpotX, amounted to €104 million, net of cash acquired and contingent on a cash-and-debt free position adjusted for normalised working capital, and

resulted in the recognition of a provisional goodwill of €96 million. A deferred tax asset of €8 million related to losses carried forward and share-based arrangements had been recorded; the fair values had been measured on a provisional basis. The goodwill was attributable mainly to the skills and talent of SpotX workforce and the synergies expected. The goodwill arising from the acquisition is not tax deductible.

The purchase agreement included an earn-out mechanism based on a variable performance component and up to a maximum and undiscounted amount of €21 million. The contingent consideration had been estimated and recognised for nil at 31 December 2014.

RTL Group holds a call option for the remaining non-controlling interests exercisable in 2017. The strike price is based on two variable components and not capped. The undiscounted amount of the expected exercise price of the call option is USD 164 million. No fair value had been recognised at 31 December 2014. Further, the deal terms include a capped put option against RTL Group. However, the exercise of the put option is in the full control of RTL Group and no liability had therefore been recognised.

The transaction-related costs of €4.1 million, mainly consisting of legal and success fees and due diligence costs, were reported in "Other operating expenses".

Further to the completion of the purchase price allocation and of the true-up exercise during the first half year 2015, the purchase consideration was finally determined at an amount of €113 million, net of cash acquired and including a contingent consideration related to an earn-out mechanism for €9 million. The purchase accounting was completed during the first half of 2015 and resulted in the recognition of a goodwill of €99 million. In addition to the deferred tax asset recognised in 2014 for €8 million and related to losses carried forward and share-based arrangements, the following identifiable assets and liabilities were recognised at 30 June 2015:

- Technology for €2 million;
- Brand name for €1 million;
- Customer relationships for €7 million;
- Related deferred tax liability for €4 million.

The impact for the nine months ended 30 September 2014 results in a decrease in the profit from operating activities of below €1 million. The condensed consolidated interim income statement and the condensed consolidated interim statement of comprehensive income at 30 September have been restated accordingly.

The earn-out related liability re-measured by €2 million at 30 June 2015 remained unchanged at 30 September. The related impact is reported in "Other operating expenses". A first instalment of the earn-out was paid during the first half year 2015 for an amount of €7 million.

The call option measured for € nil million at 30 June 2015 remained unchanged at 30 September.

	Fair value at date of gain of control 2014 € m
Cash and cash equivalents	4
Other intangible assets	10
Property, plant and equipment	3
Net deferred tax asset	5
Accounts receivable and other financial assets	32
Accounts payable	(29)
Loans	(2)
Non-controlling interests	(5)
Net assets acquired	18
Goodwill	99
Total purchase consideration	117
Cash and cash equivalents in operations acquired	(4)
Contingent consideration	(9)
Cash outflow on acquisition	104

Style Haul

On 1 December 2014, RTL Group had gained the full control of Style Haul Inc through RTL US Holding, Inc (collectively called "Style Haul"). From that date, RTL Group holds 97 per cent (94 per cent on a fully diluted per share basis) in Style Haul. Style Haul is the leading multi-channel network on Youtube for fashion, beauty and lifestyle. With this agreement, RTL Group further accelerated its rapidly growing presence in the online video space and its position in North America – the largest and most innovative media market worldwide. The transaction qualified as a business combination.

Before 1 December 2014, Style Haul was accounted for using the equity method. The Group had recognised a gain of €17 million as a result of measuring at fair value its 26 per cent equity interest previously held in Style Haul. The fair value had been measured by reference to the purchase price of the 70 per cent newly acquired. The related gain was reported in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

All outstanding convertible notes were converted at the date of the business combination providing RTL Group with one additional per cent in the share capital of Style Haul. RTL Group had acquired all the shares held by the non-employee shareholders.

The employees benefited from share-based arrangements before the business combination. All unvested stock options had been accelerated. The employees had agreed to sell 70 per cent of their shares as well as their stock options. Some unvested stock options had been accelerated while a portion had been replaced by new stock options representing 3 per cent of the capital of RTL US Holding, Inc on a fully diluted basis. The fair value of all accelerated options had been measured by reference to the purchase price and recognised as a post-business combination for €6 million in "Employee benefits expenses" ("Share options granted to employee") reported in "Other operating expenses". The related amount had been recognised as a financial liability as the transaction qualifies in substance as a cash settled share-based payment.

