

week 10 / 6 March 2014

backstage



HIGHEST EVER FULL-YEAR EBITA

RTL Group with significantly higher EBITA,
EBITA margin and net profit

RTL
GROUP



Cover

RTL Group's Executive Committee:
Elmar Heggen, CFO of RTL Group
Anke Schäferkordt and Guillaume de Posch, Co-CEOs of RTL Group
(from left to right)

Publisher

RTL Group
45, Bd Pierre Frieden
L-1543 Luxembourg

Editor, Design, Production

RTL Group
Corporate Communications & Marketing



QUICK VIEW



Significant profit growth in 2013

RTL Group
p. 4–9



Big Picture p.10

SHORT NEWS

p. 11

PEOPLE

p. 12–13

SIGNIFICANT PROFIT GROWTH IN 2013

On 6 March,
RTL Group published
its full-year results 2013.

Luxembourg – 6 March 2014
RTL Group



RTL Group's Executive Committee: Elmar Heggen, CFO of RTL Group, Anke Schäferkordt and Guillaume de Posch, Co-CEOs of RTL Group (from left to right)

Throughout 2013, European TV advertising markets reflected local macro-economic developments: the German TV advertising market was estimated to be slightly up, while all other markets were estimated to be down year-on-year. Over the second half of the year, market conditions improved in France, the Netherlands, Belgium and Spain.

RTL Group's families of TV channels in France, the Netherlands, Hungary and Croatia all gained TV advertising market shares; Mediengruppe RTL Deutschland's TV advertising market share was estimated to be approximately stable year-on-year.

Key financials

Reported Group **revenue** was down 1.8 per cent to €5,889 million (2012: €5,998 million), as higher revenues from RTL Nederland and Mediengruppe RTL Deutschland were offset by lower revenue from FremantleMedia and exchange rate effects.

EBITA increased 6.9 per cent to €1,152 million (2012: €1,078 million), primarily driven by significantly higher profit contributions from Mediengruppe RTL Deutschland. The reported **EBITA margin** improved significantly to 19.6 per cent (2012: 18.0 per cent).

Net profit attributable to RTL Group shareholders increased strongly by 45.7 per cent to €870 million (2012: €597 million).

RTL Group's **digital revenues** continued to show very dynamic growth, up 26 per cent to €236 million thanks to organic growth and new acquisitions.

RTL Group's Board of Directors decided to propose a final dividend of €4.50 per share for fiscal year 2013, comprising an ordinary dividend of €2.50 per share and an extraordinary dividend of €2.00 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 €2.50 per share for fiscal year 2013 in September 2013.

Outlook

Over the second half of 2013, TV advertising market conditions improved in most of RTL Group's European territories. Assuming that European economies will continue to recover from the debt crisis, RTL Group expects its total revenue, at constant scope and exchange rates, to be broadly stable. RTL Group's EBITA for the full year 2014 is also expected to be broadly stable.

GOOD RESULTS FROM ALL PROFIT CENTRES – EBITA OF MEDIENGRUPPE RTL DEUTSCHLAND EXCEEDED €600 MILLION FOR THE FIRST TIME

- **Mediengruppe RTL Deutschland** achieved its best financial result ever: EBITA increased by 7.1 per cent to €622 million (2012: €581 million). This improvement was driven by a combination of higher advertising revenue and continued cost discipline
- In a declining French TV advertising market, **Groupe M6** continued to outperform and increased its TV advertising market share. The company's EBITA was down to €207 million (2012: €224 million), mainly due to the start-up losses for the digital channel 6ter, launched in December 2012
- EBITA of **RTL Nederland** increased by 6.2 per cent to €103 million (2012: €97 million), thanks to higher TV advertising and digital distribution revenue. RTL Nederland significantly gained audience and TV advertising market share in 2013
- RTL Group's broadcasting operations in Belgium, Hungary and Croatia also increased their EBITA year-on-year, while the French radio family reported stable profit contribution
- Despite significantly lower revenue – mainly due to negative exchange rate effects and lower production revenue from Germany – **FremantleMedia's** EBITA showed only a small decrease to €136 million (2012: €138 million). As a result, the company's margin improved significantly to 8.9 per cent (2012: 8.1 per cent)

Letter from RTL Group's
Executive Committee



Dear colleagues,

Today, we are sending you greetings and a big 'thank-you' from Frankfurt/Main, Germany, where we will be presenting RTL Group's full-year results 2013 to the media and financial analysts. But first, we would like to share our news with the most important group of people: our employees.

We are very pleased to announce that, both operationally and financially, RTL Group has once again performed very strongly. With another record result from our largest business, Mediengruppe RTL Deutschland, and very good results from all other units, we have succeeded in growing all profit indicators – EBITA, profit margin and net result. Our operating profit, EBITA, even reached a new all-time high at 1,152 million Euros. In other words: 2013 was another year in which, together, we demonstrated RTL Group's resilience in challenging economic conditions.

