

The leading
European
Entertainment
network



Canada & United States
September 2014

RTL
GROUP

Agenda



**Half-year
2014 highlights**



**Business
segments**

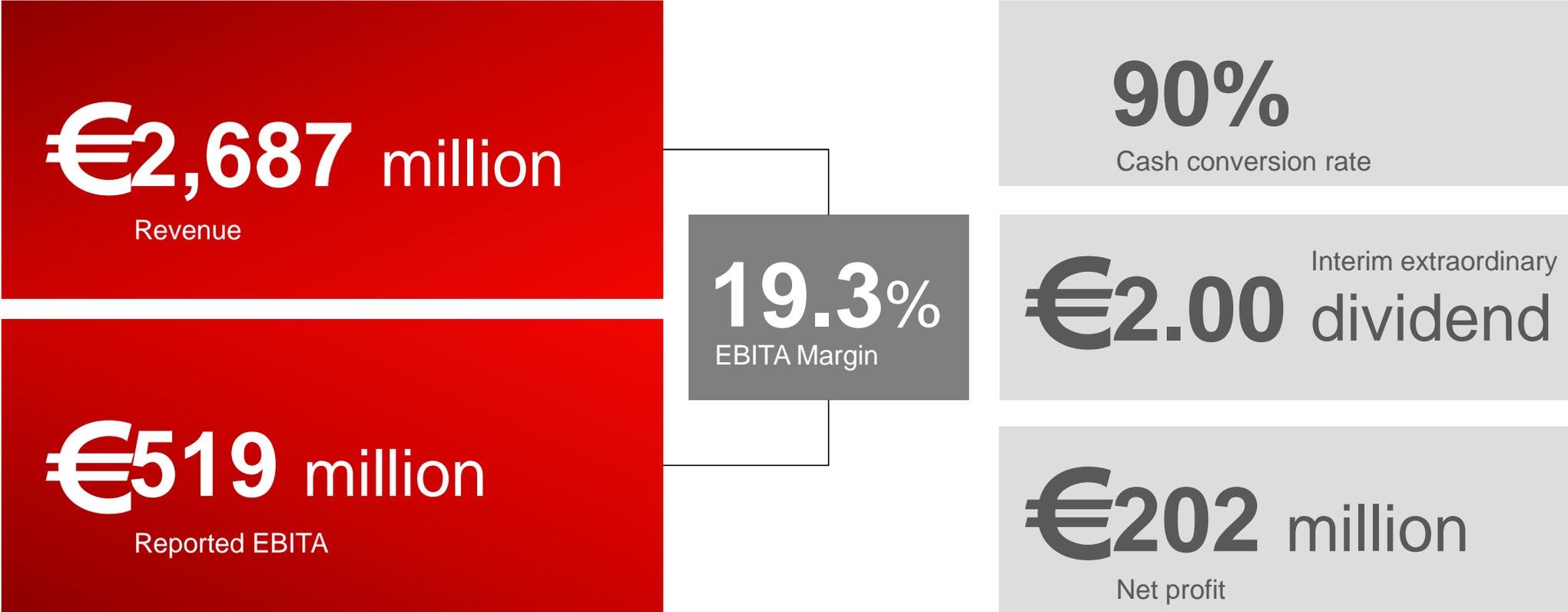


Outlook 2014



**Strategic
update**

Sound results in tough economic environment



Agenda



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2014 highlights



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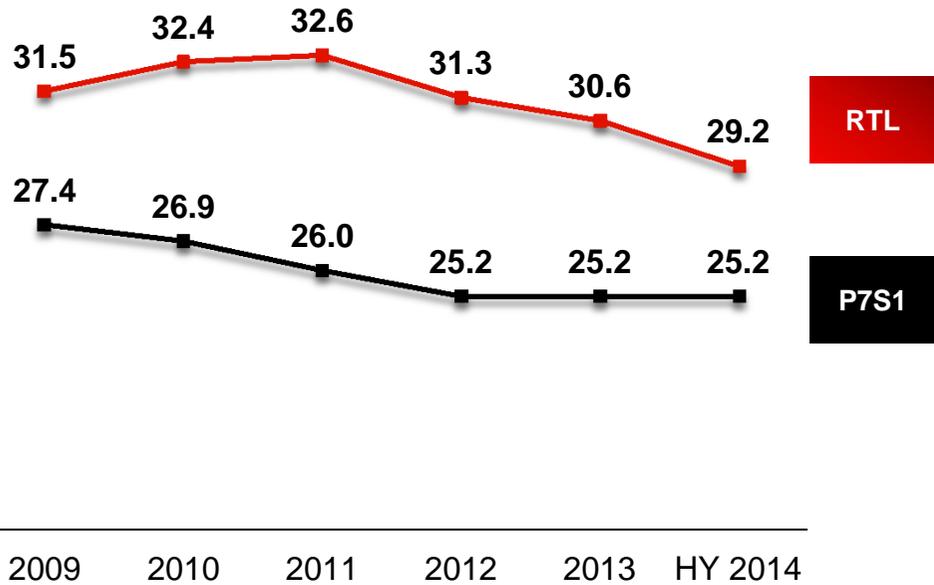


Strategic
update

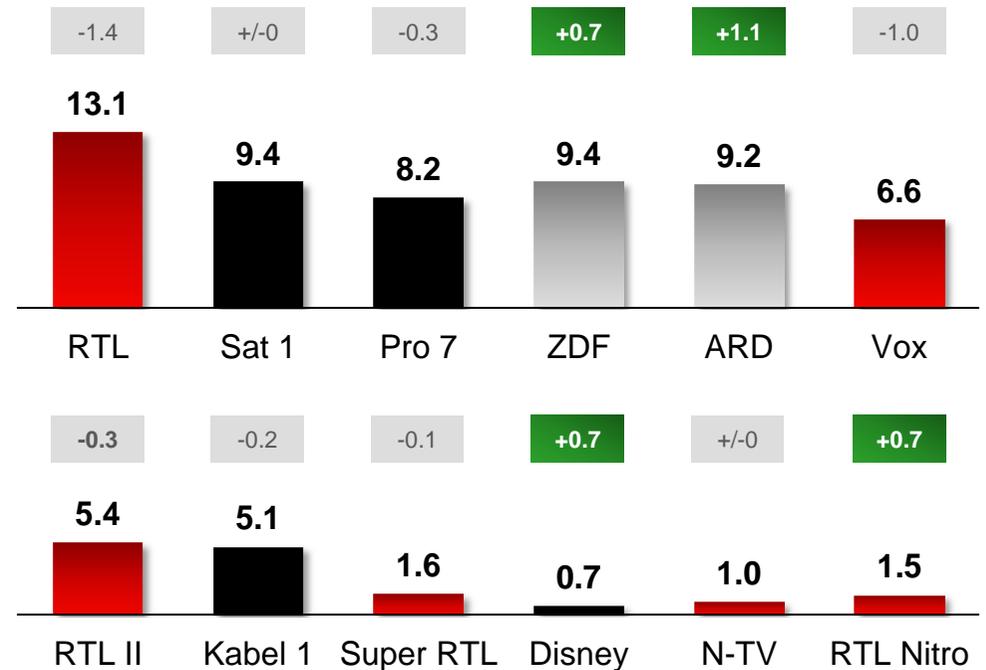
Mediengruppe RTL Deutschland

Audience impacted by sports events

FAMILY OF CHANNELS
14 – 59 (in %)



BY CHANNEL
14 – 59 (in %)

