

RTL GROUP

TV stands for Total Video

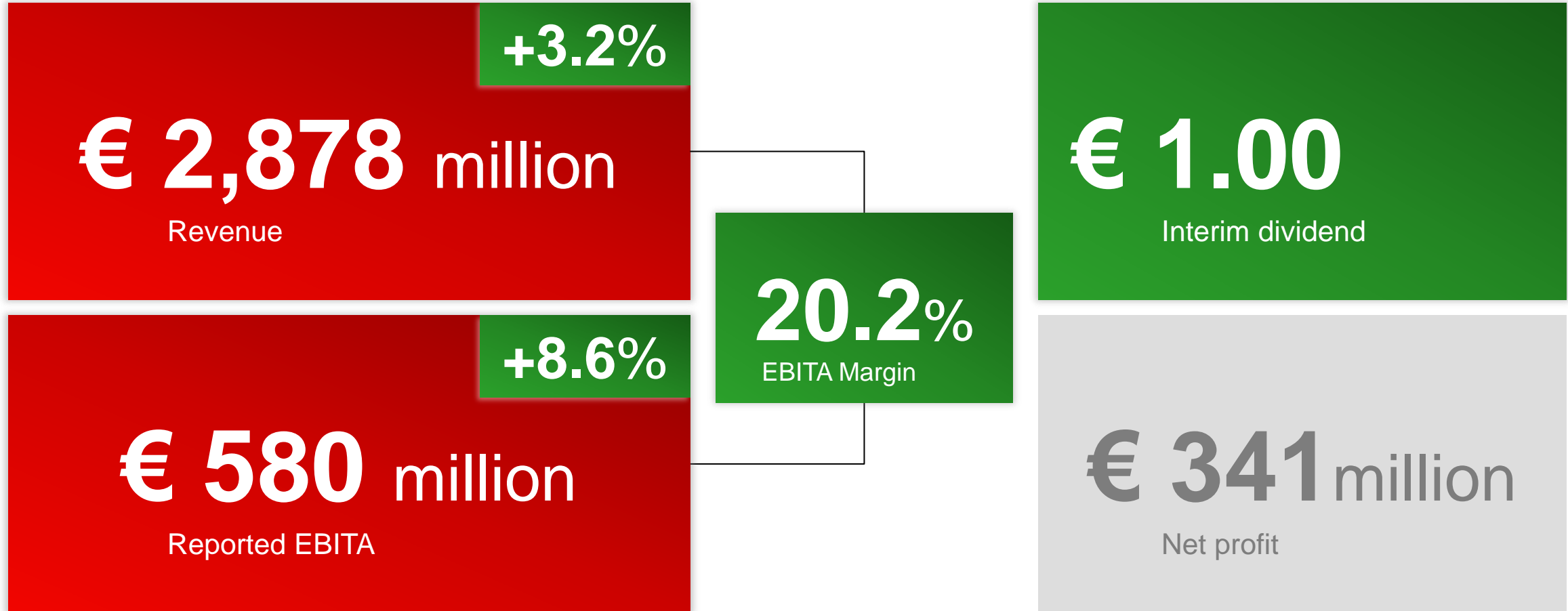
Deutsche Bank

London, 8 September 2016

Guillaume de Posch

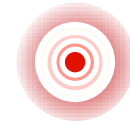
Highlights

Record interim operating results



Agenda

1 STRATEGY



Introduction to Total Video



Content

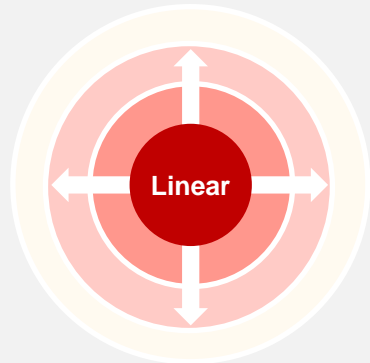


Ad Tech

Overview

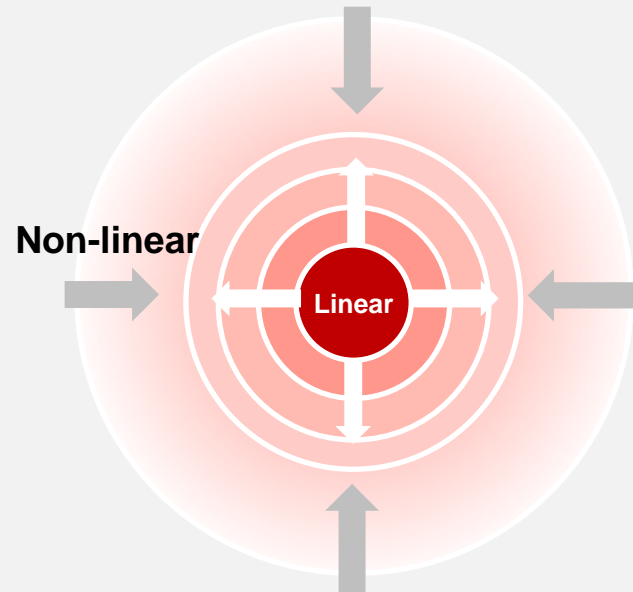
'Total Video' describes the dynamic expanding TV universe

TV as we know it ...



