

**RTL Group S.A.
Société Anonyme**

**Audited annual accounts
for the year ended 31 December 2011**

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Directors' report

I. OVERVIEW

European TV advertising markets reflected a mixed picture in 2011: rather flat developments in Western Europe, with the exception of the Netherlands, which was up considerably. The markets in Southern and Eastern Europe reported lower advertising revenue compared to 2010.

Against this background, RTL Group (consolidated) continued to outperform its peers, especially in France and the Netherlands. RTL Group generated consolidated total revenue of €5 765 m (2010: €5 532 m), an EBITA of €1 134 m (2010: €1 132 m) and net profit attributable to RTL Group shareholders of €696 m (2010: €611 m).

The main developments in 2011 were as follows:

- With RTL Television reporting significantly higher audience ratings, Mediengruppe RTL Deutschland continued to increase its clear audience leadership over its main competitor, P7S1 Group, to 6.1 percentage points. With an EBITA of €529 m, the profit centre achieved its second-best result ever – by a large margin – despite a challenging German TV advertising market and higher investments in programming;
- In France, M6 was the only major French channel to increase its audience share year-on-year, while digital channel W9 reported significant growth, both in terms of advertising revenue and audience ratings. EBITA of Groupe M6 was up 1.6 per cent to €249 m;
- RTL Nederland scored its best ratings since 1997 and succeeded in capitalising them into double-digit growth of TV advertising revenue. EBITA increased 21.8 per cent to €134 m;
- RTL Group's production arm FremantleMedia reported revenue growth of 12.4 per cent, driven by higher revenue in North America and the first-time full consolidation of recent acquisitions Radical Media and Ludia. FremantleMedia's EBITA was up 2.1 per cent to €143 m, despite general pressure on margins and volumes from broadcasters;
- RTL Radio in France reported EBITA growth of 25.0 per cent, at €30 m.

Consistently with the past, RTL Group S.A. ("RTL Group") has continued to centralise financing and treasury functions of the Group through central foreign currency risk management and cash pooling arrangements with Group subsidiaries. Furthermore, RTL Group has two major investments in CLT-UFA S.A. (99.7 per cent of share capital) and in FremantleMedia S.A. (100 per cent of share capital).

The profit of RTL Group S.A. for the year 2011 amounted to €170 m (2010: €364 m), reflecting mainly:

- Dividends received from subsidiaries of €197 m (2010: €138 m)
- Reversal of value adjustment on FremantleMedia S.A. of €25 m (2010: €160 m)
- Net interest result of €7 m (2010: €14 m)
- Other reversal of impairments of financial assets of € nil (2010: €174 m)
- Net operating charges of €42 m (2010: €45 m)
- Impairment on loans financial assets of €15 m (2010: €77 m)
- Extraordinary items of €5 m (2010: € nil)

II. SUMMARY INCOME STATEMENT

In € millions	2011	2010
Income		
Operating income	3	4
Financial income ⁽¹⁾	<u>248</u>	<u>491</u>
Total income	251	495
Charges		
Operating charges ⁽²⁾	45	49
Financial charges ⁽³⁾	32	82
Taxes	(1)	-
Extraordinary charges ⁽⁴⁾	5	-
Total charges	<u>81</u>	<u>131</u>
Result for the financial year	<u>170</u>	<u>364</u>

⁽¹⁾ Financial income mainly includes dividends of €197 m (2010: €138 m), the release of value adjustment on investments in affiliated undertakings and on loans receivable to affiliates of €25 m (2010: €334 m) and interest income of €24 m (2010: €19 m)

⁽²⁾ Operating charges mainly include staff costs of €23 m (2010: €21 m), subcontractor fees of €5 m (2010: €6 m) and consultant fees of €4 m (2010: €10 m)

⁽³⁾ Financial charges include interest charges of €17 m (2010: €5 m) and value adjustments on financial assets of €15 m (2010: €77 m)

⁽⁴⁾ Extraordinary charges mainly include the loss from the forgiveness of loans receivable and cash pooling accounts receivables.

III. Own shares

RTL Group has an issued share capital of €191 900 551 divided into 154 787 554 fully paid-up shares with no nominal value.

On 3 April 2006, RTL Group acquired 173 300 own shares for a total acquisition cost of €12 198 587. These shares were acquired with the view to fulfil the Company's obligation in the event of the exercise of share options by the beneficiaries in the context of the Stock Option Plan issued in 2000.

A non-distributable reserve ("Reserve for own shares") had been constituted from the "Result brought forward" account for an amount equivalent to the acquisition cost.

At 31 December 2011, the Company holds directly 173 300 own shares (31 December 2010: 173 300) and indirectly through a Company's subsidiary 995 401 own shares (31 December 2010: 995 401).

At 31 December 2011, RTL Group's share price, as listed on the Euronext stock exchange, was €76.99 per share (31 December 2010: €76.70).

IV. SIGNIFICANT LITIGATIONS

RTL Group is party to legal proceedings in the normal course of its business, both as defendant and claimant.

Most of these claims involve complex issues and the probability of loss and an estimation of damages are difficult to ascertain. A provision is recognised when the risk of a loss becomes likely and when it is possible to make a reasonable estimate of the expected financial effect of a proceeding. The publication of this information on a case-by-case basis, however, would seriously prejudice the company's position in the ongoing legal proceedings or in any related settlement discussions.

The main legal proceedings to which RTL Group is a party are disclosed below.

RTL II, a Group Company, filed, in November 2008, legal actions against IP Deutschland, a 100 per cent subsidiary of RTL Group, and Seven One Media ("SOM") as a result of the proceedings in 2007 of the German Federal Cartel Office against the discount scheme agreements ("share deals") offered by IP Deutschland and SOM. MTV Networks (Viacom) filed a similar action against IP Deutschland in August 2009 while Tele München TV (Tele 5) filed an action on 1 December 2009. RTL II, Viacom and Tele 5's claims are currently limited to access to information on the basis of which the claimants want to evidence that they suffered damages from these discount schemes. Courts in Munich and Düsseldorf decided in first instance either to dismiss the claims or to order expert opinions.

In addition, the German Federal Cartel Office searched in May 2010 the offices of Mediengruppe RTL Deutschland, in connection with an investigation for an alleged coordination with ProSiebenSat1 Media AG of its strategy towards platform operators concerning both the encryption of the free-TV signal and signal protection measures. It is expected that the Federal Cartel Office will raise allegations against Mediengruppe RTL Deutschland and will take a decision before the end of 2012.

V. CORPORATE GOVERNANCE

As part of the RTL Group, the Company follows corporate governance guidelines and policies adopted for the whole of RTL Group. These guidelines, which are in line with the ten principles of corporate governance issued by the Luxembourg stock exchange, and the corporate governance statement that is included in the consolidated directors' report are available on the website of RTL Group under www.rtlgroup.com.

