



# RTL GROUP PRESENTATION

Brussels, 21 June 2013

The leading European entertainment network



# Agenda

- **Q1 HIGHLIGHTS**
- Business Review
- Strategy Review

REVENUE

up  
0.5 %

**€1.3 billion**

REPORTED EBITA continuing operations

up  
8.4 %

**€207 million**

EBITA MARGIN

**15.6%**

CASH CONVERSION

**164%**

NET DEBT POSITION

**€278 million**

NET RESULT

**€133 million**

# Agenda

- Q1 highlights
- **BUSINESS REVIEW**
- Strategy Review

# Leading integrated pan-European entertainment network with a truly global presence



BROADCAST	+	CONTENT	+	DIGITAL
<ul style="list-style-type: none"> <li>✓ #1 in Europe</li> <li>✓ #1 in Germany</li> <li>✓ #1 in Benelux</li> <li>✓ #2 in France</li> </ul>		<ul style="list-style-type: none"> <li>✓ #1 global TV entertainment producer</li> <li>✓ Productions in <b>62 countries</b></li> <li>✓ Distribution into <b>150+ markets</b></li> </ul>		<ul style="list-style-type: none"> <li>✓ Follow viewers across <b>all platforms</b></li> <li>✓ Online network of <b>200+ websites</b></li> <li>✓ <b>&gt;6.9bn</b> video views</li> </ul>

RTL Group 2012

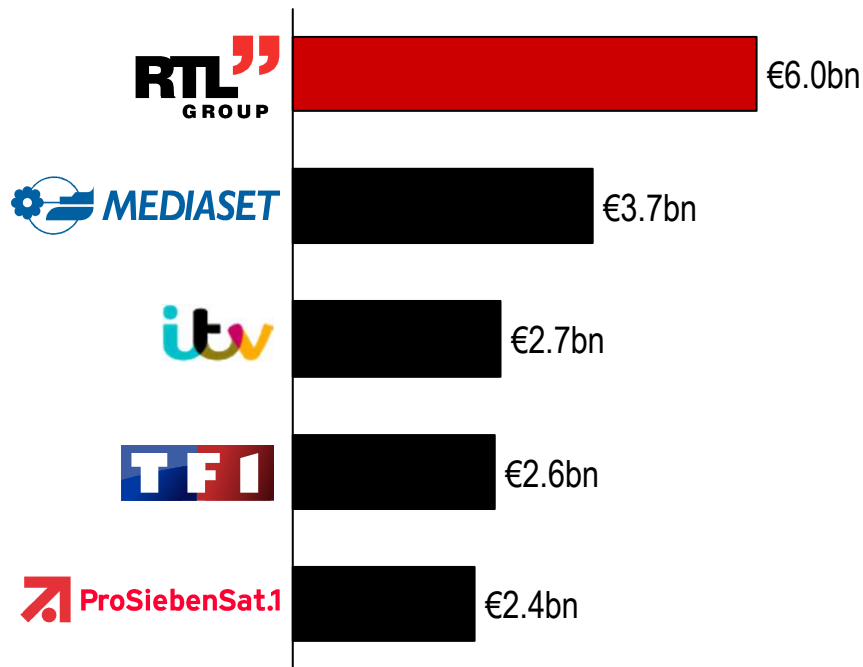
Revenue	€6.0bn	EBITA	€1.1bn
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# RTL Group: at the heart of the European media ecosystem



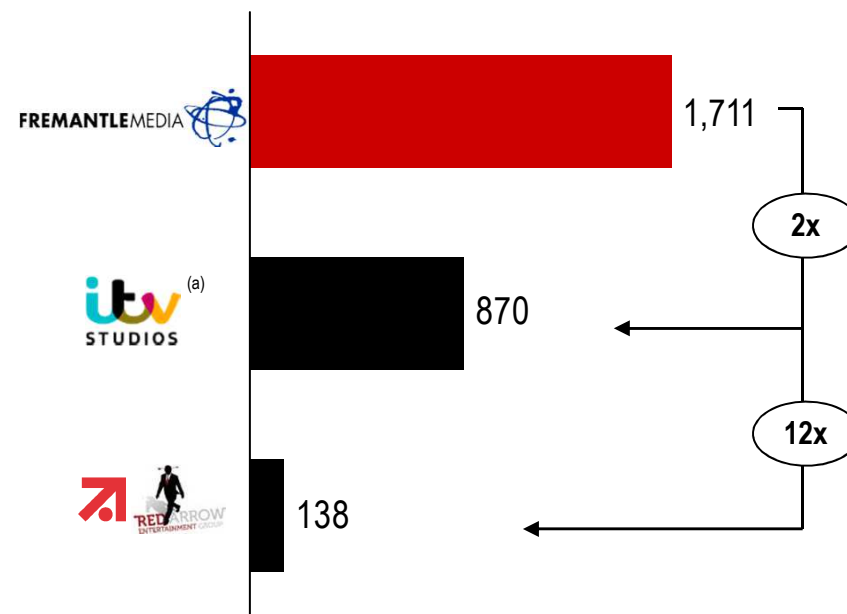
## LARGEST EUROPEAN FTA BROADCASTER

2012 CONSOLIDATED REVENUES (€BN)



## LARGEST EUROPEAN CONTENT PRODUCER / DISTR.

2012 REVENUES (€MN)



**Scale matters: first choice partner for advertisers, content creators and rights owners**

QUARTER 1

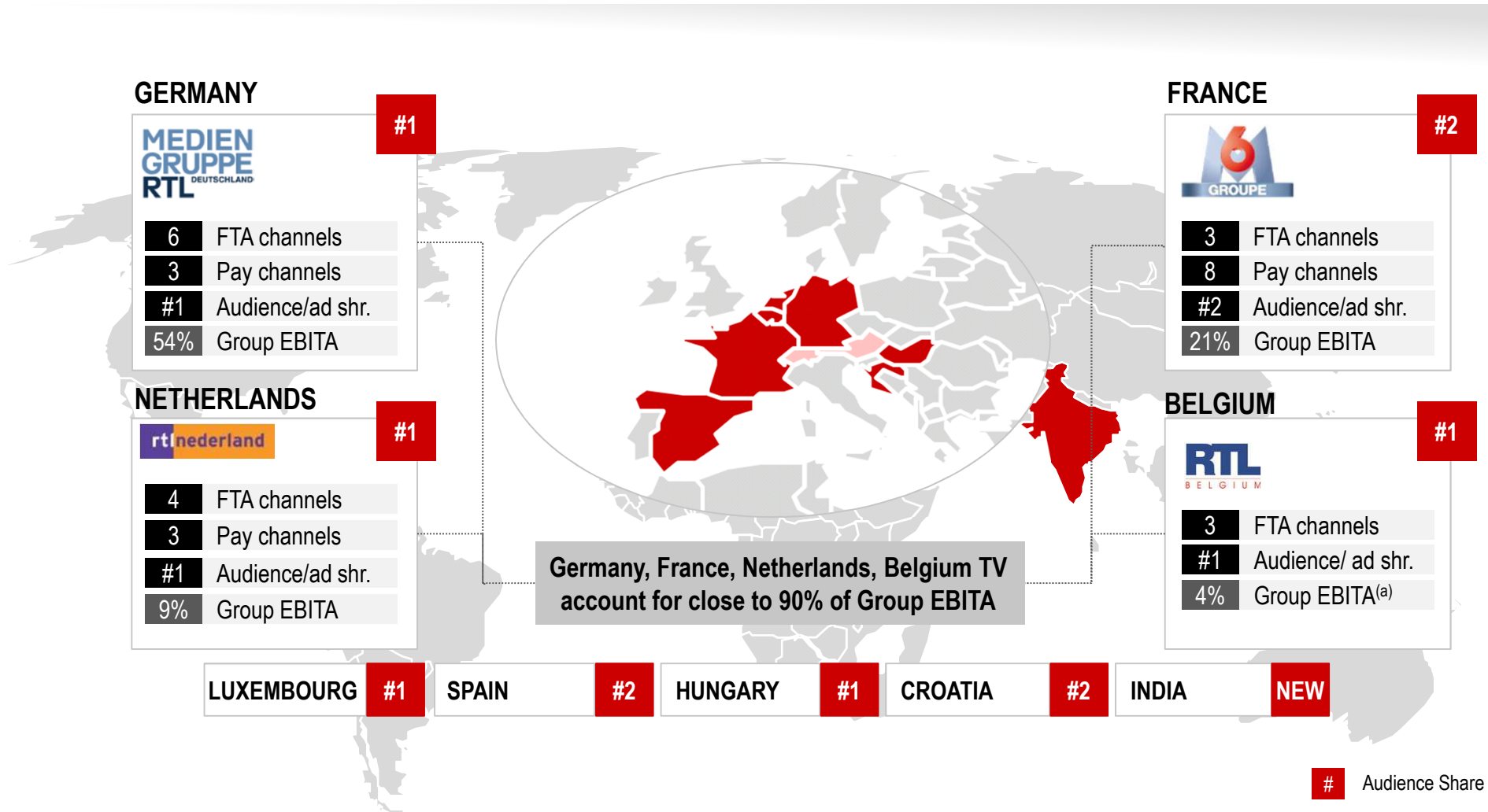
BUSINESSES

STRATEGY

(a) Converted from £712 at Global Insight 2012 rate of 0.819 £/€  
Source: Screen Digest, company filings