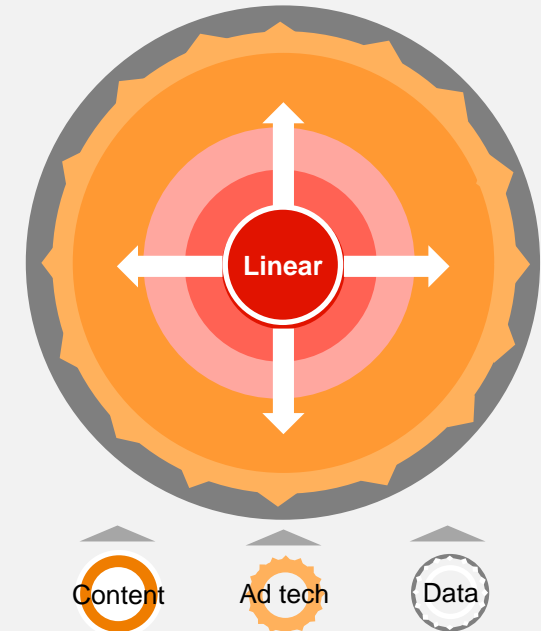
TV landscape has been fragmenting generation by generation

... evolving to Total TV ...



Now non-linear offers grow in quantity and quality, moving closer to traditional TV as TV-like offers

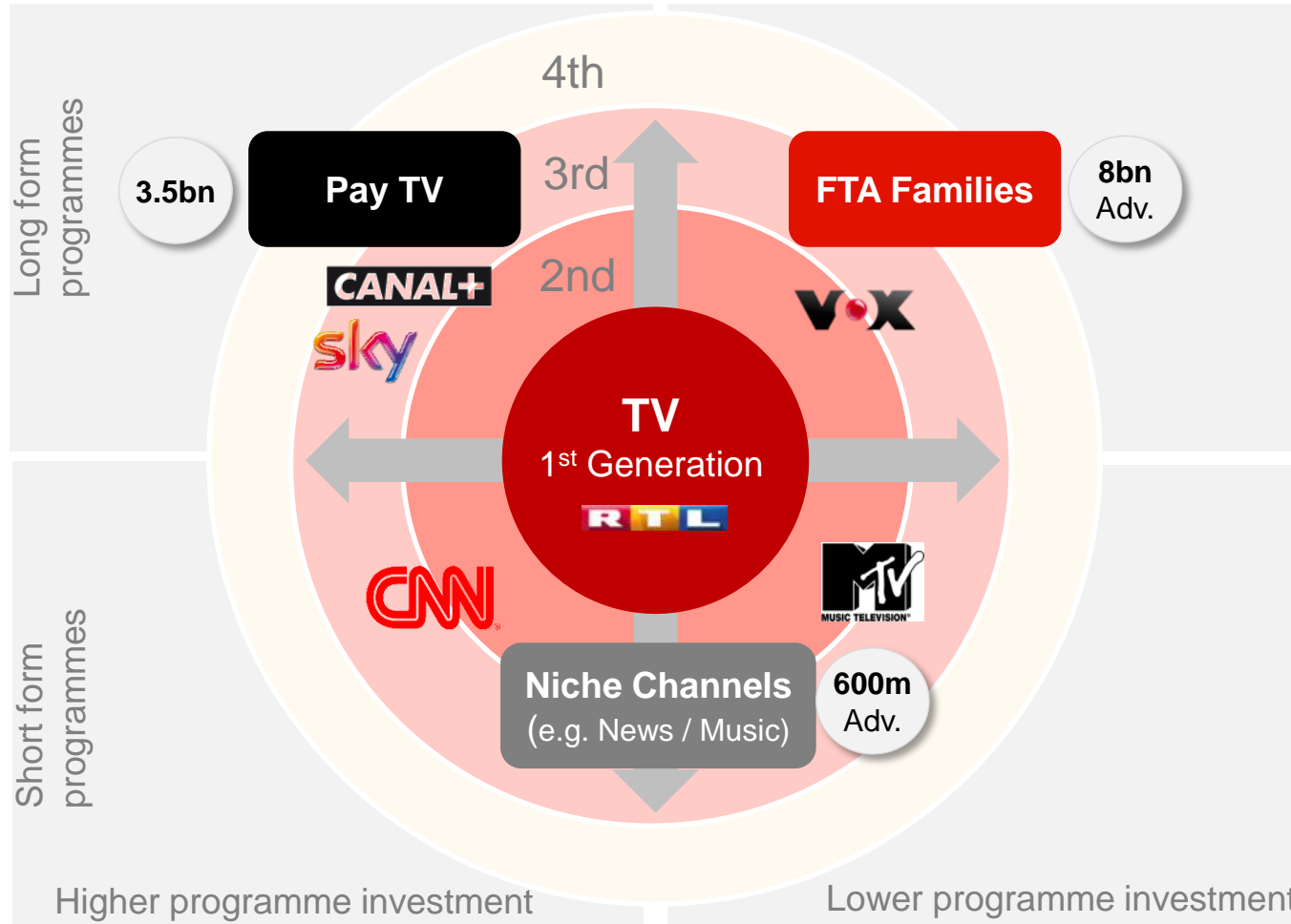
... as an integrated eco-system



Digital tech, data and new types of content are embedded in Total TV

TV universe

Linear TV universe has expanded for generations and this will continue ...