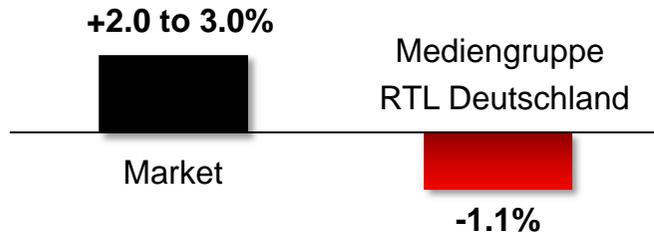


Source: AGF in cooperation with GfK
Note: MG RTL De including RTL II and Super RTL

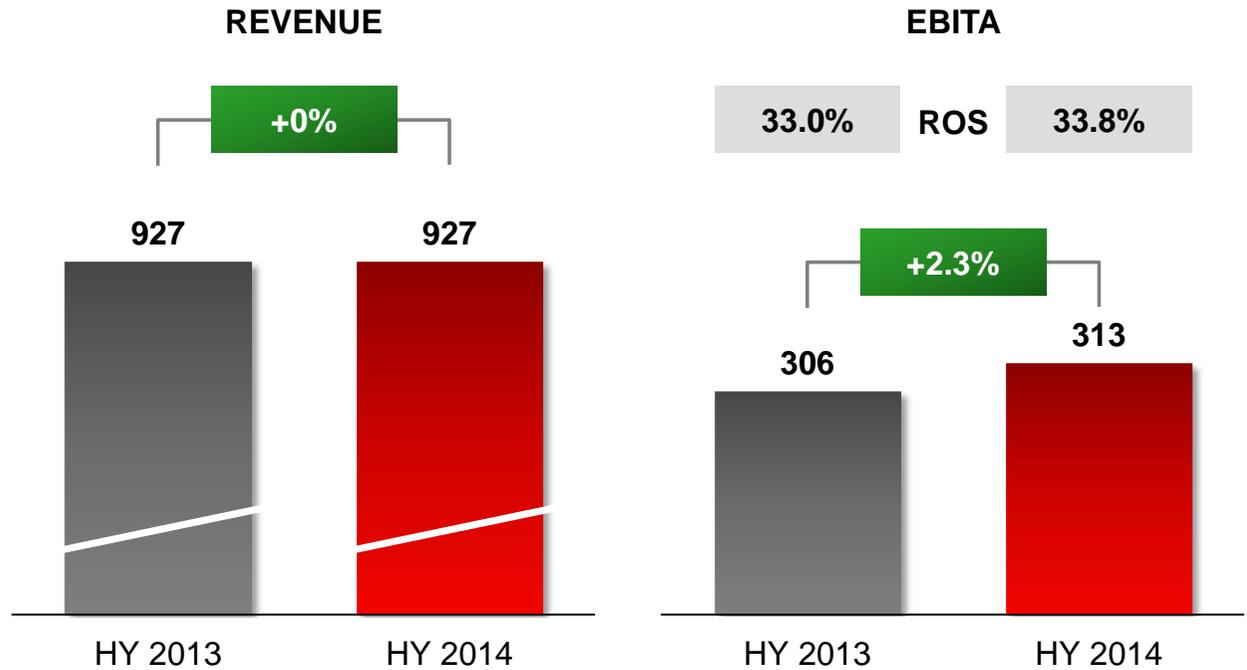
X Percentage point deviation vs. HY 2013

Mediengruppe RTL Deutschland Record EBITA on stable revenue

NET TV ADVERTISING MARKET DEVELOPMENT HY 2014 vs. HY 2013 (in %)



KEY FINANCIALS (in € million)



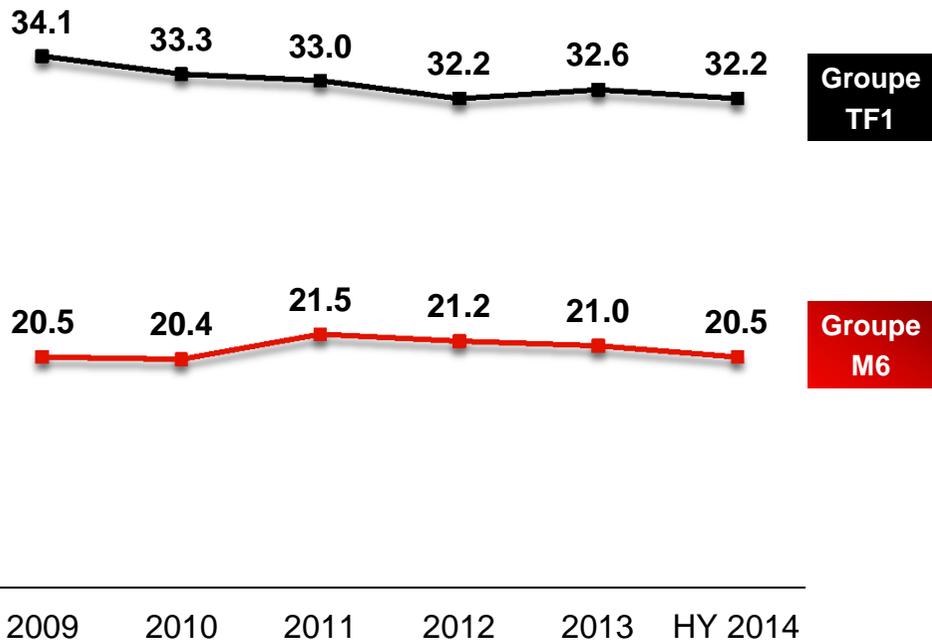
Source: RTL Group estimates,
MG RTL De including RTL II and Super RTL

Groupe M6

Resilient audience; growth continues for 6ter

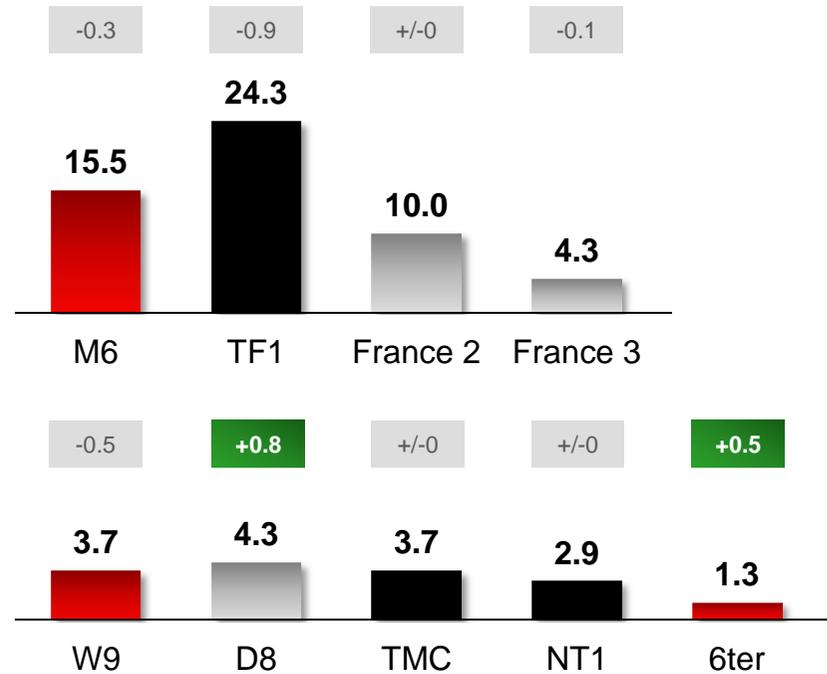
FAMILY OF CHANNELS

Housewives <50, all day (in %)



BY CHANNEL

Housewives <50 all day (in %)

