JOJ MEDIAHOUSE ANNUAL REPORT 2015

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Dear ladies and gentlemen,

I am truly glad that you after a successful 2015, I am now able to submit the sixth JOJ Media House annual report in a row and furthermore state that our company has consolidated and further strengthened its position as a major media house.

I view the situation on the media market in which our company operates as being positive compared to the previous year, with us having recorded a growth in media investment – reflected in better economic results on the part of the companies within the whole group. In the past, our company focused on increasing economic efficiency, restructuring of the organisational structures and the introduction of austerity measures. The afore-mentioned activities have succeeded in ensuring a good starting position and I believe that our position in the individual media markets will continue to be considerably strengthened in the coming years.

Significant events in 2015:

Strengthening our standing on the television advertising market and the production of television programs – i.e. the expansion of JOJ Group portfolio of television channels to include the first children's channel – RiK – which was launched on the 1st of January 2015. The expansion of the portfolio continued with the launch of the second TV children's channel – Tuki, which is exclusively distributed through Slovak Telekom and the latest enlargement of the channel portfolio came courtesy of the JOJ Cinema pay channel. The JOJ Group currently operates six television channels and is a very strong number two on the market.

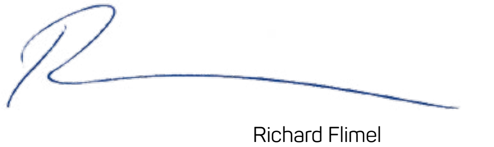
The streamlining of the established Akzent BigBoard group and consolidation of its market position has been reflected in the achievements of the group and its ability to respond new legislative changes.

Entering a new media market segment – radio advertising. In the radio advertising segment, JOJ Media House made its initial mark with the acquisition of Harad, and its subsidiaries – Radio Services a.s, which is merged with its parent company at the end of the year. This move contributed to the efficiency of services provided. Currently, the Company provides full radio broadcaster services from securing broadcasting to the sale of advertising space. The Company sells advertising space through radio JEMNÉ, Anténa Rock, Vlna a rádia Europa 2. This step has managed to create a market ratings leader with the broadest target groups.

The expansion of JOJ BigBoard Praha, which in the course of 2015 acquired Qeep a.s. – a successful company doing business in the market of outdoor advertising in Prague. This enlargement has strengthened the position of the market leader. The Group continues to expand its presence with the acquisition of new companies. The last enlargement was the purchase of a 50 % stake in D & C Agency s.r.o.

The finishing touches to the restructuring of EPAMEDIA – EPAMEDIA – EUROPÄISCHE PLAKAT – UND AUSSEN MEDIEN GMBH – which following the successful sale of its subsidiaries in 2014 – were focused on the streamlining of its organisational structure. The result of these activities was a merger between its subsidiaries – Heimatwerbung – Linz and Vienna – Heimatwerbung and the parent company. The result is not only an increase in the economic, but also administrative efficiency. Another important step is the increasing of the effectiveness of the advertising media network. This step is very time-consuming, the processes that were started are continuing and the positive effect on costs has already felt by the Company.

I would evaluate 2015 very positively. We met the challenges that were set before us and we demonstrated our experience through the successful implementation of our strategies and plans. I believe that 2016 will be different and will bring new challenges as well as new opportunities and I also believe that we will handle them to the satisfaction of our shareholders, business partners and even myself personally.



Richard Flimel
JOJ Media House a.s. Chairman of the Board of Directors

01 CORPORATE PROFILE

JOJ Media House a.s. (hereinafter referred to as the "parent company" or "the Company" alongside its subsidiaries, collectively referred to as the "Group") was established on the 6th of November 2010 and has since become one of the largest media companies not only in Slovakia and the Czech republic, but also in Austria. Its position is constantly being strengthened.

THE SLOVAK REPUBLIC

The Company is active in the following market sectors:

TELEVISION BROADCAST AND PRODUCTION

» Slovenská produkčná, a.s., (94,96 % share) – through which shares in the following companies are owned:

- » MAC TV s.r.o., (100 % share) – the license holder for TV JOJ, PLUS, WAU, RiK and Ťuki TV and also operates the JOJ.sk, plus.sk, wau.sk, senzi.sk, rik.sk, huste.tv, noviny.sk, tipsportextraliga.sk, videoportal.sk, premuza.sk, prezenu.sk and topstar.sk internet portals,
- » DONEAL, s.r.o. (100 % share) – licensed to broadcast JOJ Cinema.

THE OUTDOOR ADVERTISING MARKET

» AkzentBigBoard, a.s. (100 % share) – through which shares in the following companies are owned:

- » BigMedia s.r.o. (100 % share) – exclusive advertising sales for advertising means from the companies listed below and their parent companies:
- » RECAR Slovensko a.s. (100 % share) – transport advertising,
- » RECAR Bratislava a.s. (80 % share) – transport advertising in the capital city of Bratislava,
- » Media representative s.r.o. (100 % share) – sales of advertising of a specific nature,
- » BHB, s.r.o. (51 % share) – sales of advertising of a specific nature.

THE INTERNET AND APPLICATION DEVELOPMENT SECTOR

» eFabrica, a.s. (51 % share) – business activities are concentrated on the development of web applications, web design and operation of Internet domains and the provision of technical support.

THE RADIO BROADCASTING SECTOR

» Radio Services, a.s. (100 % share) – focused on providing services to radio broadcasters.

OTHER SECTORS

» JOJ Media House, a.s. owns a 30 % share of Starhouse Media, a.s., which manages performers,

» Lafayette s. r. o. (100 % share) – currently inactive.

THE CZECH REPUBLIC

THE OUTDOOR ADVERTISING MARKET

» JOJ Media House, a. s. is a 60 % shareholder of BigBoard Praha, a.s. in the Czech Republic Through its companies, it is the number one on the Czech outdoor advertising market. BigBoard Praha is the owner of the following shares:

- » BigMedia, spol. s r.o. (100 % share) – sales and administration of its own advertising network,
- » Czech Outdoor, s.r.o (99.9 % share) – advertising space rental,
- » Česky Billboard, s.r.o. (100 % share) – advertising space rental,
- » MG Advertising, s.r.o. (50 % share) – advertising space rental,
- » Barrandia, s.r.o. (50 % share) – advertising space rental,
- » Expiria, s.r.o. (100 % share) – advertising space rental,
- » Tardus Publishing, s.r.o. (100 % share) – advertising space rental,
- » RAILREKLAM, s.r.o. (49 % share) – České dráhy (Czech rail) a. s. ,advertising space rental,
- » outdoor akzent s.r.o. (100 % share) – advertising space rental,
- » Bilbo City s.r.o. (100 % share) – advertising space renal,
- » Velonet ČR, s.r.o. (100 % share) – advertising space rental,
- » Qeep, a.s. (60 % share) – advertising space rental.

After the date as at wich this annual report was drawn up BigBoard Praha a.s. acquired a 50 % stake in D & C with AGENCY s.r.o.

AUSTRIA

JOJ Media House, a. s., is the sole shareholder of Akcie.sk, s. r. o., which owns 100 % of EPAMEDIA – EPAMEDIA – EUROPÄISCHE PLAKAT – UND AUSSEN MEDIEN GMBH (hereinafter "EPAMEDIA"), which is number two in outdoor advertising in Austria. EPAMEDIA is the owner of the following shares:

» R+C Plakatforschung und kontrolleGmbH (51 % share)

CROATIA

After the date as at wich this annual report was drawn up JOJ Media House acquired stakes in the following companies:

» NOVI LIST d.d. (80 %) –Newspaper publisher,

» GLAS ISTRE NOVINE d.o.o. (59 %) – Newspaper publisher,

» ZADARSKI LIST d.o.o (100 %) – Newspaper publisher.

02 CORPORATE VALUES

THE VISION

JOJ Media House's vision is to continue its activities as a significant central European media company and secure the long-term satisfaction of its customers with its media services and products for the effective communication of advertising to target groups.

OUR MISSION

The mission of JOJ Media House is to provide high quality media services to society in general as well as to business partners, which we want to ensure through the continuous development and improvement of products.

STRATEGY

The JOJ Media House strategy is to expand its products via both organic and inorganic growth in Central and Eastern Europe and the streamlining of activities of individual companies within the group through synergistic links.

03 MEDIA MARKET ANALYSIS

During 2015 the Euro zone economy slightly accelerated. This was mainly due to the revival of the economies in Spain, Italy and France. The German economy grew strongly in the second quarter of 2015. Growth in the German economy was supported by domestic demand, net exports and modest consumption. Economic activity was additionally supported the non-standard monetary policy measures of the ECB Governing Council, which served to support domestic demand through low interest rates. A further incentive was the gradual recovery in global economic activity.

The Slovak economy maintained a stable growth rate throughout 2015 due to a recovery in domestic and foreign demand. Low commodity prices, low interest rates and increased investment in the private sector had a positive impact on the economy. The result of this was an increase in employment which should – be based on NBS forecasts – continue to grow next year.

In the first quarter exports grew strongly, mainly due to the recovery in the automotive sector, where the achievement of production capacity started to be considered. This trend should be maintained by the Slovak economy in 2016 and 2017.

The second quarter was characterised by a slight decline in exports, mainly due to a reduction in demand from our foreign customers. On the other hand, investment demand increased due to government investment in infrastructure projects.

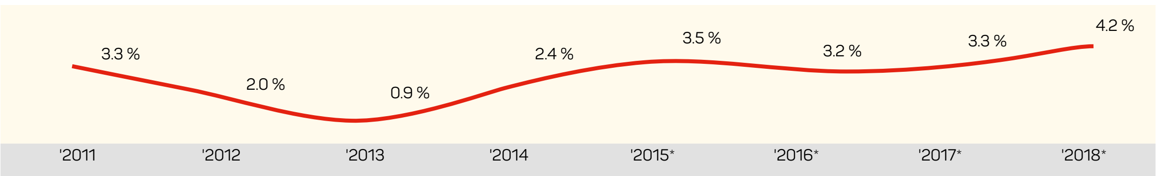
The third quarter brought Slovak economy growth of 0.9 %, mainly due to domestic demand. Private and public consumption also increased. The steady economic growth throughout 2015 was reflected in the fourth quarter, when the Slovak economy grew by 1 %. As in previous quarters, as well as in the final quarter the main drivers of growth were in domestic demand and private consumption supported by investment.

In 2015, the Slovak economy rose significantly as per NBS forecasts. Along with the positive development of the Euro zone economy and the Slovak economy, the situation on the media markets in which JOJ Media House is operates also developed. The positive forecasts for the development of economies amongst our main trading partners were reflected in the forecast of economic development for Slovakia and its further acceleration in the coming years.

NBS MAKROECONOMIC PROGNOSIS

ANNUAL RATE IN %	'2011	'2012	'2013	'2014	'2015*	'2016*	'2017*	'2018*
REAL GDP / *FORECAST	3,3 %	2,0 %	0,9 %	2,4 %	3,5 %	3,2 %	3,3 %	4,2 %

REAL GDP / *FORECAST



SOURCE: NBS MEDIUM TERM FORECAST P1Q–2016

THE SLOVAK MEDIA MARKET

TELEVISION ADVERTISING

As previously mentioned, the Slovak economy achieved growth along with the Euro zone. This positive development was also reflected in 2015 in investments in the media market. According to estimates by GroupM, the entire media market grew by 3.5 % and the television advertising sector by 5.2 %. Television advertising continues to maintain its dominant position in the media market in the Slovak Republic. Almost half of all investment in this sector heads right here. The television advertising market is stable and in 2015 it did not record any changes. No new competitors entered the market and no significant legislative changes occurred.

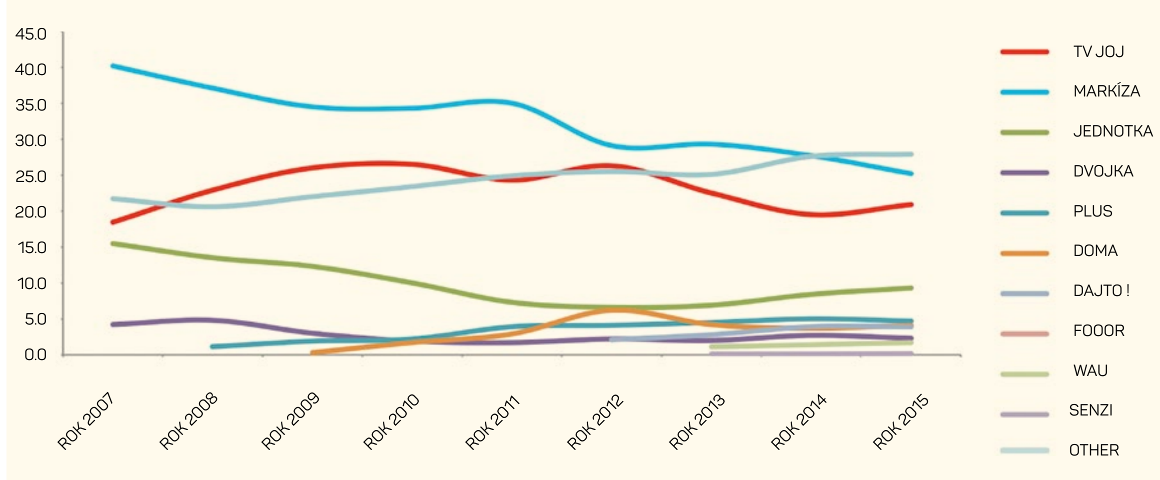
The main television advertising competitors remain to be:
MARKÍZA – SLOVAKIA, spol. s r. o. (a member of the international Central European Media Enterprises Ltd.) which operates the following channels: Markíza, Doma and Dajto,

RTVS – public service television which airs the Jednotka (1) and Dvojka (2) channels.

The JOJ Group which operates JOJ, PLUS, WAU, RiK, Ťuki TV and JOJ Cinema. The last three channels listed were added to the JOJ Group portfolio during 2015. These television stations fall into the group of pay channels, one channel – Ťuki TV – is broadcast exclusively for Slovak Telekom.

PRIME TIME 12–54 SHR %

PRIME TIME	TV JOJ	MARKÍZA	JEDNOTKA	DVOJKA	PLUS	DOMA	DAJTO!	FOOOR	WAU	SENZI	OTHER
ROK 2007	18,4	40,2	15,5	4,2							21,7
ROK 2008	22,9	37,1	13,5	4,8	1,1						20,6
ROK 2009	26,0	34,5	12,3	3,0	1,9	0,3					22,0
ROK 2010	26,5	34,3	10,0	1,9	2,2	1,7					23,4
ROK 2011	24,3	35,0	7,3	1,7	3,9	2,9					24,9
ROK 2012	26,3	29,1	6,6	2,2	4,1	6,2	2,1				25,5
ROK 2013	22,5	29,3	6,9	2,0	4,5	4,2	2,8	1,5	1,1	0,1	25,1
ROK 2014	19,5	27,7	8,4	2,7	5,0	3,7	3,9		1,4	0,1	27,6
ROK 2015	20,9	25,2	9,3	2,3	4,7	4,1	3,9		1,7	0,2	27,9



SOURCE: TNS

THE OUTDOOR ADVERTISING MARKET

2015 – compared with 2014 – saw a slight increase in media investment. Market shares remained unchanged, the emergence or entry of a new major competitor was not registered. The Akzent BigBoard group, which operates in the market, met its ambitious targets, maintaining its position as market leader and its attention was focused not only on economic indicators, but also on streamlining the organisational structure and the administrative burden involved in the sale of outdoor advertising.

Significant events in 2015:

» The launch of the OAM project (Outdoor Audience Measurement) which measures the effect of outdoor advertising, operated by TNS Slovakia s.r.o.

THE RADIO ADVERTISING MARKET

In the radio advertising segment, JOJ Media House made its initial mark on 21. 4. 2015 with the acquisition of Harad which was the parent company of Radio Services which provides comprehensive radio broadcast services from securing broadcasting to the sale of advertising space. The situation on the media market was stable during the year with no substantial increase in investment in the sector. Our major competitors include Rádio Expres, Radio Slovakia and Fun Radio.

THE AUSTRIAN MEDIA MARKET

In 2015, the Austrian economy accelerated slightly, GDP growth reached 0.9 %. The Austrian National Bank expects growth in the coming years of 1.9 % in 2016 and 1.8 % in 2017. A positive development was also reflected in investments in the media sector. According to estimates by Group M the growth was 6.6 %. The largest increase in investments was recorded by the Internet market, shares declined slightly for television, newspapers and journals.

Developments on the Austrian outdoor advertising market where JOJ Media House has operated since 2012 were characterised in 2015 by increased investment in this market. According to management estimates, the market grew by about 12 %. This positive trend was also reflected in the achievements of the Company. In 2015 the Company focused its attention on:

» Streamlining its organisational structure, resulting in the consolidation of two subsidiaries into the parent. The result is more efficient sales, planning and greater comfort for clients,
» The Optimisation of the advertising media portfolio.

REAL GDP / *FORECAST IN AUSTRIA 2011–2017

ANNUAL RATE IN %	2011	2012	2013	2014	2015*	2016*	'2017*	CAGR
REAL GDP / *FORECAST	2,8 %	0,9 %	0,2 %	0,3 %	0,9 %	1,9 %	1,8 %	1,3 %

SOURCE: OSTERREICHISCHE NATIONAL BANK (ONB)

THE CZECH MEDIA MARKET

In 2015, the Czech economy significantly increased its pace of growth, this development was affected by rising foreign demand, low oil prices and increasing government investment. The economic growth rate reached the level of 4.7 %. As with other economies, the Czech economy was influenced by the easing of monetary policy by the ECB.

The media market in the Czech Republic recorded an estimated increase in investment of 3 %. The Media-mix composition remained unchanged, almost half of all investments were implemented in the sector of television advertising, which recorded an increase of almost 10 %.

Development on the outdoor advertising market can be perceived as a period of moderate growth in list prices. The BigBoard Praha Group – which is the largest provider of outdoor advertising in the Czech Republic – managed to achieve higher growth in revenues, as reported in this segment, thus confirming its dominant position. In 2015, it strengthened its position through the acquisition of Qeep, a.s. which was involved in the successful provision of outdoor advertising in the city of Prague.

REAL GDP / *FORECAST IN CZECH REPUBLIC 2011–2017

ANNUAL RATE IN %	2011	2012	2013	2014	2015	2016*	2017*	CAGR
REAL GDP / *FORECAST	1,7 %	-1,2 %	-0,9 %	2,0 %	4,7 %	2,8 %	2,9 %	1,2 %

SOURCE: CNB – IFLATION REPORT

04 SUMMARY OF BUSINESS ACTIVITIES

THE TV JOJ GROUP

On March the 2nd 2015, TV JOJ entered in the fourteenth year of its existence – and it was an extremely successful one. JOJ is a station with continuously growing news, with new original works that are constantly number one for Slovak fans, while also being a TV station that is constantly interchanging with competition in the position of the most important prime time leader and in autumn 2015, JOJ became the clear market leader in access prime.

In 2015, the JOJ Group brought Slovak viewers not only a lot of new shows and favourite programmes which were awarded with increasing audience shares, but it also brought the three latest additions to compliment the JOJ PLUS and WAU stations within the JOJ Group portfolio – RiK, Ťuki TV and JOJ Cinema. Moreover, in autumn TV JOJ received a makeover when it changed its design and launched station broadcasts with new graphics, a modernised logo and the claim "An experience to see".

TV JOJ IS THE STATION WITH THE MOST SIGNIFICANT GROWTH ON THE MARKET

TV JOJ – during its fourteenth years of life – has significantly strengthened its overall market share, with growth in prime time especially (year-on-year shares rose by 1.5 % to 27.5 % share in TG 12–54 and up by 1.8 % with a 26.7 % share in TG 12+). JOJ's original programming is a regular number one for Slovak audiences and JOJ alternates with the competition for leadership in prime time. JOJ News ratings have long been growing continuously as a result of the long, demanding and high quality work of the regular news team that predominantly handles local issues and has the widest regional coverage in Slovakia. Due to growth in 2015, in February 2016 it became the most watched news team on the Slovak market. *TV JOJ News* achieved an average rating of 13.4 %, and every day an average of 959 000 viewers (CS 12+) tuned in, the first choice of viewers was also the *Sport* and *The Best Weather*. Thus, the year-on-year audience and market share for JOJ News increased significantly (from 19:00 to 20:30 TV JOJ last year had an average share by 25.8 % in TG 12+), credit should also be given to the culinary-competition show *My Mom Cooks Better Than Yours*, which – as a new show in 2015 – won the favour of audiences and made TV JOJ the autumn market leader in access prime, i.e., in the early evening prime time, which is an important run up for the subsequent news shows.

JOJ IS THE LEADER IN ORIGINAL PROGRAMMING IN SLOVAKIA

In January 2015 JOJ TV started broadcasting a new series – *Wild horses* (Divoké kone), which raised the bar for the quality of Slovak drama production once again and viewers took a liking to it immediately. The second autumn series of the saga was also successful, with its creators in the meantime managing to prepare another new series – *Zoo* in the 2016 season. During spring 2015, JOJ danced with Vilo Rozboril and his celebrity guests in the new show *Dream Dance*, and in the autumn fall the family show *Seventh Heaven* made its return. Both shows handed out joy not only audiences but also to families in need of charitable assistance. The TV JOJ Foundation constantly played a large role in these shows. Seventh Heaven, moreover, became the most watched television program in 2015 for viewers of 12 years of age and over. The autumn season saw the return of JOJ's most successful show Czech & Slovak Talent for its fifth series, with various new innovations, fresh faces in both the panel and as hosts. This hugely successful became the most watched program of 2015 on TV JOJ for audiences in the commercial target group of 12–54. In June 2015, TV JOJ said goodbye to its daily soap opera Prefab, which had been extremely successful part of the channel for over seven years. It is thanks to Prefab that JOJ attracted Slovak families to its screen and opened the way for universal television audiences, generations of great actors were discovered, without whom today one can not imagine a series and provided opportunities to young creators who now create interesting new television formats. On the contrary, before summer 2015, JOJ returned the extremely popular entertainment *Incognito* to the screen after a seven year break, with it once again receiving excellent audience response and continuing with new episodes after the holidays. The laughter and fun in 2015 on JOJ was taken care of by new sitcoms *Kolabs* and *Twins* by Andy Kraus, as well as the comedy series *The World According to Evelyn*. Viewers also witnessed several new programs, in addition to *New Living* they also had the opportunity to watch a *New Gardens* and *The Sweet* Life and learn to cook in *Connoisseurs* with Tomas Kamenár and *The 15 minute Chef* with Gabo Kocák.

JOJ IS THE MOST ACTIVE PLAYER IN ONLINE CONTENT AND SOCIAL NETWORKS

TV JOJ is innovative, as shown by the growth in online and on social networks. In 2015, JOJ intensely interconnected the web and individual formats with social networks – for example *Czech & Slovak Talent*, which has become the most successful JOJ project on the internet, a *Wild Horses* competition and the exclusive Summer Shopaholics Special. The fast growth of TV JOJ Instagram with its exclusive content deserves attention, connected with Facebook, the variety of events and television projects surpassed the number of our competition's fans. JOJ simultaneously launched new trends in the field of mobile applications, having last year launched the Divano App.

TV JOJ NEWS 2015

TV JOJ News ratings grew continuously in 2015, and the News was particularly successful from spring – when JOJ strengthened its important prime time slot. In the spring season JOJ's news shows significantly beat the competition and were the market leaders in their time slots.

The Twelve O'Clock News is the first news show aired by JOJ during workdays and provides an overview of current events The hosts welcome interesting guests to the studio every day and discuss interesting topics with significant social impact.

The hosts are Andrea Pálffy-Belányi, Hana Zavřelová Gallová, Ján Mečiar and Ivan Janda.

In the afternoon TV JOJ broadcasts its second news format, which updates the information broadcast at noon and at the same time opens up important events and topics regarding events in Slovakia and around the world, which are further processed by the evening news editors. **The 5 O'Clock News** also follows the international trend of having reporters hosts the show. This opportunity has already been taken by Dana Strculová, Dárius Haraksin and Adam Zavřel.

The hosts are Aneta Sedlmair-Parišková, Dana Strculová, Ján Mečiar, Dárius Haraksin and Adam Zavřel.

Unique news programs on our market – in addition to information about criminal cases and various causes and important service topics – provide features with awareness content and advice in many civil areas. It is predominantly thanks to the professionalism of reporters who respond on a daily basis effectively to viewers' questions relating to courts, laws, and other problem areas in society that **CRIME** is extremely popular amongst audiences.

The hosts are Monika Bruteničová, Stanislava Kovačik, Pavol Michalka and Michal Farkašovský.

The main **TV JOJ news** program has long been one of the most watched programs on our market, bringing viewers a prime time overview of the most important domestic and international events and mapping individual Slovak regions, thanks to having the largest news team on the market. For over a year, part of the main content of the main news has been introductions to interesting Slovak villages, which is also an original and specific JOJ news projects that audiences really appreciate.

The TV JOJ News hosts are Adriana Kmotríková, Lucia Barmošová, Ľuboš Sarnovský and Ján Mečiar.

TV JOJ sports reporters inform viewers on a daily basis of the results of all major sporting events from Slovakia and around the world. Reports on popular but also less traditional sports and breath-taking sports performances. **Sport** is one of the most popular reporting formats for Slovak audiences and its performance has strengthened the viewership of TV JOJ news block in prime time.

The hosts are Lenka Čviriková – Hriadelová and Radovan Ležovič.

Professional forecasters in the role of hosts, modern and eye-catching graphics and viewer attractive elements – this is **The Best Weather** – the most watched regular weather forecast in Slovakia. For several years, this show has been the most popular news format of its kind on the market. The Best Weather is constantly is in the top three most watched news program on TV JOJ and also high on the viewership charts featuring all Slovak television stations.

The hosts are Mgr. Peter Jurčovič, Mgr. Miriam Jarošová and Mgr. Michal Hazlinger PhD.

