

RTL Group S.A.
Société Anonyme

Audited annual accounts
for the year ended December 31, 2007

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RTL Group S.A.

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Directors' report

I. OVERVIEW

2007 was a very successful year for RTL Group. RTL Group (consolidated) generated a total revenue of EUR 5 707 million (2006: EUR 5 640 million), an EBITA of EUR 898 million (2006: EUR 851 million) and a profit for the year of EUR 674 million (2006: EUR 1 111 million).

The main developments in 2007 were as follows:

- German family of channels increased its audience lead over ProSiebenSat1;
- Worldwide production arm FremantleMedia with another year of strong performance across its main markets, driven by higher earnings from the US;
- French radio family has regained market leadership;
- Dynamic growth of Groupe M6's digital channels, W9 the most-watched 'new channel' on free DTT in France in the second half of 2007;
- Asset deal with Talpa Media to strengthen RTL Nederland: integration of Radio 538 and of successful Talpa programmes implemented, launch of fourth free-TV channel RTL 8.

Consistently with past year, RTL Group S.A. 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 S.A. has two major investments in CLT-UFA S.A. (99.71% of the share capital) and in FremantleMedia S.A. (100% of the share capital).

The profit of RTL Group S.A. for the year 2007 was EUR 311 million (2006: EUR 214 million), reflecting mainly:

- operating charges (EUR 41 million);
- dividends received from subsidiaries (EUR 120 million);
- a reversal of value adjustments on financial assets (EUR 160 million);
- net interest income on amounts owed by / due to affiliated undertakings (EUR 66 million).

II. SUMMARY INCOME STATEMENT

| In EUR million | 2007 | 2006 |
|--------------------------------------|-------------------|-------------------|
| Income | | |
| Operating income | 3 | 4 |
| Financial income ⁽¹⁾ | 390 | 317 |
| Extraordinary income ⁽²⁾ | <u>26</u> | <u>-</u> |
| Total income | 419 | 321 |
| Charges | | |
| Operating charges ⁽³⁾ | 41 | 42 |
| Financial charges ⁽⁴⁾ | 67 | 65 |
| Extraordinary charges | - | <u>-</u> |
| Total charges | <u>108</u> | <u>107</u> |
| Profit for the financial year | <u>311</u> | <u>214</u> |

(1) Financial income includes mainly:

- interest on amounts owed by affiliated undertakings and on cash pooling arrangements for a total amount of EUR 103 million;
- dividends received from subsidiaries (CLT-UFA S.A., Audiomedia Investments S.A.) for a total amount of EUR 120 million;
- a reversal of a value adjustment on the investment in FremantleMedia S.A. for EUR 160 million. This reversal reflects the continuous improved performance of the underlying business in the content segment, mainly in the US.

(2) Extraordinary income includes a capital gain of EUR 25 million, realized on the disposal of the investment in Audiomedia Investments S.A..

(3) Operating charges include staff costs of EUR 18 million, general and administrative expenses of EUR 20 million and a net wealth tax charge of EUR 3 million.

(4) Financial charges include mainly:

- interest on amounts owed to affiliated undertakings and on cash pooling arrangements for a total amount of EUR 37 million;
- an exchange loss (net) of EUR 15 million.

III. OWN SHARES

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

On April 3, 2006, RTL Group acquired 173 300 own shares for a total acquisition cost of EUR 12 198 587. These shares have been 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 has been constituted from the "Profit brought forward" account for an amount equivalent to the acquisition cost.

As at December 31, 2007, the Company holds directly 173 300 own shares (December 31, 2006: 173 300) and indirectly through a Company's subsidiary 995 401 own shares (December 31, 2006: 995 401).

IV. SIGNIFICANT LITIGATION

RTL Group has been made a party to litigation between several of its minority shareholders on the one hand and Bertelsmann and GBL on the other hand in relation to the acquisition by Bertelsmann of the RTL Group shares previously owned by GBL. On July 8, 2003, the Luxembourg civil Court rejected the claim of the minority shareholders. The judgement was appealed.

In September 2002, the minority shareholders have filed a lawsuit against RTL Group, its Directors, Bertelsmann, BWTV and WAZ with regard to the free float. They were seeking a Court decision obliging RTL Group to increase the free float and prohibiting other defendants to make additional purchases of RTL Group shares.

The minority shareholders also dispute the decision by RTL Group to de-list its shares from the London Stock Exchange. On December 31, 2002, the Court of appeal of Luxembourg, sitting in summary proceeding, confirmed the Court decision pronounced in summary proceeding on October 25, 2002 that held the claim inadmissible. The de-listing of RTL Group's shares from the London Stock Exchange took effect from December 31, 2002. As a consequence, of the de-listing, the minority shareholders requested the Luxembourg Civil Court to order the re-listing of the shares on the London Stock Exchange. On March 30, 2004, the Court decided to join both claims (free float and de-listing) and dismissed the claims of the minority shareholders. The judgement was appealed.

On July 12, 2006, the Court of Appeal of Luxembourg decided to join the claims (swap, free-float and de-listing) and confirmed the judgements of the court of first instance. The minority shareholders lodged to the Luxembourg Supreme Court ("Cour de Cassation") a final appeal against this judgement, restricted to a limited set of legal issues not involving RTL Group but linked to the acquisition by Bertelsmann of RTL Group shares previously owned by GBL.

IV. SIGNIFICANT LITIGATION (Cont.)

On February 21, 2008, the Luxembourg Supreme Court decided to refer the matter to the European Court of Justice for a preliminary ruling procedure. The proceedings before the Luxembourg Supreme Court are stayed, pending the outcome of the procedure before the European Court of Justice.

RTL Group believes that whatever the outcome of that litigation it should not have any direct impact on the Group, because it has not been a party to that transaction (swap) and its involvement is limited to solely entering any transfer of shares into the shareholders register

Group companies are parties to other litigations, which are disclosed in the consolidated financial statements.

