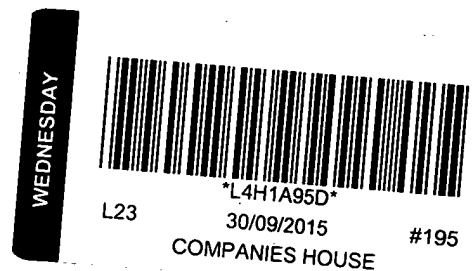


DNI German Holdings I Limited

**Directors' report and financial statements
for the year ended 31 December 2014**



Registered Number 07628820

**Directors' report and financial statements
for the year ended 31 December 2014**

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DNI German Holdings I Limited

Directors' report

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

Principal activity

The principal activity of the Company is that of a holding company.

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies exemption.

Directors

The directors who held office during the year, and subsequent to the year-end, were as follows:

Deidre Forbes
Yitzchok Shmulewitz
John Honeycutt (Resigned 26 June 2014)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- 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 they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper 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

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant information and to establish that the Company's auditors are aware of that information.

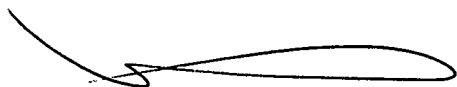
DNI German Holdings I Limited

Directors' report (continued)

Independent auditors

Crowe Clark Whitehill LLP has indicated their willingness to serve as auditors for the coming year and a resolution to reappoint Crowe Clark Whitehill LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



Yitzchok Shmulewitz
Director
22 September 2015

Discovery House
Chiswick Park Building 2
566 Chiswick High Road
London W4 5YB

Independent Auditors' Report to the members of DNI German Holdings I Limited

We have audited the financial statements of DNI German Holdings I Limited for the year ended 31 December 2014 which comprise profit and loss account, the balance sheet and the related notes. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 matter prescribed by the Companies Act 2006

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

Independent Auditors' Report to the members of DNI German Holdings I Limited (continued)

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.

Nigel Bostock

Nigel Bostock
Senior Statutory Auditor
For and on behalf of Crowe Clark Whitehill LLP
Statutory Auditor

St Bride's House
10 Salisbury Square
London EC4Y 8EH

23 September 2015

DNI German Holdings I Limited
Registered Number 07628820

Profit and loss account
Year ended 31 December 2014

	Note	2014 £	2013 £
Administration expenses		(3,119)	-
Operating (loss)		(3,119)	-
Income from partnership		4,423,982	-
(Loss) on impairment of investment	3	-	(11,439,752)
Profit on ordinary activities before taxation		4,420,863	(11,439,752)
Taxation (charge)	2	(1,542,637)	(74,345)
Profit/(Loss) on ordinary activities after taxation		2,878,226	(11,514,097)

The results of the current and prior year of the Company derive from continuing operations.

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

DNI German Holdings I Limited
Registered Number 07628820

Balance sheet
As at 31 December 2014

	<i>Note</i>	2014 £	2013 £
Investments	3	23,859,081	19,435,098
Current assets			
Debtors	4	26,640	-
Cash at bank			-
Creditors: amounts falling due within one year	5	(2,442,309)	(869,913)
Net current liabilities		(2,415,669)	(869,913)
Total assets less current liabilities		21,443,411	18,565,185
Net assets		21,443,411	18,565,185
Capital and reserves			
Called up share capital	6	30,874,850	30,874,850
Profit and loss account	7	(9,431,439)	(12,309,665)
Shareholders' funds	8	21,443,411	18,565,185

During the period, the company did not trade but received income from its investment.

The notes on pages 7 to 11 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 22 September 2015 and were signed on its behalf by:



Yitzchok Shmulewitz
Director

DNI German Holdings I Limited

Notes to the financial statements

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with Companies Act 2006 and applicable accounting standards, under the historical cost convention.

Discovery Communications, Inc., the ultimate parent undertaking of DNI German Holdings I Limited, has indicated its current intention to continue to support the activities of the Company, including providing the means to enable it to meet its liabilities as they fall due. On that basis, the directors believe it is appropriate for the accounts to be prepared on a going concern basis.

Consolidation

The financial statements contain information about DNI German Holdings I Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent undertaking, Discovery Communications, Inc., a company incorporated in the USA.

Related party disclosures

As the Company is a wholly owned subsidiary within a group headed by Discovery Communications, Inc. whose consolidated accounts are publicly available, the Company has taken advantage of the exemptions contained in FRS 8 'Related party transactions' not to disclose transactions or balances with entities that are part of Discovery Communications, Inc.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the day the transaction occurs. Monetary assets and liabilities denominated in a foreign currency are translated at the rate ruling on the balance sheet date. All exchange differences are taken to the profit and loss account.

Taxation

Current tax is applied to taxable profit at the rates ruling in the relevant country.