JOJ GROUP TELEVISION STATIONS

The JOJ Group has a portfolio of six TV stations that appeal to all important Slovak audience target groups. TV JOJ has established itself as a universal family television station, reaching out to the widest audiences, PLUS is designed for men and dynamic women, younger female target audiences find TV shows on the WAU station, for the youngest audiences there are two children's television channels – RiK and Ťuki TV and movie fans have the latest JOJ Cinema channel.

TV JOJ has operated in Slovakia for 14 years Since its inception, TV JOJ has often influenced the development of the Slovak market and remains a successful trendsetter in our media landscape. JOJ is a TV station for the whole family, bringing family fun with original high-quality acquisition series and movie titles and several daily news programs to households, mapping the development of current events, providing service topics, bringing showbiz information and covering sports and lifestyle topics. According to surveys, viewers perceive JOJ as a station that is not afraid to experiment. It is modern, brings new program formats, creative projects and original content. TV JOJ to the viewer is perceived as an innovative television station in terms of technology, new media and digital platforms.

PLUS had its first anniversary in 2009, it celebrated as the number 4 on the market and in the seven years of its existence has gradually built up a stable position among smaller Slovak TV stations. PLUS focuses on the commercial interests of the audience – the majority of whom are modern men of working age, but also on independent dynamic women. The program structure is made up of particularly excellent acquisition series and shows, action movies and favourite original formats.

TV WAU from the offset has targeted young, modern and urban women, i.e. commercially attractive young women. In the spring of 2015 WAU celebrated its second anniversary while it continuing to be able to provide "What Women Want". WAU established itself on the market in particular with its lifestyle show Shopaholics, which drastically influenced the image of the station. WAU audiences don't miss out on good series and lifestyle shows on cooking, housing and celebrities.

In early 2015, the JOJ Group launched the first-ever television stations for children in Slovak. **RiK** is the first ever JOJ pay channel. RiK's entertaining and educating roster which consists of European productions and its own productions – target children aged 4–12, i.e. children in preschool and early school years. RiK is currently included packages from Skylink Antik Telecom, Swan, Slovanet, Orange Slovakia, DSI DATA ARTOS, BDTS, e-Net, Gecom, ISPER, Komjatice Cable TV, Kalná KTR, MARTICO, MIKOTEL, PROGRES-T, Sinet CTV, Stastel, TFM, Telly CE and Towerhome

Ťuki TV is a thematic channel for preschool and younger school children, which in addition to great, traditional cartoon fairy tales also provides slots for original local productions for children. The children, along with Ťuki the cockerel sing, learn many interesting things and even fall asleep with him while listening to wonderful fairytales. Ťuki TV is a paid premium channel included exclusively in the Magio television package, distributed by Slovak Telekom.

JOJ Cinema features an exclusive offering of movies for discerning viewers in the Czech Republic and Slovakia. The newest and finest films of various genres – action thrillers, horrors, comedies and or biographies – are not interrupted by advertising only on JOJ Cinema. The channel broadcasts the greatest amount of new productions on the Czech-Slovak market, most of which made after 2013. This the latest station in the JOJ Group portfolio is part of the extra packages by operators and is now available from operators Skylink, Slovak Telekom, Digi Slovakia, Towercom , Slovanet, ANTIK Telecom, CentroNet, O2 Czech Republic, T-Mobile Czech Republic and others.

JOJ GROUP DIGITAL PLATFORMS

TV JOJ works for audiences throughout the day. Its reporters and staff prepare reports, produce series, entertainment programs, documentaries and sports events. During the day content is produced in abundance – videos, interviews, reports and thousands of photos. Not everything can be broadcast in 24 hours, but everything possible is delivered during the day to where people naturally are – on social networking sites Facebook, Instagram, Twitter and the huste.sk, joj.sk and noviny.sk websites. The station delivers online television archives, catch-up videos, making-of TV shows, exclusive information, viral campaigns...

The range of JOJ Group online content in 2015:

Showbiz: television, film, music

- Behind the scenes, unaired material, unpublished photos, exclusive projects
- Collaboration with top Slovak bands
- Film support
- Special campaigns

News

- News updates during the day
- Exclusive processing of television content
- Advisory services

Sport

- 30 sports broadcasts per month
- Almost all extra league hockey and football games
- Highlights from every league round

The television archive

- An archive of all television shows since TV JOJ's inception

THE MOST SUCCESSFUL ONLINE TV JOJ GROUP PROJECTS OF 2015

CZECH & SLOVAK TALENT WAS EXCEPTIONALLY SUCCESSFUL ONLINE

The fifth series of the talent show in 2015 became the most successful project on the JOJ website. During September the number of clicks rose sharply to 1630 802 and the number of real users was 190 542. Individual episodes and individual performances that were published soon after appearing on television were the most successful. JOJ was online during the broadcast – in real-time audience shared tailored content. Junior and Marcel and their direct commentary on what was happening on the screen produced a huge amount of users..

THE RAPID GROWTH OF TV JOJ'S INSTAGRAM

JOJ's Instagram has grown in recent years at an incredibly rapid pace thanks to exclusive content, connecting with Facebook and event and television projects. Instagram was successful in crossing the Slovak borders. This is evidenced for example by direct communication with Robert Geissen from the of successful acquisition series The Geissen's.

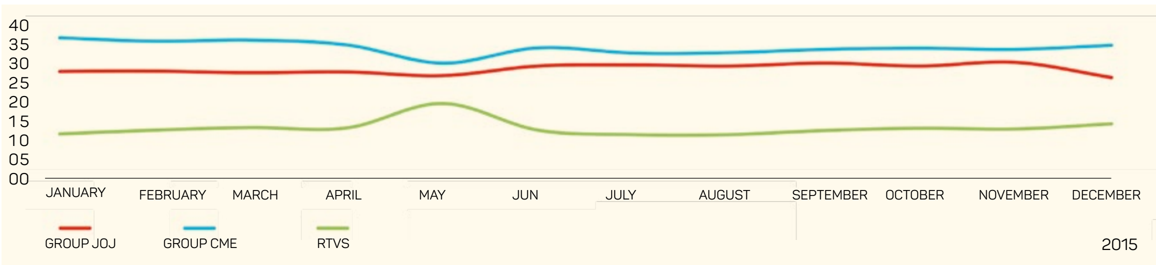
JOJ IS THE MOST ACTIVE ON FACEBOOK

JOJ has a strong community on the most widespread social network, numbering more than 1.6 million fans consisting of all target groups. JOJ is currently able to offer fans content that they can not find on other platforms. The connection of television content with the potential of social networking has succeeded in creating viral material which became a hit in the online world. In 2015 JOJ's Facebook page reached record numbers for the overall impact on users – 1.8 million.

DIVANO

The activities of the new online platform Divano started with the Czech & Slovak Talent project. Divano is a new opportunity to further expand communication with TV JOJ audiences, especially during commercial breaks when the station brings to its audience exclusive entertainment.

PRIME TIME GROWTH BY MONTH 2015 (SHR % 12–54)



SOURCE: TNS

ACQUISITIONS

ACQUISITION FILM PREMIERES

Hunger Games: The Mockingjay – Part 1

In the third instalment of the successful film series, the winner of the last Hunger Games – Katniss Everdeen – becomes a symbol of mass resistance against the all-powerful Capitol. But President Snow will not give up easily and Katniss finds herself in huge danger. In 2015 the film was nominated for a Golden Globe for Best original Song with "Yellow Flicker Beat". The film has received six awards and 16 nominations internationally.

Hobbit: The Desolation of Smaug

Under the guidance of the legendary warrior Thorin, hobbit Bilbo Baggins and Gandalf the wizard and thirteen dwarves embark on a long and dangerous journey. The aim of the expedition is to take back the lost ancient Dwarven kingdom of Erebor, where they were cast out by the Smaug the dragon. The battle with the monster finally reveals whether they have wasted their lives and if their mission will have some historical significance. The second of the three-part film adaptation of J.R.R. Tolkien's The Hobbit by director Peter Jackson, Academy Award and Oscar winner and creator of the highly regarded Lord of the Rings trilogy.

ACQUISITION SERIES

Bones X.–XI.

Doctor Brennan and FBI agent Seeley Booth are married and living the family life with her daughter Christine in the same household. However, both continue to jointly investigate crimes. While addressing issues such as the division and management of joint finances and Christine's religious upbringing and education, something on which her mother – a brilliant scientist and a strict atheist – has specific views. Bones no longer wants to spend all day in the lab, but would rather work with her husband in the field. Booth is opposed to this because chasing criminals would endanger their health and lives. In 2012 the series was nominated for the prestigious Primetime Emmy Awards in two categories (special effects and design) and has to date won 5 other awards and 29 nominations.

Castle VIII.

In the seventh series of the show, the mutual feelings of the two main characters – writer Rick Castle and the charming detective Kate Beckett have become even more developed and finally culminated in engagement. The wedding is cancelled due to tragic circumstances. Detective Beckett faces the most difficult case in her career, when on the way to her own wedding she sees the burnt out wreck of Rick castle's car. The empty car is engulfed in flames and the groom has disappeared. Castle later tries to figure out who kidnapped him and where he was when the kidnapping took place. Gradually he realises that his kidnapping is linked to the events of the past he would most like to forget. In 2009–2010 the series was nominated for the prestigious Primetime Emmy awards in four categories. From 2009–2013 the show won a total of 17 prizes and 12 nominations.

04

SUMMARY OF BUSINESS ACTIVITIES

INTERNET APPLICATION DEVELOPMENT

INTERNET APPLICATION DEVELOPMENT

On the Internet application development market, JOJ Media House does business through eFabrica a.s. which in addition to technical support for the group also provides and develops new applications. eFabrica started work on developing the CONTENTO product in 2014.

CONTENTO is a new generation publishing platform based on the principle of microservices. A brand new, modern approach to creating online projects and the consolidation of online content.

CONTENTO is an online system is built from a number of small / single-purpose applications that can be used separately or combined into a functional unit – a content management system. Each application is fine – tuned and reflects the particular requirements of online editors such as the management of articles, image and gallery management, video and streaming management, poll management, quizzes and questionnaires, collecting and analyzing data, importing different kinds of content, measuring the performance of individual parts of the site, active work with social networks, paywall and registered / paying users, online transfers, online chat and many other features... development of other applications to client specifications is ongoing.

04 SUMMARY OF BUSINESS ACTIVITIES

THE OUTDOOR ADVERTISING MARKET

THE OUTDOOR ADVERTISING MARKET IN SLOVAKIA

The outdoor advertising market in Slovakia did not undergo any significant changes. 2015 was a year of slight increase in investment in this sector. The first quarter developed as expected, the volume of completed campaigns grew slowly due to the subsequent approval of advertising campaigns on the part of contracting clients. With its active approach, the Company managed to meet the targets set in the first quarter....

Developments in the other quarters did not bring dramatic changes. The Akzent BigBoard group was able to meet the set budgets, not only on the revenue side but also on the cost side.

The following can be classed as significant events in 2015:

» The entry of a new major client on the Slovak market – Bauhaus Slovensko,

» Commencement of operations of the fourth telecom operator – 4ka,

» The emergence of new media house – MediaConnection – which from the 1st of January 2016 has housed the Médea Slovakia, Loco Agency and Media and Digital Services media agencies. The new media house will provide clients with comprehensive media services.

» The commencement of measuring the effectiveness of outdoor advertising. Measurements will be provided by TNS Slovakia. This project provides the market with a single metric for the measuring, planning and optimisation of outdoor campaigns. The first results will be known in the first half of 2016.

THE OUTDOOR ADVERTISING MARKET IN CZECH REPUBLIC

The overall media market in the Czech Republic as estimated by the GroupM company grew by 3.4 %. Within each segment the trend of the previous year was maintained. The strongest growth was in the segment of television advertising segment – by almost 10 %. A decrease was recorded in the segment of printed materials.

The Outdoor advertising segments recorded an increase of 3 % compared with 2014 based on estimates of the above companies. JOJ Media House – which operates on the market through the BigBoard Praha group – achieved its objectives and even managed to outperform market growth. This is confirmed by its position as market leader. During 2015, the group expanded its portfolio with the acquisition of QEEP, a.s. which operates premium LED medium in Prague, focusing on the implementation of advertising banners and surfaces to complement the portfolio of the group. The BigBoard Praha Group also focused on improving the quality of its advertising space, in particular the reconstruction of bigboards in the very much in-demand double big boards. In 2016, the BigBoard Praha Group expanded its portfolio to include a 50 % stake in D & C Agency s.r.o, which owns a 48 % stake in Erflex a.s.

The largest advertisers in 2015 on the Czech media market included the following companies: Procter&Gamble CZ, Unilever CZ, Loréal Česká republika and Mountfield.

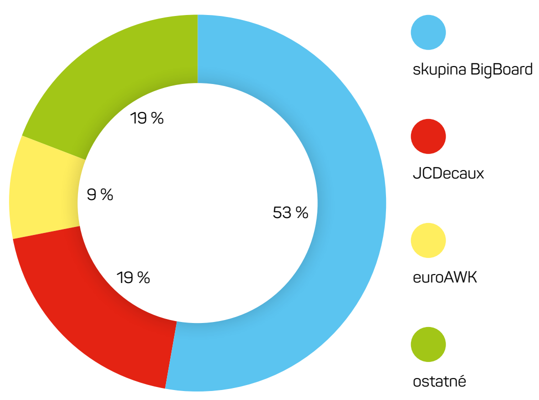
THE OUTDOOR ADVERTISING MARKET IN AUSTRIA

Austria's economy began to accelerate during 2015, leading to an increase in the total volume of media investments by 6.6 % based on an estimate by GroupM. The shares of individual segments in the media mix did not change significantly. The Outdoor advertising segment in which JOJ Media House has operated since 2012 through EPAMEDIA recorded estimated growth of 12 % in 2015. These estimates were confirmed by the achievements of EPAMEDIA, which even managed to surpass this level of growth.

In 2015 the Company – in addition to achieving the best results in sales – also focused on streamlining its organisational structure. This process brought about a merger between Heimatwerbung Gesellschaft m.b.H. (Vienna) and Gesellschaft Heimatwerbung m.b.H (Linz) with the parent company. The steps above will greatly simplify the sale of advertising space and result in the more efficient planning of advertising campaigns.

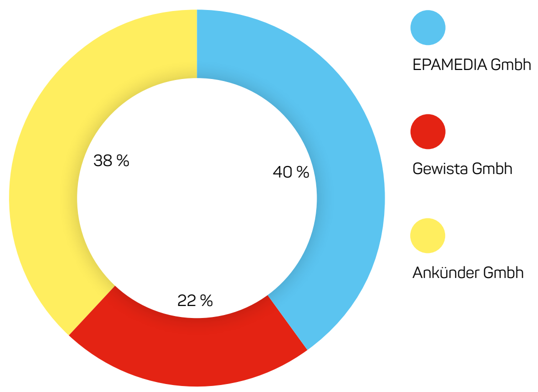
Another major EPAMEDIA project in 2015 was the launch of the process to streamline the portfolio of advertising media. The result was a reduction in inefficient areas and the thereby associated costs.

SELECTED OOH MARKET SHARES 2015



SOURCE: ADMOSPHERE

MARKET SHARE OOH 2015
BASED ON MEDIUM COUNT



SOURCE: MANAGEMENT ESTIMATES

05 PERSONNEL POLICY

Human resources are a prerequisite for the success of any organisation. JOJ Media House is aware of their share in the success of the group, and therefore attaches great importance to the process of managing them.

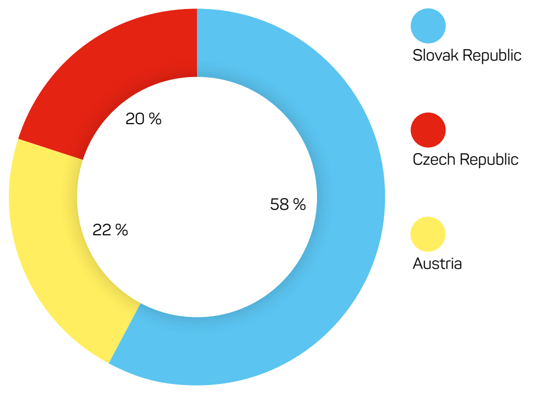
Its focus is on all occupational categories, because each of them affects the achieved results.

The JOJ MediaHouse Group is one of the major employers not only in Slovakia but also in other countries in terms of developing business activities, such as the Czech Republic and Austria. Compared to the previous year, the average number of employees decreased by 6 %, due to the sale of companies operating in the outdoor advertising market in Croatia and Macedonia.

AVERAGE EMPLOYEE COUNT OVERVIEW PER COMPANY IN THE MEDIA HOUSE	2015
JOJ MEDIA HOUSE, A.S.	4
SLOVENSKÁ PRODUKČNÁ, A.S.	188
MAC TV S.R.O.	7
BIGMEDIA, SPOL. S R. O.	19
AKZENT BIGBOARD, A. S.	19
RECAR SLOVENSKO A. S.	3
RECAR BRATISLAVA A.S.	5
BHB, S.R.O.	1
BIG BOARD PRAHA, A.S.	28
CZECH OUTDOOR, S.R.O.	13
BIGMEDIA, SPOL. S R.O.	24
QEEP A.S.	4
RADIO SERVICES S.R.O.	11
EPAMEDIA – EUROPÄISCHE PLAKAT – UND AUSSEN MEDIEN GMBH	91
HEIMATWERBUNG GES.M.B.H (LINZ)	6
R+C PLAKATFORSCHUNG UND KONTROLLE GMBH	3
OUTDOOR AKZENT S.R.O.	19
MODERN WEB, S.R.O.	5
JOJ MEDIA HOUSE TOTAL	450

AVERAGE EMPLOYEE COUNT OVERVIEW PER COUNTRY IN MEDIA HOUSE	2015
SLOVAK REPUBLIC	262
CZECH REPUBLIC	88
AUSTRIA	100
JOJ MEDIA HOUSE TOTAL	450

EMPLOYEE SHARE PER COUNTRY UNTIL 31. 12. 2015



06 SIGNIFICANT EVENTS IN 2015

» January the 1st 2015 – the JOJ Group expanded to feature a further monothematic channel – RiK – which is focused on child viewers and is the first subscription channel within the group.

» On April the 21st, JOJ Media House became the 100% owner of HARAD, a. s. through which the Company owns a 100 % stake in Radio Services s.r.o.

» On the 24th of April 2015 JOJ Media House became the 100 % owner of Lafayette s.r.o.

» In June 2015 the JOJ Group launched the new Ťuki TV children's channel.

» On the 15th of June JOJ Cinema was launched.

» On the 1st of July 2015 BigBoard Praha acquired a 60 % share in QEEP, a.s.

» On the 26th of August 2015, "Heimatwergung Gesellschatf m.b.H. ID: FN 92410 y" and "Heimatwergung Gesellschatf m.b.H. ID: 216172 FN a" merged with their parent company EPAMEDIA – Europäische poster – UND AUSSEN Medien GmbH

» On the 7th of September 2015 The General Assembly decided to issue new bonds totalling 50 million EUR.

» On the 16th of October 2015 The General Assembly re-elected Richard Flimel as Chairman of the JOJ Media House Board.

» On the 3rd of November 2015 BigBoard Praha a.s. founded Velonet CR s.r.o.

» On the 7th of December 2015 JOJ Media House issue bonds totalling 48.5 million EUR.

EVENTS OCCURRING AFTER THE CLOSING OF THE ACCOUNTING PERIOD

» On the 1st of January 2016, HARAD, a. s. along with its subsidiary Radio Services s.r.o. The successor organisation is Harada a.s., which on the 1st of January 2016 changed its name to Radio Services a.s.

» On the 21st of January 2016, JOJ Media House acquired a 49 % share in eFabrica a.s.

» On the 1st of February 2016 BigBoard Praha a.s. acquired a 50 % stake in D & C AGENCY s.r.o. which owns a 48 % share of Erflex a.s.

» On 7th of April 2016, JOJ Media House acquired the following shares in Croatian companies:

NOVI LIST d.d. (80 %),
GLAS ISTRE NOVINE d.o.o. (59 %),
ZADARSKI LIST d.o.o (100 %).

07 RISK FACTORS AND RISK MANAGEMENT

The Company has identified certain risk factors related to its commerce and operations. The following are considered to be the key factors:

THE RISK OF THE COMPANY BECOMING DEPENDENT ON BUSINESS RESULTS ITS SUBSIDIARIES

The main business activity of the Company is the management and financing of participations in other companies. Therefore, the Company is dependent on income from dividends and interest on loans to subsidiaries, and these depend on the business results of the Company or its subsidiaries.

THE RISK OF A CRISIS, DEPENDENCE ON GENERAL ECONOMIC CONDITIONS AND THE RISK OF DECLINING ADVERTISING EXPENDITURES

Revenue from advertising makes up the majority of subsidiary revenues which are dependent on generally favourable economic market conditions. There is the risk that in the event of an economic crisis, economic downturn or adverse economic conditions, there will be a general reduction in advertising expenditure, with the result being that the Company may suffer losses.

THE RISK OF REFINANCING EXISTING LOANS AND FUNDING NEW PROJECTS

The consolidated capital structure of the Company's figures significantly in the range of debt financing which has its origins in the pre-crisis period. The Company – within the holding – initially chose a more aggressive financial strategy, the financial market crisis, however, hindered their rapid development. The Company does not wish to eliminate the need in the future to again use anything other than their own resources to pay for existing or future liabilities. With the use of external sources of funding there is not only limited access to new sources of funding, but also reduced flexibility in management decisions coming from the various provisions in credit agreements, which aim to protect existing creditors.

THE RISK OF CHANGES IN THE ADVERTISING EXPENDITURES STRUCTURE

Due to the holding's focus on television advertising, the advertising expenditure structure by the Slovak advertising market plays an important role in relation to future developments. According to the Company's internal analysis, historically the most used promotional medium is television and outdoor advertising, ranging at around 60–65% of total advertising expenditures. There is no guarantee that the television advertising market will maintain its current position to compete with other advertising media.

THE RISK OF RATINGS DECLINING

The emergence of competing television stations with attractive ranges of programs as well as alternative forms of entertainment can lead to an outflow of viewers. The preferences and tastes of audiences are changing and the Company runs the risk that in this dynamic environment it may inaccurately estimate the needs of the public. A decline in the audience is closely related to declines in advertising revenue, which could have a negative impact on the profitability and overall development of the Company.

THE RISK OF COMPETITIVE STATIONS BEING LAUNCHED

With the advent of digitisation has made room for new television stations which could lead to more intense fighting in the media sector and television advertising. Due to the relatively simple process of obtaining a license for digital broadcasting new companies can enter the market and likewise launch new broadcasting stations. Such a competitive struggle may lead to a reduction in ratings and the associated reduction in advertising revenue.

THE RISK OF REGULATION

The area of broadcasting and advertising is an area that is subject to regulation and in the event that circumstances change this regulation, there is no guarantee that such a change will not translate into negative economic results for the Company.

THE RISK OF LICENSE REVOCATION OR NON-RENEWAL OF VALIDITY

In the event of violation of the laws and regulations in force in respect of television broadcasting, in the extreme cases, the competent regulator may resort to withdrawal of the broadcasting license and thereby prevent further broadcast. Likewise, there is no legal entitlement to an extension of the license for its expiration. Since television advertising is a key source of income for the holding company, withdrawal of the license for broadcasting or non-renewal may have a negative impact on the Company's business.

TECHNOLOGICAL DEVELOPMENTS

With the development of new technologies there is a risk of lagging behind the competition. Although the media constantly shifts, improves and refines itself, the implementation of innovation is a financially and operationally difficult process that requires not only changes by media companies, but also changes by customers (viewers). New technologies can cause an outflow of viewers to rival broadcasters or to other alternative forms of entertainment, which can result in a decline in advertising revenues.

THE RISK OF CONCENTRATION

The diversification of services offered by companies within the holding is observable only in the media sector where they are focused alongside television advertising on other forms of advertising. There is a risk that in the event of changes in the needs of the advertising market, the Company may fail to respond flexibly and quickly, which could have the potential to reduce revenues for companies within the group.

THE RISK OF LEGAL ACTION

Due to the nature of the business within the holding companies in the media industry, where it is often through competition shocking information and also information on the edge of the law appears, it is not possible to exclude any litigation faced by the subsidiaries. Any eventual heated litigation may have a negative impact on the financial position of the Company.

THE RISK OF LOOSING SIGNIFICANT CLIENTS

Advertisers – whether in the form of advertising agencies or companies themselves as direct advertisers will also constitute the building blocks of business by companies within the holding. The loss or termination of these relationships may result in a decrease in revenue from advertising.

SIGNAL TRANSMISSION RISKS

The area of signal transmission is relatively concentrated sector in Slovakia. There is a risk that with the advent of digitisation distributing companies will get into a stronger negotiating position and be more selective when awarding new contracts. They also may seek changes in the charges from operators of television stations. Lack of signal propagation for TV JOJ, PLUS, WAU, Rik, Ťuki and JOJ Cinema program structures could lead to a decline in advertising revenue.

THE RISK OF NON-RENEWAL OF LEASING CONTRACTS

Structures with advertising are sold to companies operating on the market of outdoor advertising are located in areas and localities that are not owned by the companies themselves, nor are the property of the companies within the holding. These are areas which BigBoard Slovakia, BigBoard Praha and EPAMEDIA rent. Relationships with landlords are prepared mostly on for a limited period contracts, so there is a risk that after the agreed period of rental that the contract will not be renewed, either because of unwillingness to extend the contract by the landlord, or because of other restrictions. There is therefore a risk that an adequate replacement advertising space to sell advertising space can not be found, which can have the effect of reducing revenue from advertising.

NATURAL CATASTROPHES

No industry can avoid natural disasters, some of which can have a devastating impact on the operation of all companies – be it meteorological, geological or any other disaster that could interrupt the signal transmission. In the field of outdoor advertising such events may significantly damage, even destroy advertising spaces and greatly reduce their number.