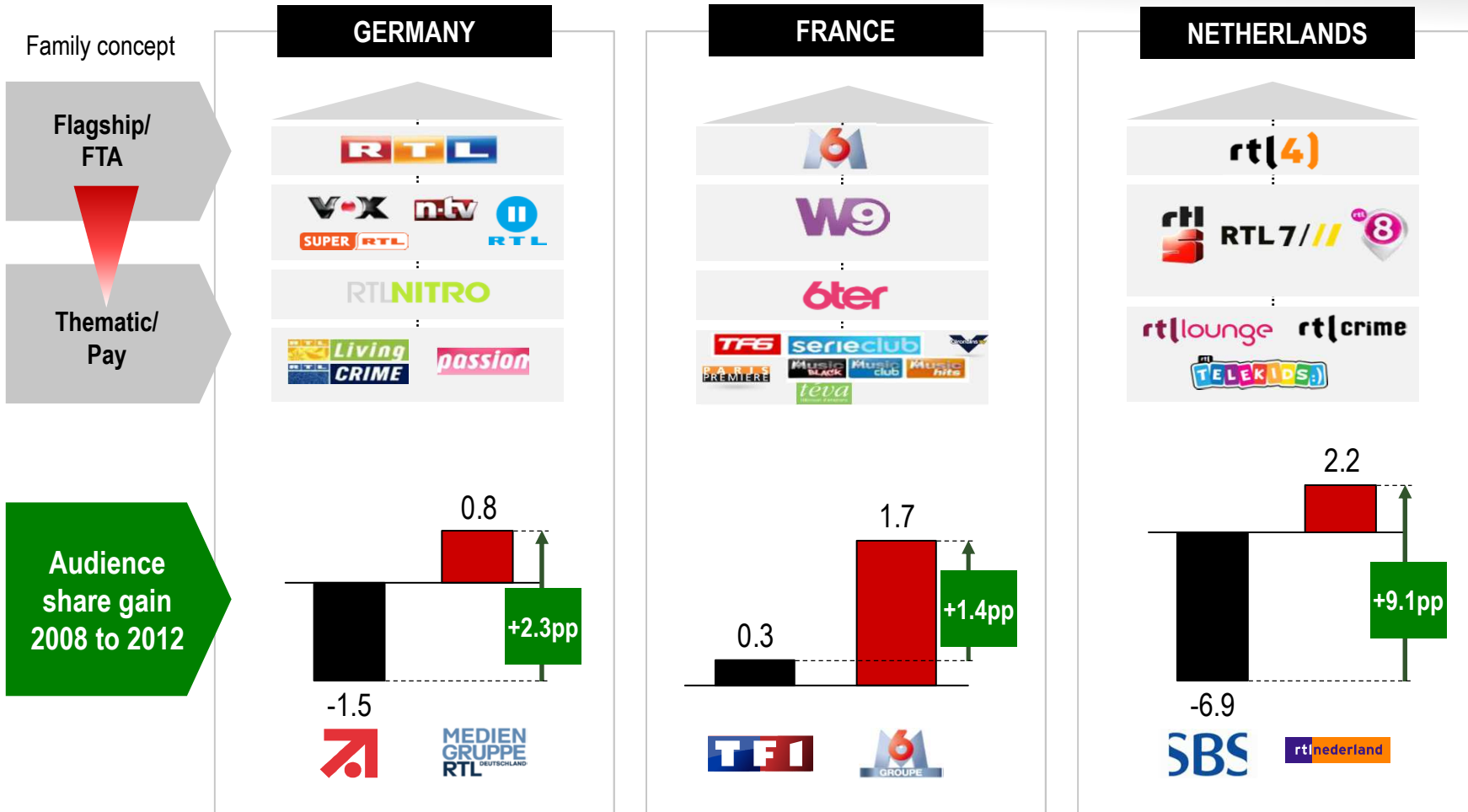
# Leading positions in key European markets



**Leading positioning leads to premium ad prices and strong cash flows**

(a) RTL Belgium consolidates Belgian radio operations representing 2% of RTL Group EBITA; radio operations in Germany and France report as separate segments  
 Note: % of Group EBITA taken as % of total; includes negative contributions composed mainly of Corporate Centre costs  
 Other Regions include: Spain (7 FTA channels, 1 Pay channel), Hungary (1 FTA channel, 7 Pay channels), Croatia (2 FTA channels) and India (1 Pay channel).  
 Radio stations, not shown, include: Germany (18 radio stations 4 stations with #1 position); France (3 radio stations with #1 audience/ad share) Benelux (5 radio stations); Spain (2 stations)

# Audience share growth: successful channel family strategy, branding and programming...



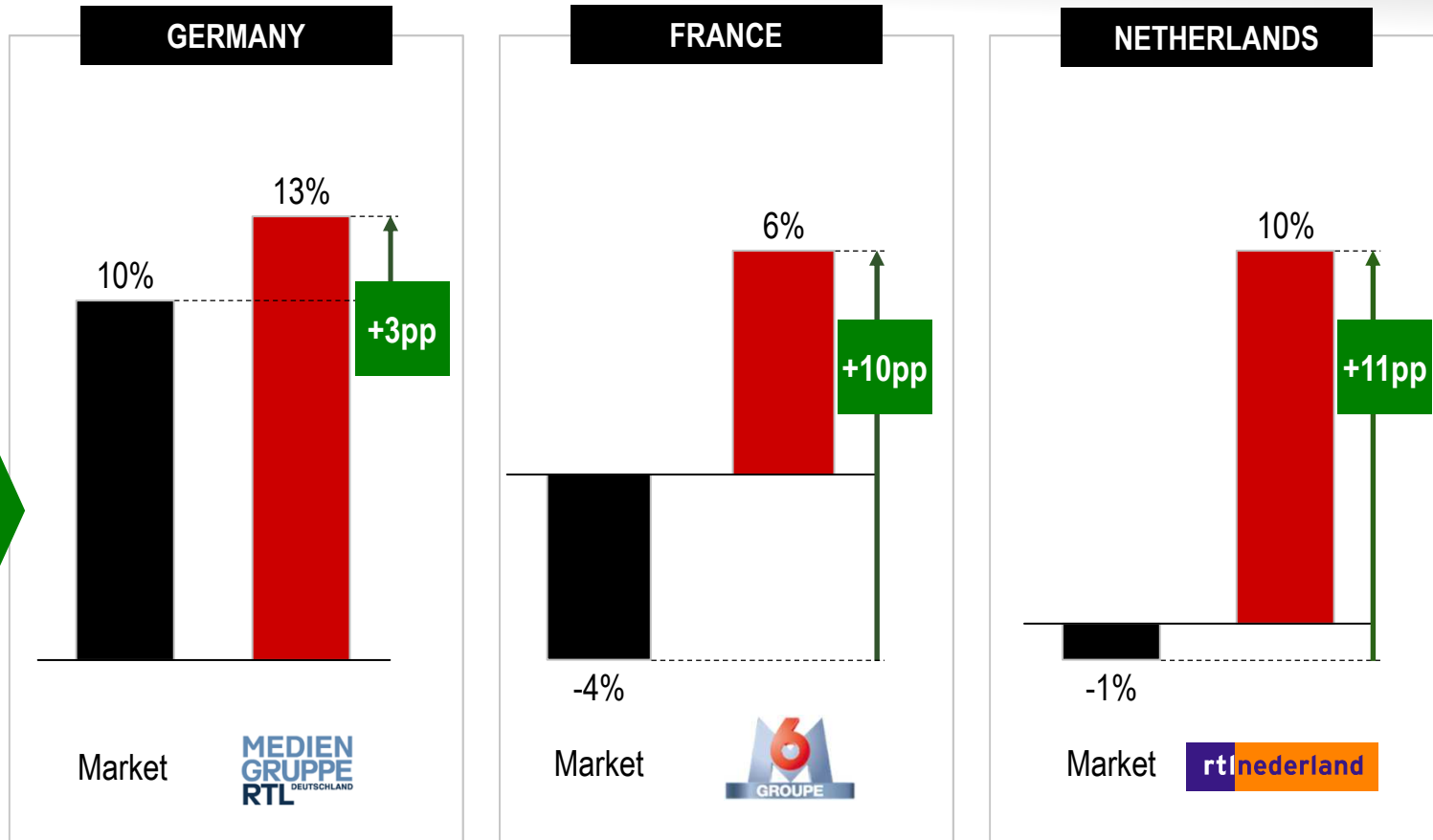
**Channel families successfully increase audience share and counter fragmentation**

Note: Year-on-year audience shares can fluctuate over short reference periods; Source: Germany: AGF/GfK, TV Scope 5.0, 14-49 year olds, all day, includes Super RTL and RTL II; France: Médiamétrie, Housewives <50, all day; Netherlands: SKO, 20-49 year olds, prime time



# ...drives outperformance across our TV ad markets

TV ad market  
growth  
outperformance  
2008 to 2012



Net TV advertising market
  RTL Group net TV ad revenue

**First choice for advertisers across our footprint**

Note: Represents cumulative TV ad share growth; German data starting from 2009 as 2008 data is distorted by a structural change in the TV advertising market due to a competitor's shift in ad sales model which allowed Mediengruppe RTL Deutschland to make an exceptional net TV advertising market share gain to 46.4%; Germany includes 100% of RTL II and Super RTL  
 Source: RTL Group estimates, ZAW Jahrbuch, IREP, SPOT (spot and non-spot)

