

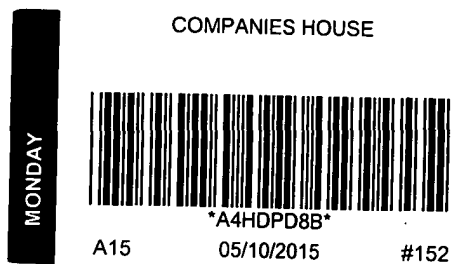
# **Turner Broadcasting System Europe Limited**

Report and Financial Statements

Year Ended

31 December 2014

Company Number 01927955



# Turner Broadcasting System Europe Limited

## Report and financial statements for the year ended 31 December 2014

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### Directors

G Stock  
E Browne  
A van der Wal

### Secretary and registered office

E Browne, Turner House, 16 Great Marlborough Street, London, W1F 7HS

### Company number

01927955

### Auditors

Ernst & Young LLP, 1 More London Place, London, SE1 2AF

### Bankers

Barclays Bank PLC, PO BOX 544, 1st Floor, 54 Lombard Street, London, EC3V 9EX

### Solicitors

E Browne, Turner House, 16 Great Marlborough Street, London, W1F 7HS

### Registrars

E Browne, Turner House, 16 Great Marlborough Street, London, W1F 7HS

# Turner Broadcasting System Europe Limited

## Strategic report for the year ended 31 December 2014

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The directors present their strategic report together with the audited financial statements for the year ended 31 December 2014.

Turner Broadcasting System Europe Limited ("TBSEL") is a wholly owned subsidiary of Turner Broadcasting System Holdings (Europe) Limited ("TBSHEL"), a company registered in England and Wales. Time Warner Inc. is the parent undertaking of the smallest group of undertakings of which the company is a member and for which group financial statements are drawn up.

The company's principal activities are:

- the operation of 24 hour entertainment television networks throughout the United Kingdom, Europe, Africa and Middle East;
- the licensing of a 24 hour news programme of Turner Broadcasting System Inc.;
- the provision of advertising representative services to group undertakings; and
- the provision of management services to group undertakings.

### Principal risks and uncertainties

The media industry in the UK and Europe is subject to substantial competitive pressure and rapid technological change, and this is a continuing risk for the company, which could result in loss of sales and increased costs. The company manages this risk by monitoring market trends and developing new methods of media distribution.

The company licenses and creates programmes for sale to its customers. Changing consumer demands for entertainment content expose the company to the risk that programming inventory may become less popular with audiences. The company procures content targeted to key demographics and monitors trends around consumer habits.

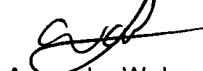
Sales and expenditures are made in many currencies other than the Euro and the company is therefore exposed to exchange rate movements. The group's treasury function takes out contracts to manage this risk at group level.

The risks and uncertainties of the company are integrated with the risks of the group and are not managed separately.

### Key performance indicators

The directors consider that key performance indicators are not necessary for an understanding of the development, performance or position of the business due to the fact that the success of the business is measured as part of Time Warner Holdings Limited.

### On behalf of the board

 11/10/2015.  
A van der Wal  
Director

# Turner Broadcasting System Europe Limited

## Report of the directors for the year ended 31 December 2014

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The directors present their report together with the audited financial statements for the year ended 31 December 2014.

### Results and dividends

The company's profit for the year transferred to reserves was €8,451,324 (2013 - €2,224,567). No dividend was paid in the current or preceding year.

### Going concern

The company's business activities together with factors likely to affect its future development, performance and position are set out in the Strategic Report and future developments section above.

The company has considerable financial resources together with long standing relationships with key clients and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Financial instruments

The company periodically enters in to foreign currency hedges to limit exposure to fluctuations in cash inflows and outflows denominated in currencies other than the company's functional currency. These cash flow hedges are administered at a group level by Time Warner.

### Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training, career development and promotion wherever appropriate.

### Employee involvement

During the year, the policy of providing employees with information about the company has been continued and employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### Directors

The directors of the company during the year were:

L Sams (resigned 15 May 2014)  
Z Ratajova (resigned 19 May 2014)  
G Stock  
E Browne (appointed 14 March 2014)  
A van der Wal (appointed 14 March 2014)

The company may indemnify one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 and the company may purchase insurance for this purpose. Time Warner Inc. has purchased a Directors and Officers liability insurance policy for the benefit of the company and its directors and such policy was in force during the year and is in force as at the date of approving the Directors' Report.

# Turner Broadcasting System Europe Limited

## Report of the directors for the year ended 31 December 2014 (*continued*)

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### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the report of the directors' and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirm that:

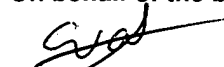
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Auditors

Ernst & Young LLP will be reappointed as the company's auditor in accordance with the elective resolution passed by the company under section 485 of the Companies Act 2006.