V. PROFIT APPROPRIATION

The statutory accounts of RTL Group S.A. show a profit for the financial year 2007 of EUR 311 063 897 (2006: profit of EUR 214 028 089). Taking into account the profit carried forward as at December 31, 2007 of EUR 1 401 503 424, the share premium (EUR 5 782 185 577) and the profit for the year (EUR 311 063 897), the amount available for distribution is EUR 7 494 752 898.

The Board of Directors recommends to the General Meeting of Shareholders on April 16, 2008 the distribution of a gross final dividend per share of EUR 5.00, including an extraordinary dividend of EUR 3.70 per share (2006: EUR 3.00 per share, including an extraordinary dividend of EUR 1.80 per share).

If the General Meeting of Shareholders accepts this proposal, RTL Group will distribute for the financial year 2007 a total dividend of EUR 774 million.

March 4, 2008

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

Hartmut Ostrowski (appointed: 1 January 2008)

Thomas Rabe

Onno Ruding¹, Chairman of Audit Committee

Jacques Santer¹

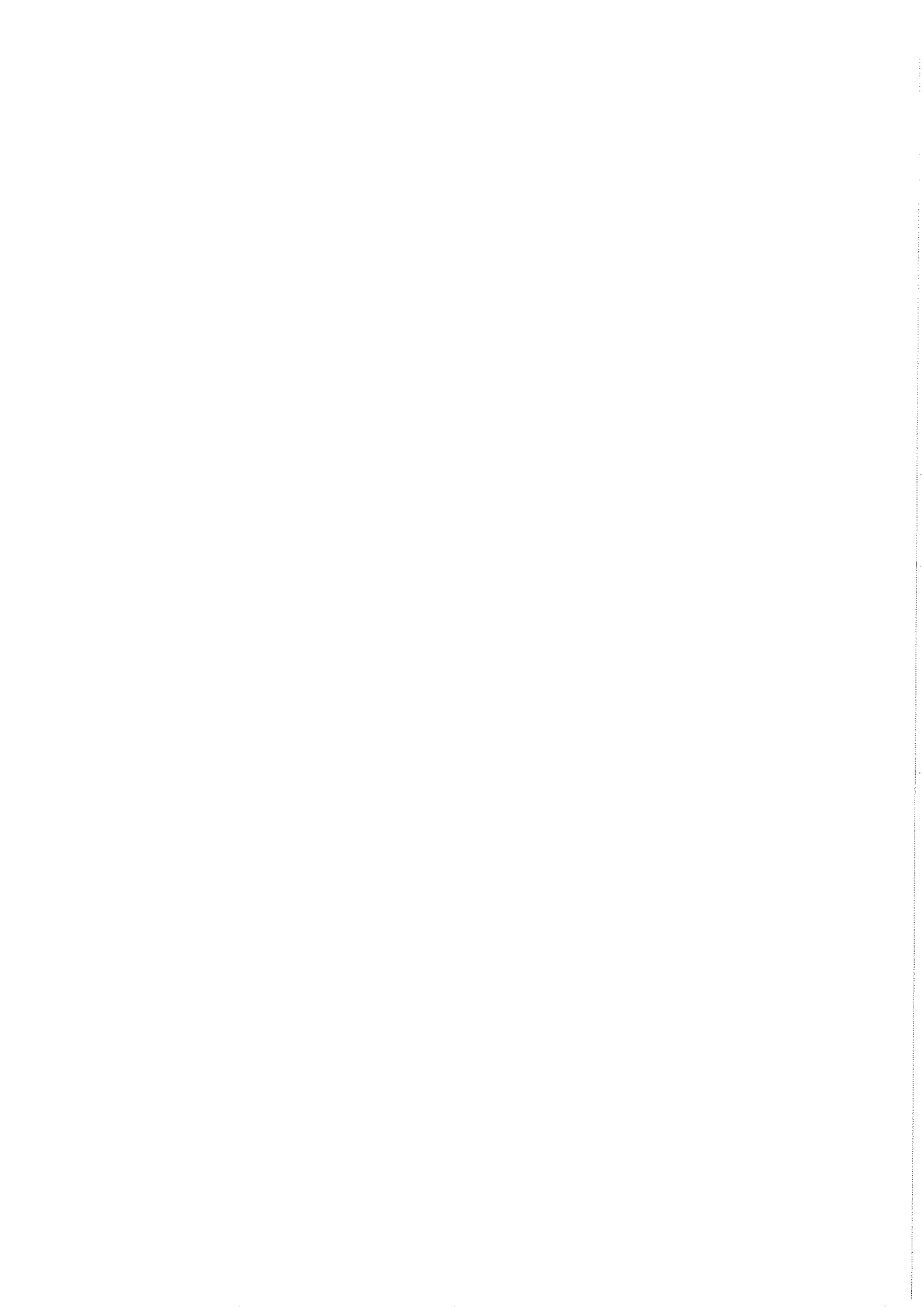
Gunter Thielen (resigned on 31 December 2007)

Ewald Walgenbach (resigned on 31 December 2007)

Executive Director

Gerhard Zeiler (Chief Executive Officer)

¹ Independent director



Report of the Réviseur d'entreprises

To the Shareholders of
RTL Group S.A.

We have audited the accompanying annual accounts of RTL Group S.A., which comprise the balance sheet as at December 31, 2007, and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Réviseur d'entreprises' responsibility

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 by the "Institut des Réviseurs d'Entreprises". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 Réviseur d'entreprises' judgement, 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 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, these annual accounts give a true and fair view of the financial position of RTL Group S.A. as of December 31, 2007, 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 Directors' report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

PricewaterhouseCoopers S.à r.l.
Réviseur d'entreprises
Represented by

Luxembourg, March 4, 2008



Pascal Rakovsky

RTL Group S.A.