Without doubt, our teams have become renowned for their creativity and flexibility, and our Group for its high profitability. And after the successful public share offering in April 2013, there is a growing awareness in the stock markets of RTL Group and its strength.

But let's not forget: our very healthy financial position is a pre-requisite for long-term profitable growth, not an end in itself. It creates the ability to invest, and explore new opportunities across our three strategic pillars: broadcast, content and digital.

The good news is: we have already made good progress in strengthening our core businesses and in building new growth engines, especially in the digital world. The list from recent months is long and impressive:

- In **broadcast**, we've been making significant investments in top content across all genres and in new channels such as RTL Nitro in Germany, 6ter in France and RTL Kockica in Croatia – all our new channels in Europe have performed better than expected, gaining audience shares. On 8 May, we will start a new pay-TV channel in Germany, Geo Television. Together with CBS, the number one network in the United States, we've successfully launched RTL CBS Entertainment HD, our first pay-TV channel in the fast growing South East Asian markets – and already this month, we will launch a second channel.

- In **content**, we have strengthened FremantleMedia's global creative capabilities by acquiring a majority stake in Miso Film, a Danish drama production company. In addition, FremantleMedia is becoming the content producer of choice for innovative digital platforms such as Vice and Style Haul. Together with the management of FremantleMedia we defined the target to scale up the company across three areas: new genres, digital activities and geographic expansion. This is exactly what we have done and what we will continue to do.
- In **digital**, we've probably made the biggest jump over the past 12 months. With 16.8 billion online video views in 2013, we have become the leading European media company in online video. Through targeted investments, RTL Group is now the number 3 global player in the Youtube ecosystem (excluding music video services), mainly driven by our partnership with the Canadian multi-channel network BroadbandTV. We are constantly expanding our advertising-funded catch-up TV services and branch out into new business models such as subscription-based on-demand services, for example with Videoland Unlimited and NL Ziet in the Netherlands.

To sum it up: we have already started a lot of very promising initiatives. And the general economic outlook for 2014 is better than one year ago. But we won't sit back and relax. We want to do more. Yes, we will continue to apply strict investment criteria and a prudent business approach, but we definitely aim to accelerate RTL Group's revenue growth.

Ultimately, our business is a people's business. It's about creativity, story-telling and always being close to the audience. These qualities have always been our biggest asset. Just look at the results of our most recent employee survey: we have highly committed, creative employees who identify strongly with both their work and their company.

So thank you for your dedication and passion – and congratulations on this excellent set of results. It's the outcome of all your hard work.

Yours sincerely,

Anke Schäferkordt and Guillaume de Posch, Co-CEOs of RTL Group
Elmar Heggen, CFO of RTL Group

Impressive results in tough economic environment



RTL GROUP MAKES GOOD PROGRESS ACROSS ITS THREE STRATEGIC PILLARS: BROADCAST, CONTENT AND DIGITAL

Broadcast: significant investments in the existing footprint and in new high-growth Asian markets

- In July 2013, RTL Television secured the highly attractive rights to broadcast the qualifying matches of the German national team for the European Football Championship 2016 and Football World Cup 2018
- New TV channels in Europe strengthen RTL Group's family of channels:
 - In France, Groupe M6's new free-TV channel, 6ter, has become the leading channel in the commercial target group among the six DTT channels launched in December 2012
 - In August 2013, RTL Hrvatska was awarded a license for a new kids and family channel; the new free-TV channel, named RTL Kockica, was launched very successfully in January 2014. In February, the channel scored an average daytime audience share of 21.8 per cent among children
 - In October 2013, Mediengruppe RTL Deutschland announced plans to launch a new special-interest pay-TV channel called Geo Television. It is scheduled for launch on 8 May 2014
 - In total, RTL Group will have launched six new channels in Europe in the period 2012 to 2014
- In August 2013, RTL Group announced a strategic alliance with CBS Studios International to launch two pay-TV channels in South East Asia, targeting a potential market of 113 million TV households. The partnership is advancing well:
 - The first channel – RTL CBS Entertainment HD – is already on air in Malaysia, Thailand, Singapore and the Philippines
 - The second channel – RTL CBS Extreme HD – will launch end of March 2014 in Singapore