On behalf of the board

  
A van der Wal  
Director

1/10/2015

# **Turner Broadcasting System Europe Limited**

## **Independent auditor's report**

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### **To the members of Turner Broadcasting System Europe Limited**

We have audited the financial statements of Turner Broadcasting System Europe Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Turner Broadcasting System Europe Limited

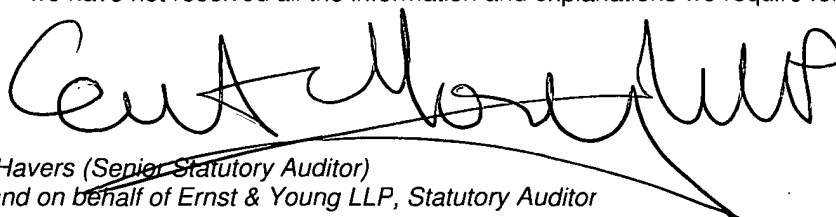
## Independent auditor's report (*continued*)

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### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Karl Havers (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

2 October 2015

# Turner Broadcasting System Europe Limited

## Profit and loss account for the year ended 31 December 2014

	Note	2014 €	2013 €
<b>Turnover</b>	2	<b>322,198,493</b>	293,351,622
Cost of sales		(286,797,233)	(258,926,907)
<b>Gross profit</b>		<b>35,401,260</b>	34,424,715
Loss on impairment of investments	3	(16,721,165)	(24,037,046)
Impairment of programming assets	3	-	(2,687,422)
Administrative expenses		(16,721,165)	(26,724,468)
<b>Operating profit</b>	4	<b>18,680,095</b>	7,700,247
Income from shares in group undertakings	7	(2,172,081)	3,538,614
Other interest receivable	8	93,531	81,611
Interest payable and similar charges	9	(708,552)	(477,884)
Other finance charges		(85,727)	(221,433)
<b>Profit on ordinary activities before taxation</b>		<b>15,807,266</b>	10,621,155
Taxation on profit on ordinary activities	10	(7,355,942)	(8,396,588)
<b>Profit on ordinary activities after taxation</b>		<b>8,451,324</b>	2,224,567

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 8 to 28 form part of these financial statements.



# Turner Broadcasting System Europe Limited

## Balance sheet at 31 December 2014

<i>Company number 01927955</i>	<b>Note</b>	<b>2014</b> €	<b>2014</b> €	<b>2013</b> €	<b>2013</b> €
<b>Fixed assets</b>					
Intangible assets	11		90,673,128		107,670,487
Tangible assets	12		8,549,898		12,981,508
Investments	13		19,490,137		32,711,604
			<u>118,713,163</u>		<u>153,363,599</u>
<b>Current assets</b>					
Debtors - due within one year	14	142,809,100		163,960,849	
Cash at bank and in hand		63,420,504		30,389,918	
		<u>206,229,604</u>		<u>194,350,767</u>	
<b>Creditors: amounts falling due within one year</b>	15	(94,094,081)		(119,112,922)	
		<u></u>		<u></u>	
<b>Net current assets</b>			112,135,523		75,237,845
<b>Non-current assets</b>					
Debtors - due after more than one year	14		314		519,275
			<u>314</u>		<u>519,275</u>
<b>Total assets less current liabilities</b>			230,849,000		229,120,719
<b>Creditors: amounts falling due after more than one year</b>	16	(1,154,168)		(3,739,950)	
<b>Provisions for liabilities</b>	17	(6,338,546)		(8,598,419)	
		<u></u>		<u></u>	
			(7,492,714)		(12,338,369)
			<u>223,356,286</u>		<u>216,782,350</u>
<b>Capital and reserves</b>					
Called up share capital	19		151,038,232		151,038,232
Share scheme reserve	20		(3,553,661)		(1,676,273)
Profit and loss account	20		75,871,715		67,420,391
			<u>223,356,286</u>		<u>216,782,350</u>
<b>Equity shareholders' funds</b>	21		223,356,286		216,782,350

The financial statements were approved by the board of directors and authorised for issue on

  
A van der Wal  
Director

11/10/2015

The notes on pages 8 to 28 form part of these financial statements.

# Turner Broadcasting System Europe Limited

## Notes forming part of the financial statements for the year ended 31 December 2014

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The company's earning streams are predominantly Euro denominated. It is therefore appropriate to treat the Euro as the company's functional currency.

The following principal accounting policies have been applied:

#### *Consolidated financial statements*

The financial statements contain information about Turner Broadcasting System Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in non-EEA group accounts of a larger group (see note 26).

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Time Warner Inc. and the company is included in consolidated financial statements.

#### *Foreign currency*

Monetary assets and liabilities are remeasured into Euros at rates of exchange prevailing at the balance sheet date. Non-monetary items denominated in currencies other than Euros are converted into Euros using the exchange rate at the date of the transaction. Profit and loss accounts are converted into Euros using average rates of exchange. All exchange gains or losses on settlement or remeasurement at closing rates of exchange of monetary assets and liabilities are included in the determination of profit for the year.

#### *Turnover*

Turnover is primarily generated from the Company's principal activities and represents the value of services provided during the year in the normal course of business net of value added tax. The unearned portion is recorded as deferred income. The company's activities are based primarily in the UK, Europe, Africa and the Middle East.

#### *Depreciation*

All tangible fixed assets are depreciated over their estimated useful economic life on a straight-line basis.