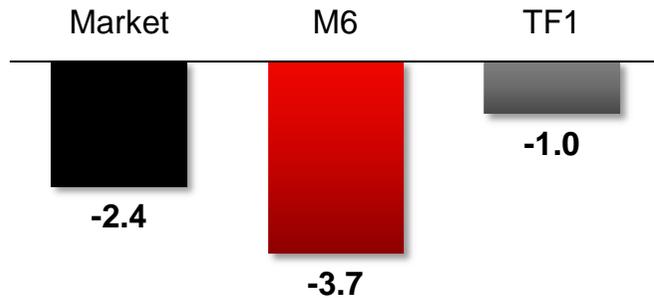


Source: Médiamétrie
 Groupe M6: M6, W9 and 6ter; TF1 Group: TF1, TMC, NT1 and HD1

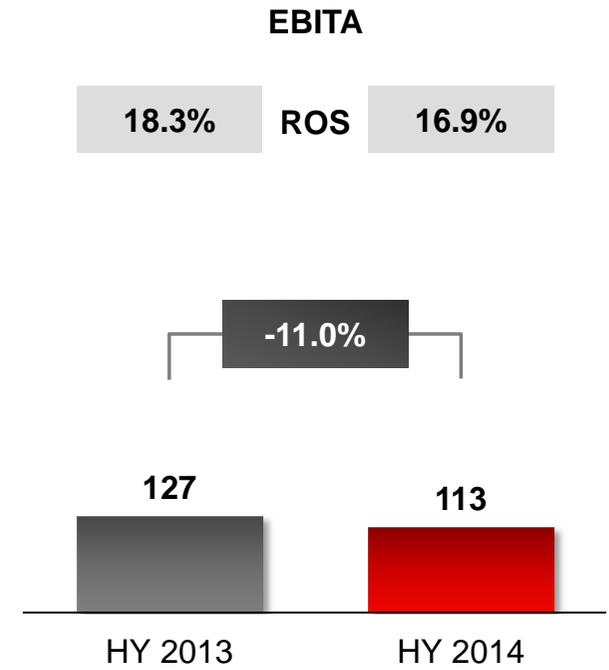
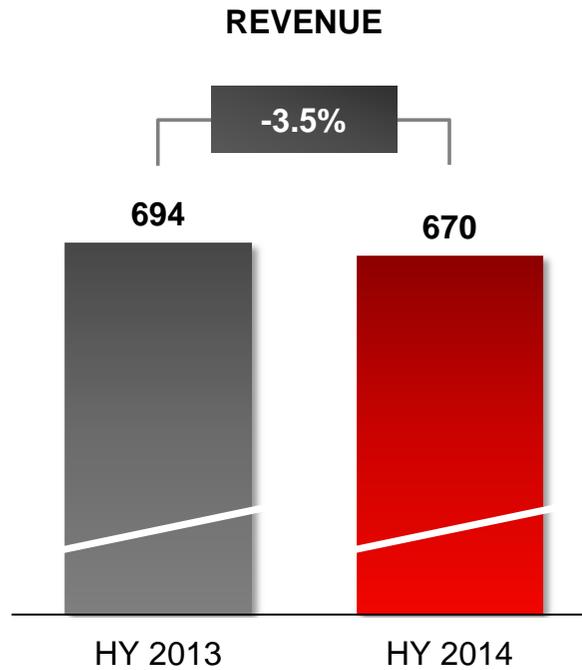
Groupe M6

No sign of advertising market improvement

NET TV ADVERTISING MARKET DEVELOPMENT
HY 2014 vs. HY 2013 (in %)



KEY FINANCIALS
(in € million)



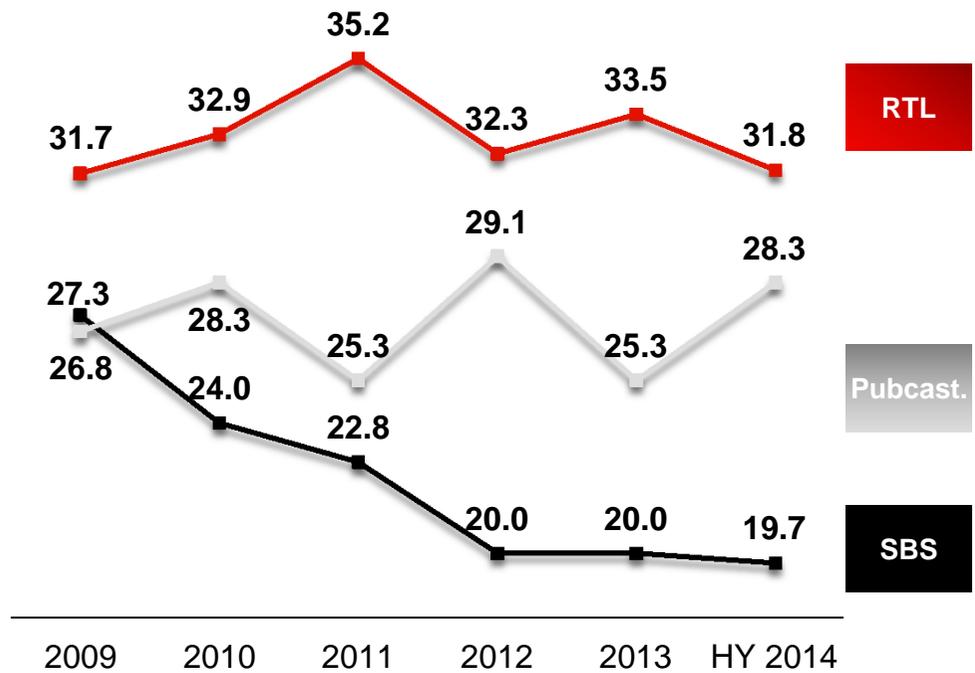
Market: RTL Group estimates; M6 and TF1 as reported

RTL Nederland

Good audience performance despite sports events

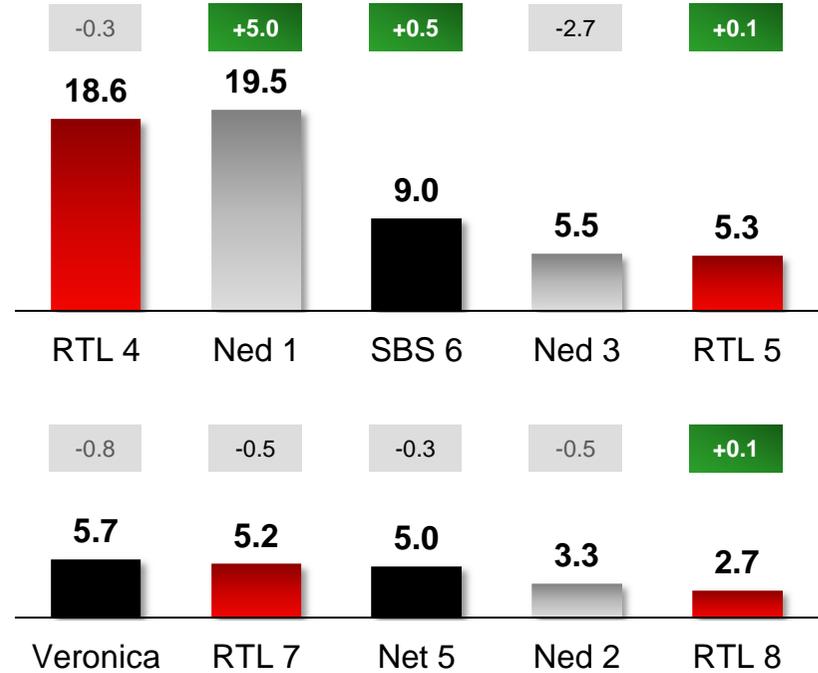
FAMILY OF CHANNELS

20 – 49, Primetime (in %)