The purchase consideration, partly contributed to Style Haul, amounted to €115 million, net of cash acquired and contingent on a cash-and-debt free position adjusted for normalised working capital. RTL Group had provisionally recognised identifiable intangible assets for a fair value of €3 million and a deferred tax asset of €12 million related to both tax losses carried forward and stock option plans since Style Haul belongs to the US tax group of RTL Group. As a result, a provisional goodwill of €105 million had been recognised. The latter was attributable mainly to the skills and talent of Style Haul's workforce. It is not tax deductible.

The parties had also agreed on earn-out mechanisms that might increase the initial consideration by a maximum of USD 45 million, subject to the future performance of the business. The related liability had been initially recognised for €8 million and remained unchanged at 31 December 2014.

RTL Group had granted to the employee sellers put options exercisable in the first half of 2017 based on the fair value at the date of exercise of these options; the fair value of Style Haul shall not exceed USD 500 million on a 100 per cent basis. The put options related to outstanding non-controlling shares had been recognised as a deduction in the Group's equity with a corresponding liability of €5 million representing the present value of the redemption amount. Both financial liabilities (i.e. the put option liability and the cash settled share-based arrangement liability) are subsequently measured at fair value through profit or loss. This is a Level 3 fair value

measurement. If the put options are not exercised during the exercise window, RTL Group has the right to acquire the remaining shares.

The acquisition-related costs of €1.4 million mainly comprised legal and due diligence costs and were reported in "Other operating expenses".

The initial purchase consideration of €115 million, contingent on a cash-and-debt free position adjusted for normalised working capital, has been reduced by €4 million following the completion of the true-up exercise during the first half year of 2015. This amount was received by the Group at 30 June 2015. The purchase accounting was completed during the first half of 2015 and resulted in the recognition of a goodwill of €100 million. In addition to the identifiable intangible assets (€3 million) and the deferred tax asset (€12 million) related to losses carried forward and stock option plans recognised in 2014, the following identifiable assets and liabilities were recognised at 30 June 2015:

- Brand name for €1 million;
- Related deferred tax liability for €0.4 million.

The impact at 30 September 2014 results was € nil.

The earn-out related consideration initially recognised for €8 million was re-measured to €3 million at 30 June 2015. The related impact is reported in "Other operating income".

The put option liability and the cash settled share based payment arrangement liability are re-measured at fair value through profit or loss at 30 June 2015. The impact was insignificant and remained unchanged at 30 September.

	Fair value at date of gain of control 2014 € m
Cash and cash equivalents	1
Other intangible assets	4
Net deferred tax asset	12
Accounts receivable and other financial assets	5
Accounts payable	(5)
Loans	(4)
Non-controlling interests	(1)
Net assets acquired	12
Goodwill	100
Total purchase consideration	112
Fair value of previously held equity interests	(21)
Net assets contributed	(2)
Contingent consideration	(4)
Cash and cash equivalents in operations acquired	(1)
Cash outflow on acquisition	84

6. 2.

Assets and liabilities acquired

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

	2015 €m
Purchase consideration:	
– Cash paid	73
– Payments on prior years' acquisitions	(12)
Loan previously granted by the seller	(6)
Total purchase consideration	55
Less:	
Fair value of net assets acquired	(6)
Goodwill	49

6. 3.

Cash outflow on acquisitions

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

	2015 Fair value €m
Cash and cash equivalents	9
Non-current programme and other rights	8
Other intangible assets	8
Current programme rights	8
Accounts receivable and other financial assets	23
Accounts payable	(21)
Employee benefit obligations	(2)
Loans	(23)
Net deferred tax liability	(1)
Non-controlling interests	(3)
Net assets acquired	6
Goodwill	49
Total purchase consideration	55
Less:	
Payments on prior years' acquisitions	12
Loan previously granted by the seller	6
Cash and cash equivalents in operations acquired	(9)
Cash outflow on acquisitions	64

6. 4.