THE RISK OF AN UNSTABLE EURO ZONE

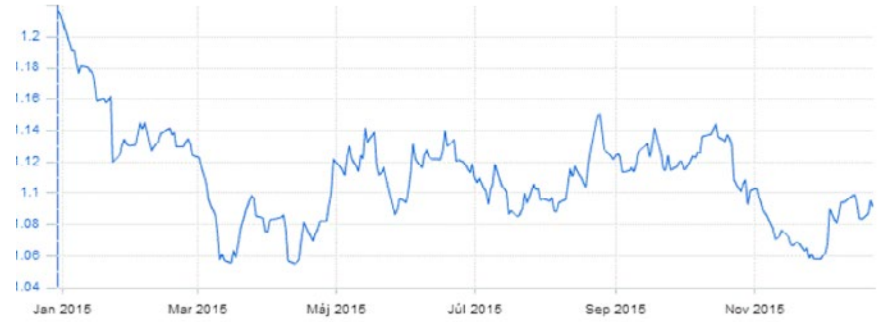
The current unstable situation in Europe and the outstanding issues of disproportionately indebted EU members exhibit the Slovak Republic and Austria as well as other euro zone states to risks associated with the strategy of assistance to euro zone states. In the context of strengthening the power of (financial) stabilisation mechanism, an increase in guarantees arises. In the case of failure of the EU for example as with Greece which has the problem repay loans from the European (financial) stabilization mechanism, with which comes the need for financial assistance from other EU Member States – which could affect the business environment and cause deterioration of the general economic situation in Slovakia, Austria and the Czech Republic as well as in other EU countries upon which the Group is commercialy dependent. The aforementioned circumstances, as well as all thereby related regulations, measures and decisions could negatively affect the Group's financial performance.

THE RISK OF LEGISLATIVE CHANGES

As the market develops, the Company and the overall conditions, national legislation in individual states follows suit. The Company has expanded its operations into five countries in Central and Eastern Europe and, therefore, identified the risk that legislative change. For example; a change in legislation in outdoor advertising – specific regulations regarding changes/ limitations on the placement of advertising media, their distance from the road etc. Possible changes in the law will require additional expenditures for advertising space or relocation, ultimately reducing the total number of advertising media.

THE RISK OF EUR/USD EXCHANGE RATES

The volatility of exchange rates, primarily the U.S. Dollar relative to the Euro, the internal is an internal risk factor that affects the Company's income, especially income from Slovenska Produkcna. The majority of film licenses and licenses for shows are acquired from trans-Atlantic film studios and licensing houses in U.S. dollars (USD). The Slovenska Produkcna Company (Slovenská produkcna, A.S.), periodically enters into forward currency contracts to ensure the EUR/ USD exchange rate and minimize risk.



SOURCE: NBS.SK

08 ADMINISTRATION AND MANAGEMENT

OWNERSHIP STRUCTURE

JOJ Media House is owned by the following companies:

99,9 % is owned by TV JOJ L.P.
0,1 % is owned by Mgr. Richard Flimel

SHARE CAPITAL

The share capital of the Company is made up of the following shares:

» Number: 1 000 ks,
Type: kmeňové, na meno,
Form: listinné,
» Nominal value: 25 EUR, with the issue price of each share at 27.50 Euro.

The ownership of shares making up the Company's capital is divided: 99.9 % owned by TV JOJ LP and 0.1 % owned Mgr. Richard Flimel. These shares are not freely tradable.

The Company does not own and has not issued securities admitted to trading on a regulated market of any Member State or States of the European Economic Area apart from in Slovakia. The Company executed two listed bond issues on the Stock Exchange in Bratislava a.s. The first issue was to the amount of 25 million EUR under: ISIN: SK4120008244 series 01, by the 21st of December 2015 these bonds had been paid. The second issue reached 55 million EUR under: ISIN: SK4120009382 series 0 and the third issue to the value of 48.5 million EUR was registered as ISIN: SK4120011222 series 1.

THE GENERAL ASSEMBLY

The General Assembly is the supreme body of the Company. The powers of the General Assembly are defined by statute 513/1991 Coll. of the Commercial Code as amended and the Articles of Association. The General Assembly consists of all attending shareholders, directors, the supervisory board and third persons invited to the offices of the Company and shareholders who convene the General Assembly. Shareholders are entitled to attend the General Assembly, vote, request information and explanations concerning the affairs of the Company or persons controlled by the Company related to the agenda of the General Assembly and to present proposals.

Shareholders may exercise their rights at the General Assembly through a proxy holder who presents written scope of authorization. The exercise of shareholder rights is not limited by the statutes. The number of shareholder votes is determined by the ratio of the nominal value of their shares to the share capital.

The General Assembly makes decisions through a majority vote from shareholders present.

In matters relating to alterations to the increase or decrease of capital, mandates of the Board for an increase in share capital, the issuance of preference bonds or convertible bonds, dissolution of the Company or change of legal form, a two-thirds majority vote of shareholders present is required and a Notary Public must provide a memorandum.

A two-third majority of shareholders present is required for approval of a decision by the General Assembly on the close of trading on the Stock Exchange with the Company's shares and the decisions by the General Assembly on the Company ceasing to be a public joint stock company and becoming a private joint stock company.

General Assembly for decision on change of rights related to certain types of shares and restrictions on the transferability of registered shares requires the consent of two-thirds majority of shareholders owning these shares.

The increase of share capital can be performed by introducing new deposits upon the subscription of new shares, increasing the share capital of the Company's assets, from company's other own resources shown in the separate financial statements in the equity of the Company or a combined capital increase.

As at the date of preparation of this report the Company did not own its own shares, temporary certificates, or business shares of the parent entity.

In the 1. 1. 2015 – 31. 12. 2015 period the General Assembly was convened as follows:

» On the 29th of April, JOJ Media House shareholders approved the following:
- » The individual financial statements of the JOJ Media House Company up until 31. 12. 2014.
- » The auditor of the 2015 financial statements, KPMG Slovakia spol. s.r.o., Pribinova 10, 811 02 Bratislava, ID: 31348238, registered in the Commercial Register of the Bratislava1 District Court, S.r.o. Section, no. 4864 / B, represented by Ing. Ľuboš Vančo, statutory representative, license number SKAU 96.
- » Approval of the Settlement operating losses for 2014 of 105 851.27 Euro. Loss amounting to EUR 105 851.27 Euro (in words: one hundred and five thousand eight hundred fifty-one Euros and twenty-seven cents) shall be recorded to the account of accumlulated losses.

» On the 30th of April 2015, JOJ Media House shareholders decided to on the approval of the consolidated financial statements up until 31. 12. 2014 and the JOJ Media House annual report for 2014.

» On the 7th of December 2015, at its special meeting the JOJ Media House General Assembly decided on the issue of new bonds totalling 50 million Euro.
- » 1. The Chairman of the Board made a proposal to allow the issue of new bonds to the total value of 50 million Euro.
- » 2. The General Assembly familiarised itself with the proposal by the Chairman of the Board
- » 3. The General Assembly approved the proposal from the Chairman of the Board and decided to issue new bonds as follows:

Type of security:
Bonds

Name of bond:
JOJ Media House bonds with a 2021 zero coupon

Nominal value of bond:
1000 EUR

Number of bonds issued:
50 000

Issue date:
Estimated date of issue – by 21. 12. 2015 at the latest

Issue price:
at least 75 % of the nominal value of bonds

Form of bond:
bearer

Form of bonds:
dematerialized

Maturity date:
6 years as of issue at the latest

Repayment of nominal value:
a single payment upon maturity at 100 % of the value of the bonds

Method of placement:
the anticipated volume of the bond issue will be offered in the Slovak Republic for the subscription and purchase of predominantly retail investors on the basis of a public offering of securities pursuant to the provisions of § 120 of the Securities Act as amended

The primary sale of bonds:
the start date of the issue of bonds (start date of attribution of bonds to asset accounts), the date of issue of the bonds will be no later than 21/12/2015

Trading Currency:
EUR

» On the 16th of October 2015, the General Assembly at its extraordinary meeting elected a new Chairman and new members of the Supervisory Board.
- » 1. The Chairman of the Board made a proposal to authorise the new Chairman of the Board, the existing Chairman's tenure was to end on the 6th of November 2015. A further proposal was the election of new members of the Supervisory Board.

» 2. The General Assembly became familiar with the proposals of the Board and President and voted on the proposals.
» 3. 3. The General Assembly approved the proposal from the Chairman of the Board and decided as follows:

With effect from the 7th of November 2015, the Chairman of the JOJ Media House Board was to be Mgr. Richard Flimel. Composition of the Supervisory Board since this date is as follows:

Chairman of the Supervisory Board:
Mgr. Marcel Grega

Members of the Supervisory Board:
János Gaál a Ing. Radoslav Zápražný

THE BOARD OF DIRECTORS

The Board is the statutory body of JOJ Media House and is authorised to act on behalf of the Company in all matters and represents the Company against third parties in proceedings before courts and other authorities. The Board manages the Company and decides on all matters pertaining to the Company, unless the law or Articles reserve this competence of other bodies. The Board of Directors carries out the commercial administration of the Company and takes care of all of its operational and organisational matters. The Board is required to ensure the proper keeping of accounts and other records, business bookkeeping and other documents belonging to the Company. Among other things the board submits annual individual accounts and extraordinary individual financial statements, the proposal for profit distribution, including the determination of the amount, method and place of payment dividends and royalties and a proposal to cover the losses to the General Assembly for approval. The Board also convenes the General Assembly.

The Board of Directors has one member:
» Mgr. Richard Flimel – Chairman of the Board of Directors (as of 06.11.2010)

THE SUPERVISORY BOARD

The Supervisory Board is the highest control body within the Company. The supervisory board supervises the activities of the Board and business activities of the Company. The Supervisory Board reviews procedures in matters pertaining to the Company and is entitled at any time to inspect accounting documents, files and records relating to the activities of the Company and establish the state in which it is kept. The Supervisory Board examines the accounts of the Company which are required to be prepared under a special regulation, the proposal for distribution of profit or coverage of losses, and is furthermore required to submit a report on the outcome to the General Assembly. In the event of serious deficiencies in the management of the Company and in other cases where in the interests of the Company, the Supervisory Board convenes the General Assembly.

Up until the date the annual report was published the Supervisory Board was made up of three members:

» Mgr. Marcel Grega – Chairman of the Supervisory Board (since 07. 11. 2015)
» Ing. Radoslav Zápražný – member of the Supervisory Board (since 07. 11. 2015)
» János Gaál – member of the Supervisory Board (since 07. 11. 2015)

THE AUDIT COMMITTEE

The Company has an established audit committee. The Committee monitors the preparation of financial statements and recommends approval by an auditor to audit the accounts. Other functions of the Committee are defined by law and the Articles of Association. The Audit Committee consists of three members, appointed and dismissed by the General Assembly on the initiative of the Board or Shareholders.

*Up until the date the annual report was published the Supervisory Board was made up of three member*s:

» Ing. Eva Matiašková,
» Ing. Ján Kliment,
» Mgr. Otília Danišová.

THE CODE OF CORPORATE GOVERNANCE

JOJ Media House is fully aware of the importance of maintaining the principles of Corporate Governance. The Board declared the principles of the Code of Corporate Governance in Slovakia on www.jojmediahouse.sk. on March the 21st 2012. The declaration contains complete information on methods of management, as well as information on derogations from the Code of Corporate Governance. All this information is published on the www.jojmediahouse.sk website.

OTHER ADDITIONAL DETAILS

JOJ Media House and the companies, which it includes in the consolidation, did not incur any costs for research and development in 2014. The JOJ Media House group does not have any branches abroad.

Slovenská produkcná uses forward currency contracts, which provide financial downside risk of the U.S. dollar against the Euro. The diversified funding of the group is governed by financial and credit risks financial flows and liquidity parameters are monitored at regular intervals.

The internal control group ensures regular monitoring of the financial plan and the overall financial situation.

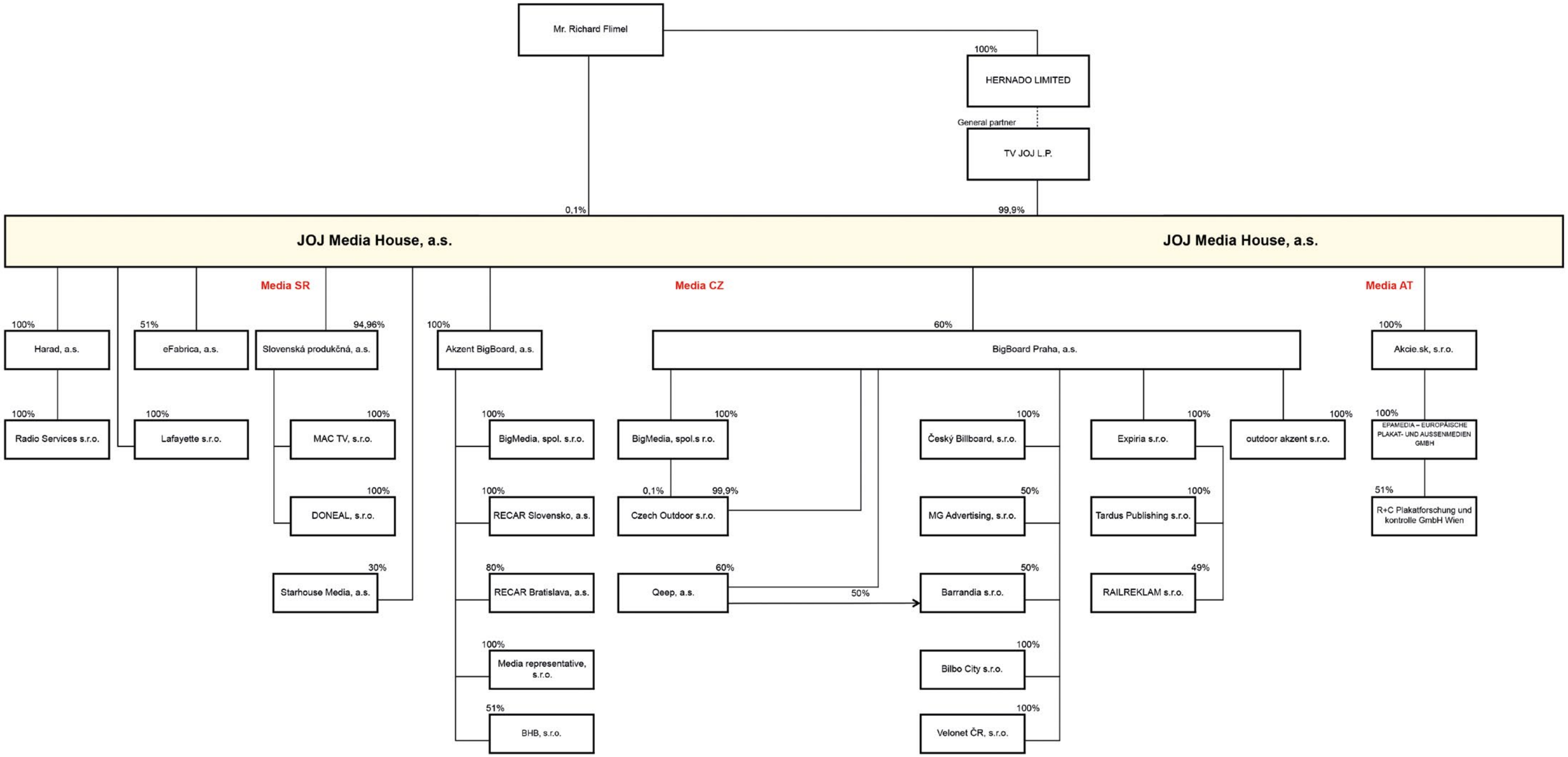
The transferability of the debt securities issued by the Company is limited.

The Company has not entered into any agreements which take effect, alter or expire due to a change of the control situation in relation to any potential takeover bid.

The Company has not entered into any agreements with members of bodies or employees under which they would be entitled to compensation if their position or employment is terminated by resignation, dismissal of the employee, being recalled, dismissal without cause or their position or employment ceases to be because of a takeover bid.

The Company does not engage in activities that have an impact on the environment and have a significant effect on employment.

09 ORGANISATIONAL STRUCTURE


Mr. Richard Flimel
100%
HERNADO LIMITED
General partner
TV JOJ L.P.
0,1%
99,9%
JOJ Media House, a.s.
JOJ Media House, a.s.
Media SR
Media CZ
Media AT
100%
Harad, a.s.
100%
Radio Services s.r.o.
51%
eFabrica, a.s.
100%
Lafayette s.r.o.
94,96%
Slovenská produkčná, a.s.
100%
MAC TV, s.r.o.
100%
DONEAL, s.r.o.
30%
Starhouse Media, a.s.
100%
Akzent BigBoard, a.s.
100%
BigMedia, spol. s.r.o.
100%
RECAR Slovensko, a.s.
80%
RECAR Bratislava, a.s.
100%
Media representative, s.r.o.
51%
BHB, s.r.o.
60%
BigBoard Praha, a.s.
100%
BigMedia, spol.s r.o.
0,1%
99,9%
Czech Outdoor s.r.o.
60%
Qeep, a.s.
50%
100%
Český Billboard, s.r.o.
50%
MG Advertising, s.r.o.
50%
Barrandia s.r.o.
100%
Bilbo City s.r.o.
100%
Velonet ČR, s.r.o.
100%
Expiria s.r.o.
100%
Tardus Publishing s.r.o.
49%
RAILREKLAM s.r.o.
100%
outdoor akzent s.r.o.
100%
Akcie.sk, s.r.o.
100%
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH
51%
R+C Plakatforschung und kontrolle GmbH Wien

10 PROPOSAL FOR THE DISTRIBUTION OF PROFITS OR LOSSES SETTLEMENT

The distribution of JOJ Media House profit for 2015 to the amount of 19 213.39 Euro will be decided by the General Assembly.
The statutory body draft to the General Assembly is as follows:

» Transfer to retained earnings in the amount of 19 213.39 EUR

The distribution of subsidiary companies profit or loss will be decided by the partners / shareholders of each company.

11 SOCIAL RESPONSIBILITY

FOUNDING AND ESTABLISHMENT

The TV JOJ Foundation was established on 18. 6. 2007 and in August of the same year started to carry out its mission as per its motto: **"Helping those who try"**. The Governing Board designated certain areas which were defined as the core objectives upon its establishment.

- Paediatric oncology
- Gifted children
- National cultural heritage
- Individually designated humanitarian aid for individuals or groups of people

The foundation fulfils its purpose in particular by providing funds through donations and grants to individuals, non-profit institutions, non-governmental organisations, educational institutions, municipalities and other associations providing public services. During its existence the Foundation has handed out more than 1.3 million Euro, with 2015 representing 366 710.98 Euro .

The Foundation has a 9-member board of directors consisting of members of TV JOJ staff – chairman Marcel Grega The statutory authority is Foundation administrator Vladimir Fatika and the executive manager is Luboš Sarnovský.

OVERVIEW OF 2015 ACTIVITIES

Gifted children – sports talents

The main mission in this field was to help gifted children and sports talents The resources used in 2015 totalled 80384.77 Euro.

This was predominantly a nationwide project known as "Seeking out young sports talents in Slovakia", in which a jury chose 10 finalists who were awarded a present to further develop their sporting activities. The foundation distributed 10 000 Euro and 5 000 Euro for Eva Jurkova's Olympic preparations. The aim of the project is to create conditions for promising athletes in the 10–15 year age group so that they could qualify for major international sporting events, and successfully represent Slovakia at the age of 15 to apply for inclusion in the Slovakia Junior Olympic Team, which is coordinated by the Slovak Olympic Committee.

The special "Football harvest" Project provided support to 70 football teams across the country to the amount of 65 384.77 Euro.

National Cultural Heritage

The Foundation continued its documentary project and is preparing a new documentary work which will feature the fate of persons connected with Josef Gabčík.

Other support

The foundation financially contributed a total of 301 326.21 Euro towards:

- The Seventh Heaven project, where 59 families were supported with an overall amount of 122 522 Euro, out of which 19 families were from the previous year who were supported with an amount of 50 556 Euro. This project has contributed in the category of gifted children, paediatric oncology and helped socially weaker sections of society.
- The Dream Dance Project, which was supported a total of 10 families, to the amount of 167 540.39 Euro.
- Support for Wild Poppies to the amount of 210 Euro, Mothers in need 952 Euro.
- The "Christmas Giving" project for vulnerable members of society, where the Foundation allocated a sum of 10 101.82 Euro and helped 20 families.

PLANNED ACTIVITIES FOR 2016

- In 2016, the Foundation plans to continue its activities and successful projects and is preparing:

The 6th annual project for gifted children "We are seeking young sports talents in which 10 talented athletes will be rewarded".

- The second annual art competition based on 15 years of TV JOJ
- Supporting Mothers in Need
- Support for ontological patients
- Support for handicapped children
- Year 3 of the "Christmas Giving" project
- Individual humanitarian assistance to individuals or groups of persons through continuous public collections that can be used immediately in emergency situations such as fires, floods, landslides and so on.
- Support for organisations caring for abandoned and abused animals and ensuring their adoption within the "Animals" project.

13 ANNOUNCEMENT BY THE COMPANY BOARD OF DIRECTORS

Individual and consolidated financial statements as at 31. 12. 2015 are issued in accordance with special regulations while providing a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

Mgr. Richard Flimel
Chairman of the Board of Directors

Mgr. Marcel Grega
Member of the Supervisory Boardy

CONSOLIDATED FINANCIAL STATEMENTS

ANNEX. 1

JOJ Media House, a. s.
and Subsidiary Companies

Independent Auditor's report and
Consolidated Financial Statements
for the year ended 31 December 2015

prepared in accordance with
International Financial Reporting Standards
as adopted by EU

Translation note:
This version of the accompanying consolidated financial statements is a translation from the original, which was prepared in Slovak. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the consolidated financial statements takes precedence over this translation.

KPMG Slovensko spol. s r.o.
Dvořákovo nábrežie 10
P.O.Box 7
820 04 Bratislava 24
Slovakia

Telephone +421 (0)2 59 98 41 11
Fax +421 (0)2 59 98 42 22
Internet www.kpmg.sk

Translation of the statutory Auditor's Report originally prepared in Slovak language

Independent Auditor's Report

To the Shareholders, Supervisory Board and Board of Directors of JOJ Media House, a. s.:

We have audited the accompanying consolidated financial statements of JOJ Media House, a. s. and its subsidiaries ("the Group"), which comprise the statement of consolidated financial position as at 31 December 2015, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management as represented by the statutory body is responsible for the preparation of these consolidated financial statements that give true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

29 April 2016
Bratislava, Slovak Republic

Slovenská komora audítorov
SKAU
Č. licencie 96
KPMG
Slovensko spol. s r.o.

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Ľuboš Vančo
License SKAU No. 745

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015

in thousands of EUR	*Note*	Year ended 31 December 2015	Year ended 31 December 2014
Revenues from services	5	152 125	140 930
Other operating income	6	1 705	1 639
Total operating income		**153 830**	**142 569**
Bargain purchase gain	4	77	-
Personnel expenses	7	(19 392)	(18 073)
Production costs of TV and radio broadcasting programmes		(23 885)	(18 505)
Use and write-off of programme rights	8,19	(11 560)	(13 967)
Depreciation, amortization and impairment of assets	9	(17 846)	(22 701)
Rent of advertising space		(24 888)	(28 956)
Other operating expenses	10	(50 786)	(48 756)
Total operating expenses		**(148 357)**	**(150 958)**
Profit / (loss) from operating activities		**5 550**	**(8 389)**
Exchange rate loss, net		(1 573)	(1 080)
Interest expense, net	11	(12 691)	(12 872)
Gain from financial instruments	12	614	1 114
Gain from associates and joint ventures		98	21
Loss from the sale of entities	4	(4)	(239)
Other financial expenses, net		(145)	(331)
Loss before tax		**(8 151)**	**(21 776)**
Income tax	13	548	(282)
Loss for the period		**(7 603)**	**(22 058)**
Loss for the period attributable to:			
Equity holders of the parent company		(6 891)	(20 652)
Non-controlling interest		(712)	(1 406)
Other comprehensive income, after tax			
Items with subsequent reclassification into profit or loss:			
Foreign currencies translation differences		313	(137)
Reclassification of change in fair value of securities available for sale recognized to profit or loss		-	70
		313	**(67)**
Total comprehensive income		**(7 290)**	**(22 125)**
Total comprehensive income attributable to:			
Equity holders of the parent company		(6 657)	(20 709)
Non-controlling interest		(633)	(1 416)

The notes presented on pages 9 to 79 form an integral part of the consolidated financial statements.