BY CHANNEL

20 – 49, Primetime (in %)

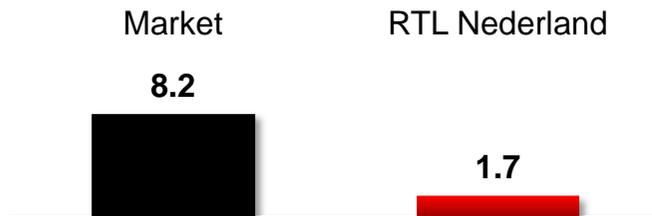


X Percentage point deviation vs. HY 2013

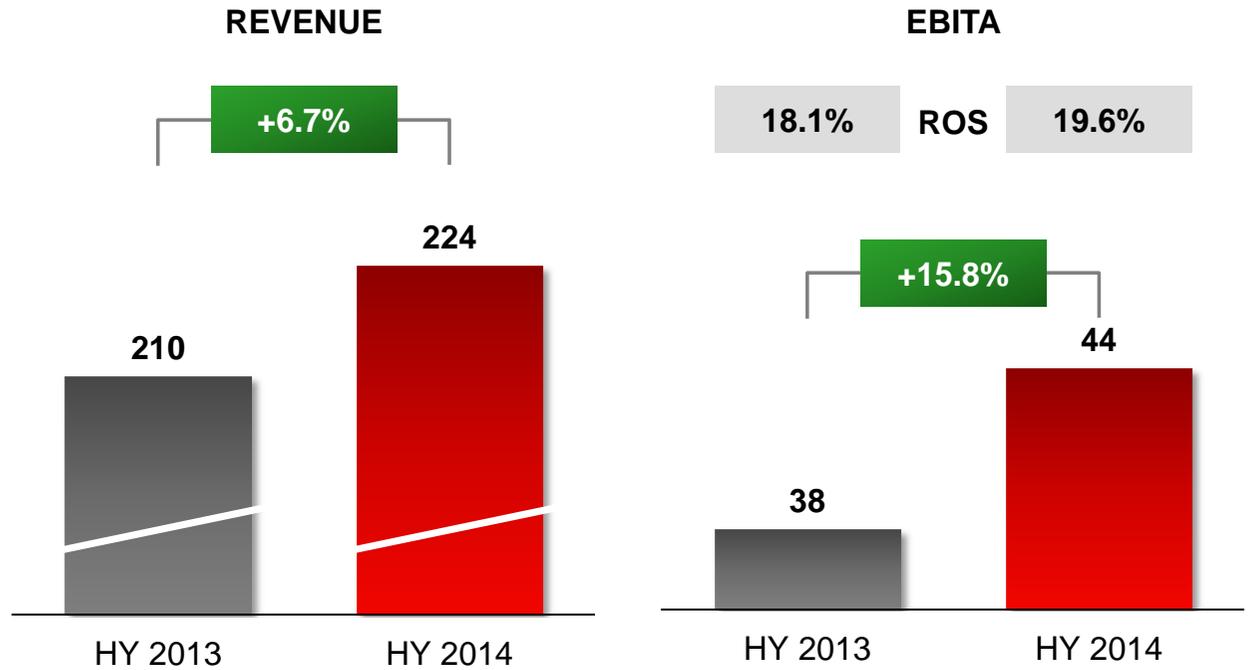
Source: SKO

RTL Nederland Strong revenue and EBITA growth

**NET TV ADVERTISING
MARKET DEVELOPMENT**
HY 2014 vs. HY 2013 (in %)



KEY FINANCIALS
(in € million)



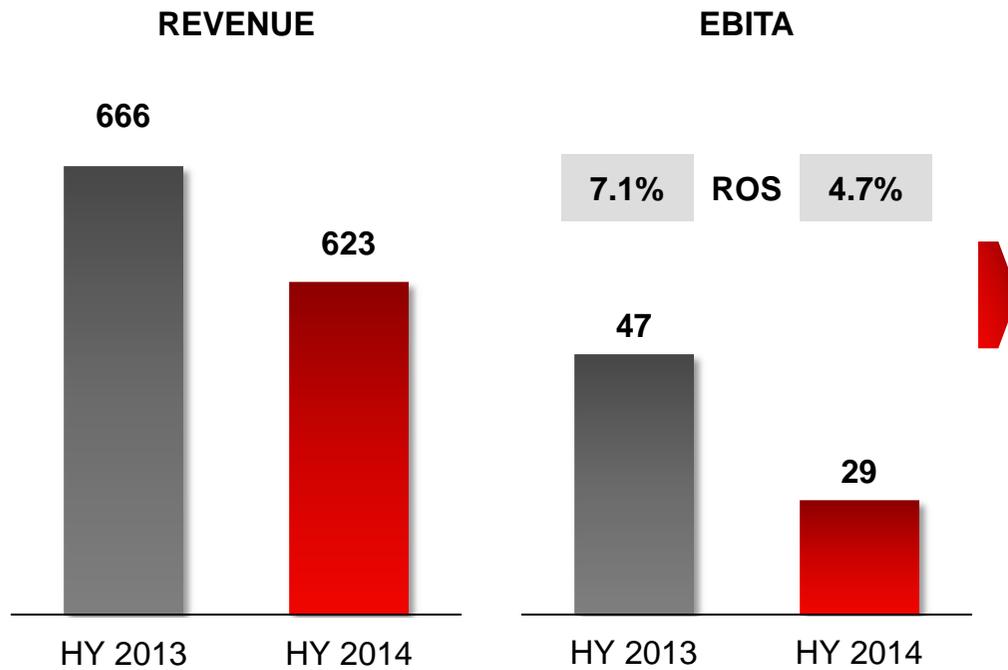
Source: RTL Group estimates

FremantleMedia

Difficult first half year

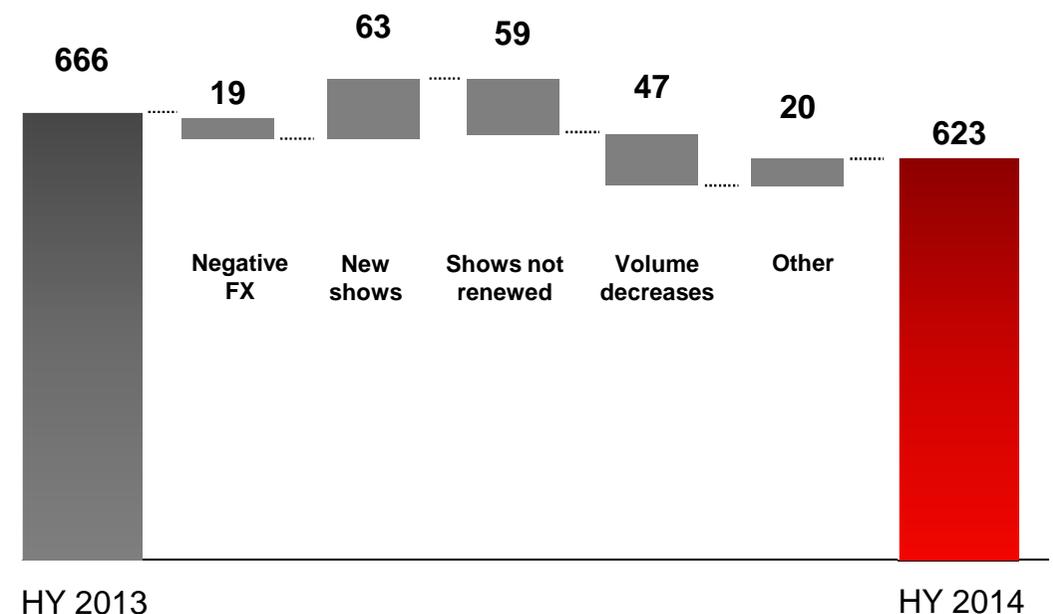
KEY FINANCIALS

(in € million)