VI. SUBSEQUENT EVENTS

On 18 January 2012, Groupe M6 announced that it has disposed of its shares in the American film production and distribution company Summit Entertainment following the sale of the studio to Lions Gate on 13 January 2012. The transaction was valued at between USD 334 million dollars and USD 412.5 million, corresponding to a maximum amount of USD 37.5 million for Groupe M6, which had acquired a 9.1 per cent shareholding in Summit Entertainment on 19 April 2007, for USD 15 million. The capital gain of this operation will be accounted for in the 2012 fiscal year. The exclusive distribution deal between Summit Entertainment and Groupe M6's subsidiary SND will continue despite the change in the shareholder structure.

On 7 February 2012, Gerhard Zeiler, Chief Executive Officer of RTL Group, announced that he will leave the company on his own request with effect from the Annual General Meeting on 18 April 2012, to take on a new challenge. Guillaume de Posch and Anke Schäferkordt will succeed him as co-CEOs. Guillaume de Posch, currently Chief Operating Officer of RTL Group, will take over responsibility for all of the Group's broadcasting operations outside Germany, and the company's production business. Anke Schäferkordt will continue to manage the German TV business in addition to her role as CEO of RTL Group. Elmar Heggen – RTL Group CFO and Head of the Corporate Centre in Luxembourg – Guillaume de Posch and Anke Schäferkordt are expected to join the RTL Group Board of Directors as Executive Directors.

The sale of RTL Group's majority shareholding in Alpha Media Group was subject to approval by the Greek Competition Commission. This clearance was obtained on 9 February 2012 and the transaction was completed on 20 February 2012.

On 23 February 2012, Mediengruppe RTL Deutschland announced that it will launch a new free-TV channel in Germany, RTL Nitro, on 1 April 2012.

VII. PROFIT APPROPRIATION

The statutory accounts of RTL Group S.A. show a net profit for the financial year 2011 of €170 055 129 (2010: €364 270 679). Taking into account the result brought forward at 31 December 2011 of €(4 053 487), the share premium of €5 314 333 243 and the result for the year of €170 055 129, the amount available for distribution is €5 480 334 885.

VIII. PRINCIPAL RISKS, UNCERTAINTIES AND OUTLOOK

Principal risks and uncertainties are disclosed in Note 3. to the consolidated financial statements for the financial risks and in the section "Corporate Governance" for the external and market risks.

RTL Group sees different developments in the various countries the Company operates in. Looking at January and February 2012 it can be noted that the negative development many feared did not happen. Given the high volatility of the various TV advertising markets throughout Europe and the short-term bookings cycle, it is not possible to give full-year guidance at the moment. However, RTL Group has repeatedly demonstrated that it can operate successfully in challenging economic environments.

5 March 2012

The Board of Directors

Board of Directors

Non-Executive Directors

Siegfried Luther, Chairman

Martin Taylor¹, Vice-Chairman and Chairman of Nomination and Compensation Committee

Günther Grüger

Thomas Hesse (appointed as from 1 January 2012)

Hartmut Ostrowski (until 31 December 2011)

Thomas Rabe

Onno Ruding¹, Chairman of Audit Committee (until 20 April 2011)

Jacques Santer¹

James Singh¹, Chairman of Audit Committee (appointed on 20 April 2011)

Executive Director

Gerhard Zeiler (Chief Executive Officer) (until 18 April 2012)

Elmar Heggen (Chief Financial Officer) (from 18 April 2012)

Guillaume de Posch (Co Chief Executive Officer) (from 18 April 2012)

Anke Schäferkordt (Co Chief Executive Officer) (from 18 April 2012)

¹ Independent director



Audit report

To the Shareholders of
RTL Group S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of RTL Group S.A., which comprise the balance sheet as at 31 December 2011, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of RTL Group S.A. as of 31 December 2011, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

The Corporate Governance Statement, as published on the Company's website www.rtlgroup.com, as of the date of this report is the responsibility of the Board of Directors. This statement is consistent, at the date of this report, with the annual accounts and includes the information required by the law with respect to the Corporate Governance Statement.

PricewaterhouseCoopers S.à r.l.
Represented by

Luxembourg, 5 March 2012

A handwritten signature in black ink, appearing to be "M. Minet", written over a circular stamp.

Marc Minet

Balance sheet at 31 December 2011
Denominated in Euro

	Notes	2011 €	2010 (*) €
ASSETS			
Fixed assets			
Intangible assets			
- Concessions, patents, licences, trademarks and similar rights	3.1.	1 307 533	1 774 359
Tangible assets			
- Plant and machinery	3.2.	298	577
- Other fixtures and fittings, tools and equipment		<u>202 032</u>	<u>233 013</u>
		202 330	233 590
Financial assets			
- Shares in affiliated undertakings	3.3.1.	6 762 536 341	6 737 467 141
- Amounts owed by affiliated undertakings	3.3.2.	<u>110 644 430</u>	<u>145 070 109</u>
		<u>6 873 180 771</u>	<u>6 882 537 250</u>
		<u>6 874 690 634</u>	<u>6 884 545 199</u>
Current assets			
Debtors			
- Amounts owed by affiliated undertakings			
. Becoming due and payable within one year	3.4.1.	593 588 811	626 682 864
- Amounts owed by shareholders			
. Becoming due and payable within one year	3.4.2.	538 663 841	793 868 765
- Other accounts receivable			
. Becoming due and payable within one year		<u>2 166 130</u>	<u>1 443 529</u>
		<u>1 134 418 782</u>	<u>1 421 995 158</u>
Transferable securities			
- Own shares	3.5.	12 198 587	12 198 587
Cash at bank and cash in hand			
	3.6.	174 087 658	313 413 367
		<u>1 320 705 027</u>	<u>1 747 607 112</u>
Deferred charges and derivative assets			
	3.10.	100 114 465	68 089 442
TOTAL ASSETS		<u>8 295 510 126</u>	<u>8 700 241 753</u>

(*) Refer to Note 2.15. The figures for the year ended 31 December 2010 have been reclassified to ensure comparability with the figures for the year ended 31 December 2011 presented in compliance with the law dated 19 December 2002 and amended by the law dated 10 December 2010

The accompanying notes form an integral part of these annual accounts.