The annual rates of depreciation are:

Leasehold improvements	- The shorter of 7 years or the remaining term of the lease
Furniture and fixtures	- 5 years
Computer equipment	- 3 years
Operating equipment	- 5 years

# Turner Broadcasting System Europe Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Impairment*

At each balance sheet date, the Company reviews the carrying amounts of all assets to determine whether there is any indication that any of those assets have suffered an impairment loss.

Impairment is recognised in the income statement whenever the carrying amount of an asset exceeds its recoverable amount. An impairment of an investment in a joint venture or associate is recognised within the share of profit from joint ventures and associates. The recoverable amount is the greater of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

#### *Film rights and other costs*

Film rights and other costs are stated at cost less accumulated amortisation and impairment, and consist of licensed programme rights and dubbing and subtitling costs.

Licensed programme rights represent amounts paid or payable to programme licensors for the limited right to broadcast the licensors' programming. Exhibition rights under the licenses are generally limited to a contract period or a specific number of showings. Accordingly, licensed programme rights are amortised to expense at the greater of the straight-line rate or a rate based on actual usage and over 5 years using the sum of digits amortisation method for Cartoon Network Original Programmes and Co-productions. Original General Entertainment programming held primarily for purposes of syndication as well as airing on other network channels is amortised ninety per cent in first month of airing and remaining ten per cent over the next twenty three months.

Dubbing and subtitling costs are expensed to the profit and loss account on the basis of being amortised over 24 months straight-line for external acquisitions and over 3 years using the sum of digits amortisation method for live action programmes and 5 years for animated programmes.

Produced programme production in process costs are included in inventory and are amortised over 5 years using the sum of digits amortisation method commencing from the day on which the programs are first aired.

#### *Investments*

Investments in subsidiary undertakings are stated in the balance sheet at cost less provision for impairment.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax balances are not discounted.

#### *Operating leases*

The company enters into operating leases. Rentals under operating leases are charged to the profit and loss account, as incurred, over the terms of the leases.

# Turner Broadcasting System Europe Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Provisions*

Provisions are recognised when the Company has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available. The amounts recognised represent the Company's best estimate of the transfer of benefits that will be required to settle the obligation as of the balance sheet date.

#### *Pension costs*

The company participates in the Time Warner Money Purchase Pension Plan, a defined contribution scheme. The pension cost charged to the profit and loss account represents contributions payable by the company to the relevant funds as they become payable in accordance with the rules of the scheme.

#### *Share-based payment*

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions). No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At the balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

The company has taken advantage of the transitional provisions of FRS 20 in respect of equity-settled awards so as to apply FRS 20 only to those equity-settled awards granted after 7 November 2002 that had not vested before 1 January 2006.

For awards granted before 7 November 2002, the company recognises only the intrinsic value or cost of these potential awards as an expense. This is accrued over the performance period of each plan based on the intrinsic value of the equity-settled awards.

The financial effect of awards by the Company of options over its equity shares to the employees of subsidiary undertakings are recognised by the Company in its individual financial statements. In particular the Company records an increase in its investment in subsidiaries with a credit to equity equivalent to the FRS 20 cost in the subsidiary undertakings.

# Turner Broadcasting System Europe Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

### 1 Accounting policies (continued)

#### Share-based payment (continued)

Certain employees of the company have been granted options to purchase shares in the company's ultimate parent undertaking, Time Warner Inc. Such options have been granted with exercise prices equal to, or in excess of, the fair market value at the date of grant. The options are denominated in US\$ and vest evenly over a four year period and expire ten years from the date of grant. For the purpose of applying FRS 20 the fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model. Adjustments are made to the fair values to reflect the likelihood that options will not be exercised due to non-market conditions such as employees leaving the company. These estimates are reviewed annually and the original charge revised when appropriate.

On 1 January 2011, as a result of the transfer of TENIL's assets, all employees are now part of TBSEL. This is considered as an intra-group transfer of employment and the change of employments from one group entity to another does not represent a new grant of equity instruments because the equity instruments were granted by the parent and not each individual subsidiary. The transfer itself was not treated as an employee's failure to satisfy a vesting condition. The transfer did not trigger any reversal of the charge previously recognised in respect of the services received from the employee in the financial statements from which the employee transfers employment. Each subsidiary measure the services received from the employee by reference to the fair value of the equity instruments at the date those rights to equity instruments were originally granted by the parent as defined by FRS 20, Appendix A, and the proportion of the vesting period served by the employee with each subsidiary.

If an employee leaves the group during the vesting period, each subsidiary adjusts the amount previously recognised in respect of the services received from the employee in accordance with the general principles of FRS 20.

### 2 Turnover

	2014 €	2013 €
Analysis by geographical market:		
United Kingdom	75,881,176	74,188,339
Europe	200,498,461	182,665,000
Africa and Middle East	32,424,422	26,106,689
Rest of the world	13,394,434	10,391,594
	<u>322,198,493</u>	<u>293,351,622</u>

Turnover is wholly attributable to the principal activity of the company.

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*continued*)

## 3 Exceptional costs

	2014 €	2013 €
Loss on impairment of investments	16,721,165	24,037,046
Impairment of programming assets	-	2,687,422
	<u>16,721,165</u>	<u>26,724,468</u>

In 2014 the company recognised an impairment in relation to its investment in Millennium Media Group AB (formerly Turner Nordic and Baltic AB) (see note 13).

