

RTL Group reports strong digital growth and a record fourth quarter EBITA in 2014

- Q4/2014: EBITA up 7.1 per cent to €466 million, driven by Mediengruppe RTL Deutschland and Groupe M6
- Full-year revenue and EBITA stable
- Major progress in implementing digital strategy with important acquisitions of online video platforms such as SpotXchange and StyleHaul
- Digital revenue up 26.6 per cent year-on-year
- High shareholder returns: total dividend of €5.50 per share for 2014

Luxembourg, 5 March 2015 – RTL Group, the leading European entertainment network, announces its audited results for the year ended 31 December 2014.

Highlights

In € million	2014	2013 ¹	Per cent change
Revenue	5,808	5,824	(0.3)
Underlying revenue²	5,668	5,738	(1.2)
Reported EBITA³	1,145	1,148	(0.3)
Reported EBITA margin (%)	19.7	19.7	
Reported EBITA	1,145	1,148	(0.3)
Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustment on acquisitions of subsidiaries	(103)	(10)	
Impairment of investments accounted for using the equity method	4	68	
Impairment of disposal group	–	(10)	
Re-measurement of earn-out arrangements	2	1	
Gain from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	1	5	
EBIT	1,049	1,202	
Net financial (expense)/income	(27)	48	
Income tax expense	(288)	(302)	
Profit for the year	734	948	
<i>Attributable to:</i>			
<i>Non-controlling interests</i>	81	78	
RTL Group shareholders	653	870	(24.9)
Reported EPS (in €)	4.25	5.67	
Proposed/paid dividend per share (in €)	5.50⁴	7.00	

¹ All financial information for 2013 has been restated for IFRS 11

² Adjusted for scope changes and at constant exchange rates

³ EBITA represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

⁴ In September 2014 RTL Group paid an extraordinary interim dividend of €2.00 per share for fiscal year 2014

With a strong finish to the year, RTL Group delivers another impressive set of financial results: EBITA and EBITA margin stable on very high level, new record EBITDA

- Reported Group revenue was stable at €5,808 million (2013: €5,824 million). Higher revenue from Mediengruppe RTL Deutschland and from acquisitions (consolidation of BroadbandTV, SpotXchange and 495 Productions) was offset by lower advertising sales in France, the effect of the disposal of the French e-commerce service Mistergooddeal along with lower revenue from FremantleMedia and UFA Sports
- EBITA stable at €1,145 million (2013: €1,148 million), primarily driven by a significantly higher profit contribution from Mediengruppe RTL Deutschland
- Reported EBITA margin stable at 19.7 per cent
- EBITDA⁵ slightly up by 1.5 per cent to €1,348 million (2013: €1,328 million)
- Net profit attributable to RTL Group shareholders decreased to €653 million (2013: €870 million). This was principally due to movements in impairment charges announced at the interim results. In 2014, RTL Group recorded a goodwill impairment on RTL Hungary amounting to €77 million. Conversely, the net profit for 2013 included a significant positive one-off effect of €72 million, resulting from the reversal of an impairment on RTL Group's holding in the Spanish broadcasting company Atresmedia
- Net cash from operating activities was €934 million, resulting in an operating cash conversion of 95 per cent and net financial debt of €599 million at the end of 2014 (2013: net cash of €6 million)
- In the fourth quarter of 2014, reported Group revenue was up 2.8 per cent at €1,862 million (Q4/2013: €1,812 million), while reported EBITA was up significantly by 7.1 per cent to €466 million (Q4/2013: €435 million)
- RTL Group's Board of Directors has proposed a final dividend of €3.50 per share for fiscal year 2014, comprising an ordinary dividend of €2.50 per share and an extraordinary dividend of €1.00 per share. This proposal is a reflection of the Group's strong cash flows, future investment plans and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times. In addition, RTL Group already paid an extraordinary interim dividend of €2.00 per share for fiscal year 2014 in September 2014
- Based on the average share price in 2014 (€80.55⁶), the total dividends for the fiscal year 2014 (€5.50 per share; 2013: €7.00 per share) represent a dividend yield of 6.8 per cent

⁵ EBITDA represents EBIT excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

