

FremantleMedia Overseas Limited

(Registered Number: 2786185)

**Directors' report and financial statements
for the year ended 31 December 2004**



FremantleMedia Overseas Limited

Directors' report for year ended 31 December 2004

The directors present their report and the audited financial statements of the company for the year ended 31 December 2004.

Principal activity

The principal activity of the company since 28 May 2004 was that of a holding company.

Business review and future developments

The results of the company for the year ended 31 December 2004 are set out on page 4 of the financial statements. The results are in line with the expectations of the Directors.

Results and dividends

The company's profit for the financial year was £26,000 (2003:£Nil). The directors do not recommend the payment of a dividend. The profit for the year has been transferred to reserves.

Directors and their interests

The directors who held office during the year and up to the date of this report are outlined below:

SFH Tingay
PM Brown

None of the directors have any interest in the share capital of the company.

At no time during the year ended 31 December 2004 did any directors have any interest which is required to be notified to the company under Section 324 of the Companies Act 1985.

FremantleMedia Overseas Limited

Directors' report for year ended 31 December 2004 (Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. In accordance with the Companies Act 1985, the company has elected to dispense with the obligation to hold an annual general meeting and the requirement to reappoint annually the registered auditors of the company.

By Order of the Board



Helen Farnaby
Secretary

1 Stephen Street
London
W1T 1AL

25 October 2005

Independent auditors' report to the members of FremantleMedia Overseas Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

28 October 2005

FremantleMedia Overseas Limited

Profit and loss account for the year ended 31 December 2004

	Note	2004 £'000	2003 £'000
Interest receivable and other similar income	5	37	-
Profit on ordinary activities before taxation	4	37	-
Tax on profit on ordinary activities	6	(11)	-
Retained profit for the financial year	11	26	-

The above results were derived entirely from continuing operations.

The company had no recognised gains or losses during the year other than those reflected in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the result as reported and its historical cost equivalent.

FremantleMedia Overseas Limited

Balance sheet as at 31 December 2004

	Note	2004 £'000	2003 £'000
Fixed assets			
Investments	7	51,983	-
Current assets			
Cash at bank		-	1,102
Debtors	8	1,139	-
Creditors – amounts falling due within one year	9	(11)	-
Net current assets		1,128	1,102
Net assets		53,111	1,102
Capital and reserves			
Called up share capital	10	-	-
Share premium account	11	51,983	-
Profit and loss account	11	1,128	1,102
Equity shareholders' funds	12	53,111	1,102

The financial statements on pages 4 to 10 were approved by the board of directors on 28 October 2005 and signed on its behalf by:


 SFH Tingay
 Director

FremantleMedia Overseas Limited

Notes to the accounts for the year ended 31 December 2004

1 Accounting policies

a) Basis of preparation

The financial statements are prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

The company is a wholly owned subsidiary of the RTL Group and is included in the financial statements of the RTL Group which are publicly available. Consequently the company has taken advantage of the exemption provided by Section 228 of the Companies Act 1985 not to prepare group accounts. Therefore these accounts include financial information about the company as an individual undertaking rather than as a group.

b) Investments

Investments are held at cost less provision for any permanent diminution in value.

c) Foreign currencies

Transactions denominated in foreign currencies during the period are translated at rates ruling at the dates of the transactions. At the balance sheet date all monetary assets and liabilities denominated in foreign currencies are translated at period end rates. Exchange gains and losses are taken to the profit and loss account.

d) Deferred tax

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision is made for deferred taxation resulting from timing differences computed for taxation purposes and profits stated in the financial statements to the extent that there is an obligation to pay more tax in the future as a result of the reversal of those timing differences. Deferred tax assets are recognised to the extent that they are expected to be recoverable.

2 Cashflow and related party disclosures

The company is a wholly owned subsidiary of the RTL Group and is included in the consolidated financial statements of the RTL Group which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8, Related Party Disclosures, from disclosing related party transactions with members of the RTL Group.

3 Directors emoluments and employee information

None of the directors received any fees or emoluments in respect of their service to the company during the year ended 31 December 2004 (2003: £nil). The company had no employees during the year ended 31 December 2004 (2003: nil).

4 Profit on ordinary activities before taxation

Auditors' remuneration is borne by FremantleMedia Group Limited (formerly FremantleMedia Limited), a fellow group company.