# Germany: #1 broadcaster with strong online network

## MEDIENGRUPPE RTL DEUTSCHLAND

### BROADCAST DIVERSIFICATION



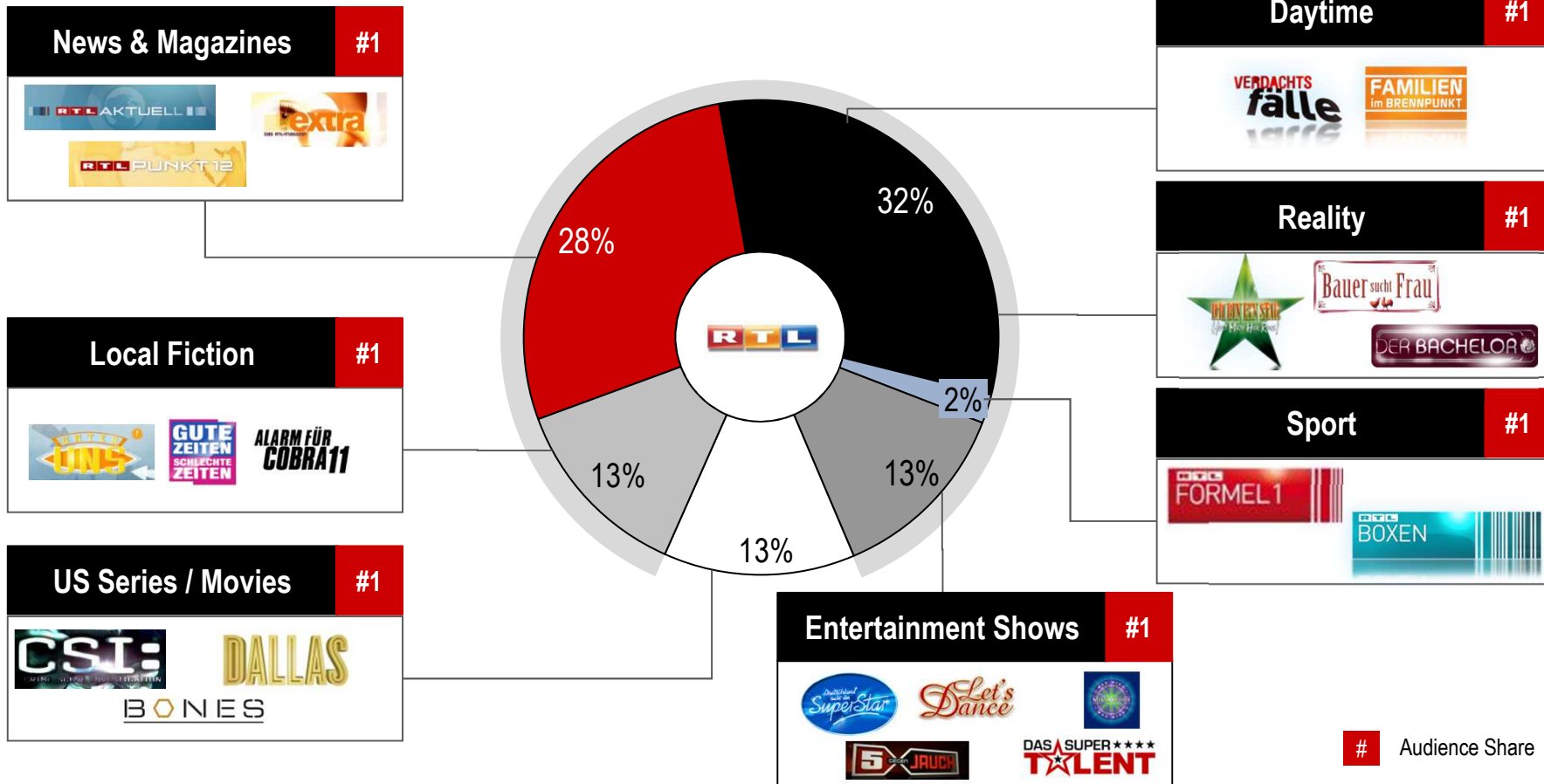
**Strongest family of channels**

**Strong online & mobile portfolio, profitable licensing & distribution**

# Focus on first class local content...

## STRONG LOCAL CONTENT

RTL TELEVISION SPLIT BY PROGRAMME HOURS 2011

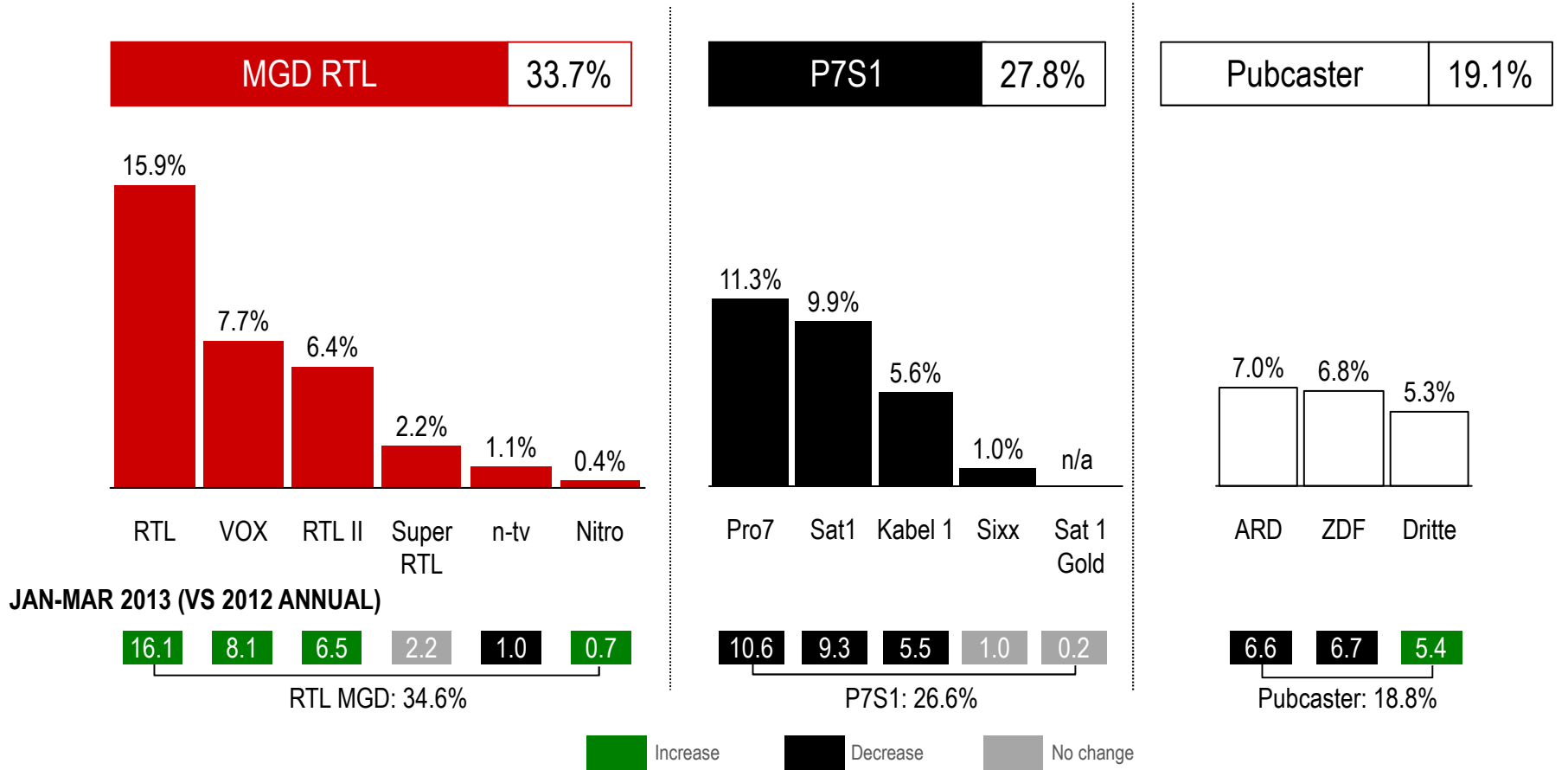


**87% locally produced, of which 30% in-house**

...leads to strongest channel family...

### AUDIENCE MARKET LEADERSHIP

(14-49 YEAR OLDS, ALL DAY – JAN-DEC 2012)

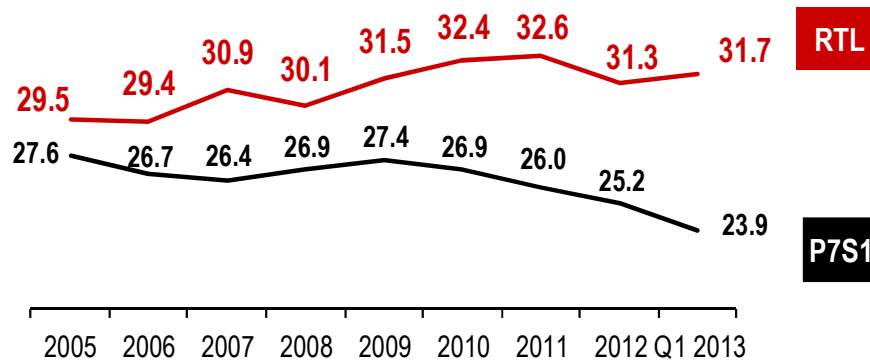


**Leading and growing audience share across channel family**

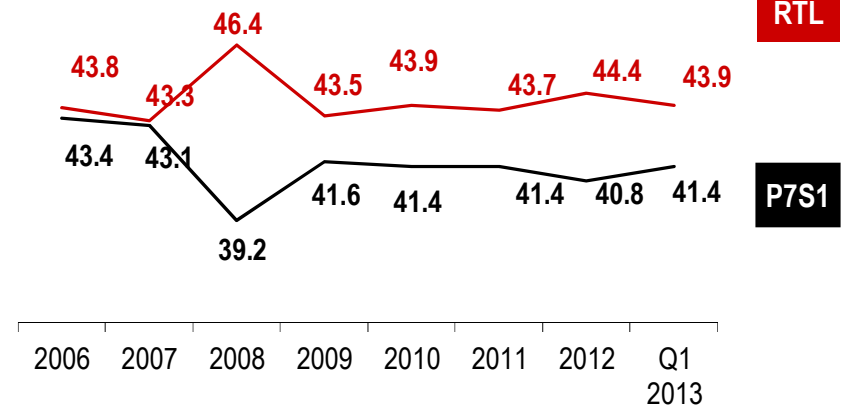
# ...and solid Q1 financial results

## AUDIENCE SHARE – FAMILY OF CHANNELS

14-59 (in %)

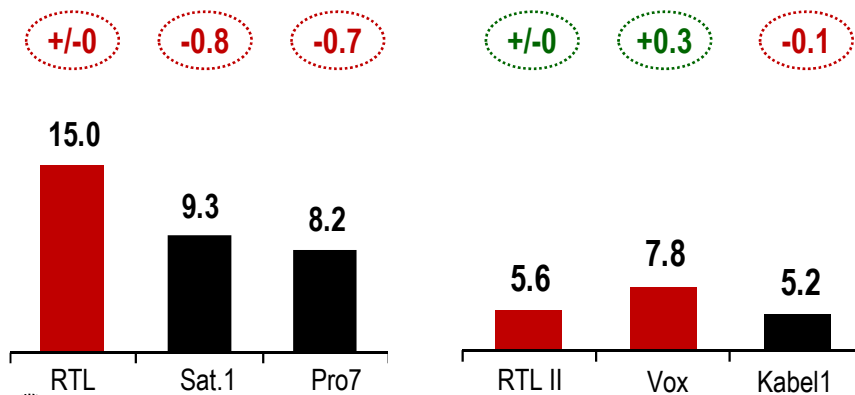


## SHARE OF NET ADVERTISING MARKET (in %)



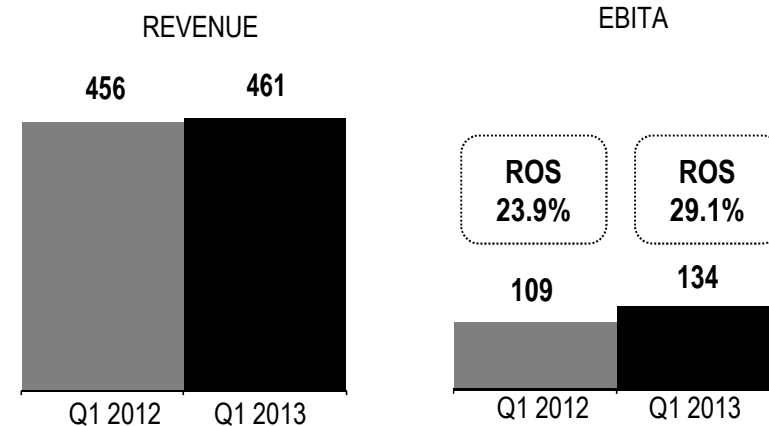
Note: P7S1 includes N24 up to 2010. 2011 and 2012 exclude Sixx