The impairment of investments in the prior year related to the write down of investments in Millennium Media Group AB of €1,166,900 and the write off of investment in Turner Broadcasting System Iceland EHF of €22,870,146.

In November 2013 a decision was made by management to shut down TNT Benelux. Accordingly all programming assets were fully impaired as at 31 December 2013. This expense was recognised within administrative expenses.

## 4 Operating profit

	2014 €	2013 €
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	6,488,670	9,552,841
Amortisation of other intangible fixed assets	94,009,249	97,439,336
Loss on disposal of tangible fixed assets	585,518	-
Hire of plant and machinery - operating leases	185,062	212,976
Hire of other assets - operating leases	2,400,522	2,013,342
Foreign exchange gains	(1,411,243)	(264,535)
Auditors remuneration	248,600	256,294
	<u>248,600</u>	<u>256,294</u>

The audit fee for the current period was €248,600 (2013 - €219,681). The total included in the table above includes audit fees paid on behalf of other group companies, for whom TBSEL bears the cost. Fees payable to auditors for other non-audit services were €nil (2013 - €36,613).

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*continued*)

## 5 Directors' remuneration

	2014 €	2013 €
Directors' emoluments	1,665,511	900,352
Amounts paid under long-term incentive schemes	41,133	78,339
Pensions	99,865	33,070
	<u>1,706,511</u>	<u>900,352</u>

During the year 2 directors received shares under long term incentive schemes (2013 - 3 directors), 1 director exercised stock options (2013 - 2 directors), 2 directors received RSUs (2013 - 2 directors) and 3 directors accrued benefits under money purchase pension schemes (2013 - 1 director).

No severance was paid to any directors during the year (2013 - €Nil).

The total remuneration paid to the highest paid director was €1,110,027 (2013 - €534,198), of which €53,129 (2013 - €33,070) related to pension contributions.

## 6 Employees

Staff costs (including directors) consist of:

	2014 €	2013 €
Wages and salaries	33,920,443	31,641,530
Social security costs	5,336,359	4,007,145
Other pension costs	2,073,180	1,815,201
Equity settled share options (note 24)	214,483	104,538
	<u>41,544,465</u>	<u>37,568,414</u>

The average number of employees (including directors) during the year was as follows:

	2014 Number	2013 Number
Sales and marketing	68	73
Administration and support	24	27
Production and distribution	298	333
Finance and legal	55	63
	<u>445</u>	<u>496</u>

# Turner Broadcasting System Europe Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

### 6 Employees (*continued*)

All employees are primarily based in the UK.

The company participates in the Time Warner Money Purchase Pension Plan, a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charges above represent all amounts paid to the scheme in the current and prior year. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

### 7 Dividends receivable

During the year, Lazytown Entertainment Latibaer ehf was shut down and a historic preference dividend was not deemed recoverable and an amount of €2,172,081 was written off in the current year. In the prior year the company accrued dividends receivable from Lazytown Entertainment Latibaer ehf of €1,865,837.

During the prior year the company received dividends of €1,000,000 and €672,777 from Turner Broadcasting System France SAS and Turner Broadcasting System Sweden AB respectively.

### 8 Other interest receivable

	2014 €	2013 €
Third party interest	10,182	30,008
Receivable from group undertakings	83,349	51,603
	<u>93,531</u>	<u>81,611</u>

### 9 Interest payable and similar charges

	2014 €	2013 €
Third party interest	126,886	49,756
Unwinding of discount on programme rights	581,666	428,128
	<u>708,552</u>	<u>477,884</u>



# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*continued*)

## 10 Taxation on profit on ordinary activities

	2014 €	2013 €
<i>UK Corporation tax</i>		
Current tax on profits of the year	6,610,795	6,308,709
Adjustment in respect of previous periods	922,147	1,110,879
	<hr/>	<hr/>
	7,532,942	7,419,588
Double taxation relief	(1,760,660)	(3,924,709)
	<hr/>	<hr/>
	5,772,282	3,494,879
	<hr/>	<hr/>
<i>Foreign tax</i>		
Current tax on foreign income for the year	1,760,660	3,924,709
	<hr/>	<hr/>
Total current tax	7,532,942	7,419,588
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	510,000	236,000
Adjustment in respect of previous periods	(687,000)	(6,000)
Charge due to change in tax rate	-	747,000
	<hr/>	<hr/>
Movement in deferred tax provision	(177,000)	977,000
	<hr/>	<hr/>
Taxation on profit on ordinary activities	7,355,942	8,396,588
	<hr/>	<hr/>

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*continued*)

## 10 Taxation on profit on ordinary activities (*continued*)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2014 €	2013 €
Profit on ordinary activities before tax	15,807,266	10,621,155
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%)	3,398,562	2,469,419
Effect of:		
Disallowable expenses	366,673	116,733
Depreciation in excess of capital allowances	314,545	774,690
Loss on write down of investments	3,595,050	5,590,928
Income not taxable	466,980	(822,818)
Tax underprovided in previous years	922,147	1,110,879
Other timing differences	(1,288,547)	(1,820,243)
Group relief received for nil consideration	(242,468)	-
Current tax charge for the year	7,532,942	7,419,588

The Finance Act 2013 included legislation to reduce the main rate of corporation tax from 21% to 20% from 1 April 2015. The effect of this change on the deferred tax balances has been included in the figures within these accounts.