Balance sheet as at December 31, 2007

(expressed in euro)

| | Note(s) | 2007 EUR | 2006 EUR |
|--|---------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Fixed assets | | | |
| - intangible assets | | 396 710 | 824 545 |
| - tangible assets | | 355 724 | 390 812 |
| - financial assets | | | |
| . shares in affiliated undertakings | 3 | 6 469 730 504 | 6 319 449 547 |
| . loans to affiliated undertakings | 4 | 270 537 854 | 1 663 795 511 |
| . other loans | 5 | 34 841 106 | 43 546 542 |
| | | <u>6 775 861 898</u> | <u>8 028 006 957</u> |
| Current assets | | | |
| - debtors (becoming due and payable within one year) | | | |
| . amounts owed by affiliated undertakings | 6 | 843 302 078 | 862 186 841 |
| . current deposit with shareholder | 7 | 624 266 041 | 487 149 130 |
| . other debtors | | 2 659 922 | 1 914 165 |
| - transferable securities | | | |
| . own shares | 8 | 12 198 587 | 12 198 587 |
| . other transferable securities | 9 | 41 736 576 | - |
| - cash at bank, cheques and cash in hand | 10 | 314 016 647 | 26 711 505 |
| | | <u>1 838 179 851</u> | <u>1 390 160 228</u> |
| Prepayments and accrued income | | <u>200 338 486</u> | <u>169 695 455</u> |
| Total assets | | <u>8 814 380 235</u> | <u>9 587 862 640</u> |

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

RTL Group S.A.

Balance sheet as at December 31, 2007 (expressed in euro)

| | Note(s) | 2007 EUR | 2006 EUR |
|---|-----------|----------------------|----------------------|
| LIABILITIES | | | |
| Capital and reserves | 11 | | |
| - subscribed capital | 11.1 | 191 900 551 | 191 900 551 |
| - share premium account | | 5 782 185 577 | 5 782 185 577 |
| - legal reserve | 11.3 | 19 190 054 | 19 190 054 |
| - reserve for own shares | 8 | 12 198 587 | 12 198 587 |
| - other reserves | | 7 071 800 | 7 071 800 |
| - profit brought forward | | 1 401 503 424 | 1 651 837 997 |
| - profit for the financial year | | 311 063 897 | 214 028 089 |
| - gains which are temporarily not taxable | 2.2.9 | 10 143 435 | 10 143 435 |
| | | <u>7 735 257 325</u> | <u>7 888 556 090</u> |
| Provisions for liabilities and charges | | | |
| - provisions for pensions and similar obligations | 14 | <u>3 038 237</u> | <u>2 508 901</u> |
| | | 3 038 237 | 2 508 901 |
| Creditors (becoming due and payable within one year) | | | |
| - amounts owed to credit institutions | | 35 856 | - |
| - amounts owed to affiliated undertakings | 13 | 852 883 574 | 1 495 037 766 |
| - other creditors | | <u>37 884 674</u> | <u>33 042 120</u> |
| | | 890 804 104 | 1 528 079 886 |
| Accrued and deferred income | | <u>185 280 569</u> | <u>168 717 763</u> |
| Total liabilities | | <u>8 814 380 235</u> | <u>9 587 862 640</u> |

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

RTL Group S.A.

Profit and loss account for the year ended December 31, 2007 (expressed in euro)

| | Note(s) | 2007 EUR | 2006 EUR |
|---|-----------|--------------------|--------------------|
| CHARGES | | | |
| Staff costs | 14 | | |
| - wages and salaries | | 17 064 654 | 20 453 651 |
| - social security costs | | 704 036 | 680 658 |
| - supplementary pensions | | <u>564 672</u> | <u>507 939</u> |
| | | 18 333 362 | 21 642 248 |
| Other operating charges | 15 | 20 193 756 | 16 734 287 |
| Value adjustments in respect of financial assets | | | |
| - on shares in affiliated undertakings | | <u>-</u> | <u>15 000 000</u> |
| | | - | 15 000 000 |
| Interest payable and similar charges | | | |
| - concerning affiliated undertakings | 16 | 37 416 487 | 31 144 265 |
| - other interest payable and charges | | 39 132 | 167 511 |
| - other financial charges | 17 | 14 530 312 | 2 243 667 |
| - exchange loss, net | 21 | <u>15 210 573</u> | <u>15 979 554</u> |
| | | 67 196 504 | 49 534 997 |
| Extraordinary charges | | 5 265 | 1 088 |
| Taxes other than income taxes | 23 | 2 513 734 | 3 750 463 |
| Profit for the financial year | | <u>311 063 897</u> | <u>214 028 089</u> |
| Total charges | | <u>419 306 518</u> | <u>320 691 172</u> |

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

RTL Group S.A.

Profit and loss account for the year ended December 31, 2007 (expressed in euro)

| | Note(s) | 2007 EUR | 2006 EUR |
|--|---------|--------------------|--------------------|
| INCOME | | | |
| Other operating income | | | |
| - income from the recharge of services <i>including amounts receivable from affiliated undertakings</i> | 18 | 2 691 526 | 4 241 931 |
| | | <u>2 126 413</u> | <u>3 548 768</u> |
| | | 2 691 526 | 4 241 931 |
| Reversal of value adjustments in respect of financial assets | | | |
| - on shares in affiliated undertakings | 3.3 | <u>160 000 000</u> | <u>150 000 000</u> |
| | | 160 000 000 | 150 000 000 |
| Income from affiliated undertakings | | | |
| - dividend income | 20 | <u>119 875 419</u> | <u>94 403 736</u> |
| | | 119 875 419 | 94 403 736 |
| Other interest receivable and similar income | | | |
| - derived from affiliated undertakings | 19 | 103 349 306 | 70 136 284 |
| - other interest receivable and similar income | 10 | 5 333 832 | 254 578 |
| - other financial income | | <u>1 812 907</u> | <u>1 199 018</u> |
| | | 110 496 045 | 71 589 880 |
| Extraordinary income | | | |
| | 22 | <u>26 243 528</u> | <u>455 625</u> |
| Total income | | | |
| | | <u>419 306 518</u> | <u>320 691 172</u> |

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

RTL Group S.A.