Balance sheet at 31 December 2011
Denominated in Euro

	Notes	2011 €	2010 (*) €
LIABILITIES			
Equity	3.7.		
Subscribed capital	3.7.1.	191 900 551	191 900 551
Share premium		5 314 333 243	5 723 133 834
Legal reserve	3.7.2.	19 190 054	19 190 054
Reserve for own shares		12 198 587	12 198 587
Other reserves		7 071 800	7 071 800
Result brought forward		(4 053 487)	(4 053 487)
Result for the financial year		<u>170 055 129</u>	<u>364 270 679</u>
		<u>5 710 695 877</u>	<u>6 313 712 018</u>
Provisions	3.8.		
Provisions for pensions and similar obligations		<u>5 660 945</u>	<u>4 986 136</u>
		<u>5 660 945</u>	<u>4 986 136</u>
Creditors			
Amounts owed to credit institutions		5 268	536 142
- Becoming due and payable within one year			
Trade accounts payable		791 489	2 118 374
- Becoming due and payable within one year			
Amounts owed to affiliated undertakings	3.9.1.	2 448 748 542	2 276 175 094
- Becoming due and payable within one year			
Tax and social security debts	3.9.2.	225 101	11 017 922
- Tax debts		336 339	204 134
- Social security debts			
Other accounts payable		<u>22 599 663</u>	<u>22 730 793</u>
- Becoming due and payable within one year		<u>2 472 706 402</u>	<u>2 312 782 459</u>
Deferred income and derivative liabilities	3.10.	106 446 902	68 761 140
TOTAL LIABILITIES		<u>8 295 510 126</u>	<u>8 700 241 753</u>

(*) Refer to Note 2.15. The figures for the year ended 31 December 2010 have been reclassified to ensure comparability with the figures for the year ended 31 December 2011 presented in compliance with the law dated 19 December 2002 and amended by the law dated 10 December 2010

The accompanying notes form an integral part of these annual accounts.

Profit and loss account for the year ended 31 December 2011
Denominated in Euro

	Notes	2011 €	2010 (*) €
CHARGES			
Use of merchandise, raw materials and consumable materials		233 547	194 534
Other external charges	4.8.	19 559 856	24 838 118
Staff costs	4.9.		
Salaries and wages		21 228 828	19 682 512
Social security on salaries and wages		950 220	894 188
Supplementary pensions		988 476	854 339
		<u>23 167 524</u>	<u>21 431 039</u>
Value adjustments in respect of intangible and tangible assets		1 011 267	967 956
Other operating charges		1 146 486	1 075 087
Value adjustments in respect of financial fixed assets	4.10.	14 900 000	67 403 076
Value adjustments in respect of financial current assets	4.11.	3 990	10 050 081
Interest and other financial charges			
Concerning affiliated undertakings	4.12.	16 907 723	4 674 927
Other interest and financial charges		62 502	143 655
		<u>16 970 225</u>	<u>4 818 582</u>
Extraordinary charges	4.13.	5 430 277	-
Income tax		1 575	864
Other taxes not included in the previous caption		(1 412 544)	135
Profit for the financial year		170 055 129	364 270 679
TOTAL CHARGES		<u>251 067 332</u>	<u>495 050 151</u>

(*) Refer to Note 2.15. The figures for the year ended 31 December 2010 have been reclassified to ensure comparability with the figures for the year ended 31 December 2011 presented in compliance with the law dated 19 December 2002 and amended by the law dated 10 December 2010

The accompanying notes form an integral part of these annual accounts.

Profit and loss account for the year ended 31 December 2011
Denominated in Euro

	Notes	2011 €	2010 (*) €
INCOME			
Other operating income	4.1.	3 389 907	3 950 480
Reversal of value adjustments in respect of financial fixed assets	4.2.	25 000 000	223 590 941
Reversal of value adjustments in respect of financial current assets	4.3.	-	109 996 793
Income from financial assets			
Dividend income	4.4.	197 067 189	137 860 016
Interest and other financial income			
- Derived from affiliated undertakings	4.5.	12 178 486	11 600 613
- Derived from shareholders	4.6.	8 365 380	4 948 000
- Foreign exchange gain, net	4.7.	1 113 168	887 790
- Other interest and financial income		<u>3 952 202</u>	<u>2 215 396</u>
		<u>222 676 425</u>	<u>157 511 815</u>
Extraordinary income	4.13.	1 000	122
TOTAL INCOME		<u>251 067 332</u>	<u>495 050 151</u>

(*) Refer to Note 2.15. The figures for the year ended 31 December 2010 have been reclassified to ensure comparability with the figures for the year ended 31 December 2011 presented in compliance with the law dated 19 December 2002 and amended by the law dated 10 December 2010

The accompanying notes form an integral part of these annual accounts.

Notes to the annual accounts for the year ended 31 December 2011

1. GENERAL

RTL Group S.A. (the "Company" or "RTL Group") was incorporated as a "Société Anonyme" on 30 December 1972 under the name of Compagnie Luxembourgeoise pour l'Audiovisuel et la Finance, abbreviated to "Audiofina". The Articles of Association were published in the "Recueil Spécial C des Sociétés et Associations" on 27 March 1973, under the number 52. They were modified on several occasions, the last one being on 17 April 2002. The Company is formed for an unlimited period.

On 25 July 2000, the name of the Company was changed to RTL Group.

The registered office of the Company is established at 45, boulevard Pierre Frieden, L-1543 Luxembourg.

The Company's financial year starts on 1 January and ends on 31 December of each year.

The purpose of the Company is national and international development in the audiovisual, communication and information sectors and all related technologies. The Company can also take holdings through granting of loans, merging, subscription or other form of investment in any company, undertaking, association or other legal entity, existing or to be constituted, whatever its form or nationality, having a purpose which is similar or complementary to that of the Company. The Company can undertake any commercial, industrial or financial operation linked directly or indirectly to its purpose or of such a nature that it facilitates or favours its realisation. The Company may also undertake any action useful or necessary for the accomplishment of its purpose.

The Company also prepares consolidated financial statements which are published according to the provisions of the law.

The consolidated financial statements of RTL Group are included in the consolidated accounts of Bertelsmann AG, the ultimate parent company of RTL Group. Bertelsmann AG is a company incorporated under German law whose registered office is established at Carl-Bertelsmann-Strasse 270, D-33311 Gütersloh, Germany. Consolidated financial statements of Bertelsmann AG may be obtained at their registered office.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements. Accounting policies and valuation rules are, besides the ones laid down by the Amended Law dated 19 December 2002, determined and applied by the Board of Directors.

The annual accounts have been prepared under the historical cost convention except for items relating to foreign exchange hedging activities.

All monetary amounts in the notes are in Euro unless otherwise indicated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore fairly present the financial position and results.

2.2. Foreign currency translation

The Company maintains its accounts in Euro and both the balance sheet and profit and loss account are expressed in this currency.

Transactions in foreign currencies are recorded at the rate of exchange ruling on the transaction date. With the exception of fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Related realised and unrealised gains as well as realised and unrealised losses are recognised in the profit and loss account.

Notes to the annual accounts for the year ended 31 December 2011

2.3. Foreign exchange risk and derivatives

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, including most notably exposures to USD and GBP. For the Group as a whole, cash flow, net income and net worth are optimised by reference to EUR. Foreign exchange risks faced by individual Group companies, however, are managed or hedged against the functional currency of the relevant entity.