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*continued*)

## 11 Intangible fixed assets

	Dubbing and subtitling €	Programme rights €	Total €
<i>Cost</i>			
At 1 January 2014	79,193,885	239,877,772	319,071,657
Additions	12,032,707	64,979,183	77,011,890
Expired contracts	(48,614,978)	(76,738,291)	(125,353,269)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
At 31 December 2014	<b>42,611,614</b>	<b>228,118,664</b>	<b>270,730,278</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Amortisation</i>			
At 1 January 2014	66,142,305	145,258,865	211,401,170
Provided for the year	11,139,396	82,869,853	94,009,249
Expired contracts	(48,614,978)	(76,738,291)	(125,353,269)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
At 31 December 2014	<b>28,666,723</b>	<b>151,390,427</b>	<b>180,057,150</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<i>Net book value</i>			
At 31 December 2014	<b>13,944,891</b>	<b>76,728,237</b>	<b>90,673,128</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
At 1 January 2014	13,051,580	94,618,907	107,670,487
	<u>                    </u>	<u>                    </u>	<u>                    </u>

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*continued*)

## 12 Tangible fixed assets

	Leasehold improvement €	Fixtures and fittings €	Computer equipment €	Total €
<i>Cost</i>				
At 1 January 2014	20,220,803	33,351,079	18,589,001	72,160,883
Additions	619,843	713,436	1,322,818	2,656,097
Disposals	(4,748,824)	(5,429,169)	(3,272)	(10,181,265)
	<u>16,091,822</u>	<u>28,635,346</u>	<u>19,908,547</u>	<u>64,635,715</u>
At 31 December 2014				
<i>Depreciation</i>				
At 1 January 2014	17,999,507	24,945,275	16,234,593	59,179,375
Provided for the year	983,137	3,902,450	1,603,083	6,488,670
Disposals	(4,429,752)	(5,152,476)	-	(9,582,228)
	<u>14,552,892</u>	<u>23,695,249</u>	<u>17,837,676</u>	<u>56,085,817</u>
At 31 December 2014				
<i>Net book value</i>				
At 31 December 2014	<u>1,538,930</u>	<u>4,940,097</u>	<u>2,070,871</u>	<u>8,549,898</u>
At 1 January 2014	<u>2,221,296</u>	<u>8,405,804</u>	<u>2,354,408</u>	<u>12,981,508</u>

## 13 Investments

	Investment in subsidiary undertakings €	Investment in associated undertakings €	Other investment €	Total €
<i>Cost</i>				
At 1 January 2014	22,660,019	10,046,568	5,017	32,711,604
Additions	-	3,501,688	-	3,501,688
Disposals	(1,990)	-	-	(1,990)
Impairment adjustment	(16,721,165)	-	-	(16,721,165)
	<u>5,936,864</u>	<u>13,548,256</u>	<u>5,017</u>	<u>19,490,137</u>
At 31 December 2014				

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (continued)

## 13 Investments (continued)

### (a) Subsidiary undertakings

The principal undertakings in which the group and the company holds at the year end, 20% or more of the nominal value of any class of share capital, or holds significant influence, are as follows:

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held
Turner Broadcasting System Italia S.r.l.	Italy	Ordinary	100%
Turner Broadcasting System Deutschland GmbH	Germany	Ordinary	100%
Turner Broadcasting System France SAS	France	Ordinary	100%
Turner Broadcasting System Espagna SL	Spain	Ordinary	100%
Turner Broadcasting System Denmark ApS	Denmark	Ordinary	100%
Turner Broadcasting System Hungary Kft	Hungary	Ordinary	100%
Turner Broadcasting System Arabia FZ-LLC	United Arab Emirates	Ordinary	100%
Turner Broadcasting System Arabia Studios FZ-LLC	United Arab Emirates	Ordinary	100%
Turner Broadcasting System Norway AS	Norway	Ordinary	100%
Turner Broadcasting System Limited Liability Company	Russia ^	Ordinary	99%
Turner Information and Lifestyle Limited Liability Company	Russia *	Ordinary	99%
Turner Kids Limited Liability Company	Russia *	Ordinary	99%
Turner Entertainment Limited Liability Company	Russia *	Ordinary	99%
TNT Televizyon Produksiyon Limited Sirketi	Turkey ~	Ordinary	32.04%
Eda TelevizyonYayincilik ve Produksiyon Anonim Sirketi	Turkey ***	Ordinary	0.02%
Turner Broadcasting System Romania S.r.l.	Romania +	Ordinary	95%
Turner Broadcasting System Poland SP Z.O.O	Poland ^	Ordinary	99%
Boing S.p.A.	Italy	Ordinary	49%
Great Marlborough Productions Limited	United Kingdom	Ordinary	100%
Millennium Media Group AB (formerly Turner Nordic and Baltic AB)	Sweden	Ordinary	100%
Turner Nordic and Baltic AB	Sweden *	Ordinary	100%
NonStop Entertainment AB	Sweden *	Ordinary	100%
NonStop Sales AB	Sweden *	Ordinary	100%
Turner Broadcasting System Iceland Ehf	Iceland	Ordinary	100%
Latibaer Ehf	Iceland *	Ordinary	100%
Latibaer Skemmtanir Ehf	Iceland *	Ordinary	100%
LazyTown Extra Ehf	Iceland *	Ordinary	100%
380 Studios Ehf	Iceland *	Ordinary	100%
LazyTown LLC	Iceland *	Ordinary	100%
LazyTown International BV	Iceland *	Ordinary	100%
LazyTown Holdings Limited	Iceland *	Ordinary	100%
LazyTown Production 2012 Ehf	Iceland *	Ordinary	100%

^ The additional 1% owned by another group undertaking.