Notes to the annual accounts as at December 31, 2007

Note 1 - General

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

On July 25, 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 January 1st and ends on December 31st 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 the German law whose registered office is established Carl-Bertelsmann-Strasse 270, D-33311 Gütersloh, Germany. Consolidated financial statements of Bertelsmann AG may be obtained at their registered office.

Note 2 - Summary of 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 Law, determined and applied by the Board of Directors.

RTL Group S.A.

Notes to the annual accounts as at December 31, 2007

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

2.2.1 Fixed assets

Intangible assets are stated at cost less accumulated depreciation. They comprise EDP software amortised on a straight-line basis over their estimated useful life of 3 years.

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.

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 reason for which these value adjustments were made, have ceased to apply.

Loans to affiliated undertakings and other loans 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.

2.2.2 Current debtors

Current debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.2.3 Own shares

Own shares are recorded at acquisition cost and are classified as current assets since the aim of these shares is to fulfil the Company's obligation in the event of the exercise of share options by their beneficiaries in the context of the Stock Option Plan issued in 2000. Value adjustments are 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 "Profit brought forward".

2.2.4 Other transferable securities

Transferable securities are valued at the lower of purchase cost, including expenses incidental thereto and calculated on the basis of FIFO method, or market value, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the purchase cost.

RTL Group S.A.

Notes to the annual accounts as at December 31, 2007

2.2.5 Cash at bank, cheques 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 of a same 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, cheques and cash in hand" at their latest official net asset values as provided by the relevant administrators.

2.2.6 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.

2.2.7 Foreign exchange risk

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 risk 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).

RTL Group S.A.

Notes to the annual accounts as at December 31, 2007

2.2.7 Foreign exchange risk (cont.)

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, respectively, "Accruals and deferred income" and "Prepayments and accrued income".

2.2.8 Cash pooling arrangements

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

- the local cash pooling includes the majority of the Luxembourg subsidiaries. This is automated cash pooling with a local banking institution. The conditions of the loans/borrowings 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), Bayard d'Antin S.A. (France), CLT-UFA S.A. (Luxembourg), Fremantle Operations B.V. (Netherlands), IPL S.à r.l. (Luxembourg), RTL Group Beheer B.V. (Netherlands), and TVI S.A. (Belgium). The interest rate of loans/borrowings is based usually on EONIA, adjusted for a margin reflecting the specific risks attached to the Group companies.

2.2.9 Gains which are temporarily not taxable

The account "Gains which are temporarily not taxable" (art. 54 LIR) includes the realised gains to be reinvested in the two years following the sale of fixed assets as well as the realised gains already reinvested for which tax relief has been received.

RTL Group S.A.

Notes to the annual accounts as at December 31, 2007

Note 3 - Shares in affiliated undertakings

Movements of the year are as follows:

| | EUR |
|--|-------------------------------|
| Acquisition cost as at December 31, 2006 | 8 488 212 370 |
| Acquisitions | 244 400 |
| Disposals | <u>(9 963 443)</u> |
| Acquisition cost as at December 31, 2007 | <u>8 478 493 327</u> |
| Value adjustments as at December 31, 2006 | (2 168 762 823) |
| Reversal of value adjustments | <u>60 000 000</u> |
| Value adjustments as at December 31, 2007 | <u>(2 008 762 823)</u> |
| Carrying value as at December 31, 2006 | 6 319 449 547 |
| Carrying value as at December 31, 2007 | 6 469 730 504 |

3.1 Acquisitions

During the year 2007, the Company has acquired 1 222 shares in CLT-UFA S.A. for an amount of EUR 244 400 to individual shareholders.

3.2 Disposals

In September 2007, the Company has sold its investment in Audiomedia Investments S.A. to a Group company for an amount of EUR 34 928 505, resulting in a capital gain of EUR 24 969 330.

3.3 Reversal of value adjustment

The carrying value of the investment in FremantleMedia S.A. as at December 31, 2007 has been increased by EUR 160 000 000 (2006: EUR 150 000 000) through a reversal of value adjustment to reflect the continuous improved performance of the underlying business in the content segment, mainly in the US.

3.4 Detail of shares in affiliated undertakings

| Name of the company | Legal Form | Country | Activity | Direct % held | Acquisition cost | Value adjustment | Net | Equity before | Result of the |
|---------------------------------|------------|----------------------|----------------------|---------------|----------------------|------------------------|----------------------|----------------------------|---------------------------|
| | | | | | | | | result for the year (2006) | last period closed (2006) |
| | | | | | EUR | EUR | EUR | EUR | EUR |
| CLT-UFA | S.A. | Luxembourg | Holding / TV / Radio | 99.7 | 5 503 663 504 | 0 | 5 503 663 504 | 4 958 314 494 | 250 253 139 |
| FremantleMedia (Australia) | Pty Ltd. | Australia | Production | 100 | 2 367 000 | 0 | 2 367 000 | 1 861 175 | 642 030 |
| FremantleMedia | S.A. | Luxembourg | Holding | 100 | 1 830 149 349 | (867 149 349) | 963 000 000 | 653 024 987 | 75 412 707 |
| Fremantle Productions Asia | Ltd. | Hong Kong | Production | 100 | 1 180 000 | (480 000) | 700 000 | 644 092 | 19 688 |
| Grundy Holdings (Netherlands) | B.V. | The Netherlands | Holding | 100 | 1 136 017 474 | (1 136 017 474) | 0 | (246 369) | 320 206 |
| Grundy International Operations | Ltd. | Netherlands Antilles | Holding | 100 | 5 116 000 | (5 116 000) | 0 | 50 695 | 1 467 |
| | | | | | 8 478 493 327 | (2 008 762 823) | 6 469 730 504 | | |

RTL Group S.A.