REVENUE BRIDGE HY 2013 – HY 2014

(in € million)



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RTL Group Outlook for 2014

1

Weaker economic environment in **France**, the special situation in **Hungary** and financial performance of **FremantleMedia** lead to slightly lower full year guidance

2

RTL Group now expects its **revenue to be slightly down** with **EBITA to be down more significantly**

3

RTL Group's **net result** expected to be significantly down year on year due to impact of impairments, notably Hungary



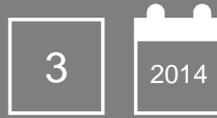
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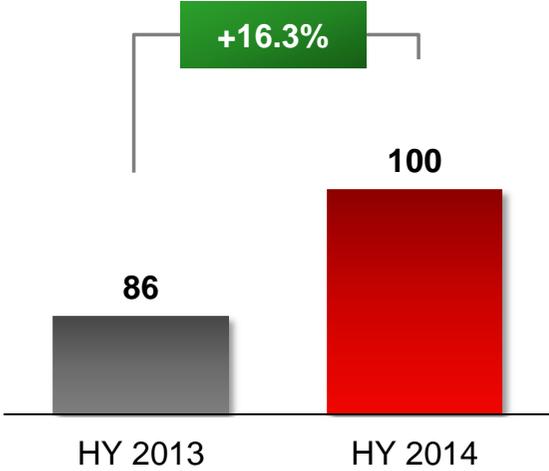


Strategic
update

Broadcast

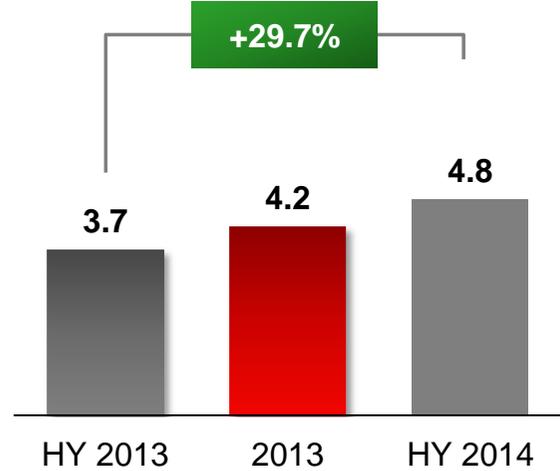
Retransmission fees continuing to grow

RTL GROUP PLATFORM REVENUE
(in € million)



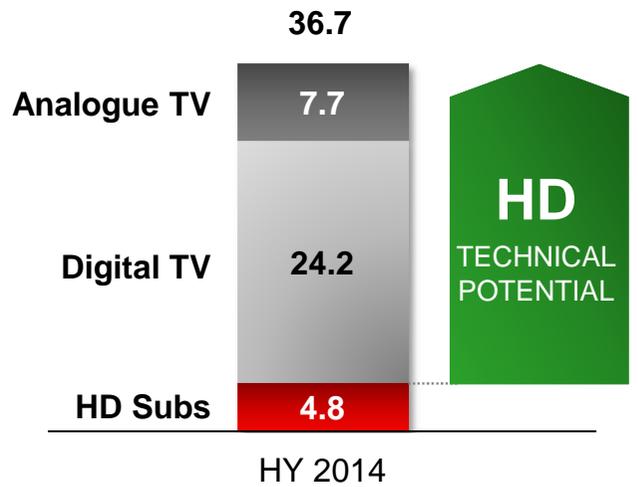
Strong growth in HD ...

HD SUBSCRIBERS, GERMANY
(in million)



... with further potential

(in million households)



Platform revenue defined as revenue generated across all pay platforms (cable, satellite, IPTV) including subscription and re-transmission fees

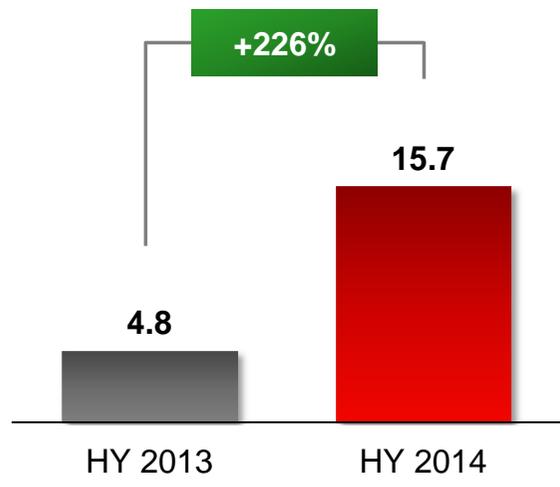
Digital Online video is at the heart of RTL Group's digital strategy

Strategic focus

- 1 VOD** Catch-up TV services
- 2 Web originals** New content production
- 3 MCN** And distribution at global scale

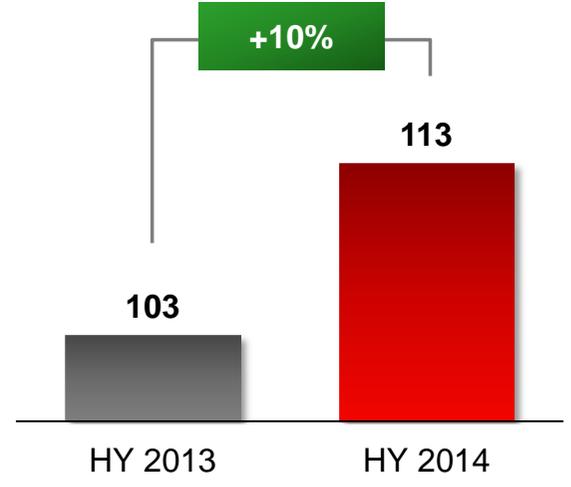
Strong growth

VIDEO VIEWS RTL GROUP
(in billion)



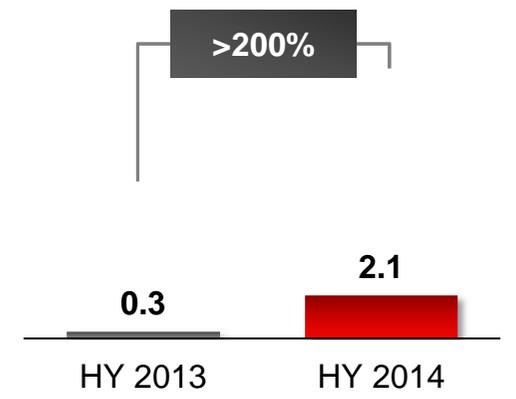
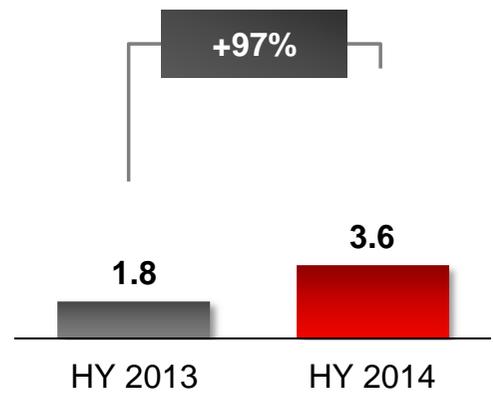
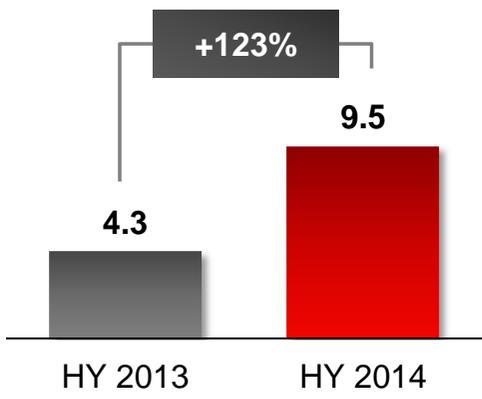
Digital revenue increasing

RTL GROUP DIGITAL REVENUE
(in € million)



Digital Our MCN businesses show high growth ...