Consolidated statement of financial position as at 31 December 2015

in thousands of EUR	*Note*	As at 31 December 2015	As at 31 December 2014
Assets			
Goodwill	14	6 781	3 310
TV format	14	88 929	93 736
Other intangible assets	14	66 183	66 981
Programme rights	19	972	1 369
Property, plant and equipment	16	83 006	84 718
Investments in associates and joint ventures	18	1 195	1 176
Trade and other receivables	20	247	246
Loans granted	21	22 030	918
Other assets	22	10	17
Deferred tax asset	27	979	5 576
Total non-current assets		**270 332**	**258 047**
Programme rights	19	14 560	12 979
Internal programme rights	19	24 971	22 106
Trade and other receivables	20	26 371	20 537
Other financial instruments	17	459	958
Loans granted	21	1 611	74
Other assets	22	2 765	4 341
Corporate income tax receivable		140	36
Cash and cash equivalents	23	12 549	11 968
Total current assets		**83 426**	**72 999**
Total assets		**353 758**	**331 046**

Consolidated statement of financial position as at 31 December 2015

in thousands of EUR	*Note*	As at 31 December 2015	As at 31 December 2014
Equity			
Share capital	24	25	25
Other funds	24	50 368	50 123
Accumulated losses		(13 081)	(6 179)
Total equity attributable to equity holders of the parent company		**37 312**	**43 969**
Non-controlling interests		1 237	1 013
Total equity		**38 549**	**44 982**
Liabilities			
Bank loans	25	68 486	9 316
Loans and borrowings	25	10 286	7 881
Issued bonds	26	118 591	99 641
Provisions	28	1 241	2 185
Trade and other financial liabilities	29	943	1 334
Other liabilities	30	1 488	1 485
Deferred tax liability	27	34 184	40 039
Total non-current liabilities		**235 219**	**161 881**
Bank loans	25	20 756	48 426
Loans and borrowings	25	1 868	2 915
Issued bonds	26	1 646	25 016
Provisions	28	3 055	3 250
Trade and other financial liabilities	29	44 717	40 720
Other liabilities	30	7 012	3 551
Corporate income tax liability		936	305
Total current liabilities		**79 990**	**124 183**
Total liabilities		**315 209**	**286 064**
Total equity and liabilities		**353 758**	**331 046**

The notes presented on pages 9 to 79 form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2015

in thousands of EUR	*Note*	Share capital	Legal reserve fund	Other capital funds	Foreign currency translation reserve	Accumulated losses	Equity attributable to equity holders of the parent company	Non-controlling interest	Total
Balance at 1 January 2015		25	305	51 004	(1 186)	(6 179)	43 969	1 013	44 982
Total comprehensive income for the period									
Loss for the period		-	-	-	-	(6 891)	(6 891)	(712)	(7 603)
Other comprehensive income, after tax									
Foreign currencies translation differences		-	-	-	234	-	234	79	313
Total other comprehensive income		-	-	-	**234**	-	**234**	**79**	**313**
Total comprehensive income for the period		-	-	-	**234**	**(6 891)**	**(6 657)**	**(633)**	**(7 290)**
Transactions with owners recorded directly in equity									
Transfer to legal reserve fund and other capital funds		-	2	9	-	(11)	-	-	-
Dividends paid out to non – controlling interest		-	-	-	-	-	-	(22)	(22)
Effect of new acquisitions	4	-	-	-	-	-	-	879	879
Total transactions with owners		-	**2**	**9**	-	**(11)**	-	**857**	**857**
Balance at 31 December 2015		25	307	51 013	(952)	(13 081)	37 312	1 237	38 549

in thousands of EUR	*Note*	Share capital	Legal reserve fund	Other capital funds	Foreign currency translation reserve	Revaluation funds	Retained earnings / (accumulated losses)	Equity attributable to equity holders of the parent company	Non-controlling interest	Total
Balance at 1 January 2014		**25**	296	50 998	(1 115)	(42)	13 471	63 633	5 355	68 988
Total comprehensive income for the period										
Loss for the period		-	-	-	-	-	(20 652)	(20 652)	(1 406)	(22 058)
Other comprehensive income, after tax										
Foreign currencies translation differences		-	-	-	(99)	-	-	(99)	(38)	(137)
Reclassification of net change in fair value of financial assets available for sale to profit or loss		-	-	-	-	42	-	42	28	70
Total other comprehensive income		-	-	-	**(99)**	**42**	-	**(57)**	**(10)**	(67)
Total comprehensive income for the period		-	-	-	(99)	42	(20 652)	(20 709)	(1 416)	(22 125)
Transactions with owners recorded directly in equity										
Effect of changes in interest to non – controlling interest		-	-	-	-	-	-	-	(714)	(714)
Transfer to legal reserve fund and other capital funds		-	9	6	-	-	(15)	-	-	-
Dividends		-	-	-	-	-	-	-	(13)	(13)
Effect of disposing of subsidiaries			-	-	28	-	-	28	-	28
Change in interest without a change in control	24	-	-	-	-	-	1 017	1 017	(2 199)	(1 182)
Total transactions with owners		-	**9**	**6**	**28**	-	**1 002**	**1 045**	**(2 926)**	**(1 881)**
Balance at 31 December 2014		25	305	51 004	(1 186)	-	(6 179)	43 969	1 013	44 982

The notes presented on pages 9 to 79 form an integral part of the consolidated financial statements.

in thousands of EUR		Year ended 31 December 2015	Year ended 31 December 2014
Cash flows from operating activities			
Loss for the year		(7 603)	(22 058)
Corporate income tax	*13*	(548)	282
Interest expense, net	*11*	12 691	12 872
Profit / (loss) before interest and tax		**4 540**	**(8 904)**
Adjustments for:			
Depreciation, amortization and impairment of non-current assets	*9*	17 931	21 883
(Release) / creation of Impairment of receivables and other assets	*9*	(85)	818
Bargain purchase gain	*4*	(77)	-
Gain from financial assets and liabilities at fair value through profit or loss		(601)	(502)
Change in provisions		(1 145)	2 313
Loss on disposal of non-current assets		511	231
Profit from associates and joint ventures		(98)	**(21)**
Loss on sale of entities	*4*	4	239
Other non-cash items		147	(107)
Operating profit before changes in working capital		**21 127**	**15 950**
Increase in programme rights and internally produced TV programmes	*19*	(4 049)	(2 477)
Increase in trade and other receivables and other assets		(3 009)	**(1** 732)
Increase in trade liabilities, other financial liabilities and other liabilities		1 113	1 506
Cash flows from operating activities		**15 182**	**13 247**
Interest paid		**(15 431)**	**(9 978)**
Income tax paid		(860)	(680)
Net cash flows from / (used in) operating activities		**(1 109)**	**2 589**
Cash flows from investing activities			
Business combinations, net of cash acquired	*4*	(1 032)	**(15)**
Proceeds from sale of entities, net of cash disposed	*4*	10	3 361
Proceeds and disbursements from sale and acquisition of ownership interests without a loss of control		-	2
Proceeds from sale of property, plant and equipment and intangible assets		697	1 782
Acquisition of property, plant and equipment and intangible assets		(6 703)	(5 032)
Proceeds from financial instruments		1 018	-
Acquisition of financial instruments		(25)	-
Payments of loans received		(22 896)	(367)
Repayments of loans received		336	-
Dividends received		94	106
Interest received		13	7
Net cash from / (used in) investing activities		**(28 488)**	**(156)**

in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014
Cash flows from financing activities		
Repayments of loans	(29 793)	(57 422)
Drawings of loans	68 136	45 207
Issued bonds	34 178	-
Repurchase of own bonds	(16 452)	-
Redemption of issued bonds	(18 357)	-
Payments of finance lease liabilities	(485)	(293)
Effect of changes in interest to non-controlled interest	-	(714)
Dividends paid to non – controlling interest	(22)	(13)
Net cash from / (used in) financing activities	**37 205**	**(13 235)**
Increase / (decrease) in cash and cash equivalents	7 608	(10 802)
Cash and cash equivalents at 1 January	(10 337)	493
Effect of exchange rate fluctuations on cash held	123	(28)
Cash and cash equivalents at 31 December	**(2 606)**	**(10 337)**

Cash and cash equivalents include:

in thousands of EUR		As at 31 December 2015	As at 31 December 2014
Cash on hand, stamps and vouchers, cash in bank	23	12 549	**11 968**
Bank overdrafts		(15 155)	(22 305)
Total		**(2 606)**	**(10 337)**

The notes presented on pages 9 to 79 form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2015

1. Information about the accounting entity

JOJ Media House, a. s. (hereinafter referred to as "the parent company" or "the Company") was established on 26 October 2010 and was registered in the Commercial Register as a joint stock company on 6 November 2010 (Commercial Register of the District Court Bratislava I in Bratislava, Section Sa, file 5141/B) under the identification number 45 920 206. Tax identification number is 202 314 1945. The Company's address is Brečtanová 1, 831 01 Bratislava.

The Company's shares are registered in the Commercial Register and are fully paid up.

The Company is not a partner with unlimited liability in other companies.

The consolidated financial statements of the Company as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates entities and joint ventures.

The main activities of the Group is operating private TV stations, providing services to the radio broadcasters, including the sale of media (advertising) space and the sale of external advertisement spaces (billboards, bigboards, movable "out of home" communication, etc.).

The Company's bodies

Board of directors	Mgr. Richard Flimel - chairman
Supervisory board	Mgr. Marcel Grega Ing. Radoslav Zápražný János Gaál

Information about the parent of the Group

On 1 February 2013, the structure of JOJ Media House, a.s.'s shareholders has changed in such way that instead of the shareholder HERNADO LIMITED, with its registered office in Akropoleos, 59-61 SAVVIDES CENTER, 1st floor, Flat/Office 102, 2012 Nicosia, Cyprus, registration number: 271787 („HERNADO LIMITED") the new majority shareholder holding 99.9% of shares of the Company became TV JOJ L.P., with its registered office in Klimentos, 41 - 43 KLIMENTOS TOWER, 2nd floor, Flat/Office 21, 1061 Nicosia, Cyprus, registration number: 12128. HERNADO LIMITED, the previous majority shareholder, acts on behalf of the new majority shareholder as its general partner. This transaction has no effect on executing the control over the Company. Other aspects of shareholder structure remain unchanged.

The ultimate owner of HERNADO LIMITED is Mgr. Richard Flimel.

The shareholders of the Company as at 31 December 2015 and as at 31 December 2014 were as follows:

in EUR	Interest in share capital EUR	Interest in share capital %	Voting rights %
TV JOJ L.P.	24 975	99,90	99,90*
Mgr. Richard Flimel	25	0,10	0,10
	25 000	**100**	**100**

* The company HERNADO LIMITED, acts on behalf of TV JOJ L.P. as its general partner

The Company is not included into any other consolidated financial statements.

2. Significant accounting policies

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

b) Basis for preparation

Legal reason for the preparation of the Financial Statements
The consolidated financial statements of the Company as at 31 December 2015 have been prepared in accordance with the Article 22 of the Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 January 2015 to 31 December 2015.

The financial statements were prepared using the accrual principle and going concern assumption that the Company will continue in operation for the foreseeable future.

The consolidated financial statements have been prepared on the historical cost basis, with the exception of available-for-sale financial assets and financial assets at fair value through profit or loss which are measured at fair value.

Historical cost is generally based on the fair value of given consideration for the exchange of goods and services.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

Functional currency
The consolidated financial statements are presented in euro (EUR), which is the functional currency of the Company.

The use of estimates and judgments
The financial statements require management to use various judgments, assumptions and estimates to be exercised that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods, which are affected by the revision.

Information about areas with significant uncertainties in estimates and critical judgments in applying accounting policies with the most significant effect on the amounts presented in the financial statements is described in the following notes:

- Note 2.e); 2.f) – The estimated useful lives of tangible and intangible non-current assets
- Note 4 – Acquisitions and disposals of entities
- Note 15 – Impairment testing of assets
- Note 17 – Other financial instruments
- Note 19 – Programme rights and internal programme rights
- Note 29 – Trade and other financial liabilities

2. Significant accounting policies (continued)

- Note 28 – Provisions
- Note 37 – Group entities

Business combinations and purchase price allocation
Identifiable assets, liabilities and contingent liabilities of the acquired entity or its part are presented and valued in their fair value as at the date of acquisition. For the purposes of financial reporting, the purchase price allocation for individual parts of acquired net assets is realized with the assistance of professional advisors.

The valuation analysis is based on historical information and forecasted facts that are available as at the business combination date. Any forecasts that have an effect on the fair value of acquired assets are based on management's assessment, existing at that time, of the future development in the competitive and economic environment.

The results of the analysis are used also for determining the useful life for depreciating and amortization of values allocated to specific items of non-current tangible and intangible assets.

Impairment testing
On the date of an acquisition, the acquired goodwill is assigned to the relevant cash-generating units (CGUs), which are expected to benefit from the synergic effects resulting from the business combinations.

As at the balance sheet date, the Group considers the potential impairment of goodwill. If no indicator for potential impairment is detected, the Group, in accordance with IAS 36, tests the goodwill recognized in the business combination during the current accounting period and the goodwill reported in the prior accounting periods for potential impairment on an annual basis as at 31 December, i.e., as at the date of the preparation of the consolidated financial statements.

The Group is also testing for impairment other intangible assets with indefinite useful life and CGUs, where the need for such testing was identified. If no indicator of possible impairment is identified, the Group, in accordance with IAS 36, tests the intangible assets with indefinite useful life for potential impairment on an annual basis as at 31 December, i.e., as at the date of the preparation of the consolidated financial statements.

The recoverable amount of such assets is derived from future cash flows estimated by management, updated since the acquisition date. Key assumptions used in this testing are described in Note 15 – Impairment testing of assets.

Impairment allowance to slow moving programme rights and unusable programme rights
The Group considers the usefulness of programme rights on individual basis and carries out adjustments of the impairment allowance to programme rights based on estimated future losses and based on the expectation whether the programme right will be broadcasted in the future.

The Group writes off programme rights that cannot be broadcasted due to their expiry.

Determination of the fair value of assets and liabilities
In determining the fair value of assets and liabilities, the Group uses market (observable) inputs whenever possible. If a market is not active, fair value of assets and liabilities is determined using valuation techniques. Estimates and assumptions, used in valuation techniques, are consistent with the available information about the estimates and assumptions and with those the market participants would use in pricing.

2. Significant accounting policies (continued)

Based on the inputs used in determining the fair value of assets and liabilities the fair value hierarchy has been defined:
Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the assets and liabilities that are not based on observable market data (unobservable inputs).

Change in presentation/recognition of financial and other assets / liabilities
In 2015, the Group reassessed the presentation of items of financial and other assets / liabilities in order to provide more relevant and reliable information of the consolidated financial position of the Group. Subsequently certain items have been reclassified between the two categories with retrospective application to the comparative period.

Retrospective application of the preceding period had the following effect on the consolidated statement of financial position:

In thousands EUR	31 December 2014 – previously reported	Reclassified	31 December 2014 - reclassified
Assets			
Trade and other receivables	23 563	(2 780)	20 783
Other assets	1 578	2 780	4 358
Total assets	**25 141**	-	**25 141**
Liabilities			
Trade and other financial liabilities	47 090	(5 036)	42 054
Other liabilities	-	5 036	5 036
Total liabilities	**47 090**	-	**47 090**

International Financial Reporting Standards

The following International Financial Reporting standards, amendments to standards and interpretations adopted by the EU are effective for the accounting period starting 1 January 2015, and have been applied in preparing the Group´s consolidated financial statements:

The application of standards set out below did not have a significant impact on the financial statements of the Group.

IFRIC 21 Levies - Effective for annual periods beginning on or after 17 June 2014. To be applied retrospectively.. The Interpretation provides guidance as to the identification of the obligating event giving rise to a liability, and to the timing of recognising a liability to pay a levy imposed by government. In accordance with the Interpretation, the obligating event is the activity that triggers the payment of that levy, as identified in the relevant legislation and as a consequence, the liability for paying the levy is recognised when this event occurs. The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time. If the obligating event is the reaching of a minimum activity threshold, the corresponding liability is recognised when that minimum activity threshold is reached. The Interpretation sets out that the Group cannot have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the company being economically compelled to continue to operate in that future period.

2. Significant accounting policies (continued)

Annual improvements to IFRSs 2011-2013 cycle are effective for annual periods beginning on or after 1 January 2015:

Amendment **IFRS 3 Business combinations** clarifies, that **IFRS 3 Business combinations** has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangements themselves.

Amendment **IFRS 13 Fair Value Measurement** clarifies, that portfolio exception allows entities set fair value of the group's financial assets and financial liabilities on net basis and applies to all contracts in scope of IAS 39 – Financial Instruments: Recognition and Measurement even the criteria of financial assets and financial liabilities by IAS 32 Financial Instruments: Presentation are not met. The Company will apply this method prospectively from the beginning of the period, in which IFRS 13 Fair Value Measurement was used for the first time.

Issued but not yet effective International Financial Reporting Standards as adopted by EU

At 31 December 2015 were published new standards, amendments to standards and interpretations adopted by EU and these are not yet effective for the period ended 31 December 2015, and have not been applied in preparation of these financial statements of the Group.

Amendments to **IAS 19 – Defined Benefit Plans: Employee Contributions.** Effective for annual periods beginning on or after 1 February 2015. The amendments apply retrospectively. Earlier application is permitted. The amendments are relevant only to defined benefit plans[1] that involve contributions from employees or third parties meeting certain criteria. Namely that they are: set out in the formal terms of the plan; linked to service and independent of the number of years of service. When these criteria are met, a company is permitted (but not required) to recognise them as a reduction of the service cost in the period in which the related service is rendered.

Amendments to **IAS 1 Presentation of Financial Statements.** Effective for annual periods beginning on or after 1 January 2016. Early application is permitted. The Amendments to IAS 1 include the following five, narrow-focus improvements to the disclosure requirements contained in the standard. The guidance on materiality in IAS 1 has been amended to clarify that: immaterial information can detract from useful information, materiality applies to the whole of the financial statements, materiality applies to each disclosure requirement in an IFRS. The guidance on the order of the notes (including the accounting policies) have been amended, to: remove language from IAS 1 that has been interpreted as prescribing the order of notes to the financial statements, clarify that entities have flexibility about where they disclose accounting policies in the financial statements.

Amendments to **IAS 16 Property, Plant and Equipment** and to **IAS 38 Intangible Assets**: clarification of acceptable methods of depreciation and amortisation. Effective for annual periods beginning on or after 1 January 2016; to be applied prospectively. Early application is permitted. The amendments explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

[1] Post-employment defined benefit plans or other long-term employee defined benefit plans

2. Significant accounting policies (continued)

Amendment **IFRS 11 Joint Arrangements**: accounting for acquisitions of interests in joint operations. Effective for annual periods beginning on or after 1 January 2016; to be applied prospectively. Early application is permitted. This Amendment requires business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interests in the joint operation will not be remeasured.

Annual Improvements to IFRSs

The improvements introduce a number of amendments to standards and consequential amendments to other standards and interpretations. Many of these changes are not expected to have a significant impact on the financial statements of the Group. Therefore we include below a discussion of only:

Annual improvements to IFRSs 2010-2012 cycle are effective for annual periods beginning on or after 1 February 2015:

The amendment to **IFRS 3 Business Combinations** with consequential amendments to other standards clarifies that when contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to IAS 32, rather than to any other standard. It also clarifies that contingent consideration that is classified as an asset or a liability shall be measured at fair value at each reporting date.

Amendment to **IAS 24 Related Party Disclosures** extends the definition of related party to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. The reporting entity must disclosure these services as transactions with related parties.

Amendment to **IFRS 13 Fair Value Measurement** has clarified, in issuing IFRS 13 Fair Value Measurement it did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

Annual improvements to IFRSs 2012-2014 cycle are effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted:

Amendment to **IAS 19 Employee benefits.** The amendment clarifies that the discount rate used in calculating employee benefit obligations should be based on high quality corporate bonds or government bonds in the same currency in which the benefit are to be paid.

The Group expects that amendments stated above will have no significant influence on the financial statements.

Other International Financial Reporting Standards
The Group has not early adopted any other IFRS standards adopted by EU where adoption is not mandatory at the balance sheet date. Where transition provisions in adopted IFRS give an entity the choice of whether to apply new standards prospectively or retrospectively, the Group elects to apply the Standards prospectively from the date of transition.

2. Significant accounting policies (continued)

c) Basis for consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2. Significant accounting policies (continued)

v. Interests in equity- accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vii. Consolidation scope

There are 30 companies included in the consolidation as at 31 December 2015 (2014: 30 companies), of it 26 companies (2014: 24 companies) were consolidated using the full consolidation method and 4 companies (2014: 6 companies) using the equity method. All consolidated companies prepared their annual financial statements at 31 December 2015. The companies are listed in Note 37 – Group entities.

viii. Unification of accounting policies

The accounting policies and procedures applied by the consolidated companies in their financial statements were unified in the consolidation, and agree with the policies applied by the Parent Company.

d) Foreign currency

i. Transactions in foreign currencies

Transactions in foreign currencies are initially translated into respective functional currencies of individual Group's entities at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into respective functional currencies of individual entities at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated into respective functional currencies of individual entities at the foreign exchange rates ruling at the dates when the relating transactions occurred and are not subsequently retranslated. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into respective functional currencies of individual entities at the foreign exchange rates ruling at the dates the fair values are determined. Foreign exchange differences arising are recognized in current period's profit or loss.

2. Significant accounting policies (continued)

ii. Financial statements of foreign entities

Assets and liabilities of the Group's entities recorded in other currencies than functional currency of the Company (foreign companies) are translated to Euro by the exchange rate valid at the balance sheet date. The goodwill and changes in fair values related to acquisition of new entities are translated in the same way. Revenues and expenses are translated to Euro by the exchange rate valid as at the date of the accounting transaction. Related exchange rate differences are recognized into equity.

For translation of foreign currencies are used exchange rates announced by the European Central Bank.

With the loss of control in a foreign subsidiary, significant influence in a foreign associate, or joint control in a foreign jointly controlled entity, exchange rate differences previously recognized in equity are reclassified to profit or loss as part of a gain or loss on the sale of the entity.

When the Group sells a part of a foreign subsidiary without a loss of control, a proportional part of exchange rate differences recognized in equity is transferred to non-controlling interest.

When the Group sells a part of a foreign associate or a foreign jointly controlled entity without a loss of significant influence or joint control, a proportional part of exchange rate differences recognized in equity is transferred into profit or loss.

e) Property, plant and equipment (tangible fixed assets)

i. Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (refer to accounting policy under note e) iv.) and impairment losses (refer to accounting policy under note l)).

Acquisition cost consists of the price at which an asset has been acquired plus costs related to acquisition. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling and removing the items and restoring the site on which they are located and relating production overhead costs. Borrowing costs are included in the acquisition cost of the qualifying asset.

Acquisition costs related to the replacement of the part of the property, plant and equipment is recognized in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be reliably measured. The carrying amount of the replaced part is derecognized.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items (major components) of property, plant and equipment.

ii. Leased assets

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Leased assets are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see accounting policy e) iv.) and impairment losses (see accounting policy **l)**).

2. Significant accounting policies (continued)

Other type of leasing is classified as operative leasing and such leased property is not included in the Group's statement of financial position.

iii. Subsequent expenditure

Subsequent expenditure is capitalised if it is probable that the future economic benefits embodied in the part of property, plant and equipment will flow to the Group and its cost can be measured reliably. All other expenditures including regular repair and maintenance of property, plant and equipment are recognised in the profit or loss as an expense as incurred.

iv. Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land and acquisition of property, plant and equipment is not depreciated.

Estimated useful lives are as follows:

• Buildings and structures	20 to 33 years
• Machinery and equipment	
Vehicles	4 to 5 years
Bigboards and other advertising equipment	10 to 30 years
Electronic advertising equipment	4 to 5 years
Fencing	based on contract duration
Technological installation	7 to 10 years
Other	3 to 6 years

Depreciation methods, useful lives, as well as residual values, are reassessed annually at the balance sheet date.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Significant components of property, plant and equipment with similar useful lives and depreciation method are grouped together when determining the depreciation rate.

v. Gains and losses from sale of property, plant and equipment

Gains and losses from sale of property, plant and equipment are determined by comparison of proceeds from sale decreased by costs related to sale and carrying accounting value of property plant and equipment as at the date of sale. Gains and losses from sale of property, plant and equipment are recognized in profit or loss.

f) Non-current intangible assets

i. Goodwill

Goodwill is measured as the acquisition cost less cumulative losses from impairments. (see accounting policy **l)**.

Goodwill from acquisition of subsidiaries is recognized as a separate item in the statement of financial position of the Group. Goodwill from acquisition of associates and jointly controlled entities is part of carrying value of Group's investments in these entities.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. Significant accounting policies (continued)

ii. Other non-current intangible assets

Other non-current intangible assets include assets acquired in business combinations (e.g. TV format, trademark and contractual relationships) and software. Intangible assets acquired in a business combination are recorded at fair value on the acquisition date if the intangible asset is separable or arises from contractual or other legal rights. These assets are carried at cost less accumulated amortisation (see accounting policy f) iv.) and impairment losses (see accounting policy l)).

iii. Subsequent expenditure

Subsequent expenditures are recognized in the carrying amount of intangible assets only when it is probable that the future economic benefits embodied will flow to the Group. All other expenditures including the costs for internally generated goodwill and trademark are recognised in the profit or loss as incurred.

iv. Amortisation

Amortisation is charged to profit or loss on a straight-line basis (with the exception of TV format, which is amortized nonlinearly based on its future expected economic benefits) over the estimated useful lives of intangible assets, from the date the asset is available for use.

Useful lives are usually firmly set. Intangible assets with an indefinite useful life are not subject to amortisation and are annually tested for impairment. Their useful life is also reassessed at balance sheet date in order to evaluate whether the existing conditions still support the indefinite useful life assumption. Goodwill is not subject to amortisation but is tested annually for impairment.

The estimated useful lives are as follows:

• Contractual relationships	7 to 20 years
• TV format[2]	42 years
• Other intangible assets - software and others	2 to 7 years
• Trademark	indefinite useful live

Useful lives of TV format, contractual relationships and trademark have been specified by an independent third party when determining the fair value of assets at acquisition of subsidiaries. The estimated useful life of TV format reflects the time frame of the target audience that was set at the date of the acquisition between the age of 12 and 54, assuming that in 42 years the preferences of the audience will change to other forms of media. Useful lives of contractual relationships reflects duration of the lease of advertising media and takes into account risk of discontinuance of the lease. Useful life of trademark reflects the period during which the economic benefits will flow to the Group. Since the Group is determined to use their logo, slogan and complete trademark, the Group together with the independent third party decided at the determination of fair values of assets at the acquisition of the company that useful life of trademark will be indefinite.

Amortization methods and useful lives, as well as residual values, are reassessed at the balance sheet date and adjusted if appropriate.

[2] TV format represents the content of the television broadcasting and strategy by which this content is chosen and subsequently its perception from the point of view of TV viewer.