Notes to the annual accounts as at December 31, 2007

Note 4 - Loans to affiliated undertakings

The loans to affiliated undertakings recorded in fixed assets consist solely in a loan of GBP 193 488 673 (EUR 270 537 854) granted to Channel 5 Television Group Limited bearing interest at Libor 3 months +2.5% and with maturity date September 2, 2014. The interest accrued on the loan at December 31, 2007, presented in current assets, amounts to GBP 1 447 189 (EUR 2 023 475).

In February 2007, the loan of EUR 1 090 000 000 granted to CLT-UFA in 2005 has been fully reimbursed. In December 2007, the two advances of USD 27 000 000 and USD 97 235 905 granted to FremantleMedia North America Inc. have been fully reimbursed.

For the total interest income relating to the loans to affiliated undertakings, see note 6.1.

Note 5 - Other loans

As at December 31, 2007, other loans include long-term deposits with financial institutions for EUR 34 841 106 (2006: EUR 43 546 542). The interest accrued, recorded in current assets, amounts to EUR 652 838 as at December 31, 2007 (2006: EUR 549 259). Total interest income on the other loans during the year amounts to EUR 1 129 539 (2006: EUR 792 053) and is recorded in "Other financial income".

Note 6 - Amounts owed by affiliated undertakings

6.1 Loans to Group companies

The loans granted to Group companies are detailed as follows:

- an advance of GBP 121 024 690 (EUR 169 217 966) granted to FremantleMedia Ltd, bearing interest at Libor 1 year GBP +0.5% and with maturity date August 20, 2008. The interest accrued on the advance at December 31, 2007, presented in current assets, amounts to GBP 3 107 392 (EUR 4 344 787);
- a loan of JPY 275 271 100 (EUR 1 683 924) granted to Fremantle Japan KK on August 14, 2007, bearing interest at 2.47% and with maturity date August 14, 2008. The interest accrued on the loan at December 31, 2007 amounts to JPY 2 580 324 (EUR 15 785);
- a loan of EUR 152 105 granted to Fremantlemedia Brazil LTDA, bearing interest at 12.34% and with maturity date April 21, 2008. The interest accrued on the loan at December 31, 2007 amounts to EUR 6 985.

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Notes to the annual accounts as at December 31, 2007

6.1 Loans to Group companies (cont.)

- a loan of EUR 152 105 granted to Fremantlemedia Brazil LTDA, bearing interest at 12.36% and with maturity date May 20, 2008. The interest accrued on the loan at December 31, 2007 amounts to EUR 7 000;
- a loan of EUR 164 619 granted to Fremantlemedia Brazil LTDA, bearing interest at 12.49% and with maturity date July 9, 2008. The interest accrued on the loan at December 31, 2007 amounts to EUR 3 027;
- a loan of EUR 164 619 granted to Fremantlemedia Brazil LTDA, bearing interest at 12.65% and with maturity date September 9, 2008. The interest accrued on the loan at December 31, 2007 amounts to EUR 3 066;
- a loan of EUR 164 619 granted to Fremantlemedia Brazil LTDA, bearing interest at 12.55% and with maturity date November 9, 2008. The interest accrued on the loan at December 31, 2007 amounts to EUR 3 042.

Total interest income on the loans to affiliated undertakings (fixed and current assets) during the year amounts to EUR 40 315 363 (2006: EUR 37 864 929) (Note 19).

6.2 Cash pooling arrangements

As part of the cash pooling arrangements described in note 2.2.8, RTL Group has, as at December 31, 2007, receivable balances with Group companies for a total amount of EUR 664 542 116 (2006: EUR 831 951 041). The interest accrued at December 31, 2007 amounts to EUR 0 (2006: EUR 0).

Total interest income on cash pooling arrangements during the year amounts to EUR 38 911 634 (2006: EUR 28 325 122) (Note 19).

6.3 Interest accrued

As at December 31, 2007, the interest accrued on loans to affiliated undertakings, other loans and loans to Group companies amounts to EUR 7 060 005 (2006: EUR 27 920 464).

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Notes to the annual accounts as at December 31, 2007

Note 7 - Current deposit with shareholder

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

- interest rates are based on an overnight basis on EONIA plus 10 basis points; or on a 1 or 3 month basis, EURIBOR plus 10 basis points;
- Bertelsmann AG grants 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.;
- the total amount of the deposit does not exceed 60% of the fair value of the assets pledged, which is revalued on a regular basis.

As at December 31, 2007, the deposit (principal amount) with Bertelsmann AG amounts to EUR 20 160 831 (2006: EUR 385 994 717) on an overnight basis, EUR 220 000 000 (2006: 0) on a 1 month basis and EUR 380 000 000 (2006: EUR 100 000 000) on a 3 month basis. The interest income for the year 2007 amounts to EUR 24 122 309 (2006: EUR 3 946 233) (Note 19), including accrued interest of EUR 4 105 210 (2006: EUR 1 154 413).

Note 8 - Own shares

By resolution of the Annual General Meeting of the shareholders of RTL Group held on April 18, 2001, the Board of Directors of the Company was authorized for a period of fifteen months from the date of such shareholders' meeting, to acquire an aggregate number of shares of RTL Group not exceeding the maximum 10% allowed under the Luxembourg law of August 10, 1915 applicable to commercial companies. The acquisition price was set between EUR 40 as a minimum and 105% of the average of the market price on the shares of RTL Group on the London Stock Exchange during the five last days preceding the acquisition as a maximum. At a Board meeting held on January 8, 2002, the Board of Directors resolved that the Company would not purchase any RTL Group shares at a price exceeding EUR 44.