VIDEO VIEWS DEVELOPMENT
(in billion)



REVENUE GROWTH

2.3x

#3 MCN Globally

2.6x

#1 Style

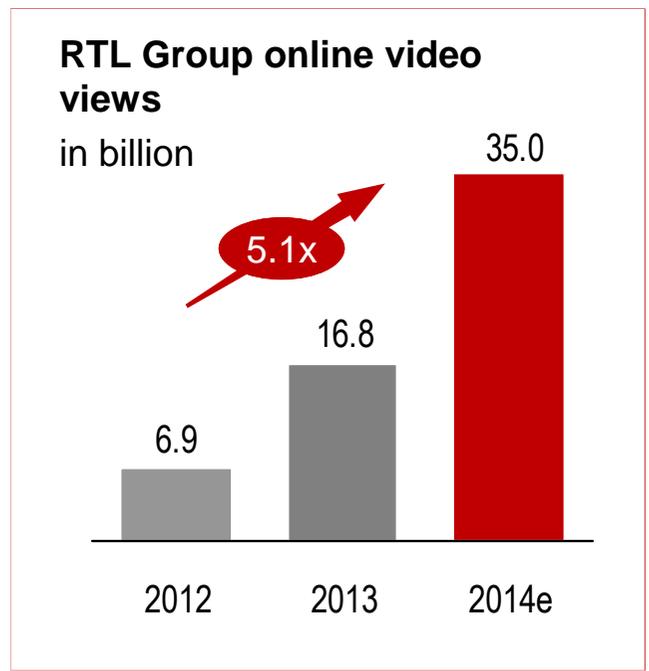
5.3x

#1 MCN Europe

Source: Internal measurement
Note : Stylehaul participation of 25.9 per cent as at 30 June 2014. Divimove : minority shareholding, not consolidated at 30 June 2014

Digital Making RTL Group one of the worldwide leaders

Growing online video business



Top 5 worldwide

Online video ranking	Video views per month in bn*	
1	Google / YouTube	70.9
2	Facebook	14.4
3	AOL (including Adap.TV)	5.3
4	VEVO	4.4
5	RTL Group	2.6
6	Dailymotion	2.2
7	Maker Studios	2.1
8	Fullscreen	1.8
9	Hulu	1.6
10	Microsoft sites	1.3

*ComScore Video Metrix, based on monthly average video views in H1/2014; excluding Asia and Russia, ad networks and ad exchanges; RTL Group underlying figures are based on internal measurement, are restated and grouped for comparison, excl. minority stakes in Divimove, StyleHaul and Atresmedia

Digital ... and will be complemented by recent acquisition ...

Build premium non-linear video services

Build scale in web original and short-form video

Build new sales competencies with cornerstone investment in digital programmatic advertising



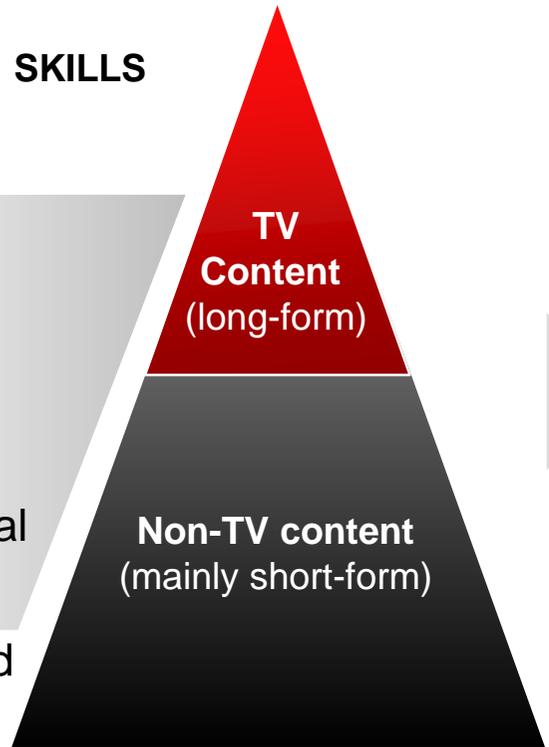
-  Continuing SpotXchange's impressive growth path
-  Maintain independent/publisher friendly proposition
-  Accelerate innovation in online video sales

Digital Partnering with SpotXchange in fast growing market

IMPROVE MONETISATION SKILLS

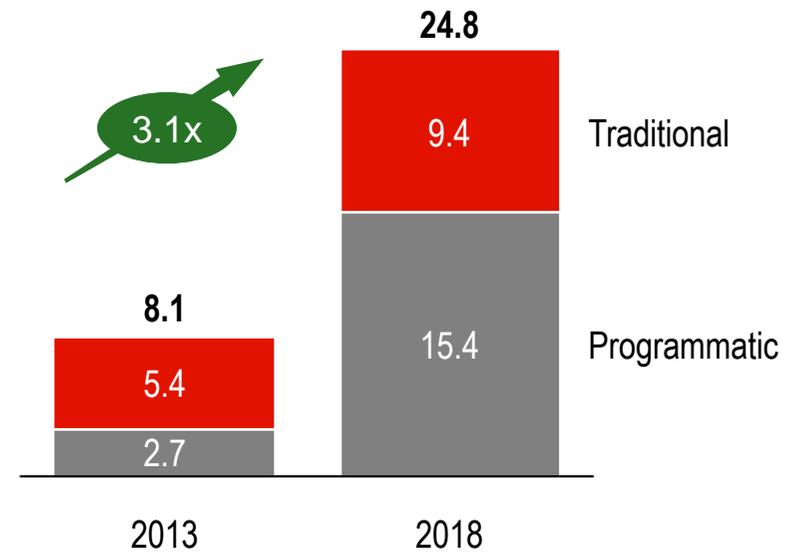
spotXchange

- ✓ Leading video ad monetization platform
- ✓ Scale in US, global reach
- ✓ State-of-the-art ad technology



← Advertising inventory volume →

Global market for online video advertising
In USD billion



Source: RTL Group estimates based on Magna Global, Siemer, eMarketer, Forrester Research