## AUDIENCE SHARE 14-59 (in %)



Percentage point deviation vs FY 2012  
Source: GfK, ZAW and RTL Group estimates

## KEY FINANCIALS (in € million)



**STRONG FINANCIAL AND OPERATIONAL PERFORMANCE**

# France: strong #2 broadcaster with differentiated diversification



QUARTER 1

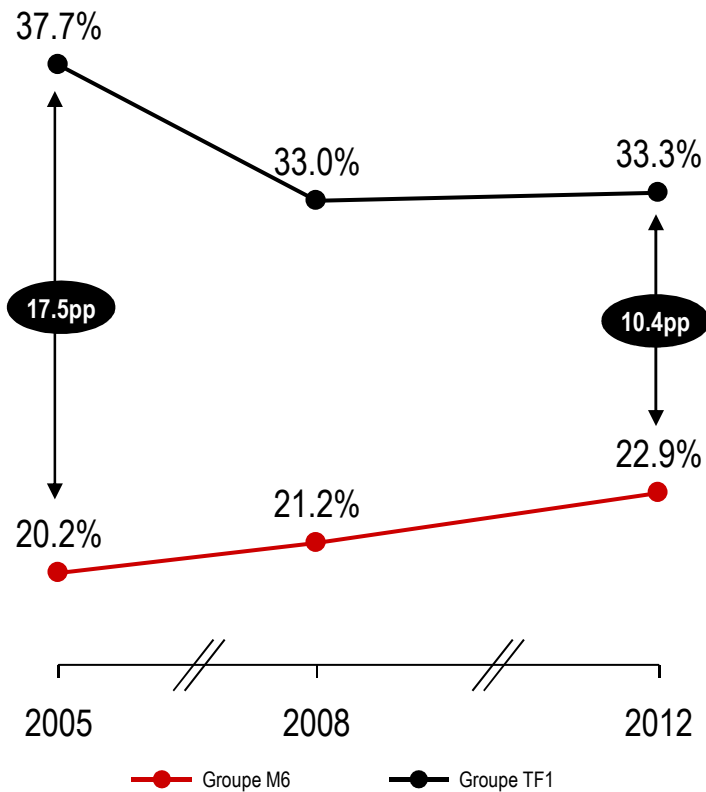
BUSINESSES

STRATEGY

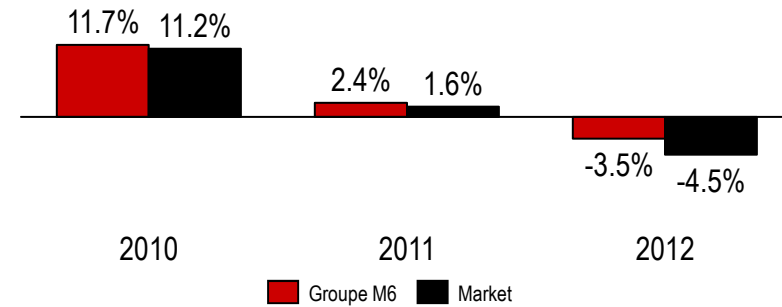
# Groupe M6: consistent outperformer in French market

## OUTPERFORMANCE: AUDIENCE SHARE

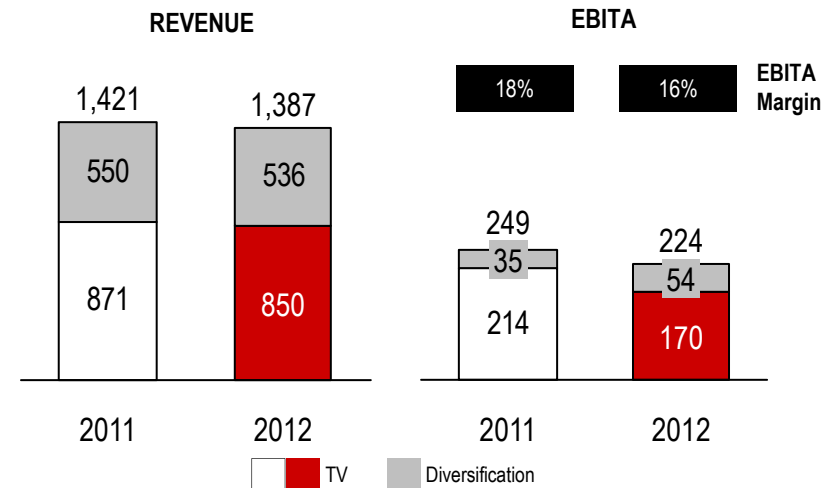
HOUSEWIVES <50 ALL DAY



## OUTPERFORMANCE: NET TV AD GROWTH



## SOLID RESULTS, GOOD MARGINS (€MN)



**Groupe M6 strong number 2, steadily closing the gap to the competition**



QUARTER 1

BUSINESSES

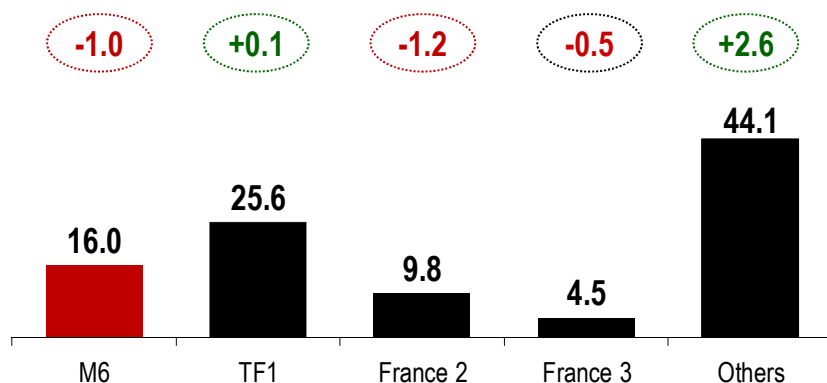
STRATEGY



# With Q1 results demonstrating financial strength

## AUDIENCE SHARE – MAIN CHANNELS

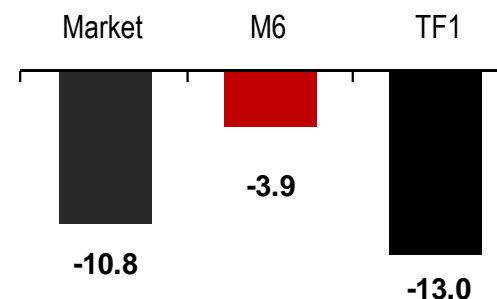
HOUSEWIVES <50 ALL DAY (in %)



X Percentage point deviation vs FY 2012

## NET TV ADVERTISING MARKET DEVELOPMENT

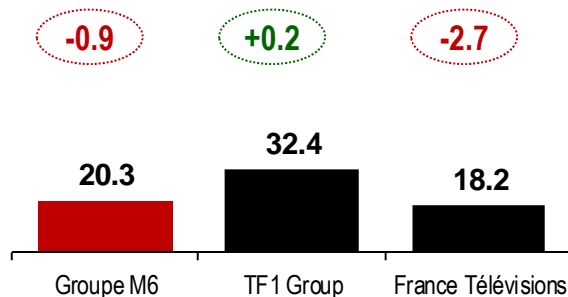
Q1 2013 VS Q1 2012 (in %)



M6 and TF1: based on published information. Market : RTL Group estimates

## AUDIENCE SHARE – FAMILY OF CHANNELS

HOUSEWIVES <50 ALL DAY (in %)



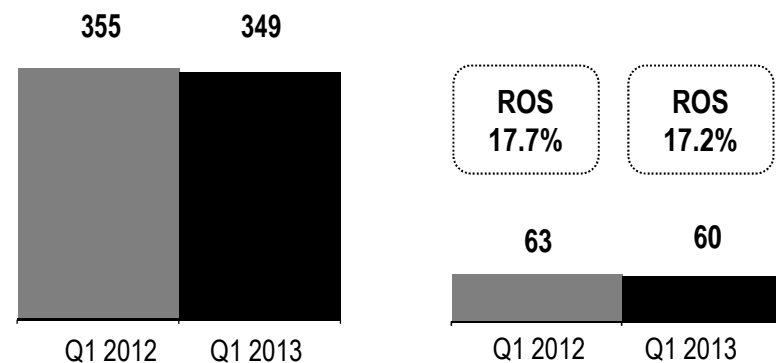
X Percentage point deviation vs FY 2012

Source: Médiamétrie, housewives under 50, RTL Group estimates  
 Groupe M6: M6 and W9; TF1 Group: TF1, TMC and NT1; France TV: Fr2 – Fr5