Fragmentation expected to accelerate

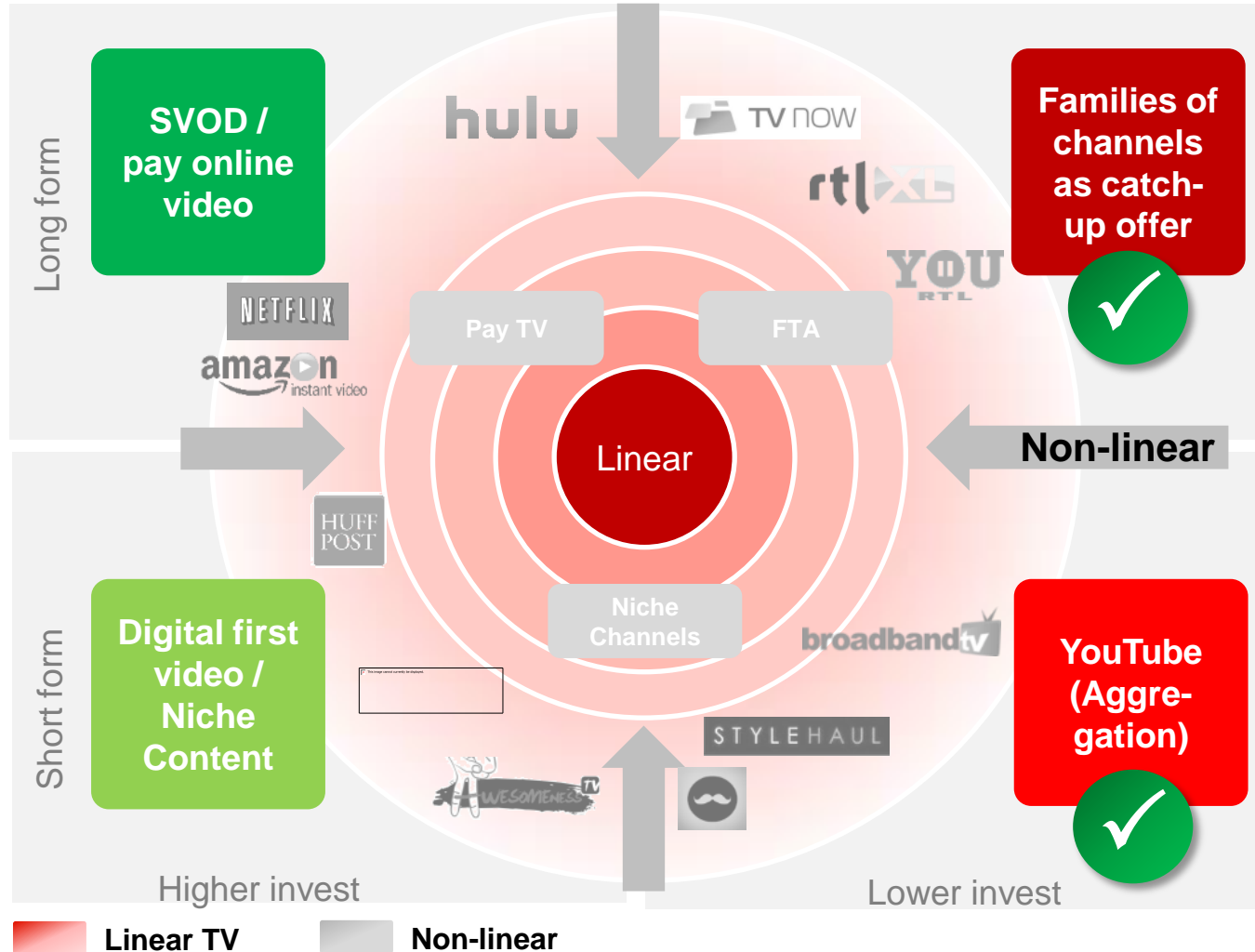
... targeting more niche audiences or business models

... via new distribution platforms

x Est. Market Size (GER/F/NL) in € **Definitions:** Long-form is > 30 minutes, Short-form is < 30 minutes, Lower invest is defined as content produced <50K per hour. Higher invest is defined as content produced for >50k.

TV universe

... expanding from linear to non-linear – illustrated in four ‘Quadrants’



Audiences expect...

...viewing experience better than “just” linear TV

- More choice
- More personalized viewing
- Less advertising, better experience

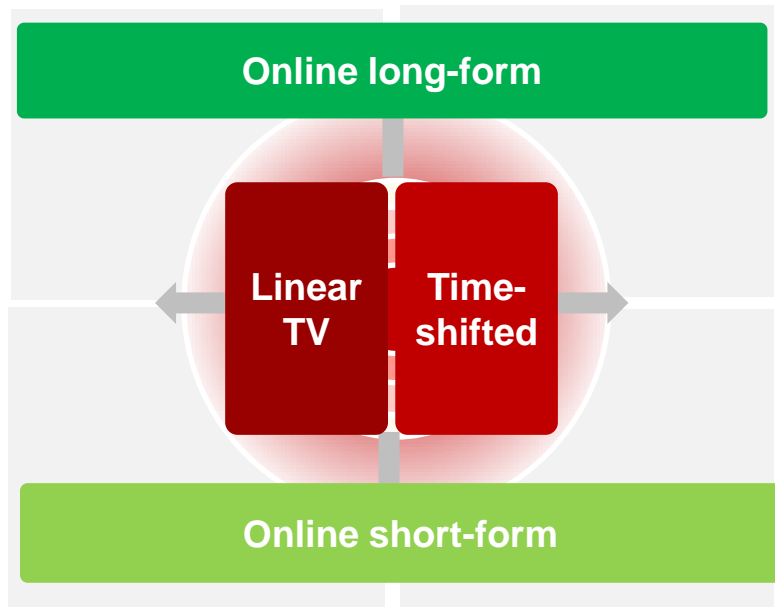
Advertisers expect...

... digital standards to rise to TV level, but pricing to remain low

- Higher ROI (driven by efficiencies)
- Fully transparent reporting
- Innovative cross-platform or cross-market campaigns