2. Significant accounting policies (continued)

g) Programme rights

Programme rights represent acquired the Company to publish titles of foreign and domestic movies and TV series where the Company obtained a right to use these titles in its broadcasting from the original holder of the rights for an agreed period. These include the right to create language versions to acquired titles, using the language appropriate to the broadcasting of the Company' station.

i. Non-current programme rights

Non-current programme rights are carried at cost. These programme rights are effective after one year from the balance sheet date. Non-current programme rights are amortised based on the number of runs. Percentage amount of amortisation was set by the management based on the historical experience in the TV broadcasting and represents period during which the programme rights generate economic benefits. In case of two runs, 80% of cost is amortised after the first and 20% after the second run. In case of three and more runs, 60% of the cost is amortised after the first, 30% after the second and 10% after the third run.

Programme rights for acquired titles that have limited validity and ran through paid channels where management estimates their broadcasting more than 30 times are amortised on a straight line basis during a period the programme rights are valid.

There are several situations that lead to a downward value adjustment to programme rights. These include the programmes that will not be broadcasted as the relating rights are nearing their expiry date, the programmes with inappropriate content and the carrying amount of programmes broadcasted once, but their other runs will be broadcasted in times with a low potential to generate commercial revenue.

ii. Current programme rights

Current programme rights are carried at cost. These programme rights are effective or they will start to be effective within one year from the balance sheet date. Current programme rights are amortised in the same way as non-current programme rights, see Note g) i.).

The downward value adjustment to current programme rights is carried out in the same way as the value adjustment to non-current programme rights, see Note g) i.).

iii. Programme rights write-off

Programme rights that will expire before their broadcast are written-off through the profit or loss.

h) Internal programme rights

Internal programme rights represents the Company's own production of TV series, movies, sitcoms, documentaries, reality shows, news coverage and programmes focused on different topics (e.g. living, cooking, entertainment, etc.). Internal programmes include also dubbing and subtitles of foreign movies and TV series.

2. Significant accounting policies (continued)

Internal programme rights are recognized in the amount of direct costs of production and are amortized based on the number of broadcasted runs. Direct costs are costs which are interrelated with a production such as fees for actors, hosts, directors, script editors, screenwriters, cameramen, film producers, technicians, costs for stage setting, props, costumes, licenses, rent of premises for broadcast production and other costs related to outsourced works and services.

The percentage of amortization was determined by management based on historical experience in the television broadcasting sector and corresponds with a period during which the programme rights generate economic benefits. In case of two runs, 80% of cost is amortised after the first and 20% after the second run. In case of three runs, 60% of the cost is amortised after the first, 30% after the second and 10% after the third run.

In case of five runs, 60% of the cost is amortised after the first, 10% after the second through the fifth run.

The value of internal programme rights is decreased by programme titles that will not be broadcasted due to an inappropriate content orientation or by residual value of titles after a first broadcast, which will be broadcasted in time with low potential to generate advertising revenues. In case of programmes that will not be rerun in four years after the end of the last episode of the broadcast premiere, the entire carrying value of the program (format and shows) is written off as an expense.

From the nature of internal programme rights the licensing period starts immediately after their production, and therefore they are recognised as current assets in the Consolidated statement of financial position of the Group.

i) Financial instruments

Financial assets

Financial assets are classified in one of the following categories: securities available for sale, financial instruments carried at fair value through profit or loss, loans and receivables and cash and cash equivalents. The Group does not recognise any held to maturity assets.

Securities available for sale

Securities available for sale represent non-derivative financial assets, which are not presented as financial assets carried at fair value through profit or loss, loans and receivables or assets held to maturity. Securities available for sale are recognized within other financial instruments in the statement of financial position of the Group.

Financial assets carried at fair value through profit or loss

Financial assets at fair value through profit or loss are those held by the Group for trading in order to obtain short term gains and derivative financial instruments. Such financial assets are recognized within other financial instruments in the statement of financial position of the Group.

The Group uses derivative financial instruments to hedge against risks arising from its operating, financing and investing activities. In accordance with the financial policy, the Group does not hold nor does it issue financial derivatives for trading purposes. As none of the derivatives fulfil the criteria for hedge accounting under IFRS as adopted by EU, they are treated as trade instruments.

Loans and receivables

Loans and receivables represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables arise, when Group provides cash equivalents, goods or services directly to the debtor without intention of trading with the receivable.

2. Significant accounting policies (continued)

Loans and receivables are recognized in the statement of financial position of the Group within trade and other receivables and loans granted.

Cash and cash equivalents

Cash and cash equivalents include bank accounts and deposit accounts. Overdraft bank accounts due on demand which are part of the Group's cash management are included in cash and cash equivalents for purposes of the cash flow statement.

Financial liabilities

Financial liabilities are classified in one of the following categories: financial liabilities carried at fair value through profit or loss or other financial liabilities.

Financial liabilities carried at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss represent derivative financial instruments. Financial derivative instruments are recognized within trade and other financial liabilities in the statement of financial position of the Group.

The Group is using derivative financial instruments to hedge against risks arising from operating, financing and investing activities. In accordance with the financial policy of the Group, the Group does not hold nor does it issue financial derivatives for trading purposes. As none of the derivatives fulfil the criteria for hedge accounting under IFRS as adopted by EU, they are treated as trade instruments.

Other financial liabilities

Other financial liabilities are various financial liabilities not carried at fair value through profit or loss. Other financial liabilities, recognized in the statement of the financial position, are bank loans, interest-bearing borrowings, bonds issued and trade and other financial liabilities.

i. Initial recognition of financial instruments

Financial assed carried at fair value through profit or loss and securities available for sale are recognized at the date that Groups commits to purchase them. Regular purchases and sales of these financial instruments are recognized at the trading date.

Loans and receivables are recognized at the date of acquisition.

Financial liabilities are initially recognized at the trading date.

ii. Valuation of financial instruments

Securities available for sale

Securities available for sale are initially recognized at their fair value plus costs related to acquisition or issuing. Subsequently, they are carried at fair value. Gains and losses from the change in fair value are recognised directly in equity. Change in fair value of securities for sale is transferred from equity to profit or loss at the moment of sale. All costs associated to transactions are recognized in profit or loss.

In case that fair value cannot be reliably determined, securities available for sale are recognized in the amount of acquisition costs.

2. Significant accounting policies (continued)

Financial assets carried at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially carried at fair value without costs related to acquisition. Subsequently, they are carried at fair value, gains and losses from the change in fair value are recorded through profit or loss as part of the gain / loss from financial instruments. All costs associated to transactions are recognized in profit or loss.

Loans and receivables

Loans and receivables are initially recognized at the fair value including directly attributable transaction costs. Subsequently they are measured at amortized cost using the effective interest rate method.

Trade and other receivables are initially measured at nominal value. Receivables are decreased by write-downs for any amounts expected to be irrecoverable (see accounting policy l)).

Financial liabilities carried in fair value through profit or loss

Financial derivative instruments are initially recognized at their fair value. After initial recognition, the derivatives are measured at fair value. Gains and losses from the change in fair value are recorded through profit or loss as gains and losses from financial instruments. All costs related to transactions are recorded through profit or loss.

Other financial liabilities

Bank loans, interest-bearing borrowings and issued bonds are initially recognized at fair value decreased by related transaction costs. In subsequent periods they are recognized in the statement of financial position in amortized cost. Difference between this amount and amount in which loans, borrowings and issued bonds are paid, is recognised as expense in profit or loss using effective interest rate method.

Trade and other financial liabilities are initially recognized at nominal value, at the time of their take over are valued at acquisition costs.

iii. Offset of financial instruments

Financial assets and financial liabilities are offset in the statement of financial position of the Group and only net amount is recognized when the Group has legally enforceable right to offset the amounts and an intention exists to settle the transactions based on their net amount.

iv. Derecognition of financial instruments

Financial asset is derecognised when the Group losses control over the contractual rights included in the asset. This occur when the rights are realized, expire or the Group surrenders them.

Financial liabilities are derecognised when the obligation of the Group specified in the contract ceases to exist, is settled or cancelled.

j) Other assets

Other assets are other non-financial assets (not described elsewhere) carried initially at their nominal value and also inventory (see also accounting policy k).

2. Significant accounting policies (continued)

k) Inventory

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The cost of inventory is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories.

l) Impairment

i. Financial assets

The carrying amounts of the Group's financial assets, other than financial assets carried at fair value through profit or loss and investments in associates and joint ventures, are reviewed at each balance sheet date to determine whether there is any indication of impairment.

Financial assets are considered impaired, when due to objective reasons one or more conditions would have a negative impact on the expected future cash flows from the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

All individually significant assets are specifically assessed for impairment. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar credit risk characteristics. All losses from impairment are recognized in the profit or loss.

When an event occurring after the impairment was recognized causes the amount of impairment to decrease, the impairment loss is reversed. In case of financial assets carried at amortized cost, the reversal is recorded in the profit or loss.

Impairment loss from investments in associates and joint ventures is calculated as the difference between the recoverable amount and carrying amount. Recoverable amount of such asset is higher of the net sale amount or the value in use. Impairment loss is recognized in the profit or loss and is reversed if the recoverable amount increases.

ii. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventory (see accounting policy k)), deferred tax asset (see accounting policy r)), programme rights (see accounting policy g) and internal programme rights (see accounting policy h)) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill and intangible assets with indefinite useful lives are not amortised but are tested annually for impairment as part of the relating cash generating unit (CGU).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its net realizable value and its value in use.

2. Significant accounting policies (continued)

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 the risks specific to the Group and its environment. When an asset is not generating cash flows that are sufficiently independent, its recoverable amount is determined for the CGU where it belongs. A CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. An impairment loss and its reversal are presented in the profit or loss as a decrease or increase in non-current assets value.

Impairment loss recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses from previous periods are reassessed at each balance sheet date to ascertain whether there are factors indicating an impairment or a need for reversal. The loss is reversed if the assumptions used to estimate recoverable amount change. Impairment loss can be reversed only so that the carrying amount would not exceed the carrying amount arrived at after depreciation and amortization without impairment. In case of goodwill, the impairment loss cannot be decreased (reversed).

m) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

n) Employee benefits

The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement. The amount of benefit is dependent on one or more factors such as age, years of service and salary.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity or to the Government. The Group have no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group had created expectations on the part of its employees that it will continue to provide the benefits and it is management's judgement that it is not probable that the Group will cease to provide them.

The liability recognised in the Consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date.

The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by (a) discounting the estimated future cash outflows using interest rates of high quality government or corporate bonds which have terms to maturity approximating the terms of the related pension liability and (b) then attributing the calculated present value to the periods of service based on the plan.

2. Significant accounting policies (continued)

Actuarial gain and loss arising from experience adjustments and changes in actuarial assumptions are immediately recognized in the period when incurred.

The Group makes contributions to government and private contribution pension plans.

The Group makes contributions to the health, sickness, retirement, accidental and guarantee insurance and unemployment schemes at the statutory rates in force during the year based on gross salary payments.

o) Other liabilities

Other liabilities represent liabilities from the employee's benefits (see accounting policy n)) and other non-financial liabilities (with no further disclosures in the notes) that are valued upon recognition at their nominal value.

p) Revenues from services

Revenues from provided advertisement are recognized in the period when the advertisement was broadcasted or published.

Revenues from leasing an advertisement space are recognized evenly over the duration of the lease.

Revenues from services do not carry the value added tax. They are also decreased by discounts and rebates (bonuses, credit notes, etc.).

q) Interest expense and interest income

Interest income and expense are recorded in the profit or loss as it accrues. Interest income and expense include amortization of all premiums, discounts or other differences between the initial accounting value of the interest bearing instrument and its value at the time of its maturity. This is calculated using the basis of effective interest rate.

r) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to items directly recognized in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is presented in the statement of financial position, providing for the temporary differences between the carrying amounts of assets and liabilities and the amounts used for tax purposes. Deferred tax does not apply to the following temporary differences: initial recognition of assets and liabilities from transaction which is not business combination and that effect neither accounting or tax profit or loss, differences related to investments in subsidiaries in which is probably that will not be settled in the foreseeable future. Deferred tax is not recognized also for taxable differences arising from initial recognition of goodwill. Deferred tax is calculated using rates that are expected to be effective when the temporary differences will be realized. These are either based on enacted or substantially enacted rates at the balance sheet date.

2. Significant accounting policies (continued)

Deferred tax asset and liability are offset, if there is legally enforceable right to offset current tax liability and asset and these relate to the same tax authority and same tax subject, or relate to different tax subjects but they intend to settled tax assets and liabilities net or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which temporary differences can be utilised. Deferred tax assets are assessed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

s) Fair value estimates

The main methods and assumptions used to estimate the fair value of financial assets and liabilities listed in the Note 32 – Fair value information are described below:

i. Loans granted

Fair value of granted loans is determined using the estimated future discounted cash inflows from repaid principal and interest. When estimating future cash flows, default risk as well as the conditions indicating impairment were considered. Estimated fair values of granted loans represents changes in the loan valuation from the moment when they were provided as well as changes in the interest rates in case of loans bearing fixed interest rates.

ii. Bank loans, interest bearing loans and issued bonds

The fair value of loans and borrowings without specified maturity is determined as a sum of liabilities payable at the reporting date. The fair value of loans, borrowings and issued bonds with agreed maturity is determined based on the discounted future cash flows using interest rates offered for loans and borrowings with similar maturities.

iii. Trade and other financial receivables / payables

For receivables and liabilities, it is reasonable to assume that their nominal amount represent their fair value.

t) Operating segments

Operating segments are parts of the Group able to earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision makers when they are allocating resources and measuring the performance and for which financial information is available. The Company's management considers the following operating segments: "Media Slovakia", „Media Czech republic", "Media Austria" and "Other".

3. Segment information

Intra-segment elimination are presented in a separate column. Prices used between segments were set on an arm's length principle for similar services and financing.

Information about significant customers

The Group does not have revenues from one customer that would exceed 10% of its total revenues.

Additional segment information

Expenses and revenues in the consolidated statement of profit or loss and other comprehensive income for newly acquired subsidiaries are included since their acquisition date, for companies sold during the period are included until the date of sale.

3. Segment information (continued)

Information on operating segments – Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015

in thousands of EUR	**Media Slovakia**	**Media Czech republic**	**Media Austria**	**Other**	**Intra-segmental elimination**	**Total**
Revenues from services	83 235	34 117	35 041	-	*(268)*	152 125
Other operating income	586	539	580	-	-	1 705
Total operating income	**83 821**	**34 656**	**35 621**	**-**	***(268)***	**153 830**
Bargain purchase gain	5	72	-	-	-	77
Personnel expenses	(9 648)	(3 132)	(6 612)	-	-	(19 392)
Production costs of TV and radio broadcasting programmes	(23 885)	-	-	-	-	(23 885)
Use and write-off of programme rights	(11 560)	-	-	-	-	(11 560)
Depreciation, amortization and impairment of assets	(9 368)	(4 450)	(4 028)	-	-	(17 846)
Rent of advertising space	(4 936)	(10 240)	(9 868)	-	*156*	(24 888)
Other operating expenses	(23 864)	(13 475)	(13 559)	-	*112*	(50 786)
Total operating expenses	**(83 261)**	**(31 297)**	**(34 067)**	**-**	***268***	**(148 357)**
Profit from operating activities	**565**	**3 431**	**1 554**	**-**	**-**	**5 550**
Exchange rate loss	(1 552)	(21)	-	-	-	(1 573)
Interest expenses, net	(8 291)	(3 866)	(534)	-	-	(12 691)
Gain from financial instruments	601	-	13	-	-	614
Gain from associates and joint ventures	-	98	-	-	-	98
Loss from the sale of entities	(4)	-	-	-	-	(4)
Other financial expenses, net	(70)	(61)	(14)	-	-	(145)
Profit / (loss) before tax	**(8 751)**	**(419)**	**1 019**	**-**	**-**	**(8 151)**
Income tax	1 160	(619)	7	-	-	548
Profit / (loss) for the period	**(7 591)**	**(1 038)**	**1 026**	**-**	**-**	**(7 603)**
Other comprehensive income, after tax	**-**	**313**	**-**	**-**	**-**	***313***
Foreign currencies translation differences	-	313	-	-	-	313
Total comprehensive income	**(7 591)**	**(725)**	**1 026**	**-**	**-**	**(7 290)**

3. Segment information (continued)

Information on operating segments – Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014

in thousands of EUR	**Media Slovakia**	**Media Czech republic**	**Media Austria**	**Other**	**Intra-segmental elimination**	**Total**
Revenues from services	75 938	32 415	30 504	2 459	*(386)*	140 930
Other operating income	870	523	212	34	-	1 639
Total operating income	**76 808**	**32 938**	**30 716**	**2 493**	***(386)***	**142 569**
Personnel expenses	(8 270)	(2 913)	(6 426)	(464)	-	(18 073)
Production costs of TV and radio broadcasting programmes	(18 505)	-	-	-	-	(18 505)
Use and write-off of programme rights	(13 967)	-	-	-	-	(13 967)
Depreciation, amortization and impairment of assets	(9 812)	(3 617)	(9 219)	(53)	-	(22 701)
Rent of advertising space	(4 759)	(10 329)	(13 416)	(741)	*289*	(28 956)
Other operating expenses	(21 571)	(12 323)	(14 011)	(948)	*97*	(48 756)
Total operating expenses	**(76 884)**	**(29 182)**	**(43 072)**	**(2 206)**	***386***	**(150 958)**
Profit / (loss) from operating activities	**(76)**	**3 756**	**(12 356)**	**287**	**-**	**(8 389)**
Exchange rate loss	(1 031)	(21)	(28)	-	-	(1 080)
Interest expenses, net	(6 948)	(3 844)	(2 080)	-	-	(12 872)
Gain from financial instruments	1 134	-	180	-	*(200)*	1 114
Gain from associates and joint ventures	-	21	-	-	-	21
Loss from the sale of entities	-	-	(239)	-	-	(239)
Other financial expenses, net	(237)	(60)	(15)	(19)	-	(331)
Profit / (loss) before tax	**(7 158)**	**(148)**	**(14 538)**	**268**	***(200)***	**(21 776)**
Income tax	(216)	(677)	625	(14)	-	(282)
Profit / (loss) for the period	**(7 374)**	**(825)**	**(13 913)**	**254**	***(200)***	**(22 058)**
Other comprehensive income, after tax	**-**	**(71)**	**-**	**4**	**-**	***(67)***
Foreign currencies translation differences	-	(141)	-	4	-	(137)
Reclassification of changes in fair value of securities available for sales recognised to profit or loss	-	70	-	-	-	70
Total comprehensive income	**(7 374)**	**(896)**	**(13 913)**	**258**	***(200)***	**(22 125)**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2015

in thousands of EUR

Assets	Media Slovakia	Media Czech republic	Media Austria	Other	Intra-segmental elimination	Total
Goodwill	5 343	1 438	-	-	-	6 781
TV format and other intangible assets	99 379	28 281	27 452	-	-	155 112
Programme rights	15 532	-	-	-	-	15 532
Internal programme rights	24 971	-	-	-	-	24 971
Property, plant and equipment	27 009	32 163	23 834	-	-	83 006
Investment in associates and joint ventures	-	1 195	-	-	-	1 195
Trade and other receivables	16 735	8 724	1 168	-	*(9)*	26 618
Other financial instruments	27	-	432	-	-	459
Loans granted	33 820	71	-	-	*(10 250)*	23 641
Deferred tax asset	833	142	4	-	-	979
Other assets	805	1 298	672	-	-	2 775
Corporate income tax receivable	3	137	-	-	-	140
Cash and cash equivalents	4 533	4 661	3 355	-	-	12 549
Total assets	**228 990**	**78 110**	**56 917**	**-**	***(10 259)***	**353 758**
Liabilities						
Bank loans	89 242	-	-	-	-	89 242
Loans and borrowings	11 416	712	10 276	-	*(10 250)*	12 154
Issued bonds	72 919	47 318	-	-	-	120 237
Provisions	1 109	162	3 025	-	-	4 296
Trade and other financial liabilities	34 314	6 980	4 375	-	*(9)*	45 660
Other liabilities	4 516	833	3 151	-	-	8 500
Corporate income tax liability	387	509	40	-	-	936
Deferred tax liability	24 698	9 486	-	-	-	34 184
Total liabilities	**238 601**	**66 000**	**20 867**	**-**	**(10 259)**	**315 209**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2014

in thousands of EUR

Assets	Media Slovakia	Media Czech republic	Media Austria	Other	Intra-segmental elimination	Total
Goodwill	1 914	1 396	-	-	-	3 310
TV format and other intangible assets	105 206	26 517	28 994	-	-	160 717
Programme rights	14 348	-	-	-	-	14 348
Internal programme rights	22 106	-	-	-	-	22 106
Property, plant and equipment	27 768	31 390	25 560	-	-	84 718
Investment in associates and joint ventures	13	1 163	-	-	-	1 176
Trade and other receivables	12 018	7 379	1 414	-	*(28)*	20 783
Other financial instruments	537	-	421	-	-	958
Loans granted	12 617	68	-	-	*(11 693)*	992
Deferred tax asset	598	139	4 839	-	-	5 576
Other assets	2 438	1 108	812	-	-	4 358
Corporate income tax receivable	-	36	-	-	-	36
Cash and cash equivalents	4 792	5 260	1 916	-	-	11 968
Total assets	**204 355**	**74 456**	**63 956**	**-**	***(11 721)***	**331 046**
Liabilities						
Bank loans	57 742	-	-	-	-	57 742
Loans and borrowings	10 093	676	11 720	-	*(11 693)*	10 796
Issued bonds	79 097	45 560	-	-	-	124 657
Provisions	1 021	127	4 287	-	-	5 435
Trade and other financial liabilities	30 434	6 106	5 542	-	*(28)*	42 054
Other liabilities	1 889	648	2 499	-	-	5 036
Corporate income tax liability	33	232	40	-	-	305
Deferred tax liability	26 043	9 151	4 845	-	-	40 039
Total liabilities	**206 352**	**62 500**	**28 933**	**-**	***(11 721)***	**286 064**

4. Acquisition and disposal of entities

Acquisitions of new entities for the year ended 31 December 2015

Information about acquisitions carried out during the year ended 31 December 2015 are presented in notes 4.a) to 4.d).

a) Details about new acquisitions

Harad, a.s.
Based on a share purchase agreement signed on 21 April 2015, the Company acquired a 100% share in the company Harad, a.s. The shares were acquired for EUR 346 thousand and the purchase price was fully paid in 2014. Through this acquisition, the Company became an ultimate parent company of Radio Services s. r. o. Both companies are consolidated using full consolidation method.
Upon this acquisition, the Group has extended its involvement on the media market by providing services to radio broadcasters.

Lafayette s. r. o.
Based on a share purchase agreement signed on 8 April 2015, the Company acquired a 100% share in the company Lafayette s. r. o. The ownership share was acquired free of charge. The Company is consolidated using full consolidation method.

QEEP, a.s.
Based on a share purchase agreement signed on 1 July 2015, the Company acquired, through its subsidiary BigBoard Praha, a.s., acquired a 60% share in the company QEEP, a.s. Shares were acquired for EUR 1 247 thousand. Through this acquisition, the Company became an ultimate parent company of Barrandia s.r.o. Both companies are consolidated using full consolidation method (see Note 37 – Group entities). As at 31 December 2014, Barrandia s.r.o. was consolidated using the equity method.
Upon the acquisition of the company QEEP, a.s., the Group has added large external advertisement spaces to its portfolio and at the same time strengthened its position on the market of external advertising in Prague.

The financial results of the acquired entities since their acquisition until 31 December 2015 are presented below:

in thousands of EUR	Profit/(loss)	Revenues
group RADIO SERVICES [1]	(476)	2 837
Lafayette s. r. o.	4	-
QEEP, a.s.	28	516
Barrandia s.r.o.	-	-

Based on Company management expectation, if all acquisitions were performed as at 1 January 2015, the consolidated revenues for the year ended 31 December 2015 would be EUR 155 320 thousand and the consolidated loss would be EUR 7 500 thousand.

b) Goodwill

Acquired goodwill was allocated to individual CGUs, where it is expected that economic benefits from synergy effects of business combinations will be obtained.

[1] the Group RADIO SERVICES includes companies Harad, a.s. and Radio Services s.r.o.

4. Acquisition and disposal of entities (continued)

The Company Harad, a.s. holds and manages a share in the company Radio Services s. r. o., who provides full range of services to radio broadcasters. Upon acquisition of the group RADIO SERVICES[1] goodwill in the amount of EUR 3 430 thousands was recognised. The recognition of goodwill was based on the future cash flows estimated by management, on the expected growth of the media market, on the increase of market share of the main business partners and new synergic activities.

c) Fair value adjustments of identified net assets

Fair value adjustments of identified net assets in business combinations that occurred in the year ended 31 December 2015 are listed below:

in thousands of EUR	Property, plant, equipment	Other intangible assets	Deferred tax liability	Total net effect
QEEP, a.s.	148	2 202	(447)	**1 903**

The fair value of assets and liabilities was identified and set by management of the Company with the assistance of an independent expert. Realization of the fair value adjustments as they are listed above depends on the conditions that will exist on the relevant markets in the future. There is a significant level of uncertainty relating to the future development of relevant markets in which the acquired entities operate.

The following assumptions were used for determination of fair values:
When calculating fair values for intangible assets, a growth rate of 1.5% was applied, that is considered appropriate on the market the company operates in. A discount rate of 15.30% was applied to determine the fair value of intangible assets.
When calculating fair values of non-current tangible assets cost approach or market approach was used.
The useful life for non-current tangible assets was determined at 12 - 20 years, for non-current contractual intangible relationships at 10 years.

No further adjustments to fair value were performed as a result of purchase price cost allocation in business combinations.