## KEY FINANCIALS (in € million)

REVENUE

EBITA



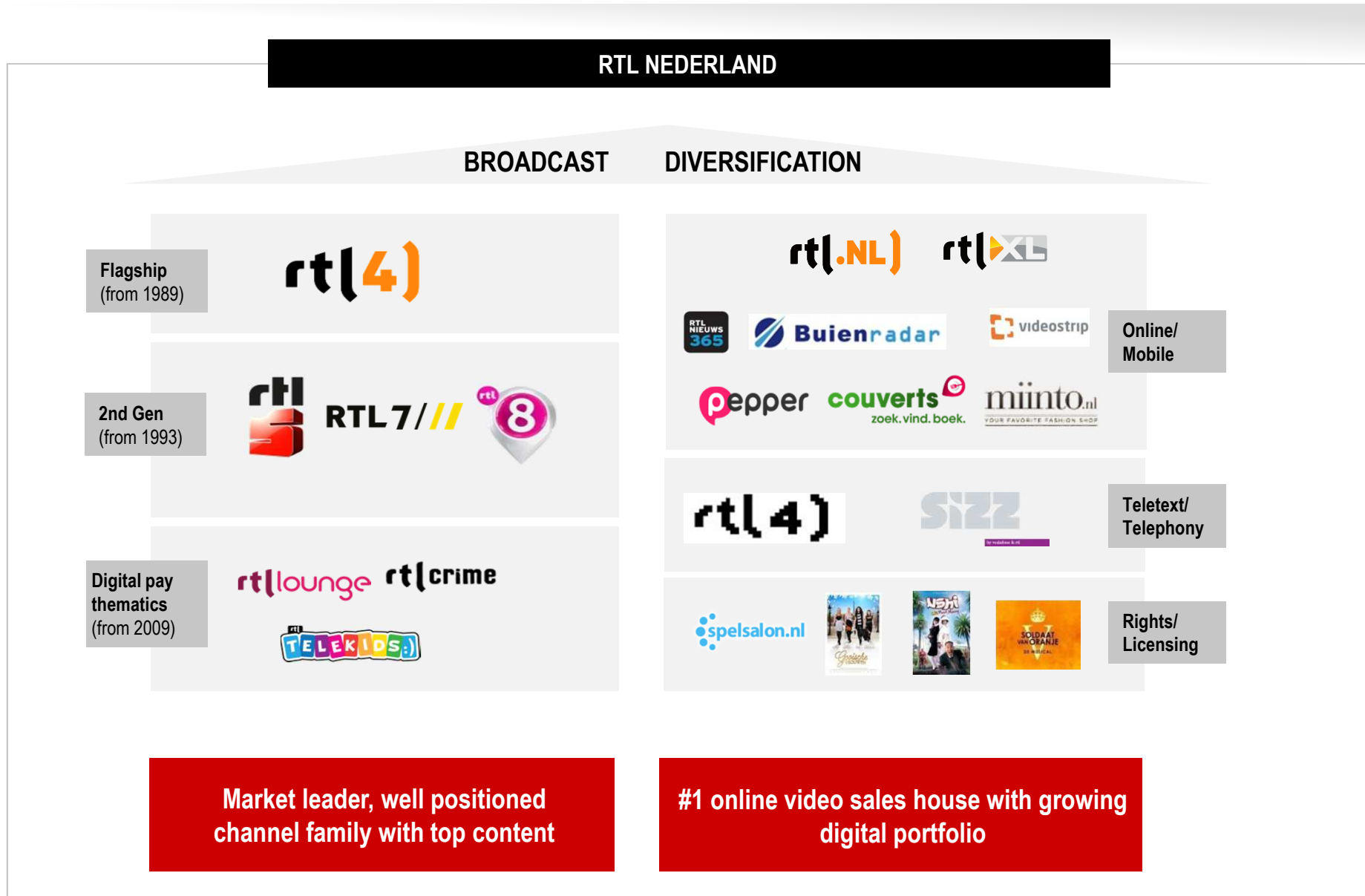
QUARTER 1

BUSINESSES

STRATEGY

**SOLID PERFORMANCE IN DIFFICULT MARKET CONDITIONS**

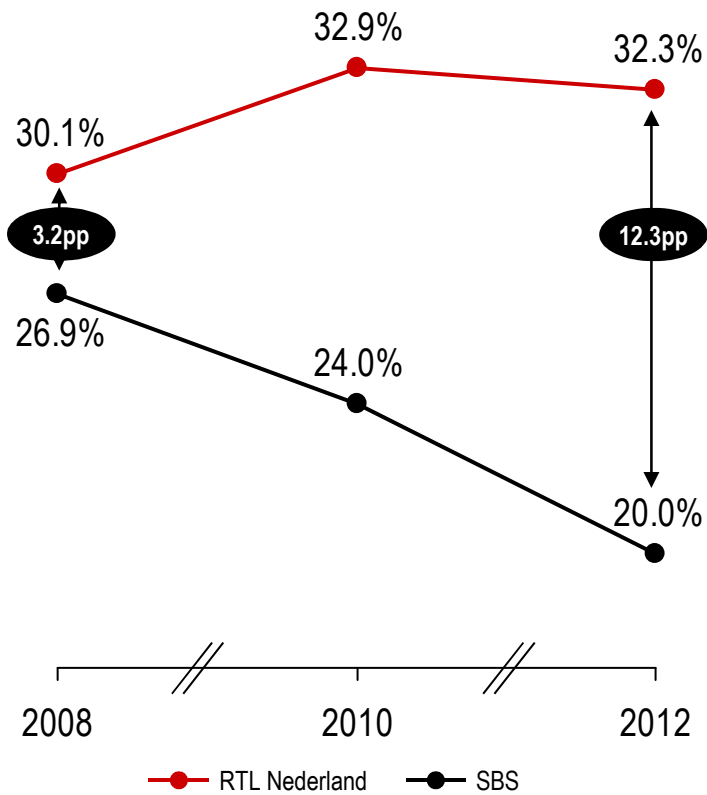
# Netherlands: #1 broadcaster with innovative digital offers



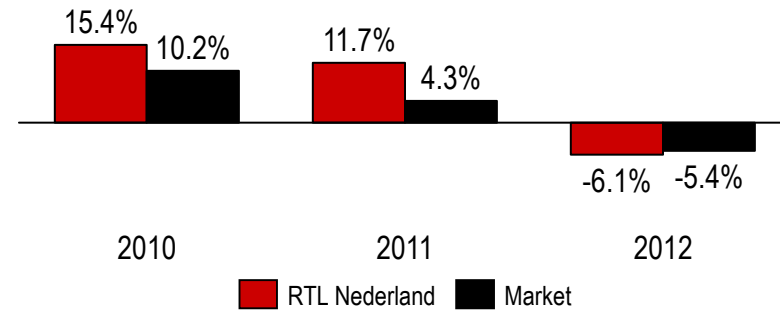
# RTL Nederland: clear market leadership....

## AUDIENCE SHARE LEADERSHIP

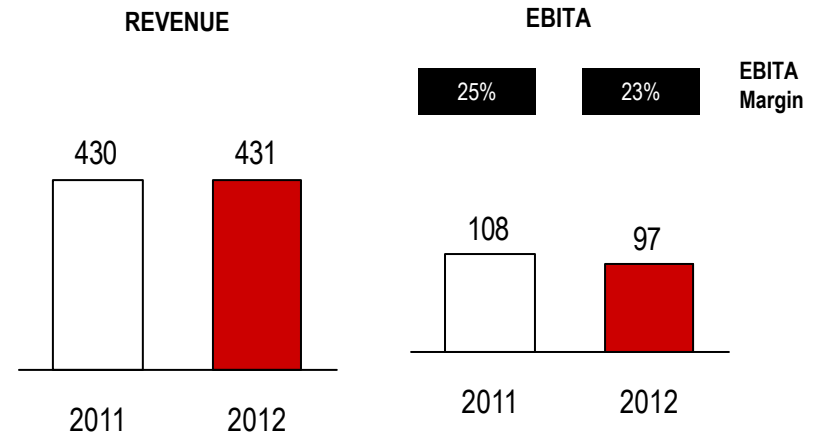
20-49, PRIMETIME



## NET TV ADVERTISING GROWTH



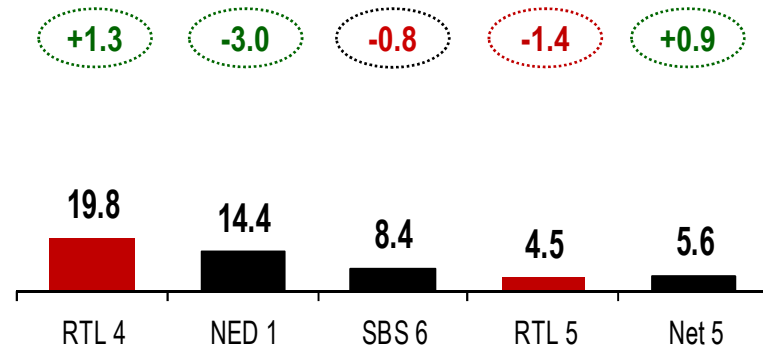
## STRONG TOP-LINE & PROFITABILITY (€MN)



**Strongly positioned family of channels outperforming competition**

.....continuing into Q1 2013

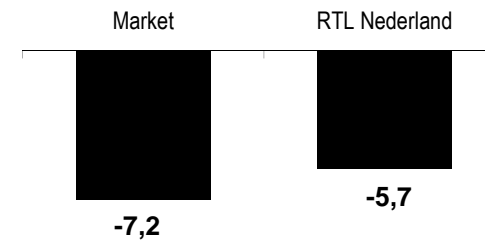
### AUDIENCE SHARE: 20-49, PRIMETIME (in %)



X Percentage point deviation vs FY 2012

### NET TV ADVERTISING MARKET DEVELOPMENT

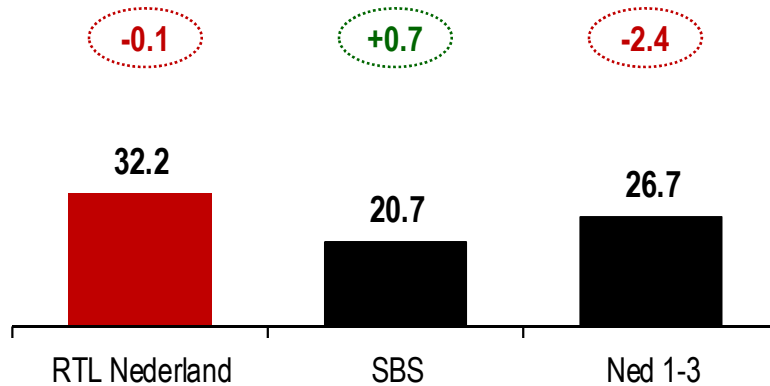
Q1 2013 vs Q1 2012 (in %)



Source: RTL Group estimates (spot and non-spot)