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

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Notes to the annual accounts as at December 31, 2007

Note 8 - Own shares (cont.)

As at December 31, 2007, the Company holds directly 173 300 own shares (2006: 173 300) and indirectly through a Company's subsidiary 995 401 own shares (2006: 995 401).

Note 9 - Other transferable securities

As at December 31, 2007, other transferable securities include shares in an investment fund for an amount of EUR 41 736 576 (2006: EUR 0). The value adjustment recorded in 2007 amounts to EUR 2 918 263 (2006: EUR 0) and is recorded in "Other financial charges" (Note 17).

Note 10 - Cash at bank, cheques and cash in hand

| | 2007 | 2006 |
|-------------------------------|--------------------|-------------------|
| | EUR | EUR |
| Cash at bank and on hand | 87 283 435 | 26 711 505 |
| Money market investment funds | 226 733 212 | - |
| | <u>314 016 647</u> | <u>26 711 505</u> |

Total interest income on the money market investment funds during the year amounts to EUR 4 290 746 (2006: EUR 0) and is recorded in "Other interest receivable and similar income".

Note 11 - Capital and reserves

11.1 Subscribed capital

As at December 31, 2007, the subscribed capital amounts to EUR 191 900 551 and is represented by 154 787 554 fully paid-up shares, with no nominal value.

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Notes to the annual accounts as at December 31, 2007

11.2 Changes in shareholders' equity

The changes in shareholders' equity during the year is summarized in the table below:

| | Subscribed Capital | Share premium account | Legal reserve | Reserve for own shares | Other reserves | Profit brought forward | Profit for the financial year | Gains which are temporarily |
|------------------------------|-----------------------|-----------------------------|-------------------|------------------------------|-------------------|---------------------------|----------------------------------|-----------------------------------|
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| As at 31.12.2006 | <u>191 900 551</u> | <u>5 782 185 577</u> | <u>19 190 054</u> | <u>12 198 587</u> | <u>7 071 800</u> | <u>1 651 837 997</u> | <u>214 028 089</u> | <u>10 143 435</u> |
| Allocation of 2006 result | | | | | | 214 028 089 | (214 028 089) | |
| Dividend distribution | | | | | | (464 362 662) | | |
| Result for the year | | | | | | | 311 063 897 | |
| As at 31.12.2007 | <u>191 900 551</u> | <u>5 782 185 577</u> | <u>19 190 054</u> | <u>12 198 587</u> | <u>7 071 800</u> | <u>1 401 503 424</u> | <u>311 063 897</u> | <u>10 143 435</u> |

Changes in shareholders' equity are explained by:

- the profit for the financial year 2007;
- the allocation for the year ended December 31, 2006 by the Annual General Meeting of Shareholders held on April 18, 2007, which decided the allocation of the profit of the financial year 2006 for EUR 214 028 089 to the profit brought forward and to the payment of a dividend of EUR 464 362 662.

11.3 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 on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to the shareholders.

Note 12 - Shareholder's loans

On November 5, 2002, RTL Group entered into a EUR 300 million Revolving Credit Facility (the "Facility") granted by Bertelsmann AG. The Facility has been granted to RTL Group initially for the period from November 8, 2002 to August 31, 2004. The term of the Facility has been extended to August 31, 2006. The Facility bears interest at a rate per annum equal to the sum of the EONIA rate plus a 25 basis point margin. The interest rate has been amended on December 1st, 2005 with a new 22 basis point margin over EONIA and the Facility has been rolled over until December 1st, 2006. The Facility is renewable for a further two more periods of 365 days beyond December 1st, 2006. On July 12, 2007, this credit facility was cancelled.

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Notes to the annual accounts as at December 31, 2007

Note 12 - Shareholder's loans (cont.)

The following additional financing programmes have been entered into by RTL Group in previous years:

- EUR 600 million dematerialized treasury notes programme:

On October 10, 2001, RTL Group entered into a EUR 400 million dematerialized treasury notes programme (the "Programme") under Belgian law. Under the Programme, the Company can issue treasury notes (the "Notes") up to an aggregate amount of EUR 400 million. The maturities of the Notes may be determined by the Company and the Notes may be denominated in EUR or any other currency of a country member of the Organisation for Economic Cooperation and Development ("O.E.C.D."), subject to any applicable legal or regulatory restrictions. The Programme is not listed. The Programme has been subsequently increased to EUR 600 million in 2002.

As at December 31, 2007, the balance of the Programme amounts to EUR 0 (2006: EUR 0) and the interest expense for the year amounts to EUR 0 (2006: EUR 0).

- EUR 2 000 million euro medium term note programme:

On November 5, 2001, RTL Group entered into a EUR 2 000 million euro medium term note programme (the "Programme") under English law. Under the Programme, the Company can issue notes (the "Notes"), in series that may be distributed by private or public placement and in each case on a syndicated or non syndicated basis. The maturities and denomination of the Notes may be determined by the Company, subject to any applicable legal or regulatory restrictions. The Programme is listed on the Luxembourg stock exchange.

As at December 31, 2007, the balance of the Programme amounts to EUR 0 (2006: EUR 0) and the interest expense for the year amounts to EUR 0 (2006: EUR 0).

- EUR 1 000 million euro-commercial paper programme:

On May 30, 2001, RTL Group entered into a EUR 1 000 million euro-commercial paper programme (the "Programme") under English law. Under the Programme, the Company can issue notes (the "Notes"), in series that can be interest bearing, index linked or sold at a discount to their face value. The Notes have a maturity of a minimum of 3 days and maximum of 364 days. The Notes can be issued in EUR, USD, GBP, CHF or JPY. The Programme is not listed.

As at December 31, 2007, the balance of the Programme amounts to EUR 0 (2006: EUR 0) and the interest expense for the year amounts to EUR 0 (2006: EUR 0).