4. Acquisition and disposal of entities (continued)

d) Effect of acquisitions

The acquisitions had the following effect on Group's assets and liabilities:

in thousands of EUR	group RADIO SERVICES[1]	QEEP, a.s.	Lafayette s. r. o.	Barrandia s.r.o.	Total
Other intangible assets	6	2 204	-	-	2 210
Property, plant and equipment	60	253	-	-	313
Loans granted	311	5	-	-	316
Trade and other receivables	938	274	-	-	1 212
Other assets	106	10	-	5	121
Corporate income tax receivable	-	6	-	-	6
Cash and cash equivalents	8	52	5	3	68
Loans and borrowings	(570)	(47)	-	(10)	(627)
Trade and other financial liabilities	(3 874)	(110)	-	-	(3 984)
Other liabilities	(69)	(3)	-	-	(72)
Deferred tax liability	-	(447)	-	-	(447)
Effect from change in the consolidation method	-	-	-	(3)	(3)
Non-controlling interest	-	(879)	-	-	(879)
Net identifiable assets and liabilities	**(3 084)**	**1 318**	**5**	**(5)**	**(1 766)**
Goodwill / (bargain purchase gain) on acquisition of new subsidiaries	3 430	(71)	(5)	5	3 359
Cost of acquisition	**346**	**1 247**	**-**	**-**	**1 593**
Consideration paid in cash	-	(1 100)	-	-	(1 100)
Cash acquired	8	52	5	3	68
Net cash inflow / (outflow)	**8**	**(1 048)**	**5**	**3**	**(1 032)**

Total bargain purchase gain on acquisition:

in thousands of EUR	Total
Bargain purchase gain at acquisition date	(76)
Foreign exchange difference on bargain purchase gain	(1)
Total bargain purchase gain	(77)

Acquisition and establishing of entities for the year ended 31 December 2014

Information about acquisitions and establishment of entities for the year ended 31 December 2014 is presented in Notes 4.e) and 4.h).

4. Acquisition and disposal of entities (continued)

e) Details about established entities

BHB, s.r.o.
On 13 March 2014, the Company through its subsidiary Akzent BigBoard, a.s. established BHB, s.r.o. The investment at the establishment was EUR 5 thousand. The company is consolidated using full consolidation method.

f) Details about new acquisition

HANDY MEDIA s.r.o.
Based on a share purchase agreement signed on 14 January 2014, the Company through its subsidiary Akzent BigBoard, a.s., acquired a 100% share in the company HANDY MEDIA, s.r.o. The ownership share was acquired for EUR 15 thousand. The Company is consolidated using full consolidation method.

The financial results of the acquired entity since its acquisition until 31 December 2014 are presented below:

in thousands of EUR	Profit	Revenue
HANDY MEDIA s.r.o.	18	-

Based on the Company's management expectation, if the acquisition was performed as at 1 January 2014, consolidated revenues for the year ended 31 December 2014 would be EUR 140 930 thousand and consolidated loss would be EUR 22 058 thousand.

g) Goodwill

Acquired goodwill was allocated to individual cash generating units ("CGU"), where it is expected that economic benefits from synergy effects of business combinations will be obtained.

The company HANDY MEDIA, s.r.o. provides rent of advertising space in the network of public transport vehicles in the Slovak Republic. Upon acquisition of the Company, a goodwill of EUR 98 thousand was allocated to the CGU Akzent BigBoard.

4. Acquisition and disposal of entities (continued)

h) Effect of acquisition

The acquisition of the entity had the following effect on Group's assets and liabilities:

in thousands of EUR	**HANDY MEDIA s.r.o.**
Trade and other receivables	8
Other assets	21
Trade and other financial liabilities	(112)
Net identifiable assets and liabilities	**(83)**
Goodwill from acquisition	98
Cost of acquisition	**15**
Consideration paid in cash	(15)
Cash acquired	-
Net cash outflow	**(15)**

Disposals of entities for the year ended 31 December 2015

Information about disposal for the year ended 31 December 2015 are presented in notes 4.i) to 4.j).

i) Details about sold entity

SENZI, a. s.
On 2 October 2015, the Group sold a 50% share in the company SENZI, a.s. to a third party. The selling price was EUR 10 thousand.

j) Effect of the entity sold

The sale of the entity had the following effect on Group's assets and liabilities:

in thousands of EUR	**SENZI, a.s.**
Investments in associates and joint ventures	(14)
Disposed net identifiable assets and liabilities	**(14)**
Selling price	10
Loss on sale	**(4)**
Consideration received in cash	10
Decrease in cash	-
Net cash inflow	**10**

Disposals of entities for the year ended 31 December 2014

Information about disposals for the year ended 31 December 2014 are presented in notes 4.k) to 4.l).

4. Acquisition and disposal of entities (continued)

k) Details about disposed entities

Akzent Media d.o.o.e.l.
On 29 May 2014, the Group sold a 100% share in the company Akzent Media d.o.o.e.l to a third party. The selling price was EUR 2 432 thousand.

outdoor akzent d.o.o.
On 18 December 2014, the Group sold a 100% share in the company outdoor akzent d.o.o. to a third party. The selling price was EUR 1 550 thousand.

l) Effect of the entities disposal

The sale of the entities had the following effect on Group's assets and liabilities:

in thousands of EUR	**Akzent Media d.o.o.e.l.**	**outdoor akzent d.o.o.**	**Total**
Assets available for sale	(2 999)	(2 166)	(5 165)
Liabilities relating to assets available for sale	312	632	944
Disposed net identifiable assets and liabilities	**(2 687)**	**(1 534)**	**(4 221)**
Selling price	2 432	1 550	3 982
Profit / (loss) on sale	**(255)**	**16**	**(239)**
Consideration received in cash	2 432	1 550	3 982
Decrease in cash	(221)	(400)	(621)
Net cash inflow	**2 211**	**1 150**	**3 361**

5. Revenues from services

Revenues per major categories are as follows:

in thousands of EUR	**Year ended 31 December 2015**	**Year ended 31 December 2014**
Revenue from the segment „Media Slovakia"	82 999	75 593
Revenue from the segment „Media Czech Republic"	34 085	32 378
Revenue from the segment „Media Austria"	35 041	30 502
Revenue from the segment „Other"	-	2 457
Total	**152 125**	**140 930**

6. Other operating income

in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014
Revenues from research and development	349	-
Revenues from sale of inventory	323	506
Insurance claims	278	90
Revenues from writte off liabilities	124	75
Revenues from fines and penalties	64	76
Other	567	892
Total	**1 705**	**1 639**

7. Personnel expenses

in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014
Wages and salaries	(14 629)	(13 514)
Contribution to social insurance and health insurance	(3 768)	(3 584)
Other wages and salaries costs	(995)	(975)
Total	**(19 392)**	**(18 073)**

The average number of employees of the Group during the period from 1 January 2015 to 31 December 2015 was 450, out of which management represents 26 (from 1 January to 31 December 2014: 477, out of which management: 30).

The number of Group employees as at 31 December 2015 was 465, out of which management represents 28 (as at 31 December 2014: 455, out of which management 27).

8. Use and write-off of programme rights

in thousands of EUR	Note	Year ended 31 December 2015	Year ended 31 December 2014
Programme rights utilisation	*19*	(11 491)	(13 959)
Write off of unused programme rights	*19*	(69)	(8)
Total		**(11 560)**	**(13 967)**

9. Depreciation, amortisation and impairment of assets

in thousands of EUR	Note	Year ended 31 December 2015	Year ended 31 December 2014
Amortisation	*14*	(9 554)	(10 774)
Depreciation	*16*	(8 528)	(8 433)
Creation of impairment allowance to non-current tangible assets	*16*	(151)	(2 676)
Creation of impairment allowance to receivables and provided loans	*20,21*	(85)	(765)
Creation of impairment allowance to other assets		-	(53)
Total		**(17 846)**	**(22 701)**

10. Other operating expenses

in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014
Placing, printing and removal of advertisements	(11 637)	(11 337)
Transmitting	(7 022)	(6 828)
Marketing expenses	(6 714)	(5 477)
Repair and maintenance	(3 780)	(2 949)
Material and energy consumption	(3 536)	(3 201)
Media surveys	(2 329)	(2 131)
Rent of premises	(2 099)	(1 948)
Other taxes and fees	(2 053)	(2 064)
Outsourcing expenses	(1 648)	(521)
Legal, accounting and advisory services	(1 611)	(1 304)
Fees to performing rights societies and to AVF[1]	(1 281)	(1 113)
Expenses related to representation, sponsoring	(1 047)	(912)
Software support and IT services	(819)	(667)
Telephones fees and internet services	(569)	(437)
Transport and car insurance expenses	(518)	(509)
Services related to rented premises	(432)	(445)
Other rent	(338)	(504)
Insurance of property	(260)	(239)
Fines and penalties	(159)	(399)
(Creation) / release of provisions	122	(1 263)
Other	(3 056)	(4 508)
Total	**(50 786)**	**(48 756)**

[1]AVF – Audiovisual fund – state institution for support and development of audiovisual culture and industry

The Group is using the services of the auditing companies KPMG Slovensko spol. s r.o., KPMG Česká republika, s.r.o., KPMG Austria AG, to audit the individual financial statements of the Group entities and the consolidated financial statements of the Company. The cost of these services for the year ended 31 December 2015 amounted to EUR 218 thousand (year ended 31 December 2014: EUR 211 thousand). Costs for other services provided by the auditing company KPMG Slovensko spol. s r.o., KPMG Česká republika, s.r.o and KPMG Austria AG for the year ended 31 December 2015 amounted to EUR 0 (year ended 31 December 2014: EUR 12 thousand).

11. Interest expense and income

in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014
Interest income	398	59
Loans granted	20	11
Other	**418**	**70**
Total interest income		
Interest expense		
Issued bonds	(9 122)	(9 047)
Bank loans	(3 036)	(2 900)
Borrowings	(876)	(930)
Other	(75)	(65)
Total interest expense	**(13 109)**	**(12 942)**
Interest expense, net	(12 691)	(12 872)

12. Gain from financial instruments

in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014
Profit from currency forwards	601	863
Dividend income from mutual funds	13	13
Positive revaluation of mutual funds	10	14
Loss from interest rate swaps	(10)	(46)
Profit from purchased receivables	-	270
Total	**614**	**1 114**

13. Income tax

in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014
Current income tax		
Current year	1 442	798
Corrections of previous periods	(55)	24
Withholding tax	7	-
Deferred income tax		
Creation and reversal of temporary differences and tax losses	(1 942)	(540)
Total income tax expense in profit or loss / (decrease in expenses)	**(548)**	**282**

13. Income tax (continued)

Reconciliation of the effective tax rate

in thousands of EUR	2015	%	2014	%
Loss before tax	**(8 151)**		**(21 776)**	
Income tax at local rate	(1 793)	22	(4 791)	22
Effect of tax rates in other countries	43	(1)	(456)	2
Permanent differences	254	(3)	59	-
Bargain purchase gain	(15)	-	-	-
Tax losses to which no deferred tax was recognized in current period	767	(9)	4 230	(20)
Utilization of tax losses to which no deferred tax was previously recognized	(26)	-	(121)	1
Decrease in deferred tax asset in the current period due to its non-utilization	261	(3)	1 324	(6)
Correction of income tax from previous periods	(55)	1	24	-
Tax licences	9	-	13	-
Withholding tax	7	-	-	-
Total income tax expense in profit or loss / (decrease in expenses)	(548)	7	282	(1)

Deferred tax is calculated using the tax rate valid in period during which the receivable will be realised or the liability settled.

The tax rate in Slovakia is 22% (2014: 22%), in the Czech Republic 19% (2014: 19%), in Austria 25% (2014: 25%), in Croatia 20% (2014: 20%) and in Macedonia 10% (2014: 10%).

14. Goodwill, TV format and other intangible assets

Year ended 31 December 2015:

in thousands of EUR	TV format	Contractual rights	Goodwill	Trade-mark	Other assets	Total
Acquisition cost						
Balance at 1 January 2015	**109 134**	**64 834**	**6 583**	**7 657**	**7 287**	**195 495**
Additions	-	-	-	-	1 030	1 030
Additions from business combinations	-	2 202	3 435	-	8	**5 645**
Disposals	-	-	-	-	(2)	**(2)**
Changes due to translation differences	-	766	36	53	16	**871**
Balance at 31 December 2015	**109 134**	**67 802**	**10 054**	**7 710**	**8 339**	**203 039**
Accumulated amortization and impairment allowance						
Balance at 1 January 2015	**(15 398)**	**(8 977)**	**(3 273)**	**-**	**(3 820)**	**(31 468)**
Amortisation	(4 807)	(3 591)	-	-	(1 156)	**(9 554)**
Disposals	-	-	-	-	2	**2**
Changes due to translation differences	-	(118)	-	-	(8)	**(126)**
Balance at 31 December 2015	**(20 205)**	**(12 686)**	**(3 273)**	**-**	**(4 982)**	**(41 146)**
Carrying amount						
Balance at 1 January 2015	**93 736**	**55 857**	**3 310**	**7 657**	**3 467**	**164 027**
Balance at 31 December 2015	**88 929**	**55 116**	**6 781**	**7 710**	**3 357**	**161 893**

Year ended 31 December 2014:

in thousands of EUR	TV format	Contractual rights	Goodwill	Trade-mark	Other assets	Total
Acquisition cost						
Balance at 1 January 2014	**109 134**	**65 152**	**6 500**	**7 679**	**11 265**	**199 730**
Additions	-	-	-	-	327	**327**
Additions from business combinations	-	-	98	-	-	**98**
Disposals	-	-	-	-	(4 301)	**(4 301)**
Changes due to translation differences	-	(318)	(15)	(22)	(4)	**(359)**
Balance at 31 December 2014	**109 134**	**64 834**	**6 583**	**7 657**	**7 287**	**195 495**
Accumulated amortization and impairment allowance						
Balance at 1 January 2014	**(10 465)**	**(5 550)**	**(3 273)**	**-**	**(5 747)**	**(25 035)**
Amortisation	(4 933)	(3 466)	-	-	(2 375)	**(10 774)**
Disposals	-	-	-	-	4 301	**4 301**
Changes due to translation differences	-	39	-	-	1	**40**
Balance at 31 December 2014	**(15 398)**	**(8 977)**	**(3 273)**	**-**	**(3 820)**	**(31 468)**
Carrying amount						
Balance at 1 January 2014	**98 669**	**59 602**	**3 227**	**7 679**	**5 518**	**174 695**
Balance at 31 December 2014	**93 736**	**55 857**	**3 310**	**7 657**	**3 467**	**164 027**

15. Impairment testing of assets

a) Impairment testing for the year ended 31 December 2015

CGU BigBoard Praha[1]

As at 31 December 2015, goodwill in the amount of EUR 1 437 thousand and non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 2 044 thousand were recorded by the Group relating to CGU BigBoard Praha[1].

The assumptions used in the impairment testing of the CGU BigBoard Praha[1] as at 31 December 2015 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.
- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.
- A discount rate of 8.75% was determined based on the target structure of own and external capital of comparable businesses in the industry.
- Key assumptions, and also the most volatile ones, used in determining the value in use, were earnings before interest, tax, depreciation and amortization (EBITDA) and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU BigBoard Praha[1] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase in discount rate from 8.75% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU Slovenská produkčná[2]

The Group does not recognize any goodwill or non-current intangible assets with indefinite useful life for the CGU Slovenská produkčná[2] as at 31 December 2015. In 2015, the Company performed an analysis to identify impairment indicators of assets. Based on the Company's analysis, impairment indicators for the CGU Slovenská produkčná[2] were identified, and therefore the Company performed impairment testing of assets.

15. Impairment testing of assets (continued)

The assumptions used in impairment testing of the CGU Slovenská produkčná[2] as at 31 December 2015 were as follows:

- Asset's value in use was derived from future cash flows estimated by the management, updated since acquisition date. Future cash flows were estimated based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.
- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.
- A discount rate of 9% was determined based on the target structure of own and external capital of comparable businesses in the industry.
- Key assumptions, and also the most volatile ones, used in determining the value in use, were earnings before interest, tax, depreciation and amortization (EBITDA) and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Slovenská produkčná[2] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 9% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU Akzent BigBoard[3]

As at 31 December 2015, the Group recognized for the CGU Akzent BigBoard[3] a goodwill in the amount of EUR 1 912 thousand and non-current intangible assets with indefinite useful life, the trademark, in the amount of EUR 1 865 thousand.

The assumptions used in impairment testing of the CGU Akzent BigBoard[3] as at 31 December 2015 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.
- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.
- A discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.
- Key assumptions, and also the most volatile ones, used in determining the value in use, were earnings before interest, tax, depreciation and amortization (EBITDA) and the discount rate. Management's approach to

15. Impairment testing of assets (continued)

determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Akzent BigBoard[3] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU EPAMEDIA[4]

As at 31 December 2015, no goodwill was recognized for CGU EPAMEDIA[4]. For the CGU EPAMEDIA[4], the Group recognized non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 3 800 thousand as at 31 December 2015.

The assumptions used in the impairment testing of the CGU EPAMEDIA[4] as at 31 December 2015 were as follows:

- Non-current intangible asset's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.
- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.
- The discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.
- Key assumptions, and also the most volatile ones, used in determining the value in use, were earnings before interest, tax, depreciation and amortization (EBITDA) and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU EPAMEDIA[4] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

CGU RADIO SERVICES[5]

As at 31 December 2015, the Group recognized for the CGU RADIO SERVICES[5] a goodwill in the amount of EUR 3 430 thousand.

The assumptions used in the impairment testing of the CGU RADIO SERVICES[5] as at 31 December 2015 were as follows:

15. Impairment testing of assets (continued)

- Non-current intangible asset's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 9.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were earnings before interest, tax, depreciation and amortization (EBITDA) and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU RADIO SERVICES[5] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 9.5% to 12% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

[1] The group BigBoard Praha includes: BigBoard Praha, a.s., BigMedia, spol. s r.o., Czech Outdoor s.r.o, Expiria, s.r.o., RAILREKLAM, s.r.o., MG Advertising, s.r.o., Barrandia s.r.o., Český billboard, s.r.o., outdoor akzent s.r.o., Bilbo City s.r.o. and QEEP, a.s..

[2] The group Slovenská produkčná includes: Slovenská produkčná, a.s., MAC TV s.r.o. and DONEAL, s.r.o.

[3] The group Akzent BigBoard includes: Akzent BigBoard, a.s, BigMedia, spol. s r.o., RECAR Bratislava a.s., RECAR Slovensko a.s., Media representative, s.r.o. and BHB, s.r.o.

[4] The group EPAMEDIA includes: EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH and R + C Plakatforschung und –kontrolle Gesellschaft mbH.

[5] The group RADIO SERVICES includes: Harad, a.s. and Radio Services s. r. o.

b) Impairment testing for the year ended 31 December 2014

CGU BigBoard Praha[1]

As at 31 December 2014, goodwill in the amount of EUR 1 396 thousand and non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 1 991 thousand were recorded by the Group relating to CGU BigBoard Praha[1].

The assumptions used in the impairment testing of the CGU BigBoard Praha[1] as at 31 December 2014 were as follows:

JOJ Media House, a. s. and Subsidiary Companies
Notes to the consolidated financial statements for the year ended 31 December 2015

15. Impairment testing of assets (continued)

- Goodwill's value in use was derived from future cash flows estimated by the management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 8% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were earnings before interest, tax, depreciation and amortization (EBITDA) and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU BigBoard Praha[1] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% would not cause the assets to be impaired.

CGU Slovenská produkčná[2]

The Group does not recognize any goodwill or non-current intangible assets with indefinite useful life for the CGU Slovenská produkčná[2] as at 31 December 2014. In 2014, the Company performed an analysis to identify impairment indicators of assets. Based on the Company's analysis, impairment indicators for the CGU Slovenská produkčná[2] were identified, and therefore the Company performed impairment testing of assets.

The assumptions used in the impairment testing for CGU Slovak produkčná[2] at 31 December 2014 were as follows:

- Asset's value in use was derived from future cash flows estimated by the management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 8% was determined based on the target structure of own and external capital.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were earnings before interest, tax, depreciation and amortization (EBITDA) and the discount rate. Management's approach to determining the weight of each key assumption was based on the historical experience, which is consistent with external sources of information.

15. Impairment testing of assets (continued)

Based on this testing, no impairment losses of the assets of CGU Slovenská produkčná[2] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8% to 10% would cause the assets to be impaired in the amount EUR 13 214 thousand. A decrease of net cash flows by 10% compare to management estimates would not cause the assets to be impaired.

CGU Akzent BigBoard[3]

As at 31 December 2014 for the CGU Akzent BigBoard[3], the Group recognized a goodwill in the amount of EUR 1 912 thousand and non-current intangible asset with indefinite useful life, the trademark, of EUR 1 865 thousand.

The assumptions used in the impairment testing for CGU Akzent BigBoard[3] at 31 December 2014 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by the management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.
- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.
- The discount rate of 8% was determined based on the target structure of own and external capital of comparable businesses in the industry.
- Key assumptions, and also the most volatile ones, used in determining the value in use, were earnings before interest, tax, depreciation and amortization (EBITDA) and the discount rate. Management's approach to determining the weight of each key assumption was based on the historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Akzent BigBoard[3] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% would not cause the assets to be impaired.

CGU EPAMEDIA[4]

As at 31 December 2014, no goodwill was recognized for CGU EPAMEDIA[4]. For the CGU EPAMEDIA[4] the Group recognized non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 3 800 thousand as at 31 December 2014.

15. Impairment testing of assets (continued)

The assumptions used in the impairment testing for CGU EPAMEDIA[4] at 31 December 2014 were as follows:

- Non-current asset's value in use was derived from future cash flows estimated by the management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.
- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.
- The discount rate of 8% was determined based on the target structure of own and external capital of comparable businesses in the industry.
- Key assumptions, and also the most volatile ones, used in determining the value in use, were earnings before interest, tax, depreciation and amortization (EBITDA) and the discount rate. Management's approach to determining the weight of each key assumption was based on the historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU EPAMEDIA[4] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% would not cause the assets to be impaired.

[1] The group BigBoard Praha includes: BigBoard Praha, a.s., BigMedia, spol. s r.o., Czech Outdoor s.r.o, Expiria, s.r.o., RAILREKLAM, s.r.o., MG Advertising, s.r.o., Barrandia s.r.o., Český billboard, s.r.o., outdoor akzent, s.r.o. and Bilbo City s.r.o.

[2] The group Slovenská produkčná includes: Slovenská produkčná, a.s., MAC TV s.r.o., DONEAL s.r.o. and SENZI, a.s.

[3] The group Akzent BigBoard includes: Akzent BigBoard, a.s., BigMedia, spol. s r.o., RECAR Bratislava a.s., RECAR Slovensko a.s., HANDY MEDIA s.r.o., Media representative s.r.o. and BHB s.r.o.

[4] The group EPAMEDIA includes: EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH, R + C Plakatforschung und –kontrolle Gesellschaft mbH, Heimatwerbung Gesellschaft m.b.H. (Linz - Upper Austria), Heimatwerbung Gesellschaft m.b.H. (Vienna) and Akcie.sk, s.r.o.

16. Property, plant and equipment

Year ended 31 December 2015:

In thousands of EUR	Land	Buildings and structures	Machinery and equipment	Acquisition of property, plant and equipment	Total
Acquisition cost					
Balance as at 1 January 2015	**299**	**4 640**	**99 527**	**421**	**104 887**
Additions	-	17	5 440	1 277	**6 734**
Additions from business combinations	-	-	256	57	**313**
Transfers	-	(1 997)	2 982	(985)	**-**
Disposals	-	-	(3 772)	(24)	**(3 796)**
Changes due to translation differences	-	33	927	4	**964**
Balance as at 31 December 2015	**299**	**2 693**	**105 360**	**750**	**109 102**
Accumulated depreciation and impairment allowance					
Balance as at 1 January 2015	**-**	**(391)**	**(19 778)**	**-**	**(20 169)**
Depreciation	-	(87)	(8 441)	-	**(8 528)**
Value adjustment used	-	-	887	-	**887**
Release of value adjustment	-	-	151	-	**151**
Disposals	-	-	1 702	-	**1 702**
Changes due to translation differences	-	(3)	(136)	-	**(139)**
Balance as at 31 December 2015	**-**	**(481)**	**(25 615)**	**-**	**(26 096)**
Carrying value					
Balance as at 1 January 2015	**299**	**4 249**	**79 749**	**421**	**84 718**
Balance as at 31 December 2015	**299**	**2 212**	**79 745**	**750**	**83 006**

Year ended 31 December 2014:

in thousands of EUR	Land	Buildings and structures	Machinery and equipment	Acquisition of property, plant and equipment	Total
Acquisition cost					
Balance as at 1 January 2014	**299**	**4 557**	**97 757**	**436**	**103 049**
Additions	-	135	5 311	1 039	**6 485**
Transfers	-	5	247	(252)	**-**
Disposals	-	(34)	(3 410)	(801)	**(4 245)**
Changes due to translation differences	-	(23)	(378)	(1)	**(402)**
Balance as at 31 December 2014	**299**	**4 640**	**99 527**	**421**	**104 887**
Accumulated depreciation and impairment allowance					
Balance as at 1 January 2014	**-**	**(206)**	**(11 291)**	**-**	**(11 497)**
Depreciation	-	(189)	(8 244)	-	**(8 433)**
Impairment of assets	-	-	(2 676)	-	**(2 676)**
Disposals	-	3	2 391	-	**2 394**
Changes due to translation differences	-	1	42	-	**43**
Balance as at 31 December 2014	**-**	**(391)**	**(19 778)**	**-**	**(20 169)**
Carrying value					
Balance as at 1 January 2014	**299**	**4 351**	**86 466**	**436**	**91 552**
Balance as at 31 December 2014	**299**	**4 249**	**79 749**	**421**	**84 718**

16. Property, plant and equipment (continued)

Machines and equipment include advertising equipment amounting to EUR 72 904 thousand (31 December 2014: EUR 74 008 thousand).