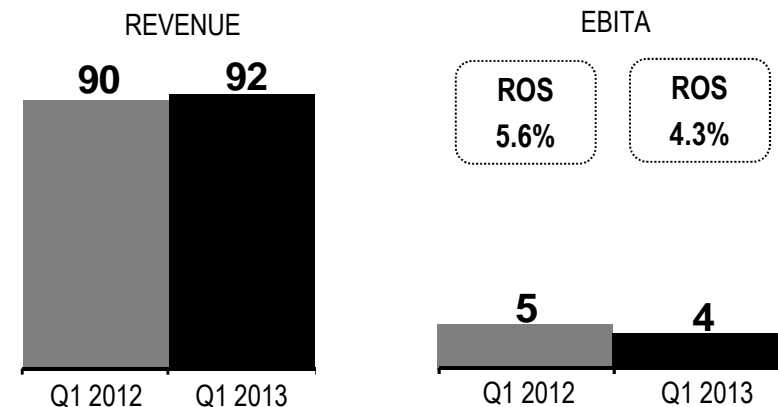
### AUDIENCE SHARE – FAMILY OF CHANNELS

20-49, PRIMETIME (in %)



X Percentage point deviation vs FY 2012

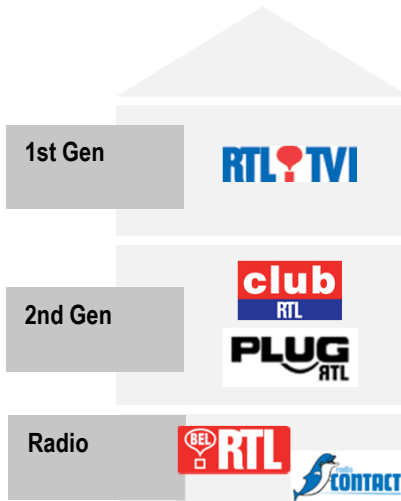
### KEY FINANCIALS (in € million)



# RTL Belgium, undisputed market leader



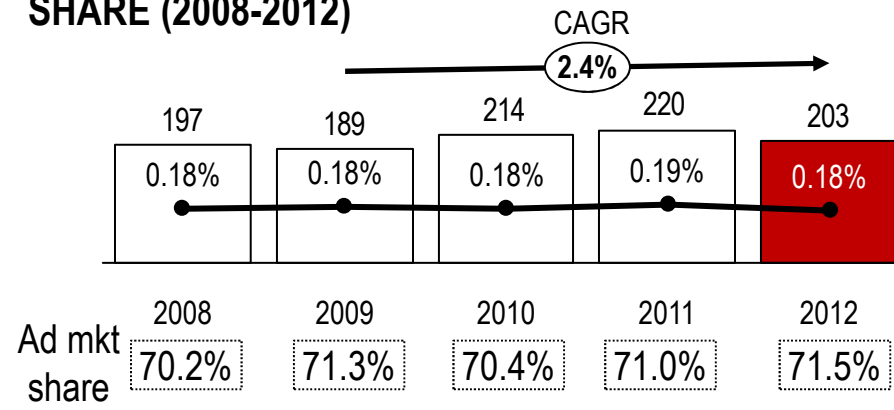
## RTL BELGIUM SNAPSHOT



### Key highlights

- Audience share leader by a significant margin
- Ad share leadership – 3x bigger than closest competitor
- Leading formats across all show types
- Leadership in radio

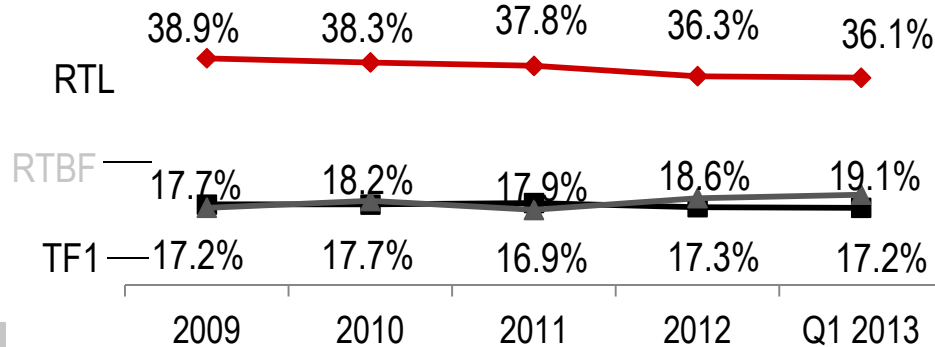
## BELGIUM SOUTH TV AD MARKET AND RTL BELGIUM SHARE (2008-2012)



Note: TV ad intensity is based on whole of Belgium  
Source: RTL Group estimate, IMF, Screen Digest

● TV ad intensity  
□ Net TV market (€mn)

## AUDIENCE SHARE DEVELOPMENT (BELGIUM SOUTH, 18-54, PRIME TIME)



Source: CIM TV South, 17-23h

## RTL BELGIUM FINANCIAL PERFORMANCE

€MN	2009	2010	2011	2012	Q1 2013
Revenue	203	219	216	210	51
Growth	-6%	8%	-1%	-3%	-6%
EBITA	36	45	46	45	12
Margin	18%	21%	21%	21%	24%

Source: Company data



QUARTER 1

BUSINESSES

STRATEGY

# FremantleMedia: TV entertainment production and rights exploitation - worldwide

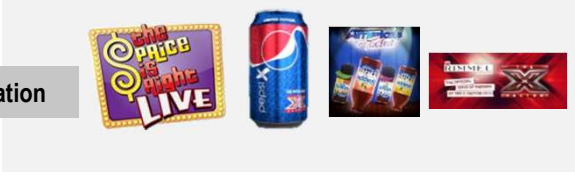
## FREMANTLEMEDIA

### Production



- Produced more than 9,100 hours of original TV content in 2012
- Delivers long-lasting blockbusters for broadcasters around the world

### Exploitation



- Exploits the value of brands on TV and beyond

### Distribution



- Distributes a library of over 20,000 hours of programming in more than 150 territories

### Digital



- Brings brands closer to the audience through new technologies and distribution channels

**Highly complementary: 29% of Group revenue, 13% of Group EBITA**

# FremantleMedia develops, produces and invests in a diversified portfolio of brands

## NON-SCRIPTED

	#1 entertainment series for 9 years in US		#1 daytime entertainment show in US		Highest rated entertainment show in Holland since 1995
	World's top travelling format in 2010 and 2011		On air since 1976 in US		Highest-rated launch ever on Discovery Channel
	#1 rated show in UK in 2011		#1 game show on France 3		Show and spin-off both in top 5 programmes on A&E

## SCRIPTED

	#1 rated show across FTA digital channels in 2011		#1 drama in Hungary
	#1 in its slot for 14-49s in Germany		#1 daily drama in Finland for 12 years
	#1 drama on Rai 3		Sold to 52 broadcasters in over 150+ territories

## KIDS & FAMILY

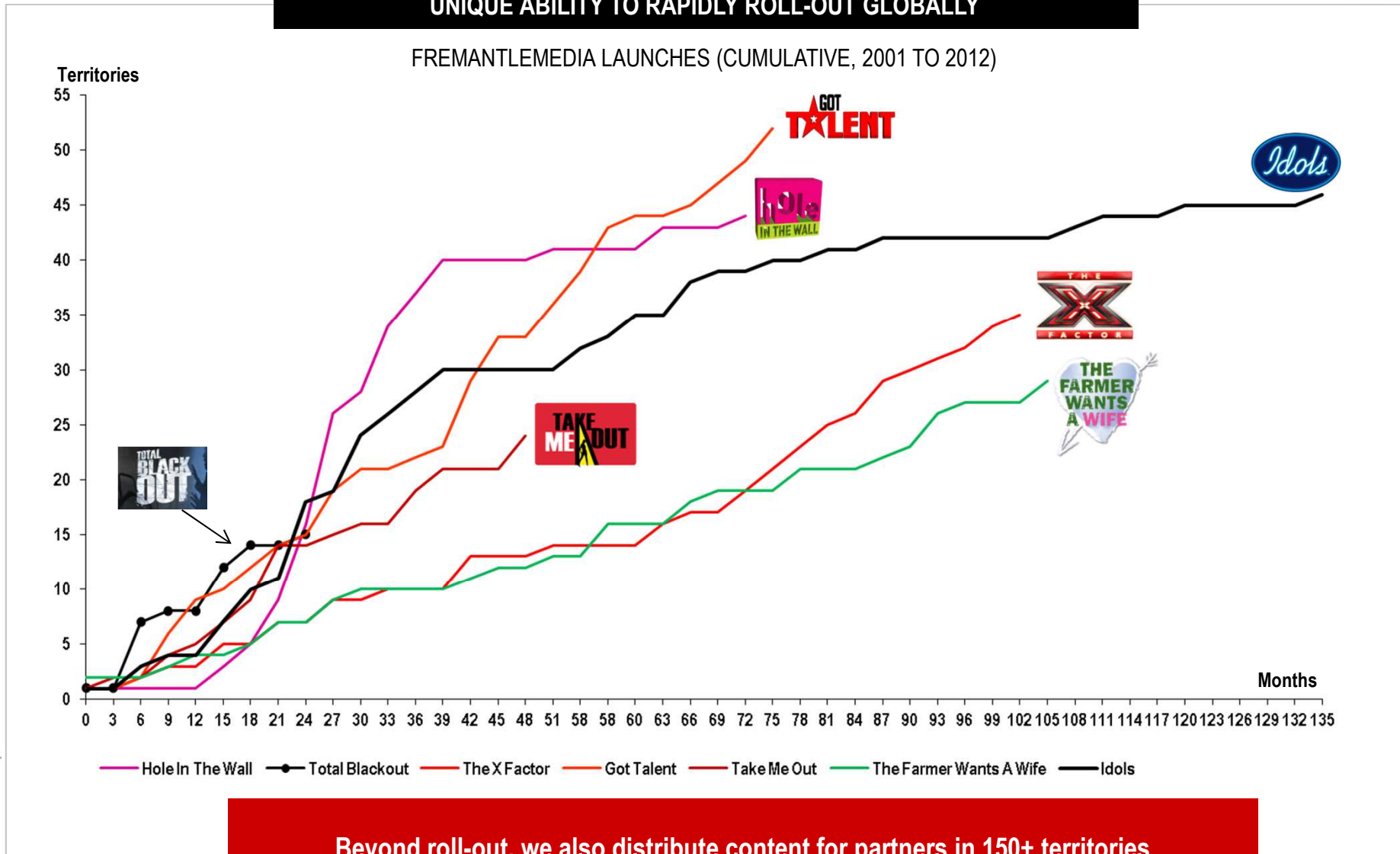
	#1 on Cbeebies in 2012 for kids 4-6		UK Premiere ranked #1 in time slot (boys 6-12)
	#2 premiere on CBBC in 2012 for kids 6-12		Series finale ranked #1 in time slot (kids 6-12)
	#1 US-cable show in its slot for 6-11 & 9-14		#2 UK show in its time slot for all children