Disposals

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 apareo Holding GmbH, apareo Deutschland GmbH and UFA Sports Asia Pte Ltd were excluded from the deal and remain with RTL Group. UFA Sports was reported as a disposal group held for sale at 31 March 2015. 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

7 IMPAIRMENT TEST

On 8 June 2015, RTL Group announced the creation of the RTL Digital Hub, a dedicated team which will develop the Group's investments in the areas of digital video assets, in particular BroadbandTV and YoBoHo, Style Haul, SpotX and Clypd (an associated company, see note 8.). The RTL Digital Hub will maximise the value of this highly complementary portfolio of digital video businesses to further strengthen RTL Group's leadership position in a high growth market. The digital hub qualifies as an operating segment (reported in "Other segments") but not, at this stage, a cash generating unit.

During the first six months of the year as described below, RTL Group's management had identified certain indicators that would trigger a possible decrease in the recoverable amount of the cash generating units ("CGU") FremantleMedia and Style Haul. Management had also taken into account the new advertising tax enacted in Hungary.

June 2015		December 2014	
Perpetual growth rate % a year	Discount rate %	Perpetual growth rate % a year	Discount rate %

Cash-generating units				
FremantleMedia	2.5	7.5	2.5	7.7
Other segments				
– Hungarian language cable channels and M-RTL	2.0	12.8	2.0	12.8
– Style Haul	2.0	13.7	2.0	13.9

The assumptions and results of the impairment testing conducted at 30 June 2015 are described here after.

FremantleMedia

Following continuing pressure on the production and distribution business, due to reduced volumes and pricing, RTL Group's management have updated the business plan to take into account the latest available information, primarily in the US. FremantleMedia will maintain the strengths of its main franchises and also develop new formats organically while diversifying its portfolio in new genres and maximising its worldwide network. FremantleMedia is thus expecting 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 reduced to €64 million (31 December 2014: €124 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 2015 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 €466 million (€390 million at 31 December 2014).

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

	30 June 2015 €m	31 December 2014 €m
Variation in:		
Revenue growth by (1) per cent on each period	(155)	(146)
EBITA margin by (1) per cent on each period	(161)	(163)
Discount rate by 100 basis points	(214)	(205)

Hungarian language cable channels and M-RTL

A new advertising tax was adopted on 11 June 2014 and amended by the Hungarian Parliament on 4 July 2014 and came into force on 15 August 2014. The tax was steeply progressive with rates between nil – 40 per cent, and was calculated, in general, on the net revenues derived from advertising plus the margins which the sales houses affiliated to the taxpayers charge to their customers. The tax base was calculated by aggregating the tax bases of affiliated undertakings. As a result, entities belonging to a group of companies were taxed at higher tax rates than independent legal entities. On 18 November 2014, the Hungarian government adopted an amendment by which the highest applicable tax rate was increased from 40 to 50 per cent. This amendment entered in force on 1 January 2015.

On this basis, 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 €4.5 million reported in deduction of the "Other operating expenses".

In addition, RTL Group's management re-assessed at 30 June 2015:

- 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.

Style Haul

The significant increase of video views was not 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 reduced to €6 million (31 December 2014: €14 million). The value in use was retained for determining the recoverable amount.

If, for the second half of 2015 and each of the following periods, the estimated revenue growth and the EBITA margin of Style Haul 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 €25 million (€16 million at 31 December 2014).

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

	30 June 2015 €m	31 December 2014 €m
Variation in:		
Revenue growth by (1) per cent on each period	(8)	(8)
EBITA margin by (1) per cent on each period	(8)	(8)
Discount rate by 100 basis points	(15)	(14)

8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Main changes in the Group's ownership interest in associates

September 2015

On 21 January 2015, FremantleMedia Ltd. acquired a 25 per cent non-controlling stake in Corona TV Ltd ("Corona"), a newly created TV production company based in the UK. The deal, which gives FremantleMedia a first look option on all Corona TV output, furthers FremantleMedia's ambition to build its scripted pipeline. A loan granted by FremantleMedia will fund the development of scripted television programmes. FremantleMedia hold call options to acquire the remaining shares. The related carrying amount is below €1 million.