Viewing time

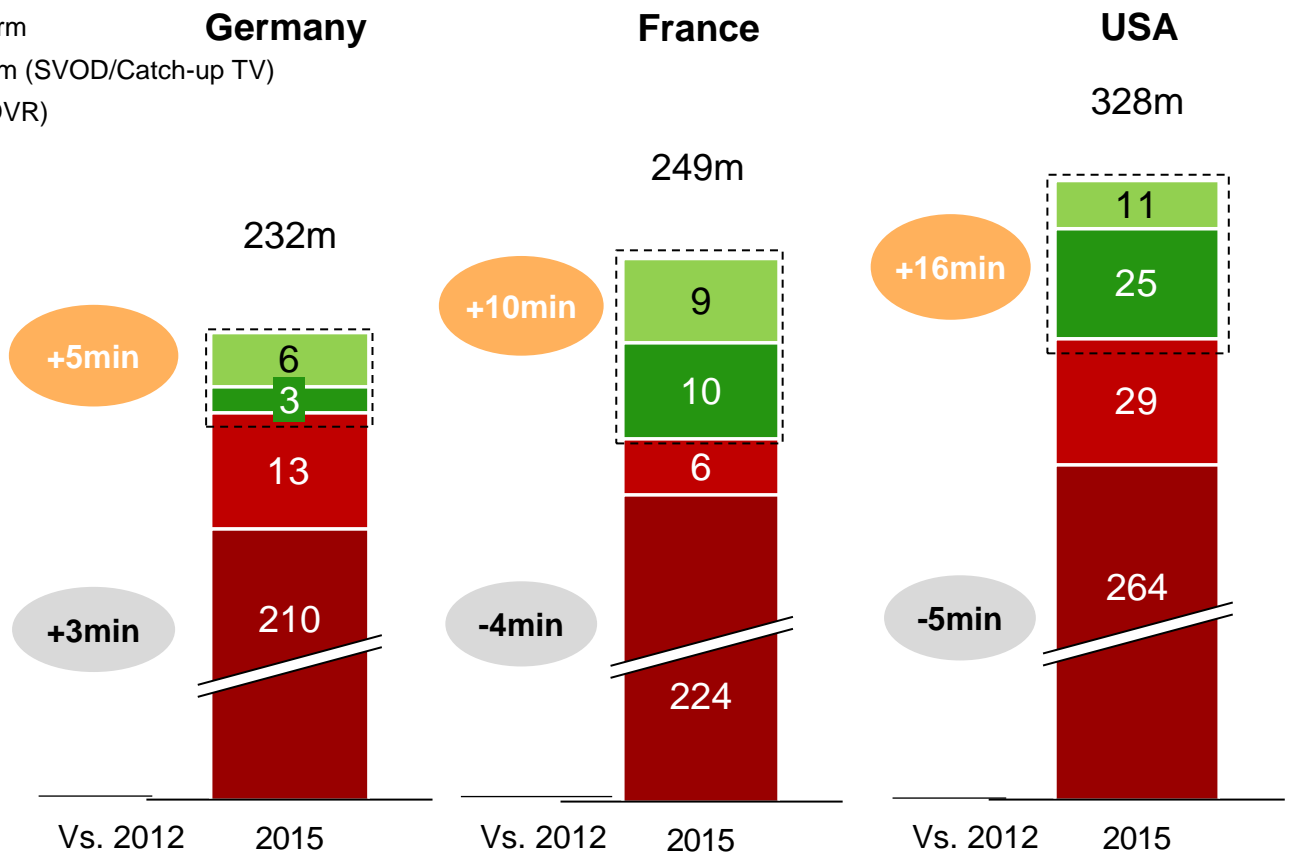
'Total Video' is currently not fully measured



Total video viewing time
Minutes per user per day / estimated

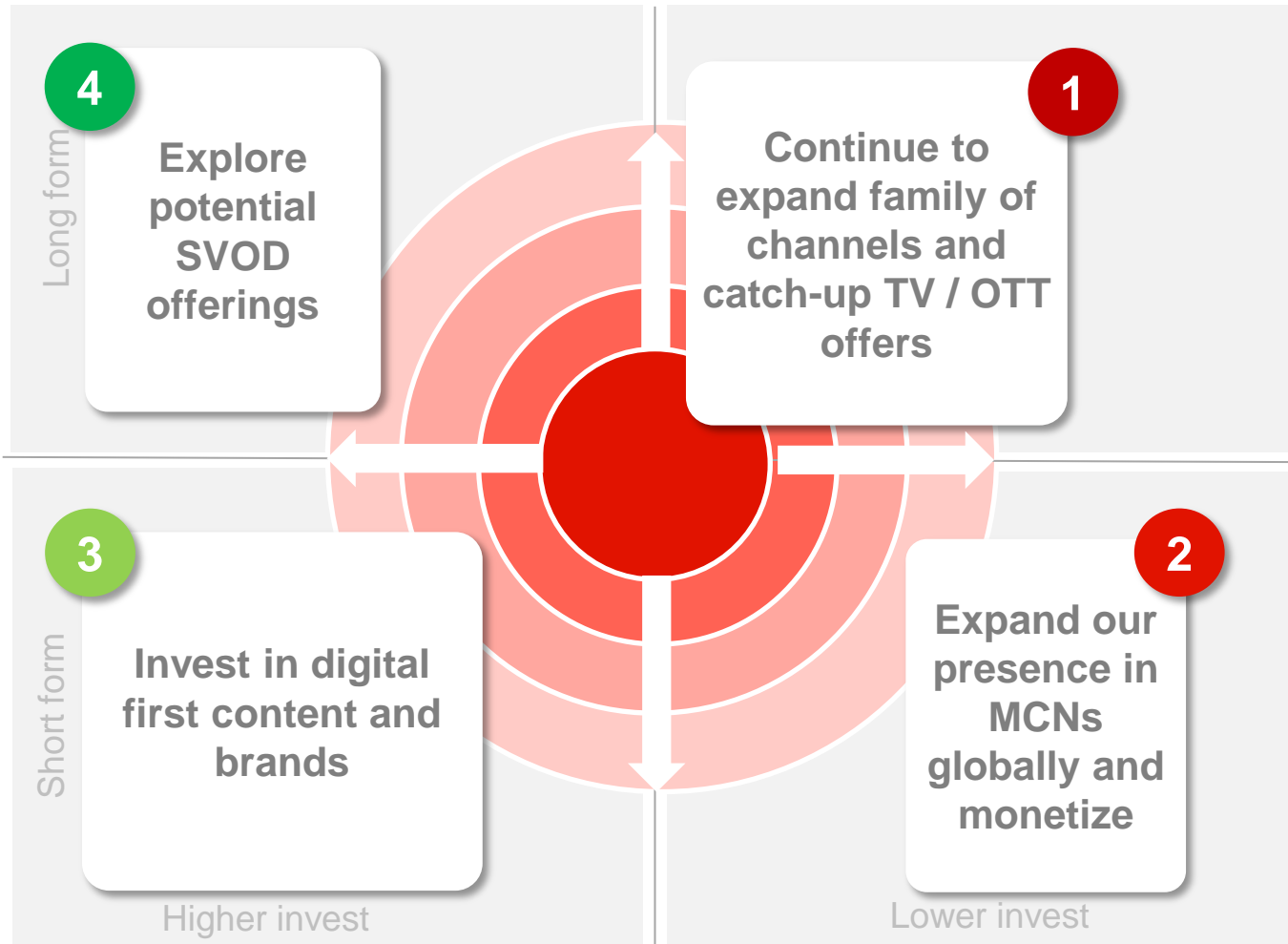
- Online short-form
- Online long-form (SVOD/Catch-up TV)
- Time-shifted (DVR)
- Linear TV