# Roll-out capability is a key competitive advantage

## UNIQUE ABILITY TO RAPIDLY ROLL-OUT GLOBALLY

FREMANTLEMEDIA LAUNCHES (CUMULATIVE, 2001 TO 2012)



**Beyond roll-out, we also distribute content for partners in 150+ territories**

# Unprecedented capability to exploit TV brands on and off air

## AMERICAN IDOL CASE STUDY



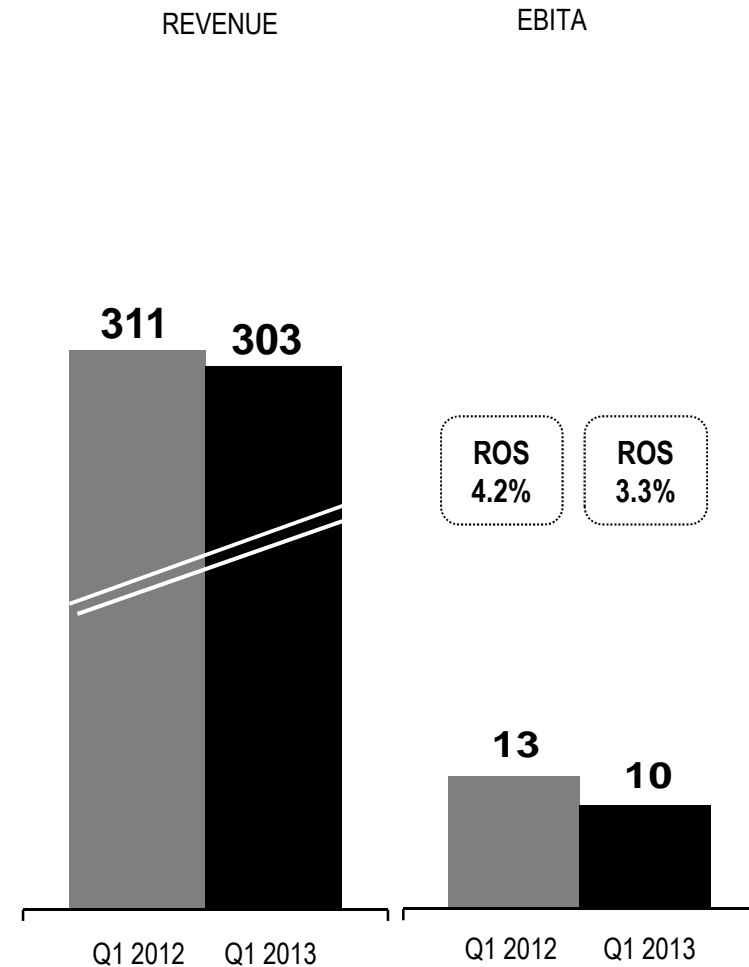
**FremantleMedia exploits brands and can turn them into franchises**

## KEY FACTS 2013

- **Core franchises remain strong**
  - *Idols*: 13<sup>th</sup> season confirmed for US version
  - *X Factor*: 3<sup>rd</sup> season confirmed in US upfront by Fox
  - *Got Talent*: continued high ratings on ITV1
- **Worldwide presence in production, distribution and digital**
  - Five year partnership with BBC to develop high quality children's content
  - New production label called Newman Street – focus on producing drama for British television



## KEY FINANCIALS (in € million)



# We follow our audience into the digital world...

## DIGITAL GROWTH

### ONLINE NETWORK

#### Strong site portfolio

- Leading TV sites
- Growing content verticals and ventures

### NON-LINEAR TV

#### Leading catch-up TV offers

- Among top 3 video sales houses in GER/F/NL



### MOBILE

#### Over 100 apps

- Over 90mn downloads
- Innovative 2nd screen offers



### NEXT GEN TV

#### Among US YouTube top 20



3 orig.content and 100+ channels globally

### REACH

**61mn**

Monthly unique users across group (2012)