\* Indirectly owned by TBSEL.

+The additional 5% is owned by the company's immediate parent company.

~ 0.08% owned by the company's immediate parent company. The remaining 67.88% is owned by Turner Broadcasting System Inc.

\*\*\*99.9% owned by TNT Televizyon Produksiyon Limited Sirketi and 0.08% owned by parent companies.

# Turner Broadcasting System Europe Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

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### 13 Investments (*continued*)

#### (a) **Subsidiary undertakings** (*continued*)

All above listed companies carry out marketing services and consultancy in relation to distribution licensing with the exception of Millennium Media Group AB ("MMG") (formerly Turner Nordic and Baltic AB). Turner Nordic and Baltic AB operates television channels primarily in Nordic countries, Baltic States, Benelux and Africa. An ad sales function is also performed by Turner Broadcasting System Italia S.r.l., Turner Broadcasting System Deutschland GmbH, Turner Broadcasting System France SAS, Turner Broadcasting System Denmark ApS and TBS Arabia FZ-LLC. TNT Televizyon Produksiyon Limited Sirketi ceased operations in June 2012. Eda TelevizyonYayincilik ve Produksiyon Anonim Sirketi operates a cartoon television channel in Turkey; it started operations in April 2012.

All the above undertakings are wholly owned unless noted otherwise. The principal areas of operations are the UK, Europe, Middle East and Africa.

On 6 February 2013, TBSEL made an additional capital contribution of €6,518,000 in Turner Broadcasting System Iceland Ehf, thereby increasing its shareholding from 83.35% to 87.65%. In 2014, TBSEL exercised an option to acquire the remaining shares in Turner Broadcasting System Iceland Ehf, thereby increasing its shareholding from 87.65% to 100%. As it was deemed highly probable that the option would be exercised, the consideration was originally recognised on the initial investment with a corresponding non-current liability. The liability was paid in 2014 (note 16).

Millennium Media Group AB had operating losses during the year. Management assessed the company's ability to generate future profits and concluded that net present value of future profits were less than carrying value of the investment at 31 December 2014. As a result the company's investment in TNB was impaired by €16,721,165 (2013 - €1,166,900) (note 3).

#### (b) **Associated undertakings**

TBSEL has a 49% shareholding of the Ordinary share capital in Boing S.p.A., a company incorporated in Italy. The company operates an Italian television channel for children. On 15 May 2014 TBSEL contributed an additional €3,501,688 to Boing S.p.A.

TBSEL has a 33.33% shareholding of the Ordinary share capital in Starlounge International AB (Starlounge) as of 31 December 2014, an entity incorporated in Sweden. In 2012, Starlounge management filed for administration due to its inability to continue as a going concern without additional shareholder support. The company has ceased its operations in June 2012 and is currently in the process of liquidation.

#### (c) **Other investments**

As of 31 December 2014, TBSEL held a 1.47% shareholding of the Ordinary share capital of Clearcast Limited, a company incorporated in the United Kingdom. Clearcast Limited was acquired from another Time Warner Limited subsidiary.

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (continued)

## 14 Debtors

	2014 €	2013 €
Amounts receivable within one year		
Trade debtors	91,984,020	110,313,864
Amounts owed by group undertakings	35,177,813	27,942,042
Other debtors	199,993	3,501,522
Prepayments and accrued income	10,297,274	17,230,421
Deferred tax (see note 18)	5,150,000	4,973,000
	<u>142,809,100</u>	<u>163,960,849</u>
Amounts receivable after more than one year		
Other debtors	314	519,275
	<u>142,809,414</u>	<u>164,480,124</u>

## 15 Creditors: amounts falling due within one year

	2014 €	2013 €
Trade creditors	5,972,791	3,328,233
Amounts owed to group undertakings	28,263,966	44,895,888
Corporation tax	6,047,399	2,350,599
Other taxation and social security	6,142,752	8,752,585
Other creditors	-	1,117,405
Accruals and deferred income	47,667,173	58,668,212
	<u>94,094,081</u>	<u>119,112,922</u>

Included within accruals and deferred income are outstanding pension contributions of €195,879 (2013 - €Nil).