Group Treasury periodically collects from the Group companies forecasts of foreign currency exposures arising from signed output deals and programme rights in order to monitor the Group's overall foreign currency exposure. Entities exposed to foreign currency risk are responsible for hedging their exposures in accordance with the Treasury policies approved by the Board of Directors. Companies in the Group use forward contracts, transacted with Group Treasury, to hedge their exposure to foreign currency risk. Group Treasury is responsible for hedging the net position in each currency by using external foreign currency derivative contracts.

The foreign currency management policy of the Group is to hedge 100 per cent of the recognised monetary foreign currency exposures arising from cash, receivables, payables, loans and borrowings denominated in currencies other than EUR.

Within this framework, RTL Group enters into foreign currency derivative contracts with banking institutions (external) and with Group subsidiaries (internal).

Unrealised losses and gains resulting from the revaluation of the foreign currency derivative contracts (internal and external) are recognised in the profit and loss account with a counterpart in the balance sheet in "Deferred income and derivative liabilities" or "Deferred charges and derivative assets", respectively.

2.4. Intangible assets

Intangible assets are stated at cost less accumulated amortisation. They include EDP software amortised on a straight-line basis over their estimated useful life of three years. Where the Company considers that an intangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.5. Tangible assets

Tangible assets are stated at cost less accumulated depreciation. Depreciation is recognised on a straight-line basis over the estimated useful lives of the tangible assets:

- Technical equipment: four to ten years;
- Other fixtures and fittings, tools and equipment: three to ten years.

Where the Company considers that a tangible asset has suffered a durable depreciation in value, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.6. Financial assets

Shares in affiliated undertakings are recorded at acquisition cost in the balance sheet. A value adjustment is made when there is a durable diminution in their value. These value adjustments are not continued if the reasons for which these value adjustments were made have ceased to apply.

Dividends from shares in affiliated undertakings and participating interests are recognised when declared by decision of the General Meeting.

Amounts owed by affiliated undertakings and by undertakings with which the Company is linked by virtue of participating interests are recorded at acquisition cost or nominal value in the balance sheet. When the market value or the recoverable value is lower than the acquisition cost or nominal value, a value adjustment is recorded. These value adjustments are not continued if the reasons for which these value adjustments were made have ceased to apply.

Notes to the annual accounts for the year ended 31 December 2011

2.7. Debtors

Debtors are recorded at their nominal value. They are subject to value adjustments when their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.8. Own shares

Own shares are recorded at acquisition cost and are classified as current assets. A value adjustment is recorded when the market value is lower than the acquisition cost. In accordance with article 49.5 of the Law on Commercial Companies, a non-distributable reserve ("Reserve for own shares") is constituted for an equivalent amount from "Result brought forward".

2.9. Cash at bank and cash in hand

The Company reports in the balance sheet the net amount of the debit and credit positions of the bank accounts when these positions relate to the same currency in the same bank and a netting agreement exists with the bank. If these conditions are not met, credit positions are recorded as bank overdrafts in "Amounts owed to credit institutions".

Money market investment funds which meet the following criteria:

- Short term investments;
- Highly liquid investments;
- Readily convertible to known amounts of cash;
- Subject to an insignificant risk of changes in value;

are recorded under "Cash at bank and cash in hand" at their latest official net asset values as provided by the relevant administrators.

2.10. Cash pooling arrangements

In order to optimise cash management, RTL Group has implemented a cash pooling policy to centralise the Group's liquid funds:

- The local cash pooling includes the majority of the Luxembourg subsidiaries. This automated cash pooling is made with a local banking institution. The conditions of the cash pooling are determined on an arm's length basis and based on specific risks linked to each Group company. The basis rate is EONIA adjusted for a margin (from -0.25% to -0.40% on credit margin and +0.50% on debit margin);
- The European cash pooling comprises the following Group companies: Audiomedia Investments S.A. (Belgium), Broadcasting Center Europe S.A. (Luxembourg), CLT-UFA S.A. (Luxembourg), FremantleMedia Belgium S.A. (Belgium), FremantleMedia Espana S.A. (Spain), FremantleMedia Italia S.p.A. (Italy), Immobilière Bayard d'Antin S.A. (France), IP Luxembourg S.à r.l. (Luxembourg), RTL Belgium S.A. (Belgium), RTL Group Beheer B.V. (Netherlands), RTL Group Deutschland GmbH (Germany), RTL Nederland Holding B.V. (Netherlands) and UFA Film und Fernseh GmbH (Germany). The interest rate of the cash pooling is based on EONIA, adjusted for a margin reflecting the specific risks attached to the Group companies.

In addition to the €, the cash pooling arrangements cover AUD, CAD, DKK, GBP, HUF, PLN, SEK, SGD and USD.

2.11. Deferred charges

The company reports under this caption expenditure incurred during the financial year but relating to a subsequent financial year.

Notes to the annual accounts for the year ended 31 December 2011

2.12. Provisions

Provisions are intended to cover losses or liabilities, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

2.13. Creditors

Creditors are recorded at their nominal value or, if applicable, their residual amount.

2.14. Deferred income

This liability item includes income received during the financial year but related to a subsequent financial year.

2.15. Presentation of comparative financial data

The figures for the year ended 31 December 2010 detailed in the table below have been reclassified to ensure comparability with the figures for the year ended 31 December 2011 presented in compliance with the law dated 19 December 2002 and amended by the law dated 10 December 2010. Management do not believe that these reclassifications adversely affect the information provided.

Caption	Originally reported ('000 €)	New presentation ('000 €)	Difference ('000 €)	Description
Balance sheet - Creditors				
Trade accounts payable	0	2 118	+2 118	Trade accounts payable reclassified from "Other accounts payable"
Tax debts	0	11 018	+11 018	Payables to tax authorities reclassified from "Other accounts payable"
Social security debts	0	204	+204	Payables to social security reclassified from "Other accounts payable"
Other accounts payable	36 071	22 731	(13 340)	Trade accounts payable reclassified to "Trade accounts payable" (-2 118); tax debts reclassified to "Tax debts" (-11 018); payables to social security reclassified to "Social security debts" (-204);
Profit and loss account - Charges				
Use of merchandise, raw materials and consumable materials	0	194	+194	Materials and supplies purchased and non stocked reclassified from "Other operating charges"
Other external charges	0	24 838	+24 838	General expenses and fees reclassified from "Other operating charges" (+23 424); bank fees reclassified from "Other interest and financial charges" (+1 414)
Salaries and wages	19 812	19 683	(129)	Taxes on pension fund reclassified to "Supplementary pensions" (-168); presents made to employees reclassified from "Social security on salaries and wages" (+39)
Social security on salaries and wages	933	894	(39)	Presents made to employees reclassified to "Salaries and wages"
Supplementary pensions	686	854	+168	Taxes on pension fund reclassified from "Salaries and wages"
Value adjustment in respect of intangible and tangible fixed assets	0	968	+968	Amortisation and depreciation reclassified from "Other operating charges"