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 interests 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 acquisition price amounted to €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 ownership of RTL Group decreased from 19.2 per cent at 31 December 2014 to 18.6 per cent at 30 June 2015 in Atresmedia and remained unchanged at 30 September. Considering the ongoing representation of RTL Group at the Board of Directors and other governing bodies of Atresmedia, RTL Group's management consider that this does not change the significant influence of RTL Group in Atresmedia.

This transaction resulted in a dilution of RTL Group's interest generating a capital 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. has taken a 35.3 per cent (31.6 per cent on a fully diluted basis) non-controlling interests in UMI Mobile, Inc ("UMI"), a new gaming company in Canada. FremantleMedia is entitled, via a call mechanism, to buy the shares of the departing shareholders. No fair value has been recognised at 30 September 2015. The related carrying amount is below €1 million.

On 14 September 2015, RTL Group entered with a 25 per cent stake into the share capital of Naked Entertainment Limited ("Naked"), a UK start-up television production company focusing on high-end factual entertainment series. The remaining 75 per cent are subject to an asymmetrical call and put options based on a variable component which can be exercised in 2021 and 2023. The fair value of the related derivatives is € nil at 30 September. The carrying amount of Naked is below €1 million.

September 2014

The ownership of RTL Group in Atresmedia had decreased from 20.5 per cent at 31 December 2013 to 19.2 per cent at 31 March 2014 in Atresmedia following the partial novation, on 19 February 2014, of the Integration Agreement executed on 14 December 2011 with the shareholders of La Sexta and the reduction of the number of treasury shares. This transaction had resulted in a dilution of RTL Group's interest generating a capital loss of €5 million reported in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

On 21 February 2014, RTL Group had disposed of its ownership in Asia Sports Ventures Pte. Ltd. and recognised a capital gain of €3 million presented in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

On 15 April 2014, Contact Vlaanderen NV was liquidated generating a capital gain of €1 million presented in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree".

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

September 2015

On 27 January 2015, RTL Group entered into the joint venture Buurfacts BV ("Buurfacts"). Buurfacts 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, have been granted a put option; the related liability amounts to €0.3 million at 30 September 2015. The carrying amount of Buurfacts is below €1 million.

On 24 March 2015, RTL Nederland ("RTL NL") announced the acquisition of 34.8 per cent stake in *Reclamefolder.nl* BV ("Reclamefolder") holding the platform for online brochures and offers *Reclamefolder.nl*. RTL Ventures BV continues to focus on investments in companies currently in the transition phase from offline to online, with an increasing emphasis on mobile. The transaction was completed on 15 July once the clearance from the European Commission was obtained. RTL NL and the company also entered into a media exposure agreement. The transaction qualifies as a joint arrangement ("JA") as RTL Group jointly controls the company. In July, RTL NL contributed €2 million to the share capital of the company.

September 2014

On 6 February 2014, Vice Media, Inc and RTL Group had entered in a joint-venture agreement through the creation of Vice Food LLC, held at 70 and 30 per cent, respectively. The venture was set up to operate, commission, develop and produce digital content for a new online digital vertical known as 'Munchies, Food by Vice', across multiple platforms. Vice Media and FremantleMedia are also individually providing content to the venture.

On 25 April 2014, the management of TF6 had announced the channel will cease its operations at the end of 2014 following a significant drop in revenue.

On 12 June 2014, RTL Group had disposed of all the shares held in BIG RTL Broadcast Private Limited ("BIG RTL") to the other shareholder, the Reliance Group. The capital loss related to the exit by RTL Group of the joint venture and previously held at 50 per cent, amounted to €1 million. The capital loss was presented in "Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree". The disposal had resulted in an outflow, net of transaction-related costs, of €1 million.

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

September 2015

RTL Group received in April 2015 an amount of €4 million following the disposal during the first quarter of the investment held in AdSociety. The related capital gain is €0.5 million.