"Leakage" can only be estimated – TV measurement systems only slowly catching up



Our strategic priorities across the 4 quadrants

Follow the viewers and explore presence in all video segments...



Our ambition for ... audience

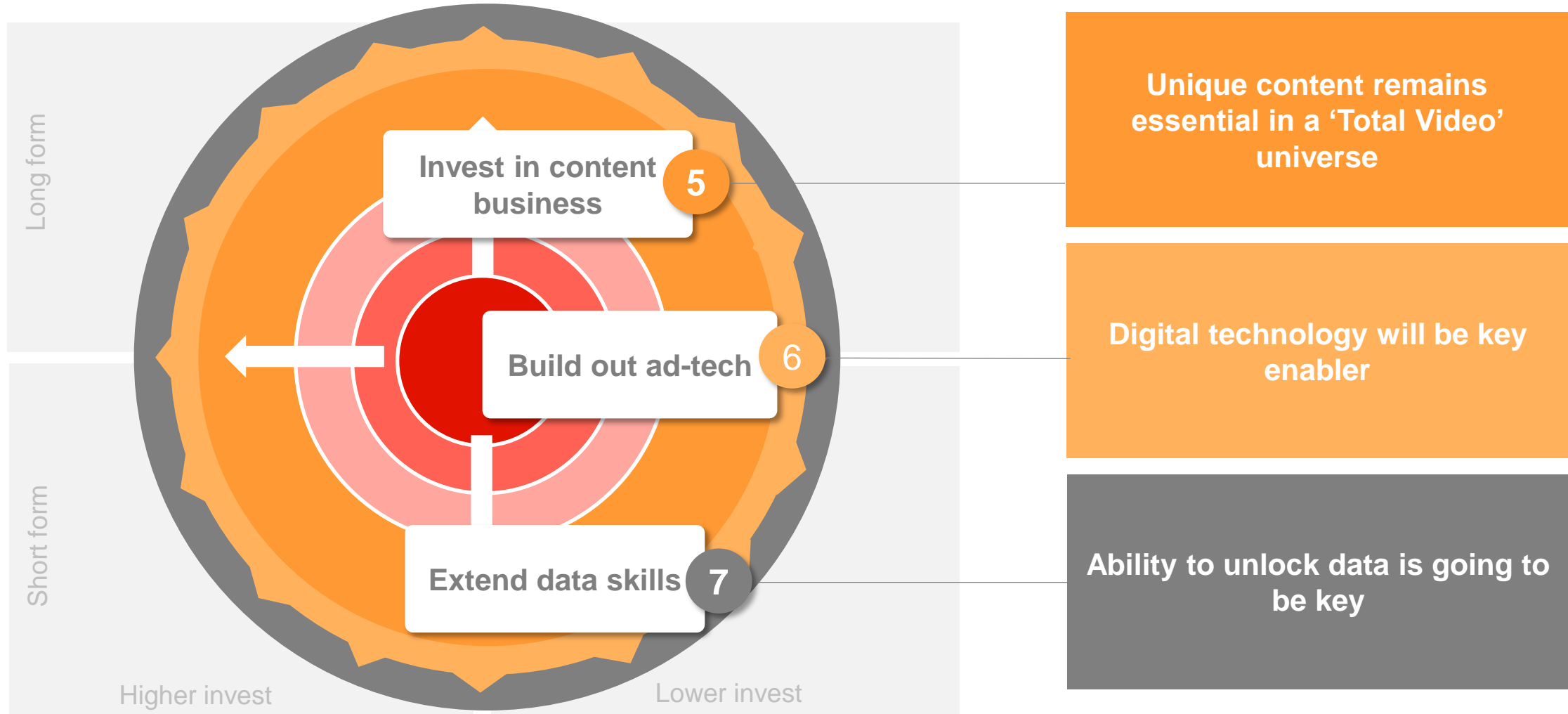
Capture growth in total video, regain younger audiences, prevent unmeasured viewing

... advertisers

Offer wider scope of advertising products in 'Total Video'