Notes to the annual accounts for the year ended 31 December 2011

Caption	Originally reported ('000 €)	New presentation ('000 €)	Difference ('000 €)	Description
Profit and loss account – Charges (continued)				
Other operating charges	25 191	1 075	(24 116)	General expenses and fees reclassified to "Other external charges" (-23 424); amortisation and depreciation reclassified to "Value adjustment in respect of tangible and intangible fixed assets" (-968); materials and supplies purchased and non stocked reclassified to "Use of merchandise, raw materials and consumable materials" (-194); addition to operating provision reclassified from "Other interest and financial charges" (+250); taxes, duties and similar expenses reclassified from "Other taxes not included in the previous caption" (+220)
Value adjustments in respect of financial fixed assets	0	67 403	+67 403	Losses from cancellation of loan reclassified from "Other interest and financial charges"
Value adjustments in respect of financial current assets	0	10 050	+10 050	Losses from cancellation of cash pool receivables reclassified from "Other interest and financial charges"
Other interest and financial charges	79 171	144	(79 027)	Losses from cancellation of loan reclassified to "Value adjustments in respect of financial fixed assets" (-67 403); losses from cancellation of cash pool receivables reclassified to "Value adjustments in respect of financial current assets" (-10 050); bank fees reclassified to "Other external charges" (-1 414); addition to operating provision reclassified to "Other operating charges" (-250); release of operating provision reclassified to "Other operating income" (+90)
Income taxes	0	1	+1	Income tax and municipal business tax reclassified from "Other taxes not included in the previous caption"
Other taxes not included in the previous caption	221	0	(221)	Taxes, duties and similar expenses reclassified to "other operating charges" (-220); income tax and municipal business tax reclassified to "Income taxes" (-1)
Profit and loss account - Income				
Other operating income	3 860	3 950	+90	Release of operating provision reclassified from "Other interest and financial charges"
Reversal of value adjustments in respect of financial current assets	4 053	109 997	+105 944	Reversal of value adjustment on cash pool receivable reclassified from "Other interest and financial income"
Other interest and financial income	108 159	2 215	(105 944)	Reversal of value adjustment on cash pool receivable reclassified to "Reversal of value adjustment in respect of financial current assets"

Notes to the annual accounts for the year ended 31 December 2011

3. BALANCE SHEET

3.1. Intangible assets

"Intangible assets" consist mainly of licences which are recorded and amortised according to the policies described in Note 2.4.

In 2011, "Intangible assets" have evolved as follows:

Acquisition cost at 31.12.2010	8 271 063
Acquisitions	493 708
Acquisition cost at 31.12.2011	8 764 771
Accumulated value adjustment at 31.12.2010	(6 496 704)
Depreciation charges for the year	(960 534)
Accumulated value adjustment at 31.12.2011	(7 457 238)
Net book value at 31.12.2010	1 774 359
Net book value at 31.12.2011	1 307 533

3.2. Tangible assets

In 2011, "Tangible assets" have evolved as follows:

	Plant and machinery	Other fixtures and fittings, tools and equipment	Total
Acquisition cost at 31.12.2010	4 310	788 304	792 614
Acquisitions		19 473	19 473
Disposals	(3 195)	(76 368)	(79 563)
Acquisition cost at 31.12.2011	1 115	731 409	732 524
Accumulated value adjustment at 31.12.2010	(3 733)	(555 291)	(559 024)
Depreciation charges for the year	(279)	(50 454)	(50 733)
Disposals	3 195	76 368	79 563
Accumulated value adjustment at 31.12.2011	(817)	(529 377)	(530 194)
Net book value at 31.12.2010	577	233 013	233 590
Net book value at 31.12.2011	298	202 032	202 330

Notes to the annual accounts for the year ended 31 December 2011

3.3. Financial assets

3.3.1. Shares in affiliated undertakings

In 2011, "Shares in affiliated undertakings" have evolved as follows:

Acquisition cost at 31.12.2010	8 476 349 964
Acquisitions	69 200
Disposals	(1 136 017 474)
Acquisition cost at 31.12.2011	7 340 401 690
Value adjustments at 31.12.2010	(1 738 882 823)
Reversal of value adjustment for the year	25 000 000
Disposals	1 136 017 474
Value adjustments at 31.12.2011	(577 865 349)
Net book value at 31.12.2010	6 737 467 141
Net book value at 31.12.2011	6 762 536 341

In 2011, the Company acquired 346 shares (2010: 36 shares) in CLT-UFA S.A. for a total amount of €69 200 from individual shareholders (2010: €7 200).

In December 2011, the Company sold its fully impaired investment in Grundy Holdings B.V. to Vertimart Holding B.V., a third party, for an amount of €1 000. The resulting gain is reported as extraordinary income (Note 4.13.).

The reversal of the value adjustment for FremantleMedia S.A. in 2011 mainly relates to the investments made in the distribution activities in new businesses as well as to the strong performance of recently acquired U.S. businesses (@radical.media and Original Productions).

Details of shares

Business Unit	Name of the company	Legal form	Country	Activity	Direct % held	Acquisition cost	Accumulated value adjustment	Net	Equity before result for the year (2010)	Result of the last period closed
Fremantle Media	FremantleMedia	S.A.	Luxembourg	Holding	100	1 830 149 349	(572 149 349)	1 258 000 000	748 306 968	6 846 654
	Fremantle Productions Asia	Ltd	Hong Kong	Production	100	1 180 000	(600 000)	580 000	618 991	295 372
RTL Nederland	Grundy International Operations	Ltd	Netherlands Antilles	Holding	100	5 116 000	(5 116 000)	-	57 206	1 724
Other	CLT-UFA	S.A.	Luxembourg	Holding / TV / Radio	99.7	5 503 956 304	-	5 503 956 304	6 083 247 332	376 637 227
	Société Immobilière Bayard d'Antin	S.A.	France	Real Estate / Holding	0.01	37	-	37	128 863 871	146 737 318
						7 340 401 690	(577 865 349)	6 762 536 341		

3.3.2. Amounts owed by affiliated undertakings

In 2011, "Amounts owed by affiliated undertakings" have evolved as follows:

Gross amount at 31.12.2010	145 070 109
Increases	935 280
Decreases / Reimbursements	(20 460 959)
Gross amount at 31.12.2011	125 544 430
Value adjustments at 31.12.2010	0
Charges for the year	(14 900 000)
Value adjustments at 31.12.2011	(14 900 000)
Net book value at 31.12.2010	145 070 109
Net book value at 31.12.2011	110 644 430

Notes to the annual accounts for the year ended 31 December 2011

The amounts owed by affiliated undertakings are detailed as follows:

- An advance of GBP 92 106 317 (€109 709 150) originally granted to FremantleMedia Ltd on 20 August 2003, bearing interest at LIBOR1Y GBP + 0.5% and with maturity date 20 August 2013. The outstanding balance is net of a partial reimbursement received on 24 November 2011 of GBP 18 918 373 (€20 460 959). The interest accrued on the advance at 31 December 2011, presented in current assets, amounts to GBP 202 691 (€241 428);
- A loan of BRL 2 263 846 (€935 280) granted to FremantleMedia Brasil Ltda on 9 March 2011, bearing interest at a rate of 13.48 % and a maturity date of 10 June 2013. The interest accrued on the loan at 31 December 2011 amounts to BRL 111 894 (€46 228);
- A loan of €14 900 000 granted to Alpha Doriforiki Tileorasi S.A. on 24 June 2010, bearing interest at 4.513 % and with a maturity date of 24 June 2013. The interest accrued on the loan at 31 December 2011 amounts to €3 990.