**+15%**  
yoy

### VIDEO VIEWS

**6.9bn**

2.4bn catch-up  
4.5bn via Youtube

**+71%**  
yoy

### ONLINE REVENUE

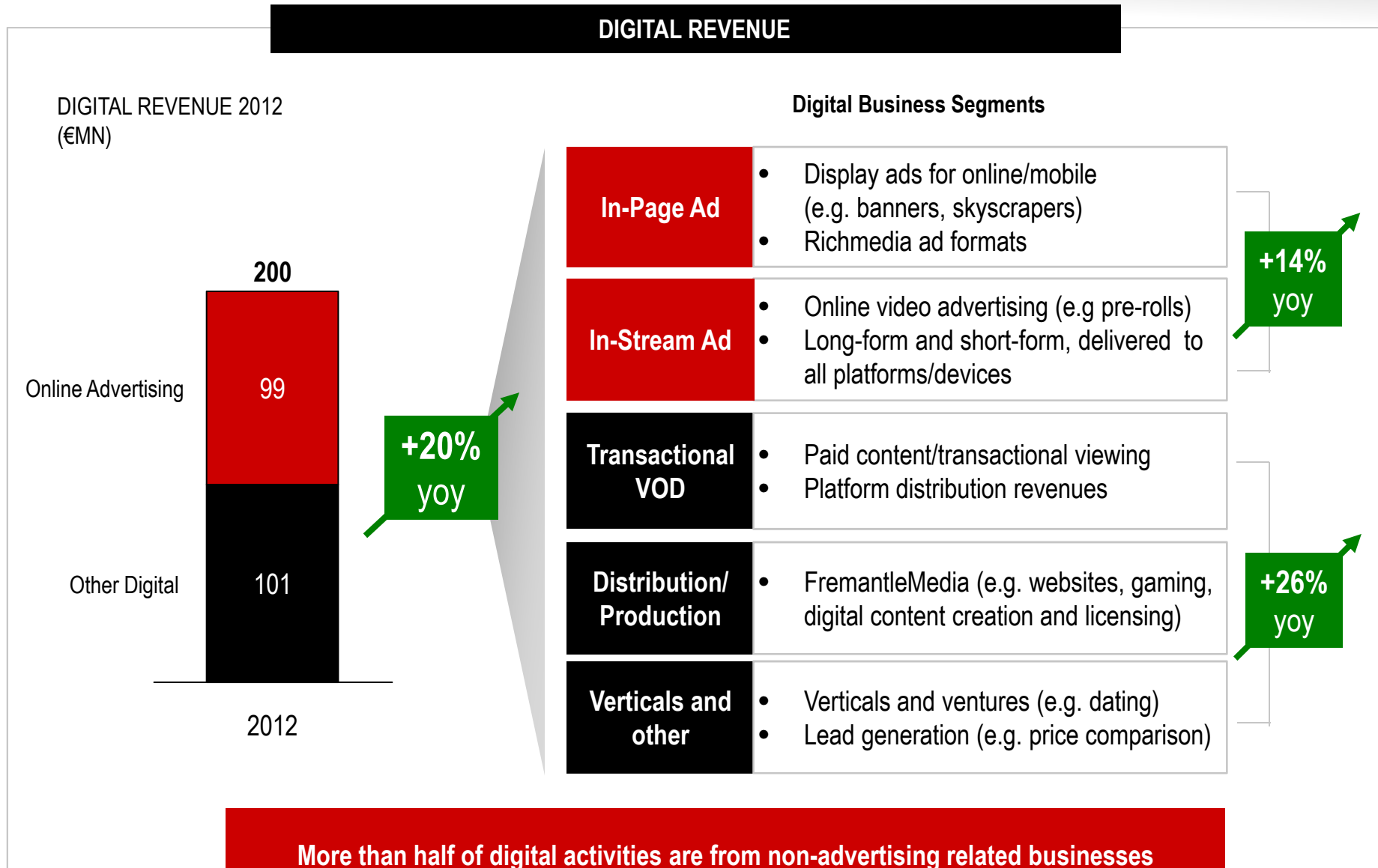
**€200mn**

Online ads,  
pay/transactional  
revenue

**+20%**  
yoy

**Dynamic digital growth integrated into our business**

# ...generating online revenue across multiple new activities



# Agenda

- Full-year highlights
- Business Review
- **STRATEGY REVIEW**

# Strategic priorities in the three key business segments



## BROADCAST

Family of channels

Re-transmission fees

Geographic expansion



## DIGITAL

Online/mobile portfolio

Online video

Digital advertising



## CONTENT

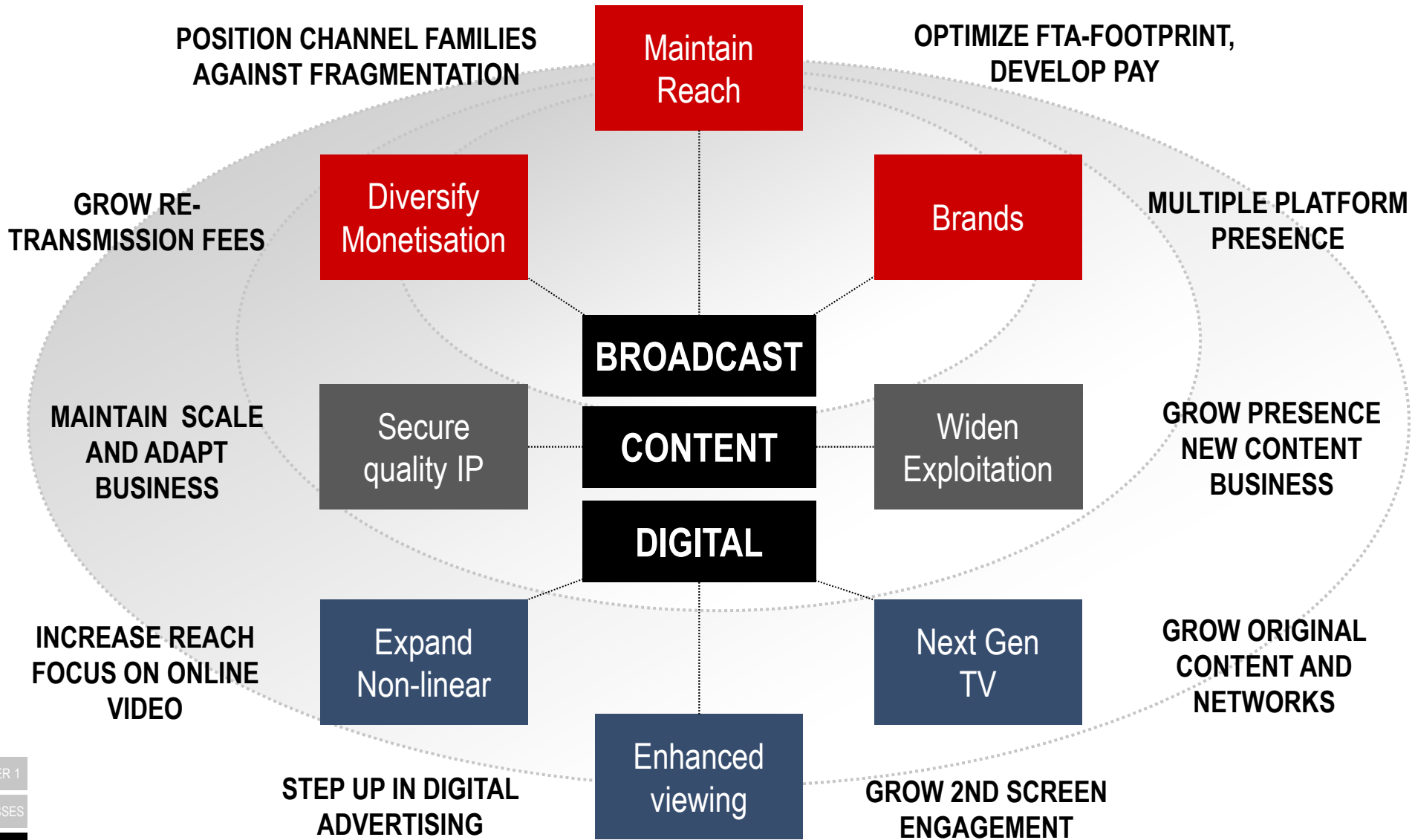
Adapt the business

Maintain scale in traditional business

Build presence in new areas



# RTL Group needs to maintain reach in broadcast, adapt content business and expand in online video





# RTL GROUP PRESENTATION

Brussels, 21 June 2013

The leading European entertainment network



# RTL Group: key financial takeaways

<b>REVENUE</b>	<b>Delivering consistent top-line growth; diversified revenue streams</b>
<b>COST</b>	<b>Flexible cost base, conservative programming rights accounting policy</b>
<b>EBITA</b>	<b>EBITA exceeding €1bn for the last 3 years</b>
<b>CAPEX. WORKING CAPITAL, TAXES</b>	<b>Efficient working capital and capex management</b>
<b>OPERATING CASH CONVERSION<sup>(a)</sup></b>	<b>Strong and resilient cash generation and conversion (&gt;100%)</b>
<b>CAPITAL STRUCTURE</b>	<b>Target Net Debt / EBITDA of 0.5-1.0x; attractive dividend policy: 50-75% of net income</b>

(a) Cash conversion calculated as operating pre-tax free cash flow as a percentage of EBITA (continuing and discontinued operations)  
Note: Financial information in this section is presented using IFRS; Financial information in this section reflects audited consolidated results of RTL Group S.A. for the years ended December 31, 2010, 2011 and 2012, unless noted otherwise  
Revenue CAGR for the period 2009-2012

# Review of Results 31 March 2013, continuing operations (1/2)



In € million	3 months to March 2013	3 months to March 2012	Per cent change
<b>REVENUE</b>	<b>1,329</b>	<b>1,322</b>	<b>+0.5</b>
<b>REPORTED EBITA</b>	<b>207</b>	<b>191</b>	<b>+8.4</b>
Reported EBITA margin (%)	15.6	14.4	+1.2pp
Net result attributable to RTL Group shareholders	133	112	+18.7
<b>UNDERLYING REVENUE</b>	<b>1,329</b>	<b>1,322</b>	<b>+0.5</b>
<b>UNDERLYING EBITA</b>	<b>215</b>	<b>191</b>	<b>+12.5</b>

# Review of Results 31 March 2013, continuing operations (2/2)



In € million

	3 months to March 2013	3 months to March 2012	Per cent change
<b>REPORTED EBITA</b>	<b>207</b>	<b>191</b>	<b>+8.4</b>
Impairment of investment in associates and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures and re-measurement of earn-out arrangements	11	(12)	
Gain from sale of subsidiaries, joint ventures and other investments and re-measurement to fair value	1	-	
Net financial (expense) / income	(2)	28	
Income tax expense	(61)	(62)	
<b>PROFIT FOR THE PERIOD – CONTINUING OPERATIONS</b>	<b>156</b>	<b>145</b>	
<b>LOSS FOR THE PERIOD – DISCONTINUED OPERATIONS</b>	<b>=</b>	<b>(1)</b>	
<b>PROFIT FOR THE PERIOD</b>	<b><u>156</u></b>	<b><u>144</u></b>	<b>+8.3</b>
<i>Attributable to:</i>			
Non controlling interests	23	32	
RTL Group shareholders	133	112	<b>+18.7</b>

QUARTER 1

BUSINESSES

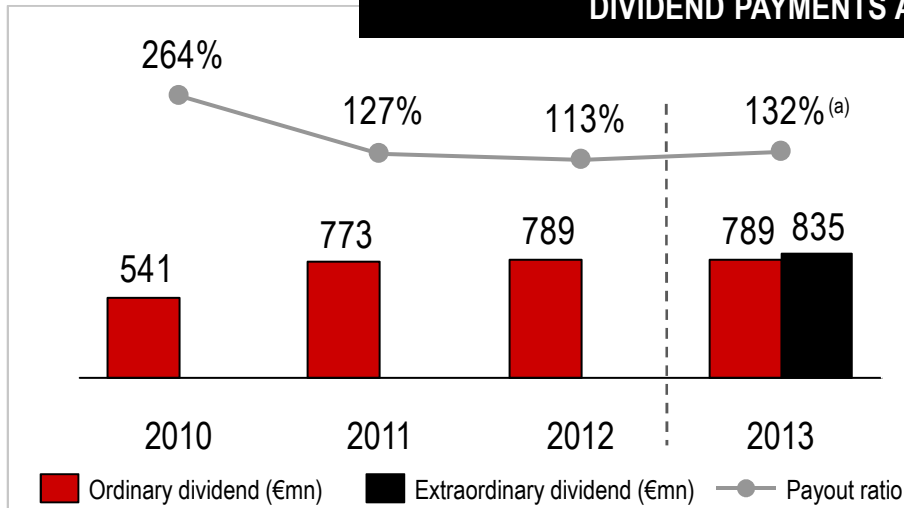
FINANCIALS

# Cash Flow Statement as of 31 March 2013

In € million	3 months to March 2013	3 months to March 2012
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>327</b>	<b>149</b>
Add: Income tax paid	25	81
Less: Acquisition of assets, net	(12)	(35)
<b>Equals: Reported free cash flow (FCF)</b>	<b>340</b>	<b>195</b>
Acquisition of subsidiaries and JVs, net of cash acquired	(39)	1
Disposal of subsidiaries and JVs, net of cash	-	(2)
Other financial assets (deposit excluded), net	(1)	6
Net interest received / (paid)	12	(12)
Income tax paid	(25)	(81)
Dividends paid	(1,613)	(4)
<b>CASH GENERATED / (USED)</b>	<b>(1,326)</b>	<b>103</b>
<b>REPORTED EBITA (CONTINUING AND DISCONTINUED)</b>	<b>207</b>	<b>187</b>
<b>EBITA CONVERSION (FCF/EBITA)</b>	<b>164%</b>	<b>104%</b>

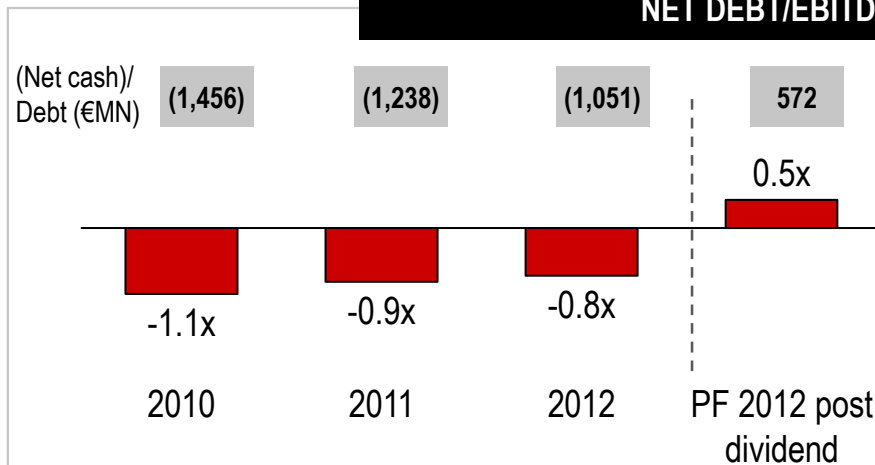
# Efficient capital structure allowing for growth and sustainable dividend policy

## DIVIDEND PAYMENTS AND PAYOUT RATIO (€MN)



- Extraordinary dividend paid in 2013
- Clear commitment to sustainable dividend policy
- Future payout ratio of 50 – 75% of adjusted consolidated net profit

## NET DEBT/EBITDA DEVELOPMENT (€MN)



- Full strategic and financial flexibility
- €1.5bn shareholder loan from Bertelsmann at arm's length to secure financial flexibility
- €500mn 10 year loan at EUR swap 10y +85bps (2.713%)
- Short term RCF up to €1.0bn at EURIBOR +60bps

**Target capital structure allows for growth and sustainable dividends**

QUARTER 1

BUSINESSES

FINANCIALS

(a): Payout ratio reflects ordinary dividend  
 Note: Dividend in year  $t_0$  relates to financial year  $t_{-1}$ ; payout ratio relates to dividend paid in year  $t_0$  divided by profit for the year attributable to RTL Group shareholders in year  $t_{-1}$