Strategic priorities

...while investing in key success factors: exclusive content, ad-tech and data



Agenda

1 STRATEGY

1

TV Broadcast Family

2

MCN

3

Originals

4

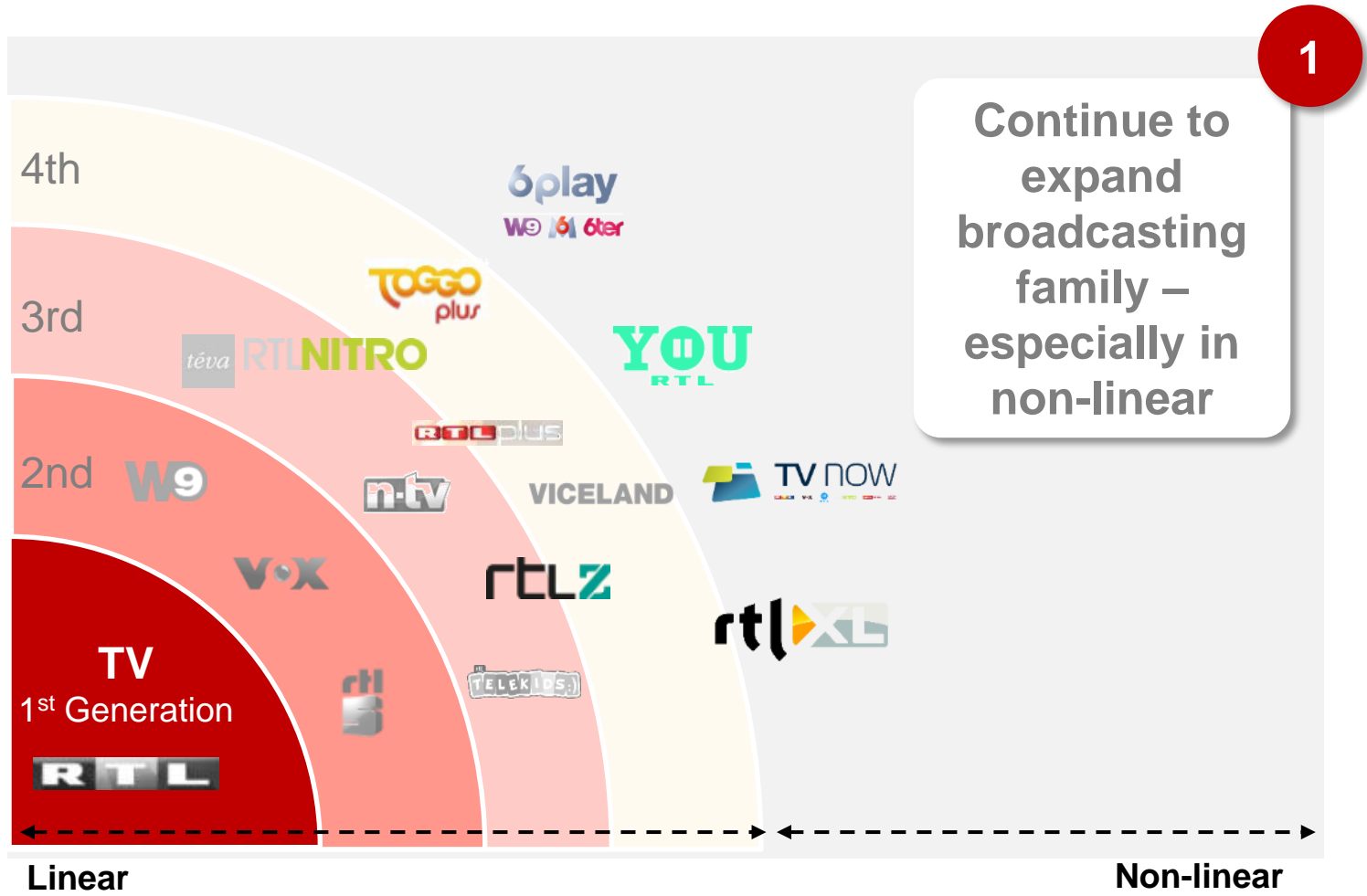
Content

5

Ad tech

Broadcast family

Expansion of RTL broadcast family – linear and non-linear



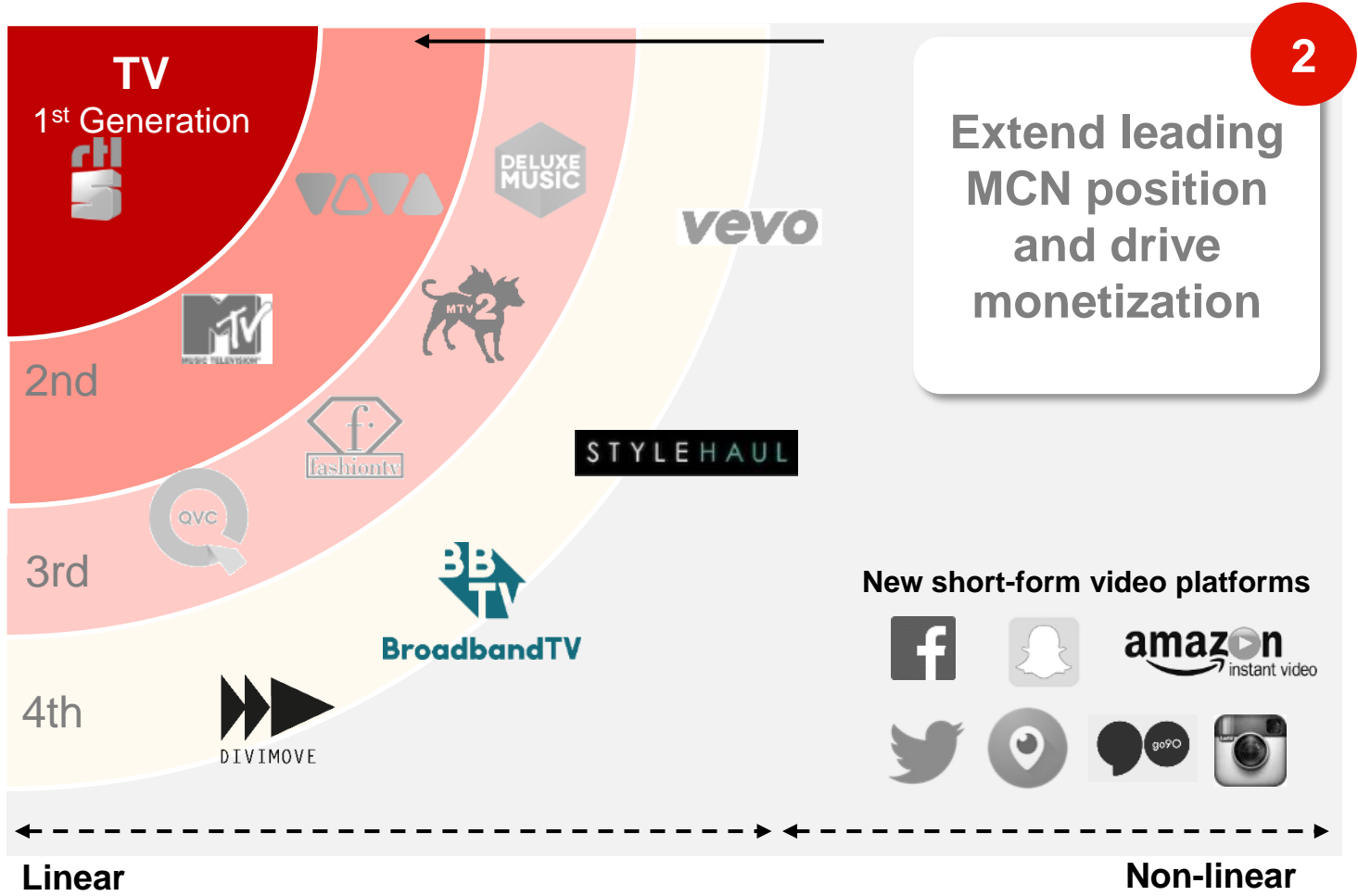
Investing in our family of channels remains top-priority