The loan to Alpha Doriforiki Tileorasi S.A. including accrued interests has been fully impaired given the systemic Greek crisis.

Refer to Note 4.5. for details on interest income from loans to affiliated undertakings.

3.4. Debtors

3.4.1. Amounts owed by affiliated undertakings

Amounts owed by affiliated undertakings mainly consist of:

- Cash pooling with a number of group companies in multiple currencies for €589 927 085 (2010: €616 582 026) bearing interest at an adjusted EONIA rate as described in Note 2.10. above and without maturity date;
- A loan of SGD 5 000 000 (€2 938 929) granted to FremantleMedia Asia Pte Ltd on 17 February 2009, bearing interest at a rate of 2.60169 % and with maturity date 31 December 2012. The interest accrued on the loan at 31 December 2011 amounts to € nil;
- A loan of €420 000 granted to FremantleMedia Spain on 31 March 2011, bearing interest at a rate of 4.788 % and a maturity date of 2 July 2012. The interest accrued on the loan at 31 December 2011 amounts to €15 141.

The loan of JPY 550 871 100 to Fremantle Japan KK (€5 149 315) and a cash pool receivable from Fremantle Productions S.A., Greece, of €280 962 were waived during 2011. The resulting losses have been reported as extraordinary charges (Note 4.13.).

The loan of BRL 2 964 508 (€1 284 505) open at 31 December 2010 was reimbursed during 2011.

The interest accrued on the amounts owed by affiliated undertakings at 31 December 2011 amounts to €302 797 (31 December 2010: €980 889).

Refer to Note 4.5. for details on interest and other financial income derived from affiliated undertakings.

Notes to the annual accounts for the year ended 31 December 2011

3.4.2. Amounts owed by shareholders

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

- Interest rates are based on an overnight basis on EONIA plus 10 basis points or on a 1 to 3 month basis on EURIBOR plus 10 basis points;
- Bertelsmann AG has granted to RTL Group as security for all payments due by Bertelsmann AG a pledge on:
 - all shares of its wholly owned French subsidiary Média Communication S.A.S.;
 - since July 2007, all shares of its wholly owned Spanish subsidiary Media Finance Holding S.L.;
 - since October 2008, all interest in the German limited liability partnership Gruner + Jahr AG & Co (73.4 % stake);
 - since October 2008, all shares of its wholly owned English subsidiary Bertelsmann UK Ltd.

The interest in Gruner + Jahr AG and shares of Bertelsmann UK Ltd have also been granted as pledge by Bertelsmann AG to CLT-UFA S.A., a subsidiary of RTL Group, in connection with the accounts receivable related to Profit and Loss Pooling and Compensation agreements of CLT-UFA S.A. with Bertelsmann AG which at 31 December 2011 was €209 177 884.

At 31 December 2011, the deposit (principal amount) with Bertelsmann AG amounts to €112 886 392 (2010: €42 834 542) on an overnight basis, €425 000 000 (2010: €750 000 000) on a three months basis. Accrued interests amount to €777 449 (2010: €1 034 223). Refer to Note 4.6. for details on interest income for the year.

On 22 December 2011, RTL Group Deutschland GmbH, a Group company, and Bertelsmann AG entered into an agreement related to the deposit of surplus cash by RTL Group Deutschland GmbH with the shareholder. To secure the deposit, Bertelsmann pledged to RTL Group Deutschland GmbH its aggregate current partnership interest in Gruner + Jahr AG & Co. KG as well as all additional partnership interests in Gruner + Jahr it may create or acquire. At 31 December 2011, the three months deposit of RTL Group Deutschland GmbH with Bertelsmann amounted to €50 000 000. Accrued interest on the deposit amounted to €6 121.

3.5. Own shares

On 3 April 2006, RTL Group S.A. acquired 173 300 own shares for a total acquisition cost of €12 198 587 from Group companies, Audiomedia Investments S.A. and B.& C.E. S.A.. The acquisition cost per share (€70.39) was determined according to the average stock price over the last 6 months preceding the acquisition by RTL Group S.A.

At 31 December 2011, the Company directly held 173 300 own shares (2010: 173 300) and indirectly through a Company's subsidiary 995 401 own shares (2010: 995 401). At 31 December 2011, RTL Group's share price, as listed on the Euronext stock exchange, was €76.99 per share (31 December 2010: €76.70).

In 2010, a reversal of a value adjustment of €4 053 487 was recorded and an equivalent amount was transferred from "Result brought forward" to the "Reserve for own shares".

No dividend income is recognised on own shares held by the Company.

3.6. Cash at bank and cash in hand

	2011	2010
Cash at bank and cash in hand	77 306 285	144 738 833
Money market funds	<u>96 781 373</u>	<u>168 674 534</u>
Total	174 087 658	313 413 367

Total interest income on the money market investment funds during the year amounts to €625 188 (2010: €393 863) and is recorded in "Other interest and financial income".

Notes to the annual accounts for the year ended 31 December 2011

3.7. Equity

The changes in equity during the year are summarised in the table below:

	Subscribed capital	Share premium	Legal reserve	Reserve for own shares (Note 3.5.)	Other reserves	Result brought forward	Result for the financial year	Total
At 31.12.2009	191 900 551	5 782 185 577	19 190 054	8 145 100	7 071 800	524 740 600	(42 642 454)	6 490 591 228
Allocation of 2009 result	-	-	-	-	-	(42 642 454)	42 642 454	-
Dividend distribution	-	(59 051 743)	-	-	-	(482 098 146)	-	(541 149 889)
Profit for the financial year	-	-	-	-	-	-	364 270 679	364 270 679
Other movements (see Note 3.5.)	-	-	-	4 053 487	-	(4 053 487)	-	-
At 31.12.2010	191 900 551	5 723 133 834	19 190 054	12 198 587	7 071 800	(4 053 487)	364 270 679	6 313 712 018
Allocation of 2010 result	-	-	-	-	-	364 270 679	(364 270 679)	-
Dividend distribution	-	(408 800 591)	-	-	-	(364 270 679)	-	(773 071 270)
Profit for the financial year	-	-	-	-	-	-	170 055 129	170 055 129
At 31.12.2011	191 900 551	5 314 333 243	19 190 054	12 198 587	7 071 800	(4 053 487)	170 055 129	5 710 695 877

Changes in equity can be explained by:

- The result for the financial year 2011;
- The allocation for the year ended 31 December 2010 by the Annual General Meeting of Shareholders held on 20 April 2011, which decided the allocation of the profit of the financial year 2010 for €364 270 679 to "Result brought forward" and payment of a dividend of €773 071 270, thereof €408 800 591 from the share premium account.