The real-estate project for the construction of the new buildings next to the existing premises in Luxembourg is underway and continues to evolve in accordance with the initial plan. The exercise of the option held by the contractor on the shares of a Group company in October 2015 generated a capital gain estimated to €16 million following the cease of control according to IFRS criteria. This amount will be reported in "Other operating income".

September 2014

At 31 March 2014, Groupe M6 had disposed of 100 per cent of its interests held in Mistergooddeal SA. The sale proceeds amounted to €2 million and the capital gain to €1 million.

At 30 June 2014, AVE I Vermögensverwaltungsgesellschaft mbH & Co. KG and its parent company, AVE VI Vermögensverwaltungsgesellschaft mbH & Co. KG, previously accounted for using the equity method and classified as assets held for sale at 31 December 2013, merged into RTL Radio Deutschland GmbH. The capital gain amounted to €3 million.

10. SEASONALITY OF OPERATIONS

RTL Group's core broadcast revenue is generally lower in the summer months due to a reduction in advertising spend although this is usually compensated by higher advertising revenue in the run up to the Christmas period. The Group's content arm, FremantleMedia, usually generates a higher proportion of both revenue and EBITA in the second half of the year due, in part,

to the seasonality of programme sales but also to the revenue generated by the distribution, licensing and merchandising business. This seasonality is not expected to be any different for 2015. Changes in foreign exchange rates and the timing of consolidation effects from acquired or disposed businesses may also play a distorting effect year on year.

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to RTL Group shareholders of €464 million (September 2014 restated: €305 million) and a weighted average number of ordinary shares outstanding during the period of 153,593,380 (September 2014: 153,591,437) calculated as follows:

	September 2015	September 2014 Restated ⁴⁴
Profit attributable to RTL Group shareholders (in € million)	464	305
Weighted average number of ordinary shares:		
Issued ordinary shares at 1 January	154,787,554	154,787,554
Effect of treasury shares held	(1,168,701)	(1,168,701)
Effect of liquidity programme	(25,473)	(27,416)
Weighted average number of ordinary shares	153,593,380	153,591,437
Basic earnings per share (in €)	3.02	1.99
Diluted earnings per share (in €)	3.02	1.99

⁴⁴ See note 2

12. 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 had entered on 28 April 2014 into a liquidity agreement (the "Liquidity Agreement") with a "Liquidity Provider". During the nine month period ended 30 September 2015, under the Liquidity Agreement, the Liquidity Provider has:

- purchased 537,112 shares at an average price of €83.17; and
- sold 495,423 shares at an average price of €83.23, in the name and on behalf of the Company.

At 30 September 2015, a total of 52,645 RTL Group shares are held by the Company and €6.2 million are in deposit with the Liquidity Provider under the terms of the Liquidity Agreement.

13. NON-CONTROLLING INTERESTS

Transactions on non-controlling interests without a change in control

- On 1 January 2015, RTL Nederland Interactief BV disposed of 49 per cent, out of the 100 per cent held in Videostrip BV ("Videostrip") to SpotXchange Inc (held at 70.8 per cent by the Group) for an amount of €3 million resulting in a dilution of RTL Group's interest of 14.2 per cent with an impact of below €1 million;
- CBS Studios International contributed less than €2 million in a capital increase in RTL CBS Asia Entertainment Network LLP, proportionally to its 30 per cent share;
- On 1 August 2015, RTL Nederland Ventures BV increased its interest in the e-learning company Dutch Learning Company BV ("DLC") from 80.3 per cent to 100 per cent;
- Groupe M6 has 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

The transactions on non-controlling interests with a change in control relate to YoBoHo and Wildside (see note 6.1.).

14. RELATED PARTY TRANSACTIONS

Financing

Deposits Bertelsmann SE & Co. KGaA

With a view to investing its cash surplus, RTL Group SA entered in 2006 with Bertelsmann SE & Co. KGaA 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 Media Finance Holding SL;
 - All its interests in its wholly owned German subsidiary Gruner + Jahr GmbH & Co. KG;
 - All shares of its wholly owned English subsidiary Bertelsmann UK Ltd.