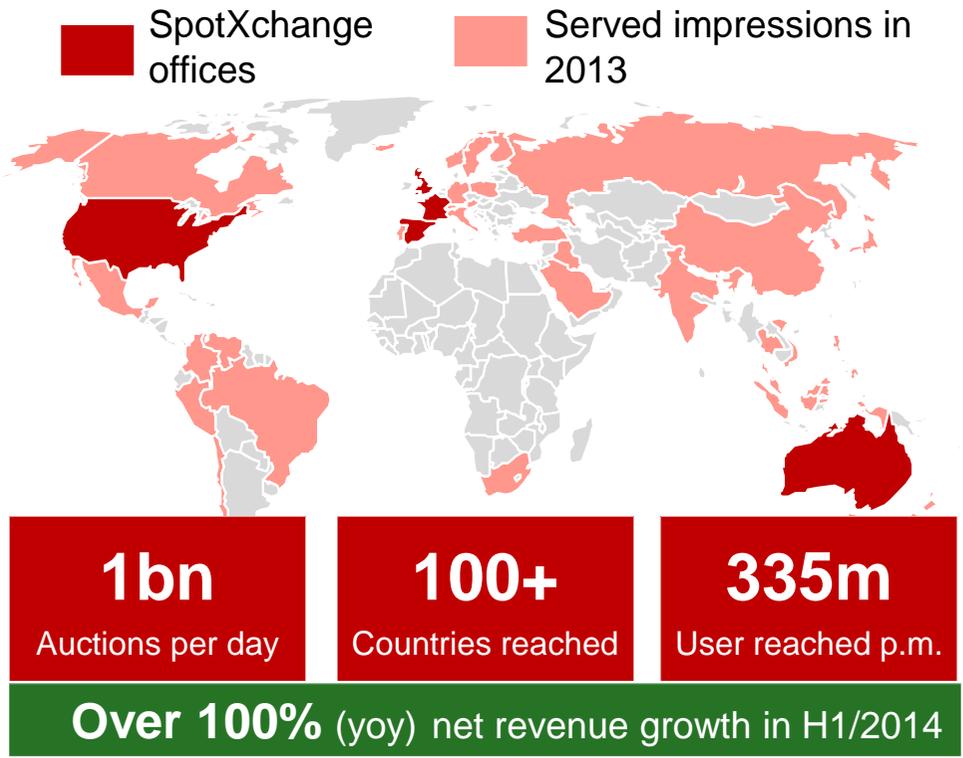
Digital SpotXchange, a leading platform for online video

SpotXchange company overview

- One of the largest, fastest growing and most transparent global marketplaces for online video advertising
- Founded in 2007 in Denver; sales office in NY, San Francisco, London, Sydney; 180+ employees globally
- First to market with video real-time-bidding in 2010
- First class management team

		
Mike Shehan Founder, CEO	Steve Swoboda Founder, CFO/COO	Allen Dove CTO

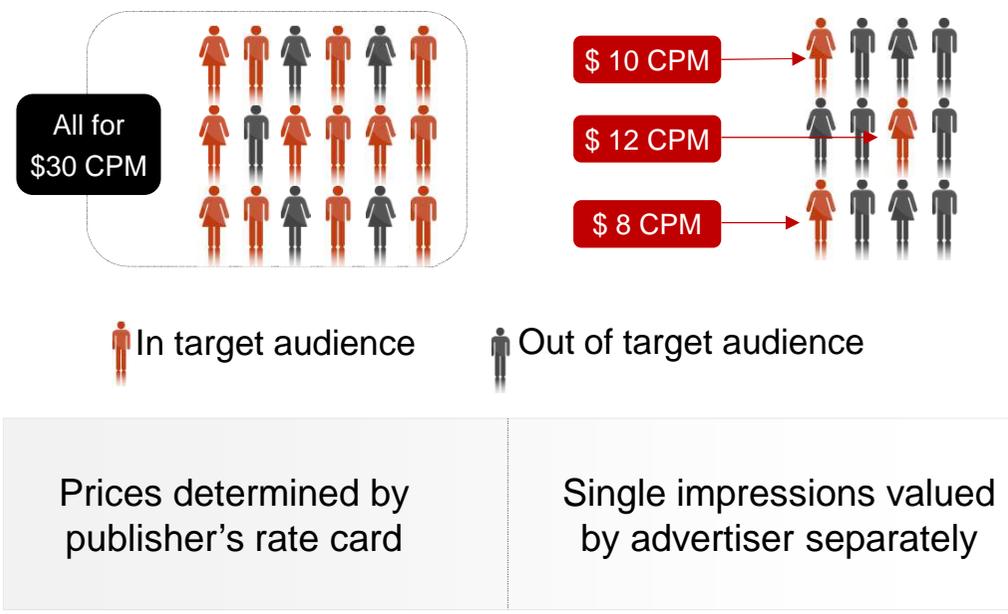
International scale and fast growth



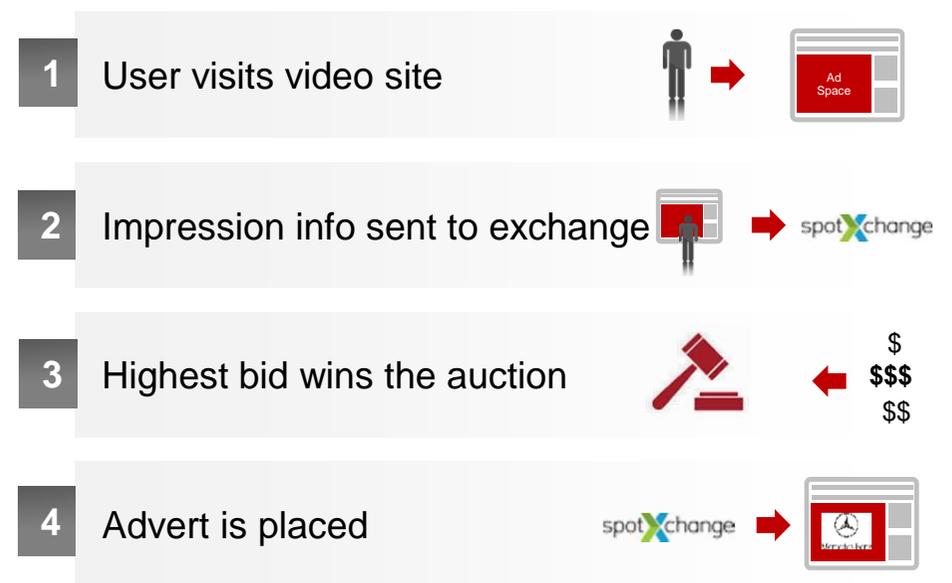
Digital Offering high efficiency via automation

A Impression-based audience buying (programmatic)

Traditional: Inventory buying New: Programmatic buying



B Auction-based sales (real-time-bidding)