3.7.1. Subscribed capital

At 31 December 2011, the subscribed capital amounts to €191 900 551 and is represented by 154 787 554 shares, all fully paid-up and without designation of nominal value. All shares have equal rights and obligations.

3.7.2. Legal reserve

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5 % of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10 % of the issued share capital. The legal reserve is not available for distribution to the shareholders.

3.8. Provision for pensions and similar obligations

The provisions for pensions at 31 December 2011 represents commitments from the Company towards its own employees and amounts to €5 660 945 (2010: €4 986 136).

3.9. Creditors

3.9.1. Amounts owed to affiliated undertakings

3.9.1.1. Short-term advances affiliated undertakings

Short-term advances from affiliated undertakings consist of:

- A short-term advance of €20 000 000 granted by Société Immobilière Bayard d'Antin S.A. (2010: €20 000 000), and bearing interest at 1.469 %. The interest accrued on the advance at 31 December 2011 amounts to €10 609 (2010: €27 450);
- A short-term advance of €15 000 000 granted by Société Immobilière Bayard d'Antin S.A. (2010: €15 000 000), and bearing interest at 1.607 %. The interest accrued on the advance at 31 December 2011 amounts to €58 923 (2010: €13 475);

Notes to the annual accounts for the year ended 31 December 2011

Two short-term advances of €6 000 000 and €4 000 000 to IP Österreich GmbH (2010: €12 000 000), bearing interest at 1.396 % and 1.418 %, respectively. The interest accrued on the two advances at 31 December 2011 amounts to €2 273 (2010: €20 827).

Refer to Note 4.12. for details on interest charges for the year.

Total interest expense during the year 2011 on the amounts owed to affiliated undertakings for short-term advances amounts to €606 784 (2010: €277 130).

3.9.1.2. Cash pooling arrangements

As reported in Note 2.10., the Company has entered into cash pooling arrangements with various Group companies for various currencies. At 31 December 2011, the corresponding liability amounts to €2 403 676 736 (2010: €2 229 113 342), of which € 2 080 064 419 towards CLT-UFA (2010: €1 950 543 256).

Refer to Note 4.12. for details on interest charges for the year.

3.9.2. Tax debts

The Company is subject in Luxembourg to the general tax regulations applicable to all companies. The Company has received final tax assessments up to 2006.

From 1 January 2002, the Company is part of a tax unity including other Luxembourg Group companies. Unused tax losses existing at 31 December 2011, for the tax unity in Luxembourg, amount to €4 221 m (2010: €4 301 m). In the event that one or several Group companies would have taxable income, these companies will not record income tax charge (towards RTL Group), respectively RTL Group will not record income tax profit (towards the Group companies) as long as the tax unity will benefit from unused tax losses.

3.10. Deferred charges and derivative assets / Deferred income and derivative liabilities

The amounts primarily relate to the Group's foreign exchange derivatives, assets and liabilities amounting to €99 583 001 (2010: €67 520 847) and €106 446 902 (2010: €68 761 140), respectively (Note 2.3.).

4. PROFIT AND LOSS ACCOUNT

4.1. Other operating income

"Other operating income" mainly relates to the recharge of services and can be broken down as follows:

	2011	2010
Recharges to Group companies		
Administrative and management services	2 996 312	3 618 879
Other	<u>10 150</u>	<u>7 107</u>
	3 006 462	3 625 986
Recharges to third parties		
Administrative and management services	266 004	234 208
Other	<u>0</u>	<u>506</u>
	266 004	234 714
Other	<u>117 441</u>	<u>89 780</u>
Total	3 389 907	3 950 480

4.2. Reversal of value adjustments in respect of financial fixed assets

The "Reversal of value adjustments in respect of financial fixed assets" amounts to €25 000 000 (2010: €223 590 941) and relates to FremantleMedia S.A. (Note 3.3.1.).

The reversal recorded in 2010 also related to the investment in FremantleMedia S.A. due to the growth of the profitability in the distribution activities (€160 000 000) and to a provision on a loan receivable in the context of the disposal of the shareholding in the UK broadcaster Five (€63 590 941).

Notes to the annual accounts for the year ended 31 December 2011

4.3. Reversal of value adjustments in respect of financial current assets

The reversal recorded in 2010 mainly related to a provision on cash pooling accounts receivable in the context of the disposal of the shareholding in the UK broadcaster Five (€105 783 087) and to own shares (see Note 3.5.).

4.4. Dividend income

During 2011, the Company received dividends from the following affiliated undertakings:

- CLT-UFA S.A. for an amount of €196 943 970 (2010: €137 860 016);
- Grundy Holding B.V. for an amount of €123 205 (2010: € nil);
- Société Immobilière Bayard d'Antin S.A. for an amount of €14 (2010: € nil).

4.5. Interest and other financial income derived from affiliated undertakings

"Interest and other financial income from affiliated undertakings" can be analysed as follows:

	2011	2010
Interest on cash pooling arrangements (Note 3.4.1.)	8 591 139	7 134 823
Interest on amounts owed by affiliated undertakings (Note 3.3.2.)	<u>3 587 347</u>	<u>4 465 790</u>
Total	12 178 486	11 600 613

4.6. Interest and other financial income derived from shareholders

Interest and other financial income derived from shareholders of €8 365 380 (2010: €4 948 000) exclusively relate to the deposit of surplus cash with Bertelsmann AG (Note 3.4.2.).

4.7. Foreign exchange gain, net

	2011	2010
Realised foreign exchange gains	198 402 873	293 696 568
Unrealised foreign exchange gains on assets and liabilities and on foreign currency derivatives	<u>35 207 744</u>	<u>8 719 177</u>
	233 610 617	302 415 745
Realised foreign exchange losses	(192 828 485)	(290 036 448)
Unrealised foreign exchange losses on assets and liabilities and on foreign currency derivatives	<u>(39 668 964)</u>	<u>(11 491 507)</u>
	(232 497 449)	(301 527 955)
Total	1 113 168	887 790

4.8. Other external charges

	2011	2010
General expenses	16 043 351	14 883 635
Fees	<u>3 516 505</u>	<u>9 954 483</u>
Total	19 559 856	24 838 118

In 2010, fees included transaction-related costs of €6 481 288 for the disposal of the U.K. broadcaster Five.