Catch-up is now an integral part of our family – and is treated as its own brand

Continue to optimize channel portfolio & launch new channels

MCNs

Short-form business expanding beyond YouTube



New platforms are gaining scale – driving growth and monetisation opportunities

Our MCNs enjoy high audience growth

Continue to build the RTL Group Digital Hub

Digital first brands

We are building digital brands in key verticals...

3

Invest in digital first brands, expand web original content



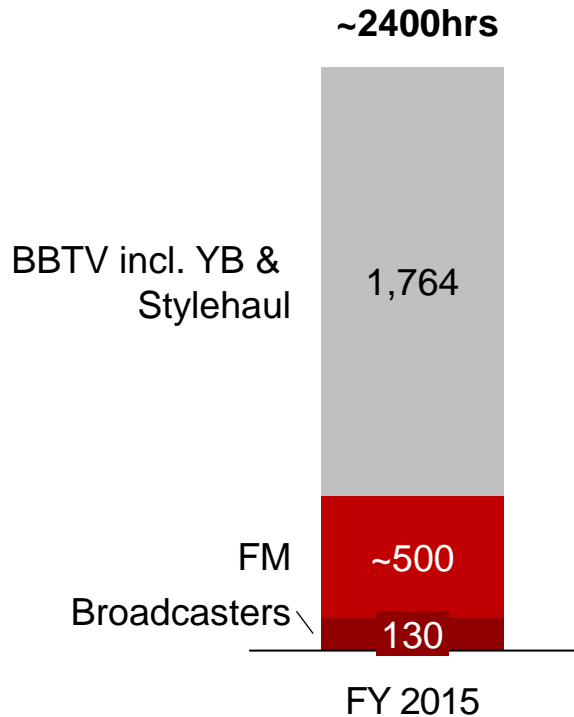
	#1 IN HIP-HOP				#1 IN PRE-SCHOOL KIDS		#1 IN FASHION/BEAUTY
Gaming	Music	Sport	News	Entertainment	Kids	Lifestyle	Fashion & beauty

Examples: non-exhaustive Partners

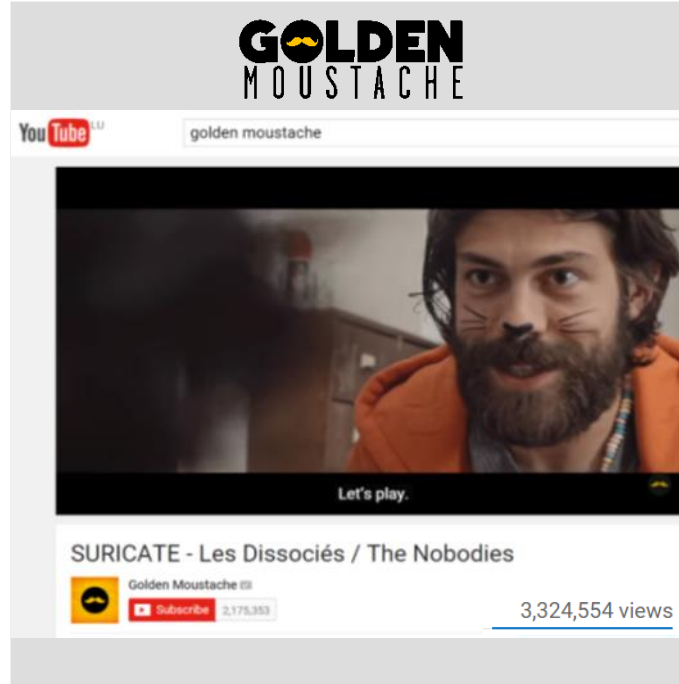


Digital first brands ... as well as ramping-up our web original content

RTL Group web original content
Purely commissioned for web, excl. branded content
Estimate