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Notes to the annual accounts as at December 31, 2007

Note 13 - Amounts owed to affiliated undertakings

13.1 Short term advances from Group companies

The short term advances from Group companies are detailed as follows:

- a short term advance of EUR 20 000 000 granted by Immobilière Bayard d'Antin, bearing interest at 4.997% (Euribor 1M +0.05%) as at December 31, 2007. The interest accrued on the advance at December 31, 2007 amounts to EUR 49 970;
- a short term advance of EUR 9 000 000 granted by IPA Plus Osterreich, bearing interest at 4.79% (Euribor 3M flat) as at December 31, 2007. The interest accrued on the advance at December 31, 2007 amounts to EUR 9 580.

Total interest expense on short term advances from Group companies during the year amounts to EUR 306 555 (2006: EUR 378 364) (Note 16).

13.2 Cash pooling arrangements

As part of the cash pooling arrangements described in note 2.2.8, RTL Group has, as at December 31, 2007, payable balances with Group companies for a total amount of EUR 823 824 024 (2006: EUR 1 495 037 766). The interest accrued at December 31, 2007 amounts to EUR 0 (2006: EUR 0).

Total interest expense on cash pooling arrangements during the year amounts to EUR 37 109 932 (2006: EUR 30 340 770) (Note 16).

Note 14 - Staff costs

In 2007, the average number of employees of RTL Group is 74 employees (2006: 68), which are dedicated to corporate functions.

The provision for pensions amounts to EUR 3 038 237 as at December 31, 2007 (2006: EUR 2 508 901).

Note 15 - Other operating charges

| | 2007 | 2006 |
|------------------|-------------------|-------------------|
| | EUR | EUR |
| General expenses | 15 834 287 | 12 350 854 |
| Fees | 3 771 469 | 3 695 077 |
| Directors' fees | 588 000 | 688 356 |
| | <u>20 193 756</u> | <u>16 734 287</u> |

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Notes to the annual accounts as at December 31, 2007

Note 16 - Interest payable and similar charges concerning affiliated undertakings

| | 2007 EUR | 2006 EUR |
|---|-------------------|-------------------|
| Interest on short term advances from Group companies (Note 13.1) | 306 555 | 378 364 |
| Interest on cash pooling arrangements (Note 13.2) | 37 109 932 | 30 340 770 |
| Interest on shareholder's loans | - | 425 131 |
| | <u>37 416 487</u> | <u>31 144 265</u> |

Note 17 - Other financial charges

| | 2007 EUR | 2006 EUR |
|---|-------------------|------------------|
| Bank fees | 1 279 503 | 1 250 134 |
| Commitment fees | 96 500 | 172 801 |
| Waiver of loan to Fremantle Productions (South Africa) Pty | - | 745 891 |
| Waiver of amounts due by FremantleMedia LLC | 1 404 446 | - |
| Value adjustment on marketable securities (Note 9) | 2 918 263 | - |
| Others | 8 831 600 | 74 841 |
| | <u>14 530 312</u> | <u>2 243 667</u> |

The commitment fees relate to unused credit facilities granted by Bertelsmann AG.

Note 18 - Income from the recharge of services

| | 2007 EUR | 2006 EUR |
|--|------------------|------------------|
| <u>Group</u> | | |
| Administrative and management services | 2 115 189 | 1 063 968 |
| Others | 11 224 | 2 484 800 |
| | <u>2 126 413</u> | <u>3 548 768</u> |
| <u>Non Group</u> | | |
| Administrative and management services | 562 839 | 565 023 |
| Reversal of provisions | 2 274 | 125 822 |
| Others | - | 2 318 |
| | <u>565 113</u> | <u>693 163</u> |
| | <u>2 691 526</u> | <u>4 241 931</u> |

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Notes to the annual accounts as at December 31, 2007

Note 19 - Other interest receivable and similar income derived from affiliated undertakings

| | 2007 EUR | 2006 EUR |
|---|--------------------|-------------------|
| Interest on loans to affiliated undertakings (Note 6.1) | 40 315 363 | 37 864 929 |
| Interest on cash pooling arrangements (Note 6.2) | 38 911 634 | 28 325 122 |
| Interest on current deposit with shareholder (Note 7) | 24 122 309 | 3 946 233 |
| | <u>103 349 306</u> | <u>70 136 284</u> |

Note 20 - Dividend income

| | 2007 EUR | 2006 EUR |
|------------------------------------|--------------------|-------------------|
| Audiomedia Investments S.A. | 1 919 920 | 2 137 395 |
| CLT-UFA S.A. | 117 955 499 | 72 266 341 |
| Grundy Holdings (Netherlands) B.V. | - | 20 000 000 |
| | <u>119 875 419</u> | <u>94 403 736</u> |

Note 21 - Exchange loss, net

| | 2007 EUR | 2006 EUR |
|--|---------------------|---------------------|
| Realized foreign exchange losses | (240 426 824) | (202 783 727) |
| Realized foreign exchange gains | 240 616 360 | 198 939 215 |
| Unrealized foreign exchange losses on assets and liabilities and on foreign currency derivatives | (15 483 344) | (73 347 946) |
| Unrealized foreign exchange gains on assets and liabilities and on foreign currency derivatives | 83 235 | 61 212 904 |
| | <u>(15 210 573)</u> | <u>(15 979 554)</u> |

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Notes to the annual accounts as at December 31, 2007

Note 22 - Extraordinary income

| | 2007 | 2006 |
|---|-------------------|----------------|
| | EUR | EUR |
| Gain on disposal of shares in affiliated undertakings (Note 3) | 24 969 330 | - |
| Gain on disposal of other financial assets | - | 93 500 |
| Others | 1 274 198 | 362 125 |
| | <u>26 243 528</u> | <u>455 625</u> |

Note 23 - Taxes other than income taxes

| | 2007 | 2006 |
|----------------|------------------|------------------|
| | EUR | EUR |
| Net wealth tax | 2 395 725 | 3 665 383 |
| Other taxes | 118 009 | 85 080 |
| | <u>2 513 734</u> | <u>3 750 463</u> |

Note 24 - Tax status

The Company is subject in Luxembourg to the general tax regulations applicable to all companies.