Investments

Investments are stated at cost less provision for impairment, if appropriate, for any permanent diminution in value. Should a triggering event occur as defined by FRS 11 'Impairment of Fixed Assets and Goodwill', investments are tested for impairment based on the recoverable amounts of the cash generating unit to which the investment has been allocated. 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 the current market assessments of the time value of money and risks specific to the asset. Any impairment identified is recognised immediately in the profit and loss account.

DNI German Holdings I Limited

Notes to the financial statements

1 Principal accounting policies (continued)

Dividends paid and received

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Dividend income is recognised when the right to receive payment is established.

Employees, directors and auditors

The Company had no employees in 2014 (2013: nil). Directors' remuneration was £nil (2013:£nil) in the period. Audit fees of £3,000 are borne by Discovery Corporate Services Limited, a fellow group undertaking, in the current and prior periods.

2 Taxation on loss on ordinary activities

	2014 £	2013 £
Analysis of tax charge in the year:		
Corporation tax	(10,852)	62,848
Foreign tax	1,682,301	98,873
Adjustment in respect of prior years	(128,812)	(87,376)
Current tax charge	1,542,637	74,345

Factors affecting the current tax charge for the year:

Profit/(loss) on ordinary activities before taxation	4,420,863	(11,439,752)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	950,183	(2,659,742)
Effects of:		
Profit of partnership	35,719	161,721
Loss on impairment of investment	-	2,659,742
Foreign tax credit	(985,902)	(98,873)
Foreign tax	1,682,301	98,873
	1,682,301	161,721
Adjustments to tax charge in respect to previous years	(139,664)	(87,376)
Current tax charge for the year	1,542,637	74,345

Tax is provided where applicable on the Company's results for the year, as well as its share of the results from the Company's investment in Discovery Communications Deutschland GmbH & Co KG when they arise rather than when they are distributed to the Company. To the extent that any distributions from the partnership may be reasonably anticipated in the future, this could result in the recognition of a deferred tax asset where there is a difference in the timing of the profit arises and distribution being made.

DNI German Holdings I Limited

Notes to the financial statements

3 Investments

	2014 £	2013 £
Cost		
At 1 January	19,435,098	30,874,850
Impairment	-	(11,439,752)
Share of profit in partnership	4,423,982	-
At 31 December	23,859,081	19,435,098

Investments are supported by their underlying net assets or have been tested for impairment according to the investment policy.

Investments comprise interest in Discovery Communications Deutschland GmbH & Co KG partnership. The interest in the partnership has been written down to the net asset value of the partnership in 2013.

Name	Country of registration	Nature of business	Class and proportion of nominal value of issued shares held
Discovery Communications Deutschland GmbH & Co KG	Germany	TV Broadcaster	Partnership – 98.02%

4 Debtors: Amounts falling due within one year

	2014 £	2013 £
Amounts owed by fellow group undertakings	26,640	-

5 Creditors: Amounts falling due within one year

	2014 £	2013 £
Amounts due to group undertakings	1,481,198	553,361
Bank overdraft	961,111	-
Taxation and social security	-	316,552
Other creditors	2,442,309	869,913

DNI German Holdings I Limited

Notes to the financial statements

6 Called up share capital

	2014 £	2013 £
Authorised		
30,874,850 ordinary shares of £1 each	30,874,850	30,874,850
Alloted, called up and unpaid		
30,874,850 ordinary shares of £1 each	30,874,850	30,874,850

7 Reserves

	Profit and loss account £
At 1 January 2014	(12,309,665)
Profit/(loss) for the financial year	2,878,226
At 31 December 2014	(9,431,439)

8 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	18,565,185	30,079,282
Profit/(loss) for the financial year	2,878,226	(11,514,097)
Closing shareholders' funds	21,443,411	18,565,185

9 Contingent liabilities

In 2011 the Company entered into an arrangement with Bank Mendes Gans BV (the "Bank") whereby the cash position of Discovery Communications, Inc. subsidiaries (the "Subsidiaries") are combined, with cleared debit and credit balances being offset for interest calculation purposes. Each of the Subsidiaries, which at any time have an overdraft, may set-off any amounts due to the Bank with any amounts due by the Bank to each of the Subsidiaries with a positive balance. When it wishes to seek repayment of any overdraft, the Bank shall first seek recourse against the positive balances.

The Company had an overdraft of £961,112 (2013: £nil) with the Bank at the year end. The net balance for the Subsidiaries at 31 December 2014 under this arrangement was a positive balance of £18,357,354 (2013: positive £39,470,614). The combined balances of all Subsidiaries are not permitted to be less than nil across all Subsidiaries.

DNI German Holdings I Limited

Notes to the financial statements

10 Ultimate parent company

The immediate parent company is Discovery Communications Europe Limited, a company incorporated in England and Wales.

The ultimate UK parent company is DNI Foreign Holdings Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and controlling party is Discovery Communications, Inc., which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Discovery Communications, Inc. consolidated financial statements can be obtained from the corporate website: <http://ir.corporate.discovery.com>.