Notes to the annual accounts for the year ended 31 December 2011

4.9. Staff costs

During 2011, the Company had an average of 81 employees (2010: 82) who are dedicated to corporate functions.

On 25 July 2000, the Company established a share option programme for certain directors and employees of the Company and its subsidiaries. Movements in the number of share options are as follows:

	2011	2010
Options outstanding at 1 January	1 200	124 800
Options issued during the year	-	-
Options exercised during the year	-	-
Options expired / cancelled during the year	(1 200)	(123 600)
Total	-	1 200

All options open at the beginning of the financial year expired during 2011 as did and the stock option plan expired during 2011.

4.10. Value adjustments in respect of financial fixed assets

The "Value adjustments in respect of financial fixed assets" amounts to €14 900 000 (2010: €67 403 076) and relates to a loan to Alpha Doriforiki Tileorasi S.A. (Note 3.3.2.).

The value adjustment recorded in 2010 referred to the cancelation of a loan in the context of the disposal of the shareholding in the U.K. broadcaster Five.

4.11. Value adjustments in respect of financial current assets

The "Value adjustments in respect of financial current assets" amounts to €3 990 (2010: €10 050 081) and relate to the interest accrued on the loan granted to Alpha Doriforiki Tileorasi S.A. (Note 3.3.2.).

The value adjustment recorded in 2010 referred to the cancelation of the cash pooling receivable in the context of the disposal of the shareholding in the U.K. broadcaster Five.

4.12. Interest and other financial charges concerning affiliated undertakings

	2011	2010
Interest on cash pooling arrangements (Note 3.9.1.2.)	16 300 939	4 397 797
Interest on short-term advances from Group companies (Note 3.9.1.1.)	<u>606 784</u>	<u>277 130</u>
Total	16 907 723	4 674 927

4.13. Extraordinary income / (charges)

	2011	2010
Gain on disposal of shares in affiliated undertakings	1 000	-
Other	<u>-</u>	<u>122</u>
	1 000	122
Waiver of loans and cash pool receivables	<u>(5 430 277)</u>	<u>-</u>
Total	(5 430 277)	-

Refer to Note 3.3.1. for details on the disposal of shares in affiliated undertakings. Refer to Note 3.4.1. for details on the waiver of loans.

Notes to the annual accounts for the year ended 31 December 2011

5. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

At 31 December 2011, the principal shareholder of the Company is Bertelsmann Capital Holdings GmbH, a company incorporated under German law, which holds 92.3 % of the shares.

During the year 2011, all significant transactions entered into with related parties have been done at arm's length.

5.1. Transactions with shareholders

The Company has deposited a significant amount with Bertelsmann AG (Note 3.4.2.).

5.2. Transactions with key management personnel

Transactions with key management personnel can be summarised as follows:

In € million	2011	2010
Short-term benefits	6.3	6.6
Long-term benefits	<u>1.2</u>	<u>3.2</u>
Total	7.5	9.8

5.3. Directors' fees

In 2011, a total of €528 000 (2010: €528 000) was allocated in the form of attendance fees to the members of the Board of Directors.

6. OFF-BALANCE SHEET COMMITMENTS

6.1. Outstanding forward currency contracts

At 31 December 2011, in accordance with the foreign currency management policy described in Note 2.3, RTL Group has entered into foreign currency derivative contracts with banking institutions (external) and with Group companies (internal). The net foreign currency exposure resulting from the open contracts at year-end can be detailed as follows:

Currency	With banking institutions	With Group Companies
AUD	538 369	(4 108 128)
CAD	(13 552 457)	12 044 657
CHF	(22 055 837)	22 055 837
DKK	32 185 300	0
GBP	(77 867 356)	(18 996 126)
HUF	(1 338 467 548)	3 072 801 396
HRK	(99 788 000)	99 788 000
PLN	(1 014 000)	0
SGD	(2 448 254)	(553 746)
USD	1 266 604 717	(1 267 884 747)

In the table, the positive amounts correspond to a sale of the related currency (short position) and the negative amounts correspond to a purchase of the related currency (long position).

The residual exposure is explained by the hedging of accounts receivable, accounts payable, loans receivable and borrowings denominated in currencies other than € in the accounts of RTL Group.

6.2. Guarantees and other similar commitments

The Company has given guarantees to third parties on behalf of Group companies as detailed below:

	2011	2010
Guarantees and other similar commitments	150 072 175	131 313 675
Long-term commitments	69 087 877	41 543 993
Licence agreements	<u>93 802 453</u>	<u>108 882 763</u>
Total	312 962 505	281 740 431

Notes to the annual accounts for the year ended 31 December 2011

Guarantees and other commitments include guarantees on behalf of Five for an amount of €58 953 259 (2010: €91 073 987). In counterpart, RTL Group received reciprocal guarantees from the top holding company of the purchaser to the same amount.

7. SUBSEQUENT EVENTS

On 18 January 2012, Groupe M6 announced that it has disposed of its shares in the American film production and distribution company Summit Entertainment following the sale of the studio to Lions Gate on 13 January 2012. The transaction was valued at between USD 334 million dollars and USD 412.5 million, corresponding to a maximum amount of USD 37.5 million for Groupe M6, which had acquired a 9.1 per cent shareholding in Summit Entertainment on 19 April 2007, for USD 15 million. The capital gain of this operation will be accounted for in the 2012 fiscal year. The exclusive distribution deal between Summit Entertainment and Groupe M6's subsidiary SND will continue despite the change in the shareholder structure.

On 7 February 2012, Gerhard Zeiler, Chief Executive Officer of RTL Group, announced that he will leave the company on his own request with effect from the Annual General Meeting on 18 April 2012, to take on a new challenge. Guillaume de Posch and Anke Schäferkordt will succeed him as co-CEOs. Guillaume de Posch, currently Chief Operating Officer of RTL Group, will take over responsibility for all of the Group's broadcasting operations outside Germany, and the company's production business. Anke Schäferkordt will continue to manage the German TV business in addition to her role as CEO of RTL Group. Elmar Heggen – RTL Group CFO and Head of the Corporate Centre in Luxembourg – Guillaume de Posch and Anke Schäferkordt are expected to join the RTL Group Board of Directors as Executive Directors.

The sale of RTL Group's majority shareholding in Alpha Media Group was subject to approval by the Greek Competition Commission. This clearance was obtained on 9 February 2012 and the transaction was completed on 20 February 2012.

On 23 February 2012, Mediengruppe RTL Deutschland announced that it will launch a new free-TV channel in Germany, RTL Nitro, on 1 April 2012.