Impairment of non–current tangible assets

During the period from 1 January 2014 to 31 December 2014, the Group has impaired the carrying value of non-current tangible assets in the amount of EUR 2 676 thousand. Impairment of non-current tangible assets results from the plan to dismantle advertising equipment in Austrian companies. The reason for planned dismantling is the obsolescence of advertising equipment and cost savings in the future. According to the plan to dismantle advertising equipment, the Group planned to dismantle 4 000 advertising equipment units during of years 2015 - 2016. The amount of impairment provision as at 31 December 2014 corresponds to the carrying amount of advertising equipment which was planned to be dismantled. The Group will no longer use the dismantled advertising equipment.

In the period from 1 January 2015 to 31 December 2015, the Group has used the impairment provision in the amount of EUR 887 thousand upon the disposal of the assets for which the impairment provision was created. An impairment provision in the amount of EUR 151 thousand was reversed as the reason for its creation ceased to exist.

Insurance of property, plant and equipment

The Group has insured its assets against natural disasters, theft, vandalism and general machinery malfunction. Cars are insured through full accident and liability insurance. The Group is also insured against liability for damage. The total insured amount of assets as at 31 December 2015 amounts to EUR 45 783 thousand (31 December 2014: EUR 46 386 thousand).

Leased assets

The Group leases cars, broadcasting equipment, land and a building based on a finance lease agreements. The finance lease agreement relating to the land and building is concluded until 2021. The finance lease agreements relating to broadcasting equipment are signed until 2019.

The carrying value of leased assets amounted to EUR 3 169 thousand as at 31 December 2015 (31 December 2014: EUR 2 478 thousand).

Restriction in use of assets

On 23 June 2014, the Police of the Czech Republic, Bureau of Corruption and Financial Crime ruled by a Decision to seize advertising equipment of the company Czech Outdoor, s.r.o. based on the suspicion of a crime regarding the administration of property of other person. This seizure relates to 164 advertising constructions in the carrying amount of approximately EUR 5 514 thousand. According to the Decision, Czech Outdoor s.r.o. is eligible to use these equipments for the purpose of its own entrepreneurial activities, however it is not allowed to transfer these assets to third parties or use them as a lien. The above-mentioned criminal proceeding is not held against Czech Outdoor, s.r.o. or its current or former statutory representatives, it is held against the former statutory representatives of Ředitelství silnic a dálnic ČR (Road and Motorway directorate of the Czech Republic), with which Czech Outdoor s.r.o. signed in 2010 an amendment to the rental contracts. Management of Czech Outdoor, s.r.o., represented by the law firm AK Brož, Sokol & Novák, actively undergoes legal actions to cancel this seizure. This seizure does not have any direct material impact on the profit or loss of the Group.

17. Other financial instruments

in thousands of EUR	31 December 2015	31 December 2014
Mutual funds	432	421
Currency forwards	-	534
Securities available for sale	27	3
Total	**459**	**958**

The administrator of the mutual funds is Raiffeisenlandesbank Niederösterreich-Wien AG. Securities available for sale include a 16% share in the company PMT, s.r.o., which is carried at acquisition cost. The value of the ownership share amounts to EUR 2 thousand as at 31 December 2015 (31 December 2014: EUR 2 thousand). The Group is liable only up to its share in this company and has no other obligations in respect of this company.

Fair value hierarchy

Determining fair value of financial assets carried at fair value through profit or loss is as follows:

in thousands of EUR	31 December 2015	31 December 2014
Level 1	432	421
Level 2	-	534
Total	**432**	**955**

18. Investments in associates and joint ventures

v thousands of EUR	31 December 2015	31 December 2014
Associates	1 195	1 160
Joint ventures	-	16
Total	**1 195**	**1 176**

As at 31 December 2015, the Group records a share on unrecorded losses of associates and joint ventures in the amount of EUR 1 thousand (as at 31 December 2014, the Group did not record any share on unrecorded losses of associates and joint ventures).

Joint ventures
For the year ended 31 December 2015, the Group's share of profit / (loss) of joint ventures and Group's share of other comprehensive income of joint ventures is EUR 0 thousand (for the year ended 31 December 2014: Group's share on losses of joint ventures was EUR 1 thousand and the Group's share on other comprehensive income of joint ventures was EUR 0 thousand).

18. Interest in associates and joint ventures (continued)

Associates
The Group has a significant investment in an associate RAILREKLAM, s.r.o. with a place of business in the Czech Republic.

Summarised financial information of an associate RAILREKLAM, s.r.o. is presented in the following table:

in thousands or EUR	31 December 2015	31 December 2014
Non-current assets	280	198
Current assets	1 965	2 016
Non-current liabilities	(86)	(103)
Current liabilities	(611)	(614)
Net assets and liabilities (100%)	1 548	1 497
Group share of net assets and liabilities	758	734
Goodwill	437	426
The value of investment in the consolidated statement of financial position	**1 195**	**1 160**

in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014
Income (100%)	4 178	3 725
Profit for the period (100%)	201	46
Other comprehensive income (100%)	(1)	156
Comprehensive income for period (100%)	200	202
Group share on comprehensive income	**59**	**59**
Dividends received by the Group from associate	56	64

19. Programme rights and internal programme rights

Year ended 31 December 2015:

in thousands of EUR	Programme rights	Internal programme rights	Total
Acquisition cost			
Balance as at 1 January 2015	**17 257**	**22 535**	**40 189**
Additions	12 744	24 692	**37 436**
Utilised	**(11 491)**	(22 553)	**(34 044)**
Written off	(69)	-	**(69)**
Balance as at 31 December 2015	**15 532**	**27 980**	**43 512**
Impairment allowance			
Balance as at 1 January 2015	-	**(3 735)**	**(3 735)**
Utilised	-	726	**726**
Balance as at 31 December 2015	-	**(3 009)**	**(3 009)**
Carrying value			
Balance as at 1 January 2015	**14 348**	**22 106**	**36 454**
Balance as at 31 December 2015	**15 532**	**24 971**	**40 503**

Year ended 31 December 2014:

in thousands of EUR	Programme rights	Internal programme rights	Total
Acquisition cost			
Balance as at 1 January 2014	**17 257**	**22 535**	**39 792**
Additions	11 058	21 811	**32 869**
Utilised	(13 959)	(18 505)	**(32 464)**
Written off	(8)	-	**(8)**
Balance as at 31 December 2014	**14 348**	**25 841**	**40 189**
Impairment allowance			
Balance as at 1 January 2014	-	**(5 815)**	**(5 815)**
Utilised	-	2 080	**2 080**
Balance as at 31 December 2014	-	**(3 735)**	**(3 735)**
Carrying value			
Balance as at 1 January 2014	**17 257**	**16 720**	**33 977**
Balance as at 31 December 2014	**14 348**	**22 106**	**36 454**

For the years ended 31 December 2015 and 31 December 2014, the main increase in internal programme rights was represented by series, reality shows and news programmes.

19. Programme rights and internal programme rights (continued)

in thousands of EUR	31 December 2015	31 December 2014
Valid programme rights or those becoming valid within 1 year after the balance sheet date	14 560	12 979
Current programme rights	**14 560**	**12 979**
Programme rights becoming valid more than 1 year after the balance sheet date	351	984
Programme rights becoming valid more than 2 years after the balance sheet date	621	385
Non-current programme rights	**972**	**1 369**
Total	**15 532**	**14 348**

The Group has no programme rights or internal programme rights carried at a value exceeding net realisable value, as management expects that income from broadcasted advertisements will exceed the value of programme rights and internal programme rights presented in the consolidated statement of financial position.

20. Trade and other receivables

in thousands of EUR	31 December 2015	31 December 2014
Trade receivables	27 109	21 913
Other receivables	1 490	1 157
Receivables subtotal	**28 599**	**23 070**
Impairment allowance to receivables	(1 981)	(2 287)
Total receivables presented in risk management	**26 618**	**20 783**

Changes in impairment allowance during the period:

in thousands of EUR	*Note*	Year ended 31 December 2015	Year ended 31 December 2014
Balance as at 1 January		**2 287**	**1 776**
Creation	9	781	1 287
Use		(254)	(216)
Release	9	(866)	(548)
Changes due to translation differences		33	(12)
Balance as at 31 December		**1 981**	**2 287**

Impairment provisions to receivables reflect customers' credit rating and their ability to pay their liabilities.

21. Loans granted

in thousands of EUR	31 December 2015	31 December 2014
Loans granted	23 668	1 018
Impairment allowance	(27)	(26)
Total	**23 641**	**992**

See Note 31 – Risk management information.

Changes in impairment allowance during the period:

in thousands of EUR	*Note*	Year ended 31 December 2015	Year ended 31 December 2014
Balance as at 1 January		**26**	-
Creation	9	-	26
Changes due to translation differences		1	-
Balance as at 31 December		**27**	**26**

22. Other assets

in thousands of EUR	31 December 2015	31 December 2014
Prepaid expenses	1 358	1 269
Advances paid	824	2 120
Inventory	433	309
Tax receivables	151	573
Receivables from employees	9	87
Total	**2 775**	**4 358**

23. Cash and cash equivalents

in thousands of EUR	31 December 2015	31 December 2014
Bank accounts	10 597	11 828
Cash, that is not at the Group's full disposal	1 860	-
Cash in hand	77	64
Stamps and vouchers	15	76
Total	**12 549**	**11 968**

Cash and cash equivalents that are not at the Group's full disposal amounted to EUR 1 860 thousand. The Group uses them as a lien for its issued bonds (see Note 26 - Issued bonds).

24. Equity

Share capital

As at 31 December 2015 and 31 December 2014, the Company's share capital equals EUR 25 thousand. Share capital as at 31 December 2015 and 31 December 2014 constituted of 1 000 common shares in a nominal value of 25 EUR per share.

The shareholder is entitled to dividends and is entitled to cast his vote during general meetings of the Company, 1 vote per share.

Share capital is fully paid up.

Other funds

Other funds include legal reserve fund in the amount of EUR 307 thousand, other capital funds in the amount of EUR 51 013 thousand and fund from foreign currencies translations differences in the amount of EUR (952) thousand (as at 31 December 2014 legal reserve fund: EUR 305 thousand, other capital funds: EUR 51 004 thousand and fund from foreign currency translation: EUR (1 186) thousand).

The Company is obliged, according to the Slovak legal regulations, to create a legal reserve fund at a minimum of 10% of net profit and at least up to 20% of the share capital (cumulatively). The legal reserve fund can only be used to cover the Company's losses and cannot be paid out as dividends. The calculation of the reserve fund is carried out in line with legal requirements.

Non-controlling interests

The following subsidiaries have Non-controlling interests that are significant to the Group:

	Place of business	Ownership interest attributable to Non-controlling share	
		31 December 2015	31 December 2014
		%	%
BigBoard Praha, a.s.	Czech Republic	40	40
Czech Outdoor s.r.o.	Czech Republic	40	40

24. Equity (continued)

Summary financial information of subsidiaries before elimination of intra-group relations are shown in the table below:

	BigBoard Praha, a.s.		Czech Outdoor s.r.o.	
in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
Revenue (100%)	12 420	13 404	13 584	15 205
Profit / (loss) for period (100%)	(3 812)	(2 932)	1 277	2 154
Other comprehensive income (100%)	(126)	13	145	(48)
Comprehensive income for period (100%)	**(3 938)**	**(2 919)**	**1 422**	**2 106**
Profit / (loss) for the period attributable to non-controlling interests	(1 525)	(1 173)	511	862
Comprehensive income for period attributable to non-controlling interests	(1 575)	(1 168)	569	842

	BigBoard Praha, a.s.		Czech Outdoor s.r.o.	
in thousands of EUR	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Non-current assets	44 281	43 040	19 933	20 161
Current assets	6 194	5 251	8 166	7 206
Non-current liabilities	(47 594)	(48 960)	(18 385)	(19 091)
Current liabilities	(10 229)	(2 741)	(3 245)	(3 230)
Net assets and liabilities (100%)	**(7 348)**	**(3 410)**	**6 469**	**5 046**
Net assets and liabilities attributable to non-controlling share	(2 939)	(1 364)	2 588	2 018

24. Equity (continued)

	BigBoard Praha, a.s.		Czech Outdoor s.r.o.	
in thousands of EUR	Year ended 31 December 2015	Year ended 31 December 2014	Year ended 31 December 2015	Year ended 31 December 2014
Cash flow from / (used in) operating activities	1 407	(1 664)	1 943	414
Cash flow from / (used in) investing activities	**(2 100)**	**1 588**	**(930)**	(183)
Cash flow from / (used in) financing activities	2 193	(339)	(1 101)	(1 137)
Increase / (decrease) in cash and cash equivalents	**1 500**	**(415)**	**(88)**	**(906)**

Significant effect from purchase of share in company without change of control as at 31 December 2014

in thousands of EUR	Group Slovenská produkčná[1]
Retained earnings	1 015
Equity attributable to the equity holders of the parent company	1 015
Non-controlling interests attributable to acquired shares	(2 199)
Acquisition of shares	(1 184)

[1] Group Slovenská produkčná includes companies Slovenská produkčná, a.s., MAC TV s.r.o., TELEPON PLUS, spol. s r.o., DONEAL, s.r.o. and SENZI, a. s.

During 2013, a portion of shares of Slovenská produkčná, a.s. corresponding to 15% of the share capital of the company, was sold to members of senior management of Slovenská produkčná, a.s. For the purchase of the shares, a loan was provided to the members of senior management by JOJ Media House, a.s., which is recognized within Group's non-current assets. Subsequently, in 2014, the Group bought back shares corresponding to 10% of the share capital of Slovenská produkčná, a.s.

25. Bank loans and loans and borrowings

in thousands of EUR	31 December 2015	31 December 2014
Bank loans – bearing fixed interest rates	7	7
Bank loans – bearing variable interest rates	89 235	57 735
Borrowings – bearing fixed interest rates	11 359	9 849
Borrowings – bearing variable interest rates	795	947
Total	**101 396**	**68 538**

25. Bank loans and loans and borrowings (continued)

The average interest rate of bank loans and interest bearing borrowings as at 31 December 2015 equalled to 4.42% (as at 31 December 2014: 4.40%).

As at 31 December 2015, the Group drew loans from several banking institutions. Some loans have contractually defined amount of financial covenants that the Group is obligated to fulfil. As at 31 December 2015, the Group fulfilled all these covenants.

The financial leasing contract relating to a building has also a defined covenants. The Group as at 31 December 2015 breached the covenants as defined in the contract on financial leasing and financial leasing has become payable on demand. Therefore, the Group presented the liability as current as at 31 December 2015. Concurrently, the Group does not expect that the leasing company will demand early repayment of the finance lease.

The Group provided guarantees for received bank loans, interest bearing borrowings and finance leasing:

in thousands of EUR	31 December 2015	31 December 2014
Internal programme rights	24 971	22 106
Programme rights acquired	15 532	14 348
Bills of exchange guarantee	-	4 867
Trade and other receivables	1 594	5 402
Cash, that is not at the Group's full disposal	1 860	-
Property, plant and equipment	2 494	1 655
Other assets	-	15
Total	**46 451**	**48 393**

Property, plant and equipment represents leased property used for securing the finance leasing in the amount of EUR 2 494 thousand (as at 31 December 2014: EUR 1 655 thousand).

Finance leasing liabilities

Finance leasing liabilities as at 31 December 2015 were as follows:

in thousands of EUR	Payments	Interest	Principal
Less than 3 months	949	91	858
3 months to 1 year	297	29	268
1 to 5 years	1 205	52	1 153
Total	**2 451**	**172**	**2 279**

25. Bank loans and loans and borrowings (continued)

Finance leasing liabilities as at 31 December 2014 were as follows:

in thousands of EUR	Payments	Interest	Principal
Less than 3 months	981	107	874
3 months to 1 year	280	47	233
1 to 5 years	642	45	597
Total	**1 903**	**199**	**1 704**

26. Issued bonds

The Company has the following bonds in issue:

in thousands of EUR	ISIN	Issued	Due date	Original currency of the issue	Nominal value of the issue in original currency	Effective interest rate in %	Carrying value as at 31 December 2015	Carrying value as at 31 December 2014
Type								
payable to bearer	SK4120008244	21.12.2011	21.12.2015	EUR	25 000	7,66	-	23 222
payable to bearer	CZ0003502312	28.11.2012	28.11.2017	CZK	730 000	7,67	26 960	26 153
payable to bearer	CZ0003503153	5.12.2012	5.12.2019	CZK	545 041	9,54	20 358	19 407
payable to bearer	SK4120009382	15.8.2013	15.8.2018	EUR	40 530	6,62	41 262	55 875
payable to bearer	SK4120011222	7.12.2015	7.12.2021	EUR	45 688	6,38	31 657	-
							120 237	**124 657**

The bonds presented as current liabilities in the Consolidated statement of financial position of the Group in the amount of EUR 1 646 thousand represent unpaid accrued interest that will be paid during the 2016.

Bonds ISIN SK4120008244 are zero coupon bonds. Interest expense for the year ended 31 December 2015 is in the amount of EUR 1 778 thousand (for the year ended 31 December 2014: EUR 1 652 thousand). The bonds were fully paid on 21 December 2015.

Bonds ISIN CZ0003502312 are bearing fixed interest that is payable semi-annually. Interest expense for the year ended 31 December 2015 is in the amount EUR 1 990 thousand (for the year ended 31 December 2014 in the amount of EUR 1 971 thousand).As at 31 December 2015, the bonds are secured by cash on bank account in the amount of EUR 1 860 thousand (CZK 50 265 thousand). The Group does not have this amount at its full disposal.

Bonds ISIN CZ0003503153 is fixed interest that is payable annually. Interest expense for the year ended 31 December 2015 is in the amount of EUR 1 875 thousand (for the year ended 31 December 2014 in the amount of EUR 1 857 thousand).
Bonds in the nominal value in the amount of CZK 100 000 thousand (EUR 3 701 thousand) were purchased back by the Group on 12 August 2013.

Bonds ISIN SK4120009382 is fixed interest that is payable annually. Interest expense for the year ended 31 December 2015 is in the amount of EUR 3 375 thousand (for the year ended 31 December 2014 in the amount of EUR 3 567 thousand).

26. Issued bonds (continued)

Bonds in the nominal value of the issue was in the amount of EUR 12 970 thousand were purchased back by the Group on 25 August 2015. Additionally, bonds with nominal value in the amount of EUR 1 500 thousand were purchased back by the Group on 9 December 2015.

Bonds SK4120011222 are zero coupon bonds. Interest expense for the year ended 31 December 2015 is in the amount of EUR 104 thousand (for the year ended 31 December 2014: EUR 0 thousand).
Bonds in the nominal value of EUR 2 812 thousand were purchased back by the Group on 9 December 2015 for EUR 1 982 thousand.

27. Deferred tax asset / (liability)

The following items gave rise to a deferred tax asset / (liability):

in thousands of EUR	**Receivables 31 December 2015**	**Liabilities 31 December 2015**	**Total 31 December 2015**
Temporary differences related to:			
Property, plant and equipment	-	(12 415)	(12 415)
Other intangible assets	-	(33 126)	(33 126)
Provisions	331	-	331
Unpaid interest	-	(338)	(338)
Tax losses	11 500	-	11 500
Other	846	(3)	843
Netting	*(11 698)*	*11 698*	-
Total	**979**	**(34 184)**	**(33 205)**

in thousands of EUR	**Receivables 31 December 2014**	**Liabilities 31 December 2014**	**Total 31 December 2014**
Temporary differences related to:			
Property, plant and equipment	-	(12 995)	(12 995)
Other intangible assets	-	(33 868)	(33 868)
Provisions	130	(92)	38
Unpaid interest	-	(459)	(459)
Tax losses	11 992	-	11 992
Other	900	(71)	829
Netting	*(7 446)*	*7 446*	-
Total	**5 576**	**(40 039)**	**(34 463)**

Deferred tax assets from losses carried forward is recognized only to the extent that is probable that a taxable profit will be available again which this amount can be utilized.

27. Deferred tax asset / (liability) (continued)

Deferred tax asset arising from the following items was not recognized (tax base):

in thousands of EUR	**31 December 2015**	**31 December 2014**
Tax losses	56 681	80 517
Total	**56 681**	**80 517**

Expected periods for expiration of tax losses utilization:

in thousands of EUR	**2016**	**2017**	**2018**	**2019**	**After 2019**
Tax losses	3 429	3 450	1 386	2 863	92 114

Tax losses incurred in Slovakia can be utilized on a straight line basis no more than 4 consecutive years equally, the maximum time period for tax losses utilization in Czech Republic is 5 years. In Austria, tax losses utilization is not limited by time.

28. Provisions

Year ended 31 December 2015:

in thousands of EUR	**Onerous contracts**	**Asset retirement obligation provision**	**Employee benefits**	**Fines from RpVaR[1] and lawsuits**	**Other provisions**	**Provisions total**
Balance as at 1 January	**2 259**	**1 128**	**924**	**638**	**486**	**5 435**
Creation	318	58	47	184	717	1 324
Utilisation	(1 116)	(369)	(94)	(163)	(466)	(2 208)
Release	-	(239)	-	(11)	(9)	(259)
Changes due to translation differences	-	3	-	1	-	4
Balance as at 31 December	**1 461**	**581**	**877**	**649**	**728**	**4 296**

Current	3 055
Non-current	1 241
Total	**4 296**

28. Provisions (continued)

Year ended 31 December 2014:

in thousands of EUR	Onerous contracts	Asset retirement obligation provision	Employee benefits	Fines from RpVaR[1] and lawsuits	Other provisions	Provisions total
Balance as at 1 January	**164**	**-**	**925**	**1 465**	**602**	**3 156**
Creation	2 168	1 129	77	174	481	4 029
Utilisation	(45)	-	(78)	(949)	(514)	(1 586)
Release	(28)	-	-	(50)	(83)	(161)
Changes due to translation differences	-	(1)	-	(2)	-	(3)
Balance as at 31 December	**2 259**	**1 128**	**924**	**638**	**486**	**5 435**

Current	3 250
Non-current	2 185
Total	**5 435**

[1]RpVaR – Council for Broadcasting and Retransmission

The provision for onerous contracts represents a provision for future liabilities arising from non-cancellable contracts that will not bring future economic benefits.

As at 31 December 2014 the asset retirement obligation provision resulted from the plan to dismantle advertising equipment (AE) in entities in Austria. According to the plan to dismantle advertising equipment, the Group planned to dismantle 4 000 advertising equipment units during of years 2015 – 2016. The average market price for the dismantling of one advertising equipment unit is EUR 255. Using these inputs the provision was estimated in the amount of EUR 1 020 thousand.
As at 31 December 2015 the asset retirement obligation provision in entities in Austria is amounting to EUR 453 000.

As at 31 December 2014 the asset retirement obligation provision also included a provision resulting from the amendment to the Act on land communication in the Czech Republic. Under this amendment, the Group has a legal obligation to dismantle advertising equipment units that do not comply with the new regulation until 31 August 2017. Therefore, the Group created a provision in the amount of EUR 108 thousand. The provision also reflects the estimated revenue from the sale of dismantled parts of the advertising units. The average market price for dismantling of one advertising equipment unit considering revenues from its sale is EUR 108 (CZK 2 982).
As at 31 December 2015 the asset retirement obligation provision in the entities in the Czech Republic amounted to EUR 128 thousand.

29. Trade liabilities and other financial liabilities

in thousands of EUR	31 December 2015	31 December 2014
Trade liabilities	40 879	36 372
Accrued expenses	3 243	2 748
Other financial liabilities	1 538	2 934
Total	**45 660**	**42 054**

As at 31 December 2015, other financial liabilities include an interest swap in the amount of EUR 147 thousand (as at 31 December 2014: EUR 253 thousand), which is recorded at fair value.

Fair value hierarchy

Determination of fair value of interest swap is shown in the following table:

in thousands of EUR	31 December 2015	31 December 2014
Level 2	147	253
Total	**147**	**253**

Structure of liabilities according to their due dates is shown in the following table:

in thousands of EUR	31 December 2015	31 December 2014
Overdue liabilities	7 344	7 086
Liabilities within due date	38 316	34 968
	45 660	**42 054**

Majority of the overdue liabilities as at 31 December 2015 were paid by the date of the financial statements preparation.

30. Other liabilities

in thousands of EUR	31 December 2015	31 December 2014
Liabilities towards employees and institutions of social security	3 486	2 759
Advance payments received	2 248	799
Other tax liabilities	2 207	902
Deferred revenue	559	576
Total	**8 500**	**5 036**

The liabilities towards employees and institutions include a social fund liability in the amount EUR 96 thousand as at 31 December 2015 (as at 31 December 2014: EUR 91 thousand).

31. Risk management information

This section provides details on the financial risks to which the Group is exposed to and the methods of their management. The most important types of financial risks to which the Group is exposed are credit risk, liquidity risk, market risk and operational risk. Market risk is mainly interest rate risk and currency risk.

Liquidity risk

Liquidity risk is forming during financing ordinary activities of the Group, concurrently with the ability to meet its obligations when due, and during management of financial positions. Pose a risk of failure to fund assets in adequate due date and interest rate and risk of failure to realize assets for an appropriate price within a reasonable time period.

Individual companies in the Group use different methods for managing liquidity risk. The Group's management focuses on monitoring and managing liquidity of each individual company.

The following table presents an analysis of financial assets and liabilities of the Group presented according to the remaining contractual maturity of financial assets and liabilities as at balance sheet date. The presented amounts also include estimated payments of interest and represent contractual undiscounted cash flows.