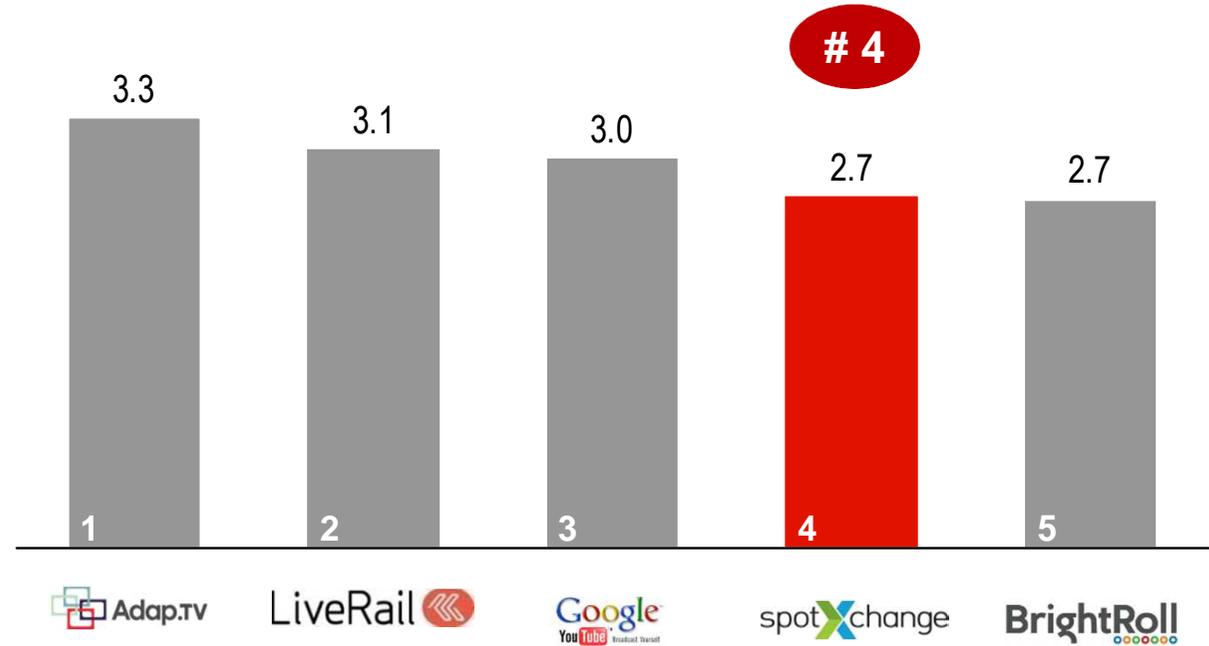


Auctioning process takes only milliseconds

Digital Ranked in top 5 video ad properties in the US

ComScore US online video advertising ranking Q1/2014

Average monthly video ad views
In billion ad views



RTL GROUP → **spotXchange**
Acquired by RTL Group in July 2014

facebook → **LiveRail**
Acquired by Facebook in June 2014

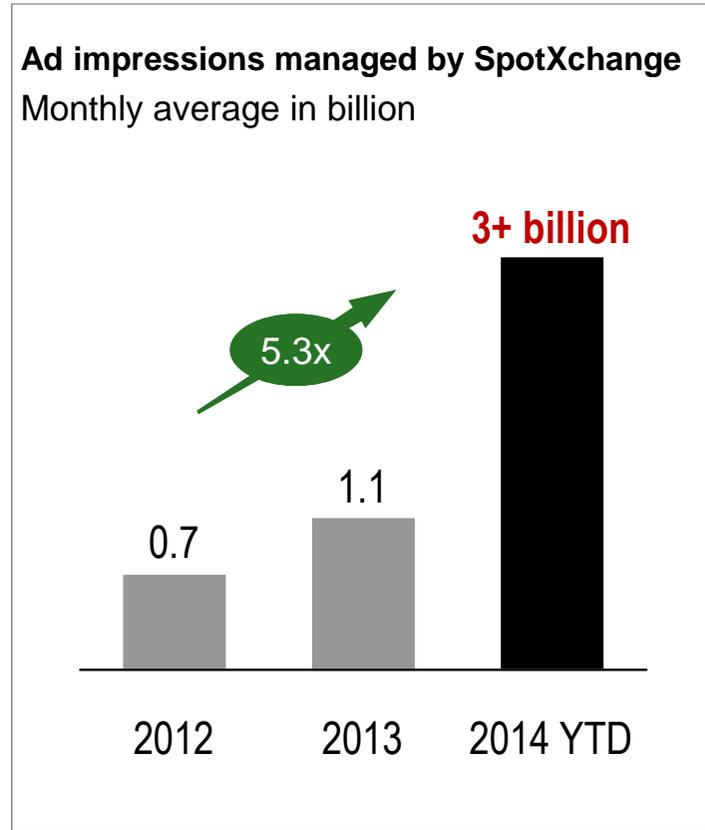
Aol. → **Adap.TV**
Acquired by AOL in August 2013

Google → **doubleclick by Google**
Acquired by Google in April 2007

Digital Managing billions of transactions across brands & publishers

Integrated with the most buying partners (demand sources) in industry

1,000+ brand name advertisers		
		
Industry-leading Trading Desks		
		
Major demand-side-platforms		
		



Working with more than half of ComScore's top 100 publishers

Digital Partnership combines competencies, technology and footprint



Strong ad sales presence in Europe			
Strong ad sales presence in US & APAC			
Strong premium sales houses			
Strong in data-driven, automated sales			
Deep brand marketer relationships			
Deep programmatic relationships			

Strengthen international market position

Diversify sales capabilities

Access all demand sources

Digital Priorities for 2014 and beyond

- 1** **Grow** online business 
- 2** **Expand** non-linear services 
- 3** **Develop** multi-channel network business 
- 4** **Strengthen** online advertising sales capabilities 



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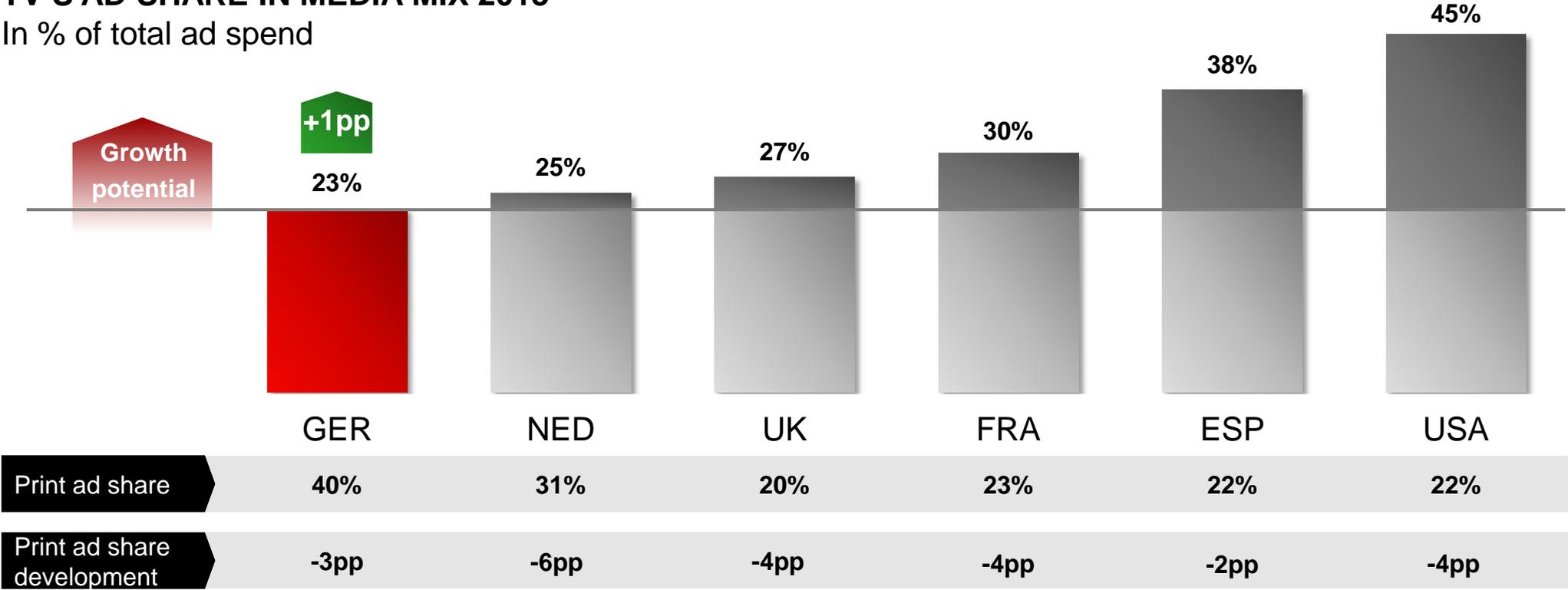
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Growth potential in Germany as print loses share

TV'S AD SHARE IN MEDIA MIX 2013

In % of total ad spend



Source: Screen Digest 2013; development versus 2012 as previously reported