Illustrative examples only



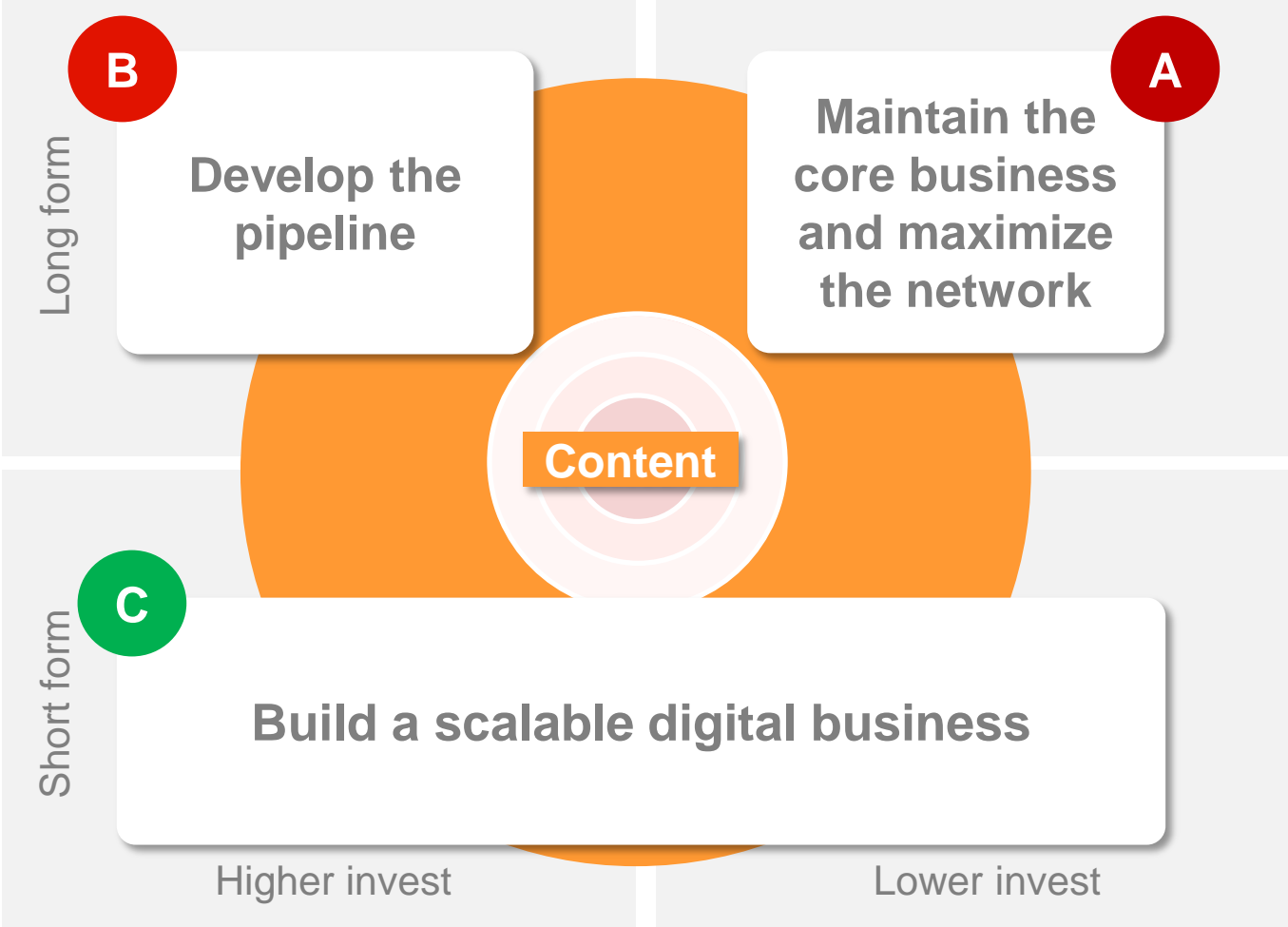
- 1h15 movie on YouTube
- 75% of budget covered by product placement
- 3.3 million views



- #1 Pre-school Kids MCN on YouTube
- Creating in-house kids content at scale

Strategic priorities in content

Fremantle is positioning itself in all 'Total Video' quadrants



- A**
 - Keep existing hits on air
 - Roll out formats to new territories
- B**
 - Create new formats
 - Accelerate the scripted strategy
- C**
 - Expand across value chain
 - Strengthen off-YouTube distribution
 - Develop new verticals

Develop pipeline

Our scripted strategy is showing growth potential

1 Major series *American Gods* and *Young Pope* progressing

American Gods (Starz)



- Casting for major roles complete
- Filming started, launch in 2017
- Amazon Prime deal just signed



The Young Pope (HBO/Sky/Canal+)



- Paolo Sorrentino mini-series starring Jude Law and Diane Keaton
- Produced by **Wildside**
- Launches this October following special 2 part premiere at Venice Film Festival in September



2 Continued success in non-English language



- First subtitled drama ever to be aired in the US
- Highest rated subtitled drama in UK history



- #1 in the Scandinavia
- Season 2 in development



- Season 2 in production
- UK adaptation in development (Euston)



- Successful launch season on Canal+
- Second season commissioned

3 Wide range of new commissions / developments



Hard Sun (BBC/Hulu)

- Euston Films' first commission. In pre-production



Wentworth (SoHo Aus)

- S4 launching, two more commissioned
- 2 international remakes



Picnic at Hanging Rock (Foxtel)

- FM Australia adaptation of 1970 mystery film

Ruby King (ITV)

- Euston Films legal drama
- At script stage with Graham Mitchell

Baghdad Central (C4)

- Euston Films post-war Iraq drama
- At script stage with Stephen Butchard

Ad tech

Offering publishers 'Total Video' monetisation capabilities at scale

SPOTX

 **smartclip**



- ✓ Multi-screen delivery / ad-serving
- ✓ SSP / Yield optimisation
- ✓ Booking, reporting and forecasting tools
- ✓ Addressable TV (Connected TV / HbbTV)
- ✓ Cross-screen optimisation
- ✓ Programmatic ad sales for linear TV

videoamp
clypd

Strategic goals

- Expansion and roll-out in Europe and Asia
- Grow premium private market places
- Building fully integrated ad stack

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