## 16 Creditors: amounts falling due after more than one year

	2014 €	2013 €
Non-current payable to Lazytown shareholders	-	3,148,940
Other non-current liabilities	1,154,168	591,010
	<u>1,154,168</u>	<u>3,739,950</u>

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*continued*)

## 17 Provisions for liabilities

	Restructuring provision €	National Insurance on share options €	Property €	Total €
At 1 January 2014	3,556,982	1,258,957	3,782,480	8,598,419
Movement during the year	158,407	120,432	167,519	446,358
Utilised in year	(2,877,737)	-	-	(2,877,737)
Remeasurement	-	-	171,506	171,506
	<u>837,652</u>	<u>1,379,389</u>	<u>4,121,505</u>	<u>6,338,546</u>
At 31 December 2014	<u>837,652</u>	<u>1,379,389</u>	<u>4,121,505</u>	<u>6,338,546</u>

Provision has been made for National Insurance contributions on share options which are expected to be exercised. The provision has been calculated based on the excess between the year end share price of €68.44 and the weighted average exercise price of outstanding shares of €27.74 and is being allocated over the period from the date of award to the date the employee will become unconditionally entitled to the options. Provision has also been made for National Insurance contributions on restricted stock units (RSUs). The provision has been calculated based on the year end share price of €68.44 and the outstanding stock units.

A provision was made in the year ended 31 December 2012 for the restructuring of operations at TBSEL's London office. The provision relates to redundancy costs with respect to employees who are expected to leave the company and the provision was substantially utilised during the year ended 31 December 2014.

The provision for property relates to dilapidations on Turner House, 16 Great Marlborough Street. The company's lease on the property is due to expire on 17 October 2019.



# Turner Broadcasting System Europe Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (*continued*)

### 18 Deferred taxation

Deferred tax is provided at 20% (2013 - 20%) in the balance sheet as follows:

	2014 €	2013 €
Accelerated capital allowances	3,617,000	3,278,000
Short term timing differences	1,533,000	1,695,000
	<u>5,150,000</u>	<u>4,973,000</u>
Included in debtors	5,150,000	4,973,000
	<u>5,150,000</u>	<u>4,973,000</u>

Analysis of movement in deferred tax asset:

	2014 €	2013 €
At start of the year	4,973,000	5,950,000
Charged to profit and loss	177,000	(977,000)
	<u>5,150,000</u>	<u>4,973,000</u>
At end of year	5,150,000	4,973,000
	<u>5,150,000</u>	<u>4,973,000</u>

The asset is not disclosed separately on the balance sheet. It appears in note 14.

The recent Summer Finance Bill 2015 proposed two changes to the future main stream corporation tax rate. From 1 April 2017 the rate will reduce from 20% to 19% and from 1 April 2020 the rate will reduce further to 18%. As these changes have not yet been substantially enacted, they are not reflected in the figures in these accounts. It is estimated that the impact on deferred tax as a result of these proposed rate changes is a reduction in the balance of approximately €515,000. It is not yet possible to quantify the impact of this rate change upon current tax.

### 19 Share capital

	2014 €	2013 €
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 (€1.26) each	126	126
151,038,106 Ordinary shares of €1 each	151,038,106	151,038,106
	<u>151,038,232</u>	<u>151,038,232</u>
	151,038,232	151,038,232
	<u>151,038,232</u>	<u>151,038,232</u>

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*continued*)

## 20 Reserves

	Share scheme reserve €	Profit and loss account €
At 1 January 2014	(1,676,273)	67,420,391
Profit for the year	-	8,451,324
Stock option recharges	(2,091,871)	-
Stock option reserve	214,483	-
	<hr/>	<hr/>
At 31 December 2014	<b>(3,553,661)</b>	<b>75,871,715</b>
	<hr/>	<hr/>

## 21 Reconciliation of movements in shareholders' funds

	2014 €	2013 €
Profit for the year	8,451,324	2,224,567
Stock option recharges	(2,091,871)	(4,327,634)
Stock option reserve	214,483	(50,108)
	<hr/>	<hr/>
Net additions to/(deductions from) shareholders' funds	<b>6,573,936</b>	<b>(2,153,175)</b>
Opening shareholders' funds	<b>216,782,350</b>	<b>218,935,525</b>
	<hr/>	<hr/>
Closing shareholders' funds	<b>223,356,286</b>	<b>216,782,350</b>
	<hr/>	<hr/>

## 22 Contingent liabilities

The company has a composite accounting agreement with its bankers. The terms of the agreement permit the bankers, without notice, to draw down funds deposited into the system, to offset borrowings drawn down from the system by other group members who are also parties to these arrangements. At the balance sheet date, funds deposited by the company into the system, and potentially at risk to cover liabilities elsewhere in the group, amounted to €63,420,504 (2013 - €30,389,918).

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (*continued*)

## 23 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014 €	Other 2014 €	Land and buildings 2013 €	Other 2013 €
Operating leases which expire:				
Within one year	-	369,755	-	9,321,699
In two to five years	3,972,885	2,974,559	4,070,238	3,165,901
After five years	4,713,274	9,446,372	4,634,178	8,705,325
	<u>8,686,159</u>	<u>12,790,686</u>	<u>8,704,416</u>	<u>21,192,925</u>

## 24 Share based payments

The company operates stock option and a restricted stock unit ("RSU") plans for selected employees whereby awards are granted in respect of the shares of the parent company, Time Warner Inc ("Time Warner").