FremantleMedia Overseas Limited

Notes to the accounts for the year ended 31 December 2004 (Continued)

5 Interest receivable and other similar income

	2004 £'000	2003 £'000
Cash pooling interest	4	-
Interest receivable on loan to group undertakings	33	-
	37	-

6 Tax on profit on ordinary activities

	2004 £'000	2003 £'000
Analysis of charge in period		
Current tax:		
UK group relief payable at 30% (2003:30%) on the profit for the year	11	-
Total current tax	11	-

There was no deferred tax balances in either period.

b) Factors affecting tax charge for period

The tax for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	37	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003:30%)	11	-
Current tax charge for period (note 6(a))	11	-

FremantleMedia Overseas Limited

Notes to the accounts for the year ended 31 December 2004 (Continued)

7 Fixed asset investments

	Subsidiary Undertakings £'000
Cost	
As 1 January 2004	-
Acquisitions	51,983
At 31 December 2004	51,983
Provision	
At 1 January 2004 and at 31 December 2004	-
Net book value	
At 31 December 2004	51,983

On 28 May 2004 the company issued 1 ordinary share at nominal value to FremantleMedia Group Limited in exchange for the entire share capital in FremantleMedia Overseas Holdings BV. The total consideration for this transaction was £33,797,280.

On 28 May 2004 the company acquired the entire share capital of Fremantle Productions Belgium SA for £1,995,900, Fremantle Entertainment Oy for £6,120,760 and Fremantle Productions Oy for £5,987,700. These were funded by an issue of 1 ordinary share to FremantleMedia Group Limited on 4 June 2004 for consideration of £14,104,360.

On 13 October 2004 the company paid £4,081,588 for the entire share capital of FremantleMedia Australia Holdings Pty Ltd. This was funded by an issue of 1 ordinary share to FremantleMedia Group Limited for a consideration of £4,081,588.

The company's principal subsidiary undertakings include

	Percentage of ordinary shares held	Country of registration	Principal activity
FremantleMedia Overseas Holdings BV	100%	Holland	Holding Company
Fremantle Productions Belgium SA	100%	Belgium	TV Production
Fremantle Entertainment Oy	100%	Finland	TV Production
Fremantle Productions Oy	100%	Finland	TV Production
FremantleMedia Australia Holdings Pty Ltd	100%	Australia	Holding Company

8 Debtors

	2004 £'000	2003 £'000
Amounts owed by group undertakings	1,139	-

Included in amounts owed by group undertakings are cash pooling balances earning between 3.75% and 4.75%. All other amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

FremantleMedia Overseas Limited

Notes to the accounts for the year ended 31 December 2004 (Continued)

9 Creditors - amounts falling due within one year

	2004 £'000	2003 £'000
Corporation tax	11	-

10 Share capital

	31 Dec 2004 £	31 Dec 2003 £
Authorised:		
1000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
5 ordinary shares of £1 each	5	2

During the year 3 ordinary shares were issued (refer Note 7).

11 Reserves

	Share premium account £'000	Profit and Loss Account £'000
As at 1 January 2004	-	1,102
Profit for the year	-	26
Share premium on shares issued in the year (refer Note 7)	51,983	-
As at 31 December 2004	51,983	1,128

12 Reconciliation of movements in equity shareholders' funds

	2004 £'000	2003 £'000
Profit for the year	26	-
Share premium arising on shares issued in the year	51,983	-
Net (reduction)/addition to equity shareholders' funds	52,009	-
Equity shareholders' funds as at 1 January	1,102	1,102
Equity shareholders' funds as at 31 December	53,111	1,102

FremantleMedia Overseas Limited

Notes to the accounts for the year ended 31 December 2004 (Continued)

13 Contingent liabilities

Bank guarantees

During the year ended 31 December 2003, the company participated in a cross guarantee arrangement with HSBC and the balance at 31 December 2003 was £6,403,934 in funds.

14 Ultimate parent undertaking

The immediate parent undertaking is FremantleMedia Group Limited, a company registered in England and Wales.

The smallest group to consolidate these accounts is RTL Group, a company registered in Luxembourg. Copies of the RTL Group accounts can be obtained from the General Counsel at RTL Group, 45 Boulevard Pierre Frieden, L-1543 Luxembourg.

The ultimate parent undertaking and controlling party is Bertelsmann AG, a company registered in Germany, which is the largest group to consolidate these accounts.

15 Post balance sheet event

On 18 March 2005, the company made an investment of £2,021,303 in Blu A/S.