As from January 1st, 2002, the Company is part of a tax unity including other Luxembourg Group companies. Unused tax losses existing as at December 31, 2007, for the tax unity in Luxembourg amount to EUR 4 343 million (2006: EUR 4 353 million). 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.

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Notes to the annual accounts as at December 31, 2007

Note 25 - Commitments

25.1 Foreign currency derivative contracts

As at December 31, 2007, in accordance with the foreign currency management policy described in note 2.2.7, 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 | (55 351 812) | 60 762 112 |
| CAD | 3 654 500 | (3 654 500) |
| DKK | (15 500 000) | - |
| GBP | 382 242 713 | (49 841 451) |
| HUF | 3 090 502 288 | (3 107 774 326) |
| JPY | 271 801 000 | - |
| MXN | 2 164 400 | - |
| PLN | 3 681 100 | - |
| SGD | (2 000 000) | - |
| USD | (1 036 671 651) | 1 055 619 696 |

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 receivables, payables, loans and borrowings denominated in currencies other than EUR in the accounts of RTL Group.

25.2 Other commitments

As at December 31, 2007, the Company has given guarantees to third parties on behalf of Group companies for an amount of EUR 192 873 505 (December 31, 2006: EUR 197 374 002).

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Notes to the annual accounts as at December 31, 2007

Note 26 - Share Option Plan

On July 25, 2000, the Company established a share option programme for certain directors and employees of the Company and its subsidiaries.

All participants in the stock option plan (the "SOP") must be employed by RTL Group or one of its subsidiaries at the time of the grant of options under the SOP. The number of options granted to a participant under the SOP are at the discretion of a compensation committee, established to operate the SOP.

The number of ordinary shares which may be placed under option under the SOP in any year may not be more than a half per cent of the Company's issued ordinary share capital.

The exercise price of the options granted under the SOP will be the average closing middle market price of shares in the Company on the Brussels Stock Exchange over the 20 dealing days preceding the date of grant or such other, higher or lower, amount as determined by the compensation committee.

Options will normally be exercisable as to one third on each of the second, third and fourth anniversaries of the date of grant or in accordance with such other vesting schedule as determined by the compensation committee. Options must normally be exercised before the expiry of 10 years from the date of grant or such shorter period as determined by the compensation committee.

Movements in the number of share options are as follows:

| | 2007 | 2006 |
|--|----------------|-----------------|
| Options outstanding at January 1 st | 147 800 | 173 300 |
| Options issued during the year | - | - |
| Options exercised during the year | - | - |
| Options expired / cancelled during the year | <u>(8 750)</u> | <u>(25 500)</u> |
| Options outstanding at December 31 st | <u>139 050</u> | <u>147 800</u> |

Share options outstanding at December 31, 2007 have the following terms:

| Expiry date | Exercise price | Number of options |
|-------------|----------------|-------------------|
| | EUR | (in thousands) |
| 2010 | 85.24 | 131 850 |
| 2010 | 120 | 6 000 |
| 2011 | 85.24 | <u>1 200</u> |
| | | <u>139 050</u> |

The number of share options granted to the Directors of the Company during 2007 is 0 (2006: 0). The outstanding number of share options granted to the Directors of the Company as at December 31, 2007 is 11 500 (December 31, 2006: 11 500).

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Notes to the annual accounts as at December 31, 2007

Note 27 - Significant litigation

RTL Group has been made a party to litigation between several of its minority shareholders on the one hand and Bertelsmann and GBL on the other hand in relation to the acquisition by Bertelsmann of the RTL Group shares previously owned by GBL. On July 8, 2003, the Luxembourg civil Court rejected the claim of the minority shareholders. The judgement was appealed.

In September 2002, the minority shareholders have filed a lawsuit against RTL Group, its Directors, Bertelsmann, BWTV and WAZ with regard to the free float. They were seeking a Court decision obliging RTL Group to increase the free float and prohibiting other defendants to make additional purchases of RTL Group shares.

The minority shareholders also dispute the decision by RTL Group to de-list its shares from the London Stock Exchange. On December 31, 2002, the Court of appeal of Luxembourg, sitting in summary proceeding, confirmed the Court decision pronounced in summary proceeding on October 25, 2002 that held the claim inadmissible. The de-listing of RTL Group's shares from the London Stock Exchange took effect from December 31, 2002. As a consequence, of the de-listing, the minority shareholders requested the Luxembourg Civil Court to order the re-listing of the shares on the London Stock Exchange. On March 30, 2004, the Court decided to join both claims (free float and de-listing) and dismissed the claims of the minority shareholders. The judgement was appealed.

On July 12, 2006, the Court of Appeal of Luxembourg decided to join the claims (swap, free-float and de-listing) and confirmed the judgements of the court of first instance. The minority shareholders lodged to the Luxembourg Supreme Court ("Cour de Cassation") a final appeal against this judgement, restricted to a limited set of legal issues not involving RTL Group but linked to the acquisition by Bertelsmann of RTL Group shares previously owned by GBL.

On February 21, 2008, the Luxembourg Supreme Court decided to refer the matter to the European Court of Justice for a preliminary ruling procedure. The proceedings before the Luxembourg Supreme Court are stayed, pending the outcome of the procedure before the European Court of Justice.

RTL Group believes that whatever the outcome of that litigation it should not have any direct impact on the Group, because it has not been a party to that transaction (swap) and its involvement is limited to solely entering any transfer of shares into the shareholders register

Group companies are parties to other litigations, which are disclosed in the consolidated financial statements.