During the year, on 6 June 2014, Time Warner completed the legal and structural separation of its wholly owned subsidiary, Time Inc. The number of stock options and RSUs outstanding at 6 June 2014 and the exercise prices of such stock options were prospectively adjusted to maintain the value of those awards subsequent to the separation. The changes in the number of shares subject to outstanding equity awards and the exercise prices were determined by comparing the value of such awards immediately prior to the separation to the value of such awards immediately after the separation. Accordingly, each equity award outstanding at 6 June 2014 was increased by multiplying the number of shares subject to such award by a factor of approximately 1.04, while the exercise price per share exercise price of each stock option was decreased by dividing by a factor of approximately 1.04.

# Turner Broadcasting System Europe Limited

Notes forming part of the financial statements  
for the year ended 31 December 2014 (continued)

## 24 Share based payments (continued)

### (a) Stock options

The number and weighted average exercise prices for the options granted over Time Warner Inc. shares, including grants of options prior to 7 November 2002, are as follows:

	Number of Options 2014	Number of Options 2013	Weighted average exercise price 2014	Weighted average exercise price 2013 €
1 January	149,758	307,006	26.57	24.76
Adjustment to opening balance	-	(254)	-	-
Granted on modification	6,480	-	23.56	-
Forfeited	(1,157)	(10,879)	25.81	28.21
Exercised	(61,427)	(138,051)	25.29	24.01
Expired	(2,815)	(8,064)	25.69	22.34
At 31 December	90,839	149,758	23.95	26.57
Exercisable at 31 December	87,519	137,579	23.81	24.21

The weighted average share price for options exercised in the year was €56.43 (2013 - €48.80).

Details of the outstanding options at 31 December 2014 are as follows

Year of grant	Number of Options	Weighted average exercise price	Exercise period	
			From	To
2005	4,209	28.67	18/02/2005	17/02/2015
2006	4,171	27.76	03/03/2006	02/03/2016
2007	14,725	31.86	02/03/2007	14/10/2007
2008	18,529	23.85	07/03/2008	06/03/2018
2009	13,999	11.73	20/02/2009	19/02/2019
2010	15,932	20.68	08/02/2010	07/02/2020
2011	19,274	27.74	07/02/2011	06/02/2021

# Turner Broadcasting System Europe Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

### 24 Share based payments (continued)

#### (a) Stock options (continued)

For the purposes of applying FRS 20, the fair value of each option is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions used.

Year of grant	Expected yield %	Risk free volatility %	Expected interest rates %	Term (years)
2002	-	52.75	4.16	2.97
2003	-	54.10	2.56	3.12
2004	-	35.25	3.02	3.53
2005	0.10	24.40	3.90	4.79
2006	1.10	22.20	4.61	4.89
2007	1.10	22.05	4.40	5.20
2008	1.70	28.75	3.12	5.79
2009	4.50	35.45	2.48	5.84
2010	3.16	29.48	2.85	6.26
2011	2.60	29.42	2.75	6.10

There were no options granted in 2014 (2013 - none). The expected volatility in previous years was calculated using the implied volatilities based primarily on traded Time Warner Inc. options.

#### (b) Restricted stock units

The number and weighted average exercise prices for the restricted stock units granted over Time Warner Inc. shares are as follows:

	Number of Options 2014	Number of Options 2013	Weighted average exercise price 2014	Weighted average exercise price 2013 €
At 1 January	69,463	92,250	20.73	19.30
Granted on modification	2,941	-	42.07	-
Granted	17,181	28,140	52.98	47.39
Exercised	(20,490)	(25,531)	52.81	43.27
Forfeited	(9,796)	(27,396)	40.70	30.57
At 31 December	59,299	69,463	46.32	20.73

Shares are granted at an exercise price of €nil and with a range of vesting dates over one to four years.

RSU's were measured at fair value at the date of issue.

# Turner Broadcasting System Europe Limited

## Notes forming part of the financial statements for the year ended 31 December 2014 (continued)

### 24 Share based payments (continued)

The total charge to the profit and loss account in respect of share-based payments included within wages and salaries (see note 6) is:

	2014 €	2013 €
Equity-settled share options	50,185	142,456
Restricted stock units	164,298	(37,918)
	<hr/>	<hr/>
At 31 December	214,483	104,538
	<hr/>	<hr/>

### 25 Related party disclosures

The company is a wholly owned subsidiary of Time Warner Inc. and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures' not to disclose transactions with Time Warner Inc. or other wholly owned subsidiaries within the group.

	Sales to related party €	Purchases from related parties €	Amounts owed by related parties €
<b>BOING SpA</b>			
2014	13,580,000	599,537	3,405,777
2013	13,460,001	-	3,286,667
2012	14,400,000	-	7,200,000
	<hr/>	<hr/>	<hr/>

BOING SpA is a related party by virtue of the company holding 49% of its ordinary share capital.

### 26 Ultimate parent company and parent undertaking of larger group

The company's ultimate parent undertaking and the parent of the largest and smallest group in which the results are consolidated are Time Warner Inc., which is incorporated in the United States of America. Copies of the group financial statements are available from One Time Warner Centre, New York, NY 10019.

The company's immediate parent undertaking is Turner Broadcasting System Holdings (Europe) Limited, a company incorporated in England and Wales.