The maturity of financial assets and liabilities as at 31 December 2015 is as follows:

in thousands of EUR	Carrying amount	Undis-counted cash flows	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
Assets						
Cash and cash equivalents	12 549	12 549	10 689	-	1 860	-
Trade and other receivables	26 618	26 618	26 322	49	158	89
Other financial instruments	459	459	459	-	-	-
Loans granted	23 641	27 509	-	1 662	25 847	-
	63 267	**67 135**	**37 470**	**1 711**	**27 865**	**89**
Liabilities						
Bank loans and interest bearing borrowings	(101 396)	(118 946)	(8 730)	(16 539)	(83 981)	(9 696)
Trade and other financial liabilities	(45 660)	(45 659)	(38 139)	(6 578)	(942)	-
Issued bonds	(120 237)	(152 537)	-	(6 692)	(100 157)	(45 688)
	(267 293)	**(317 142)**	**(46 869)**	**(29 809)**	**(185 080)**	**(55 384)**

The differences between the current financial assets and liabilities are balanced by the Group as follows:

- The Group has several not fully drawn loans, which can be utilized when needed. Current financial needs are satisfied through overdraft facilities and undrawn credit lines. As at 31 December 2015, the Group had EUR 14 906 thousand (as at 31 December 2014: EUR 9 514 thousand) of undrawn overdraft facilities.
- The Group at the same time drew overdraft facilities in the amount of EUR 15 155 thousand as at 31 December 2015 (as at 31 December 2014: EUR 22 305 thousand). These loans are awarded for one year period and are regularly prolonged. Based on past experience, Group's management expects that the maturity of these loans

31. Risk management information (continued)

will be extended for another year and therefore will not result in an outflow of cash during 2016, that equals to the amount of drawn balances of overdrafts as at 31 December 2015.
- As at 31 December 2015, the Group presents as current assets acquired programme rights and internal programme rights amounting to EUR 39 531 thousand (as at 31 December 2014: EUR 35 085 thousands). The Group will gain cash inflows, during 2016 and ongoing periods depending on the licence agreement, from utilizing programme rights and internal programme rights.

The maturity of financial assets and liabilities as at 31 December 2014 is as follows:

in thousands of EUR	Carrying amount	Undis-counted cash flows	Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
Assets						
Cash and cash equivalents	11 968	11 968	11 968	-	-	-
Trade and other receivables	20 783	20 783	20 520	18	169	76
Other financial instruments	958	958	675	283	-	-
Loans granted	992	1 143	-	78	1 065	-
	34 701	**34 852**	**33 163**	**379**	**1 234**	**76**
Liabilities						
Bank loans and interest bearing borrowings	(68 538)	(76 195)	(6 068)	(48 334)	(10 683)	**(11 110)**
Trade and other financial liabilities	(42 054)	(42 044)	(31 941)	(8 769)	(1 334)	-
Issued bonds	(124 657)	(154 270)	-	(32 143)	(122 127)	-
	(235 249)	**(272 509)**	**(38 009)**	**(89 246)**	**(134 144)**	**(11 110)**

- The syndicated loan in the amount of EUR 16 655 thousand was presented within short-term loans as at 31 December 2014 although it matured in 2018. As the Company breached the bank covenants defined by the financial institution in the loan contract so the loan became payable on demand and the Group presented it as a short-term as at 31 December 2014. The Group refinanced this syndicated loan by an increase in existing overdraft loan on 31 March 2015. This overdraft loan was replaced by a long term loan, thus resulting in no outflow of cash in 2015 other than regular loan repayments.
- The loan in the amount of EUR 7 733 thousand was presented within short-term loans as at 31 December 2014 which was originally due in 2019 due to the fact that the Company breached the bank covenants defined by the financial institution in the loan contract so the loan became payable on demand and the Group presented the loan as short-term as at 31 December 2014. As the Bank did not request the immediate repayment of the loan, there was no outflow of cash in 2015 other than regular loan repayments.
- The Group had issued bonds in the amount of EUR 25 000 thousand as at 31 December 2014 which were due in 2015. The Group refinanced these bonds at maturity with bonds of the same type in the same amount and there was no net outflow of cash during 2015.

31. Risk management information (continued)

Credit risk

The Group is facing this risk especially with trade receivables, other receivables and granted loans. The exposure to this risk is expressed by the carrying amount of these assets in the consolidated statement of financial position. The carrying amount of receivables and granted loans represent the maximum possible loss that would have to be recorded should the counterparty fail to meet its contractual obligations and all guarantees would have a zero value. The carrying amount thus substantially exceeds the expected losses expressed by impairment allowance.

The Company has not accepted any guarantees for its receivables.

Credit risk exposure by sector as at 31 December 2015 is as follows:

in thousands of EUR	Corporations	Banks	Other	Total
Assets				
Cash and cash equivalents	-	12 457	92	**12 549**
Trade and other receivables	25 795	508	315	**26 618**
Other financial instruments	27	432	-	**459**
Loans granted	22 852	-	789	**23 641**
	48 674	**13 397**	**1 196**	**63 267**

Credit risk exposure by sector as at 31 December 2014 is as follows:

in thousands of EUR	Corporations	Banks	Other	Total
Assets				
Cash and cash equivalents	-	11 828	140	**11 968**
Trade and other receivables	19 983	633	167	**20 783**
Other financial instruments	3	955	-	**958**
Loans granted	321	-	671	**992**
	20 307	**13 416**	**978**	**34 701**

As at 31 December 2015, the average interest rate on provided loans is 6.99% (31 December 2014: 6.72%).

As at 31 December 2015, loans granted include one significant loan that represents 90% of the total loans provided (as at 31 December 2014: two major loans represented 62% of total loans provided). The most significant loan in total of EUR 21 185 thousand was provided to one related party (as at 31 December 2014: the most significant loans in total of EUR 611 thousand were granted to two third parties).

Credit risk exposure by country as at 31 December 2015 is as follows:

in thousands of EUR	Slovakia	Czech Republic	Austria	Other	Total
Assets					
Cash and cash equivalents	4 510	4 683	3 356	-	**12 549**
Trade and other receivables	16 127	9 035	1 113	343	**26 618**
Other financial instruments	27	-	432	-	**459**
Loans granted	2 374	83	-	21 184	**23 641**
	23 038	**13 801**	**4 901**	**21 527**	**63 267**

31. Risk management information (continued)

Credit risk exposure by country as at 31 December 2014 is as follows:

in thousands of EUR	Slovakia	Czech Republic	Austria	Other	Total
Assets					
Cash and cash equivalents	4 720	5 301	1 947	-	**11 968**
Trade and other receivables	**11 883**	7 460	1 383	57	**20 783**
Other financial instruments	537	-	421	-	**958**
Loans granted	918	74	-	-	**992**
	18 058	**12 835**	**3 751**	**57**	**34 701**

Credit risk exposure – impairment of financial assets

Trade and other receivables

in thousands of EUR	31 December 2015				31 December 2014			
	Nominal value	**%**	**Impairment provision**	**Carrying value**	**Nominal value**	**%**	**Impairment provision**	**Carrying value**
Due maturity	20 715	73	(13)	20 702	13 300	58	-	13 300
Overdue 1-30 days	3 438	12	(4)	3 434	3 917	17	(9)	3 908
Overdue 31-180 days	2 121	7	(14)	2 107	3 069	13	(94)	2 975
Overdue 181-365 days	637	2	(400)	237	1 022	4	(681)	341
Overdue more than 365 days	1 688	6	(1 550)	138	1 762	8	(1 503)	259
	28 599	**100**	**(1 981)**	**26 618**	**23 070**	**100**	**(2 287)**	**20 783**

Loans granted

in thousands of EUR	31 December 2015				31 December 2014			
	Nominal value	**%**	**Impairment provision**	**Carrying value**	**Nominal value**	**%**	**Impairment provision**	**Carrying value**
Due	23 668	100	(27)	23 641	1 018	100	(26)	992

Other financial instruments

in thousands of EUR	31 December 2015				31 December 2014			
	Nominal value	**%**	**Impairment provision**	**Carrying value**	**Nominal value**	**%**	**Impairment provision**	**Carrying value**
Due maturity	459	100	-	459	958	100	-	958

31. Risk management information (continued)

Currency risk

The Group is exposed to currency risk especially in relation to USD and CZK. Long term contracts for purchasing programme rights are mostly denominated in USD that is why the Group manages the currency risk by forward contracts. Currency risk to CZK results mostly from interest-bearing borrowings denominated in CZK. The following table provides an analysis of only those items of financial assets and liabilities of the Group that are denominated in a currency other than the functional currency of the individual Group companies.

Currency risk exposure as at 31 December 2015 is as follows:

in thousands of EUR	EUR	CZK	USD
Assets			
Cash and cash equivalents	-	5	125
Trade and other receivables	-	3	6
	-	8	131
Liabilities			
Bank loans and interest bearing borrowings	-	6 831	-
Trade and other financial liabilities	-	71	2 693
	-	**6 902**	**2 693**

Currency risk exposure as at 31 December 2014 is as follows:

in thousands of EUR	EUR	CZK	USD
Assets			
Cash and cash equivalents	-	5	340
Trade and other receivables	3	-	-
Loans granted	-	5	-
	3	10	340
Liabilities			
Bank loans and interest bearing borrowings	-	6 252	-
Trade and other liabilities	-	22	2 557
	-	6 274	2 557

31. Risk management information (continued)

Sensitivity analysis

Strengthening of the euro by 10% against foreign currencies listed below would have the following effect on the portfolio (in case of a weakening, the opposite effect). This analysis assumes that all other variables, in particular interest rates, remain unchanged.

in thousands of EUR	Effect on portfolio
31 December 2015	
CZK	627
USD	233
31 December 2014	
CZK	570
USD	202

Interest rate risk

The operations of the Group are exposed to the interest rate fluctuations. The scope of this risk is equal to the amount of interest bearing assets and liabilities, whose interest rate at their maturity or at the moment of a change varies from the current interest rate. The period during which the financial instrument has set a fixed interest rate reflects the exposure to the risk in changes in interest rates.

Profile of financial instruments

As at 31 December 2015, the interest rate profile of the interest bearing financial instruments of the Group is as follows:

in thousands of EUR	31 December 2015	31 December 2014
Fixed interest rate		
Assets	27 456	4 903
Bank loans and interest bearing borrowings	(11 366)	(9 856)
Issued bonds	(120 237)	(124 657)
	(104 147)	(129 610)
Variable interest rate		
Assets	8 642	7 917
Bank loans and interest bearing borrowings	(90 030)	(58 682)
	(81 388)	(50 765)

Sensitivity analysis for instruments with variable interest rates

A change by 100 basis points in interest rates would have the following effect on the portfolio:

in thousands of EUR	31 December 2015	31 December 2014
A decrease in interest rates by 100 bp	804	502
An increase in interest rates by 100 bp	(804)	(502)

31. Risk management information (continued)

Operational risk

The Group is also exposed to operational risk, such as outage in broadcasting. The Group manages this risk by diversifying transmissions and implementing backup technological solutions for eliminating this risk.

Furthermore, the Group is exposed to a risk that the rental contracts for areas beneath its advertising equipment will not be renewed in the future. This risk is mitigated by diversifying the providers of space for advertising equipment.

Capital management

Management of the Company considers equity as capital for the purposes of the capital management. The aim of the Group in the capital management is to continue as going concern, to provide sufficient return on capital to the shareholders and benefits for other stakeholders. The aim is also to keep optimal structure of capital with the aim of reduction of the financing costs. Management of the Group manages the shareholders' equity recognized in accordance with the International Financial Reporting Standards as adopted by EU as at 31 December 2015 in the amount of EUR 38 549 thousand (as at 31 December 2014: EUR 44 982 thousand).

The Group monitors structure of the capital based on the ratio of the total debt to the total of equity and liabilities. Total debt is calculated as the amount of bank loans, interest rate borrowings and issued bonds (including short term portions as recognized in the Consolidated statement of the financial position).

If necessary, the parent company provides financial support by increasing the equity through other capital funds. During 2015 and 2014, other capital funds were not increased by the parent company TV JOJ L.P.

32. Fair value information

The following summary includes information about carrying and fair values of financial assets and liabilities of the Group which are not carried at fair value. The summary does not include financial assets and liabilities where their carrying amount approximates fair value.

in thousands of EUR	31 December 2015 Carrying amount	31 December 2015 Fair value Level: 2	31 December 2014 Carrying amount	31 December 2014 Fair value Level: 2
Financial assets				
Loans granted	23 641	23 341	992	998
Cash, which is not at the Group's full disposal	1 860	-	-	-
Financial liabilities				
Bank loans	89 242	85 813	57 742	58 367
Interest bearing borrowings	12 154	12 384	10 796	10 889
Issued bonds	120 237	123 434	124 657	128 557

The main methods and assumptions used in estimating fair values are discussed in Note 2 - Significant Accounting Policies - accounting policy s).

33. Leasing of assets

Group as a lessee

The Group is leasing cars, administrative and technical premises, advertising space, advertising equipment and land underneath the advertising equipment, which it does not own§.
The contracts are usually for an indefinite time period with notice period from 1 months to 6 months or for a period from 1 month to 8 years.

For the year ended 31 December 2015, total recurring lease expenses under frame contracts amounted to EUR 20 208 thousand (for the year ended 31 December 2014: EUR 37 001 thousand, out of which recurring rents amounted to EUR 25 910 thousand).

Group as a lessor

The Group is leasing advertising space and equipment to other parties. The contracts are mostly one-off leases.

34. Contingent liabilities

Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available.

35. Subsequent events

On 1 January 2016, Harad, a.s. merged with Radio Services s.r.o. Harad a.s. became the successor company, which on that date changed its name to Radio Services a.s.

On 11 January 2016 the Group, through its subsidiary BigBoard Praha, a.s., established 100% subsidiary Velonet ČR s.r.o. This entity is providing a system of bicycle sharing in Prague and other cities in the Czech Republic.

On 21 January 2016, the Company acquired 49% of the share capital in eFabrica, a.s. and the Group became 100% owner of eFabrica, a.s.

Under a purchase share agreement concluded on 25 January 2016, the Group, through its subsidiary BigBoard Praha, a.s., acquired 50% of the share capital of D & C AGENCY s.r.o. As at 31 December 2015, the Group paid an advance for the purchase of this share of EUR 4 thousand for the purchase of this share.

On 7 April 2016, the Company acquired 80.23% of the share capital of the company NOVI LIST d.d., 59% of the share capital of the company GLAS ISTRE NOVINE d.o.o. and 100% of the share capital of the ZADARSKI LIST d.o.o. The Company has not yet completed the process of allocation of the purchase price to the identified assets and liabilities of the acquired companies. The principal activity of these companies is the publishing of regional press in Croatia.

36. Other events

Act on land communication

The Group has a contractual obligation to dismantle advertising equipment units that do not comply with a new regulation based on the amendment to the Act on land communication in the Czech Republic until 31 August 2017. The Group therefore created a provision in the amount of EUR 128 thousand. The provision reflects the estimated revenue from the sale of dismantled parts of the advertising units which will partly cover dismantling costs.

Prague building regulations

On 15 July 2014, the Council of the City of Prague adopted a Regulation no. 1607/2014, which states general requirements for land use and technical requirements for buildings in the capital city Prague (Prague building regulations, PSP), hereinafter referred to as "Regulation". The article 77 and subsequent articles of the Regulation addresses rules for placing of advertising installations and structures for advertising in the capital city of Prague in the built-up areas. This Regulation entered into force on 1 October 2014. Due to formal errors, consisting mainly in the absence of notification of PSP as a technical regulation in the European Union authorities, the validity of the PSP was suspended by the Ministry of Regional Development in January 2015. The Regulation was subsequently redrafted included part related to the regulation of advertisement. New version approved by the Council of the city of Prague by Regulation no. 1839 from 11 August 2015 was send as a notification to the European Council. In February 2016 the European Council has not approved the Regulation based on facts that are not related to the regulation of outdoor advertising. At the moment, the date from which the Regulation, including the regulation of advertisement, shall become effective will be postponed. Expected date is approximately July 2016.

The Group sees the proposed method of regulation as appropriate, as this will improve the quality of public space while maintaining the functionality of outdoor advertising. The expected economic impact on the Group will be rather neutral because, a restriction in the supply and expected demand maintain, will result in an increase in unit prices and in increase in the profitability of advertising equipment units in the capital Prague.

In connection with the amendment to Act on land communications and Prague building regulations the Group expects decrease in revenues from dismantled panels in the table below. The following methodology was used to calculate the decrease in revenues:

- We identified advertisement equipment to be impacted by the required Regulations and the new Act on land communications
- We recalculated the average revenue for the advertising equipment based on the number of active panels, total revenues in 2015 and occupancy of individual panels.

In the case of the Act on land communiations the final dismantling will take place in the second half of 2017, and thus the full impact of the reduced revenues will occur only in 2018.

Year	**The expected decline in consolidated revenues in each year (in thousands of EUR)**
2016	(2 513)
2017	(3 553)
2018	(7 130)
2019	(7 189)
2020	(7 252)

37. Group entities

A list of the Group entities as at 31 December 2015 is as follows:

	Country of registration	Company share held	Control	Consolidation method
JOJ Media House, a. s.	Slovakia	100%	direct	Full
Slovenská produkčná, a.s.	Slovakia	95%	direct	Full
MAC TV s.r.o.	Slovakia	100%	indirect	Full
TELEPON PLUS, spol. s r.o.	Slovakia	49%	indirect	Equity
DONEAL, s.r.o.	Czech Republic	100%	indirect	Full
Akzent BigBoard, a.s.	Slovakia	100%	direct	Full
BigMedia, spol. s r.o.	Slovakia	100%	indirect	Full
RECAR Bratislava a.s.	Slovakia	80%	indirect	Full
RECAR Slovensko a.s. [1]	Slovakia	100%	indirect	Full
Media representative, s.r.o. [2]	Slovakia	100%	indirect	Full
BHB, s.r.o.	Slovakia	51%	indirect	Full
Akcie.sk, s.r.o.	Slovakia	100%	direct	Full
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH [3]	Austria	100%	indirect	Full
R + C Plakatforschung und – kontrolle Gesellschaft mbH	Austria	51%	indirect	Full
Starhouse Media, a. s.	Slovakia	30%	direct	Equity
BigBoard Praha, a.s.	Czech Republic	60%	direct	Full
BigMedia, spol. s r.o.	Czech Republic	100%	indirect	Full
Czech Outdoor s.r.o.	Czech Republic	100%	indirect	Full
Expiria, a.s.	Czech Republic	100%	indirect	Full
RAILREKLAM, s.r.o.	Czech Republic	49%	indirect	Equity
MG Advertising, s.r.o.	Czech Republic	50%	indirect	Equity
QEEP, a.s.	Czech Republic	60%	indirect	Full
Barrandia s.r.o. [4,5]	Czech Republic	100%	indirect	Full
Český billboard, s.r.o.	Czech Republic	100%	indirect	Full
outdoor akzent s.r.o.	Czech Republic	100%	indirect	Full
Bilbo City s.r.o.	Czech Republic	100%	indirect	Full
eFabrica, a. s.	Slovakia	51%	direct	Full
Harad, a.s.	Slovakia	100%	direct	Full
Radio Services s. r. o.	Slovakia	100%	indirect	Full
Lafayette s. r. o.	Slovakia	100%	direct	Full

37. Group entities (continued)

A list of the Group entities as at 31 December 2014 is as follows:

	Country of registration	Company share held	Control	Consolidation method
JOJ Media House, a. s.	Slovakia	100%	direct	Full
Slovenská produkčná, a.s.	Slovakia	95%	direct	Full
MAC TV s.r.o.	Slovakia	100%	indirect	Full
TELEPON PLUS, spol. s r.o.	Slovakia	49%	indirect	Equity
DONEAL, s.r.o.	Czech Republic	100%	indirect	Full
SENZI, a. s.	Slovakia	50%	indirect	Equity
Akzent BigBoard, a.s.	Slovakia	100%	direct	Full
BigMedia, spol. s.r.o.	Slovakia	100%	indirect	Full
RECAR Bratislava a.s.	Slovakia	80%	indirect	Full
RECAR Slovensko a.s.[1]	Slovakia	100%	indirect	Full
Media representative, s.r.o.[2]	Slovakia	90%	indirect	Full
HANDY MEDIA s.r.o.[1]	Slovakia	100%	indirect	Full
BHB, s.r.o.	Slovakia	51%	indirect	Full
Akcie.sk, s.r.o.	Slovakia	100%	direct	Full
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH[3]	Austria	100%	indirect	Full
R + C Plakatforschung und –kontrolle Gesellschaft mbH	Austria	51%	indirect	Full
Heimatwerbung Gesellschaft m.b.H. (Linz - Upper Austria)[3]	Austria	100%	indirect	Full
Heimatwerbung Gesellschaft m.b.H. (Vienna)[3]	Austria	100%	indirect	Full
Starhouse Media, a. s.	Slovakia	30%	direct	Equity
BigBoard Praha, a.s.	Czech Republic	60%	direct	Full
BigMedia, spol. s r.o.	Czech Republic	100%	indirect	Full
Czech Outdoor s.r.o.	Czech Republic	100%	indirect	Full
Expiria, a.s.	Czech Republic	100%	indirect	Full
RAILREKLAM, s.r.o.	Czech Republic	49%	indirect	Equity
MG Advertising, s.r.o.	Czech Republic	50%	indirect	Equity
Barrandia s.r.o. [4]	Czech Republic	50%	indirect	Equity
Český billboard, s.r.o.	Czech Republic	100%	indirect	Full
outdoor akzent s.r.o.	Czech Republic	100%	indirect	Full
Bilbo City s.r.o.	Czech Republic	100%	indirect	Full
eFabrica, a.s.	Slovakia	51%	direct	Full

[1] During 2015, HANDY MEDIA s r.o. merged with RECAR Slovensko, a.s
[2] On 25 June 2015, the Group purchased additional 10% share in Media representative,s.r.o.
[3] During 2015, Heimatwerbung Gesellschaft m.b.H. (Linz - Upper Austria) and Heimatwerbung Gesellschaft m.b.H. (Vienna) merged with EPAMEDIA - EUROPAISCHE PLAKAT- UND AUSSENMEDIEN GMBH.
[4] On 1 July 2015, the Group purchased additional 50% share in Barrandia s.r.o. followed by a change to full consolidation method (see Note 4. a) Details about new acquisitions)
5 The Group owns 50% shares in Barrandia s.r.o. through its subsidiary BigBoard Praha, a.s. and 50% through its subsidiary QEEP, a.s.

37. Group entities (continued)

Despite the fact that the Group's effective share in the companies QEEP, a.s. and Barrandia s.r.o. is below 50%, the Group has evaluated based on an analysis, that it controls these companies through its subsidiary BigBoard Praha, a.s.

38. Related parties

Identification of related parties

The Company considers the following as related parties: shareholders of the parent entity, companies controlled by the shareholders of the Company, associates, joint ventures, the Company's management and the entities controlled by the Company's management.

Transactions with key management personnel

During the year 2015, the key management personnel of the Company received a reward in the amount of EUR 35 thousand (for the year ended 31 December 2014: EUR 35 thousand).

Other transactions with related parties

Receivables and liabilities from transactions with related parties:

in thousands of EUR	Receivables 31 December 2015	Liabilities 31 December 2015	Receivables 31 December 2014	Liabilities 31 December 2014
Shareholders of the Company	21 185	-	-	-
Associated companies	34	-	89	25
Joint ventures	8	-	13	-
Total	**21 227**	**-**	**102**	**25**

Revenue and expenses from transactions with related parties:

in thousands of EUR	Revenues Year ended 31 December 2015	Expenses Year ended 31 December 2015	Revenue Year ended 31 December 2014	Expenses Year ended 31 December 2014
Shareholders of the Company	285	-	-	-
Associated companies	183	(56)	360	(83)
Joint ventures	2	(36)	2	(27)
Total	**470**	**(92)**	**362**	**(110)**

The Company does not have any other assets and liabilities arising from transactions with related parties.

Transactions with related parties are realized at standard market conditions.

39. Approval of consolidated financial statements

The financial statements on pages 1 to 79 for the year ended 31 December 2015 were prepared and approved by the board of directors for issue on 29 April 2016.

....
Mgr. Richard Flimel
Chairman of the Board of Directors

SPRÁVA O SÚLADE VÝROČNEJ SPRÁVY

ANNEX. 2

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Report on Audit of Consistency

of the consolidated annual report with the consolidated financial statements pursuant to Article 23 (5) of Act No. 540/2007 Coll. on Auditors, Audit and Oversight of Audit

(Translation)

To the Shareholders, Supervisory Board and Board of Directors of JOJ Media House, a. s.:

We have audited the consolidated financial statements of JOJ Media House, a. s. as at 31 December 2015, presented attached to the consolidated annual report. We have issued an independent auditor's report on the consolidated financial statements on 29 April 2016 with the following wording:

Independent Auditor's Report

To the Shareholders, Supervisory Board and Board of Directors of JOJ Media House, a. s.:

We have audited the accompanying consolidated financial statements of JOJ Media House, a. s. and its subsidiaries ("the Group"), which comprise the statement of consolidated financial position as at 31 December 2015, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management as represented by the statutory body is responsible for the preparation of these consolidated financial statements that give true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

29 April 2016
Bratislava, Slovak Republic

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Ľuboš Vančo
License SKAU No. 745

Report on the Audit of Consistency of the consolidated annual report with the consolidated financial statements

(Supplement to the auditor's report)

We have audited the consistency of the consolidated annual report with the consolidated financial statements in accordance with the Act on Accounting.

The accuracy of the annual report is the responsibility of the Group's management. Our responsibility is to audit the consistency of the consolidated annual report with the consolidated financial statements, based on which we are required to issue an appendix to the auditor's report on the consistency of the consolidated annual report with the consolidated financial statements.

We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the information presented in the consolidated annual report, subject to presentation in the consolidated financial statements, is consistent, in all material respects, with the relevant consolidated financial statements.

We have reviewed the consistency of the information presented in the consolidated annual report with the information presented in the consolidated financial statements as at 31 December 2015. We have not audited any data or information other than the accounting information obtained from the financial statements and accounting books. We believe that the audit performed provides a sufficient and appropriate basis for our opinion.

In our opinion, the accounting information presented in the consolidated annual report is consistent, in all material respects, with the consolidated financial statements as at 31 December 2015, attached to the consolidated annual report.

29 April 2016
Bratislava, Slovak Republic

Slovenská komora audítorov
SKAU
Č.licencie 96
KPMG
Slovensko spol. s r.o.

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Responsible auditor:
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