⁶ Frankfurt Stock Exchange

Major progress in implementing RTL Group's digital growth strategy

- RTL Group's digital revenue⁷ continued to show very dynamic growth, up 26.6 per cent to €295 million (2013: €233 million) benefitting from organic growth and new acquisitions
- RTL Group's platform revenue⁸ grew by 18.9 per cent to €220 million (2013: €185 million)
- RTL Group has developed massive scale in online video. In 2014:
 - RTL Group's catch-up TV services, websites and MCNs attracted a total 36.4 billion online video views, up 117 per cent year-on-year⁹
 - thereof: FremantleMedia's 216 Youtube channels attracted 9.0 billion views, up 35 per cent year-on-year
- In September, RTL Group completed the acquisition of a 65 per cent majority stake in the programmatic video advertising platform SpotXchange for a cash out of €104 million. Over 3 billion video ad decisions are now processed through the SpotXchange platform daily. The investment has significantly strengthened RTL Group's global scale across the entire online video advertising market and adds new technology- and data-based competencies
- In October, RTL Interactive in Germany acquired Econa Shopping (now renamed to Sparwelt) for a cash out of €29 million. Sparwelt operates curated advice and recommendation platforms for online shopping such as *Sparwelt.de*. It is the most significant acquisition in the history of RTL Interactive
- In December, RTL Group increased its Shareholding in StyleHaul to 94 per cent for a cash out of €84 million, further accelerating the Group's rapidly growing presence in the online video space. With 1 billion video views per month, StyleHaul is the leading multi-channel network (MCN) on Youtube for fashion, beauty and lifestyle – a highly attractive segment for major advertisers
- In December, FremantleMedia increased its non-controlling shareholding in Divimove to 51 per cent. Divimove has become Europe's leading MCN with 900 million online video views per month

⁷ Excluding e-commerce, home shopping and platform revenue for digital TV

⁸ Revenue generated across all distribution platforms (cable, satellite, IPTV) including subscription and re-transmission fees

⁹ Consolidated view, excluding Divimove. StyleHaul included for December 2014

Mediengruppe RTL Deutschland with another record EBITA; Groupe M6 with slightly higher EBITA contribution

- Mediengruppe RTL Deutschland achieved its best financial result ever: EBITA increased by 5.0 per cent to €650 million (2013: €619 million). This improvement was mainly driven by significantly higher TV advertising revenue in the second half of the year and a growing digital distribution business
- The French net TV advertising market was estimated to be stable in 2014. The EBITA of Groupe M6 was slightly up to €209 million (2013: €207 million), driven by higher profit contributions from the company's diversification activities
- RTL Nederland's EBITA stable at €103 million mainly driven by higher platform revenue and diversification activities
- EBITA of RTL Belgium stable at €46 million; RTL Hungary reports an EBITA loss of €1 million (2013: profit of €15 million), mainly due to impairments resulting from the punitive advertising tax which came into effect in August 2014
- FremantleMedia's EBITA decreased to €113 million (2013: €136 million). As explained at the Q3 results, this was due to the cancellation of *X Factor US*, lower revenue from *American Idol* and increased investments in digital businesses and the content pipeline

“Strong results and enhanced digital presence”

Joint statement from Anke Schäferkordt and Guillaume de Posch,
Co-Chief Executive Officers of RTL Group:

“Despite challenging environments in France and Hungary, RTL Group once again delivered a very strong set of financial results. Our EBITA remained at the previous year's record level and the EBITA margin was again close to 20 per cent.

We made significant progress in implementing our strategy across broadcast, content and digital. We successfully launched three new TV channels and further established a second revenue stream from platform operators which delivers high growth rates and profit margins. We invested more than €240 million in rapidly growing digital businesses. This is the highest investment level for acquisitions since 2005.

Over the past two years, our total online video views soared from 7 billion to over 36 billion. RTL Group now owns majority stakes in the number 3 global multi-channel network, BroadbandTV; the number 1 network for fashion, beauty and lifestyle, StyleHaul; the number 1 European MCN, Divimove; and one of the top 5 global platforms for programmatic video advertising, SpotXchange. We are confident that these businesses, with additional investments, will reach such scale over the next 24 months that they become one of the growth drivers of RTL Group's total revenue.”



Outlook

- The TV advertising markets in 2014 reflected the overall macro-economic situation in Europe. All European net TV advertising markets in RTL Group's territories were up year-on-year, with the exception of France – which was stable – and Belgium – which was down 2.8 per cent. This picture is expected to be similar in 2015 with overall slight growth expected
- RTL Group currently expects its total revenue and EBITA¹⁰ for the full year 2015 to be broadly stable

The document with the more detailed full-year results 2014 and slides from the presentation will be available to download at www.rtlgroup.com/results_fy2014.

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About RTL Group

RTL Group is the leading European entertainment network, with interests in 49 television channels and 29 radio stations and content production throughout the world. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia, Hungary and Antena 3 in Spain. The Group also operates the channels RTL CBS Entertainment HD and RTL CBS Extreme HD in Southeast Asia. RTL Group's families of TV channels are either the number one or number two in eight European countries. The Group's flagship radio station is RTL in France, and it also owns or has interests in other stations in France, Germany, Belgium, the Netherlands, Spain and Luxembourg. RTL Group's content production arm, FremantleMedia, is one of the largest international creators, producers and distributors of multi-genre content outside the US. With operations in 28 countries, FremantleMedia's comprehensive global network is responsible for more than 10,000 hours of programming a year and distributes over 20,000 hours of content worldwide. Combining the catch-up TV services of its broadcasters, the multi-channel networks BroadbandTV and StyleHaul as well as FremantleMedia's more than 210 Youtube channels, RTL Group has become the leading European media company in online video. RTL Group also owns a majority stake in the programmatic video advertising platform SpotXchange. For more information, please visit RTLGroup.com and follow RTL Group on Twitter @RTLGroup.

¹⁰ Excluding one-offs