At 30 September 2015, RTL Group SA did not hold any deposit with Bertelsmann SE & Co. KGaA (December 2014: € nil million) on a one to six-month basis. The interest income for the period is € nil million (September 2014 restated: €0.1 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 interest in Gruner + Jahr GmbH & Co. KG.

At 30 September 2015, RTL Group Deutschland GmbH did not hold any deposit with Bertelsmann SE & Co. KGaA (December 2014: € nil million). The interest income for the period is € nil million (September 2014 restated: € nil million).

FremantleMedia North America Inc entered into a Treasury Agreement in North America with Bertelsmann Inc. Interest rates are based on US Libor plus 10 basis points. At 30 September 2015, the balance of the cash pooling payable amounts to € nil million (December 2014: € nil million). The interest income/expense for the period is insignificant (September 2014 restated: insignificant).

Loans from Bertelsmann SE & Co. KGaA

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 S.A. has the right to early repay the loan subject to break costs. At 30 September 2015, the term loan balance amounts to €500 million (December 2014: €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 September 2015, the total of revolving and swingline loan amounts to €814 million (December 2014: €536 million).

The interest expense for the period amounts to €13.0 million (September 2014 restated: €11.5 million). The commitment fee charge for the period amounts to €0.3 million (September 2014 restated: €0.9 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. Simultaneously, Bertelsmann AG 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 transfer and an additional commission ("Commission") amounting to 50 per cent of the tax saving based upon the taxable profit of RGD.

Based on a tax ruling with the German tax authorities with regard to the taxation of the compensation amount to the minority shareholder of RTL Group S.A., RTL Group Deutschland GmbH is not taxed with corporate tax from 2015 onwards anymore. As a result, RTL Group Deutschland GmbH transfers 100 per cent of its taxable income to BCH which positively impacts the commission income due to CLT-UFA SA.

As at 30 September 2015, the balance payable to BCH amounts to €352 million (December 2014: €432 million) and the balance receivable from Bertelsmann SE & Co. KGaA amounts to €300 million (December 2014: €326 million).

For the period ended 30 September 2015, the German income tax in relation to the tax pooling with Bertelsmann SE & Co. KGaA amounts to €94 million (September 2014 restated: €71 million). The Commission was estimated at €42 million (September 2014 restated: €29 million). The amount of current trade and corporate tax loss carry forward at the level of Bertelsmann SE & Co. KGaA offset at 30 September 2015 through the PLP is higher compared to 30 September 2014. It is assumed that the brought forward corporate tax losses available for offset are fully consumed during the year 2015.

The UK Group relief of FremantleMedia Group to Bertelsmann Group resulted in a tax income of €2 million (September 2014 restated: €5 million).

15. SUBSEQUENT EVENTS

On 22 July 2015, Fremantle Productions North America Inc (“Fremantle Productions”) announced the launch, with Jukin Media Inc, of a digital media venture specialising in clip licensing. The venture will manage The Pet Collective, a digital channel currently operated by Fremantle Productions. Jukin Media Inc will operate the venture and partner with FremantleMedia on content production and associated extensions thereof. Fremantle Productions would hold a non-controlling interest of 35 per cent leading to a significant influence on the governance of the company.

On 1 October 2015, FremantleMedia Overseas Holding BV acquired a 51 per cent stake in Kwai SAS (“Kwai”), a French television production company further expanding its capabilities in the scripted business. The purchase consideration of €6 million includes a contingent consideration based on a variable performance component. RTL Group holds a call option for the remaining 49 per cent. The strike price of the option, exercisable in 2020, is based on a variable component. The consideration for 100 per cent of Kwai is capped at €25 million. If RTL Group will not exercise the call option, the non-controlling shareholders will have the option to acquire the shares held by the Group.

On 3 November 2015, RTL Group led the Series A investment round for Videoamp Inc. (“Videoamp”), a US based platform for cross-screen data optimisation founded in 2014. The planned investment of USD 8 million would provide RTL Group with a stake of 18.9 per cent on a fully diluted basis once the financing round of Videoamp has been completed. Videoamp fits into RTL Group digital strategy as it is complementary to the current ad-tech businesses SpotX and Clypd. RTL Group would have a significant influence; Videoamp would be accounted for using the equity method.



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