Content: global creative competencies strengthened

- In the first half of 2013, RTL Group's production arm FremantleMedia concluded its strategic realignment creating a clearer focus for its future as a stronger and more unified company. As a result, FremantleMedia has already scaled up investment in the creative pipeline and format development across all genres, launching 46 new shows in 2013
- In February 2014, FremantleMedia announced a partnership with Vice Media to create a multi-channel food platform; both companies will develop and produce digital content for the Vice food vertical, which FremantleMedia will take to TV around the world
- In November 2013, FremantleMedia strengthened its scripted business and Nordic footprint by acquiring a 51 per cent stake in Miso Film. The Danish independent production company is focused on high-end prime-time TV series and films for the Scandinavian and larger European markets
- In Germany, UFA Cinema's theatrical release *Der Medicus* (The Physician) premiered in cinemas on 25 December 2013 and sold more than 3.5 million tickets since. The film was the number one in box office in Germany for two weeks

Digital: RTL Group has become the leading European media company in online video

- Through targeted investments, RTL Group has become the number three global player in the Youtube ecosystem (excluding music video services):
 - In April 2013, RTL Group made a minority investment in Style Haul, the leading online video network for fashion and beauty. In September 2013, RTL Group further increased its stake and now has a shareholding of 26.1 per cent
 - In June 2013, RTL Group acquired a 57.5 per cent majority stake in BroadbandTV, Youtube's third largest multi-channel network (MCN). BroadbandTV currently manages more than 15,000 channels and generates around 1.45 billion video views per month
 - In September 2013, FremantleMedia acquired a minority stake in Divimove, the second largest MCN on Youtube in Germany, with the potential of further investments in the future
- In July 2013, RTL Nederland acquired a 65 per cent stake in Videoland, the leading transactional video-on-demand (VOD) platform in the Netherlands. In April 2014, Videoland will launch a new 'all-you-can-watch' subscription on-demand service
- RTL Group's catch-up TV services and websites, including Broadband TV, attracted a total 16.8 billion online video views in 2013, up 143 per cent year-on-year
 - Thereof, FremantleMedia's more than 140 Youtube channels attracted 6.7 billion views, up 49 per cent year-on-year
 - Mobile video views increased by 59 per cent in Germany, by 57 per cent in France and by 176 per cent in the Netherlands

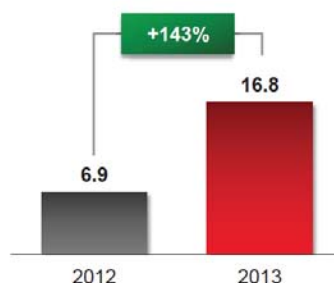
Online video is at the heart of RTL Group's digital strategy

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 Full year (in billion)



Top 10 global player*

#	COMPANY
1	Google / YouTube
2	Facebook
3	AOL (including Adap.TV)
4	VEVO
5	DAILYMOTION
6	RTL Group (restated)**
7	Maker Studios
8	Hulu
9	Microsoft Sites
10	Yahoo Sites

* ComScore Video Metrix, based on monthly average video views in Q4 2013; excluding Asia and Russia, ad networks and ad exchanges RTL Group figures are internal figures, restated and grouped, incl. BroadbandTV and Videostrip (Videostrip scope entry in 2013); excl. Divimove, Style Haul and Atresmedia; ** average of Q4/2013

Celblok H – a ratings hit in The Netherlands

The Dutch version of FremantleMedia Australia-originated format, *Wentworth* – called *Celblok H* in The Netherlands – premiered on SBS6 on Monday 3 March as the channel's number one show of the day. The episode was watched by 1.2 million viewers and performed 66 per cent higher than the SBS6 average in its prime time slot at 20:30.



SHORT NEWS 1/1



Elite stocks

RTL Group

In its latest issue, the German financial magazine *Euro am Sonntag* sought out the best stocks in the world. RTL Group was the only media company to make the top eight.

Luxembourg – 28 February 2014



The German TV Market in February 2014

Mediengruppe RTL Deutschland

In February 2014, RTL's family of channels in Germany achieved a combined audience share of 28.5 per cent in the target group of 14-to 59-year-olds, putting them 3.3 percentage points ahead of the ProSiebenSat 1 channels, which achieved a 25.2 per cent audience share.

Germany – 4 March 2014



Compliments as the key to success

RTL Nederland

1 March 2014, was National Compliment Day in the Netherlands. RTL Nederland has decided to embrace the day and launched the very first compliment campaign 2014 on 27 February to compliment the various talents who contribute daily to the company's success.

The Netherlands – 28 February 2014



'Les essentiels de...' also on Bel RTL

Bel RTL

From 3 to 7 March 2014, Marie Drucker – who also hosts on RTL Radio (France) – is at Bel RTL, where she introduces Belgian listeners to her programme 'Les essentiels de...'.
Belgium – 3 March 2014



Vevo launches *Idol Insider*

FremantleMedia North America

A new weekly digital series offers *American Idol* fans a sneak peak at each week's new episodes. *Idol Insider*, hosted by self-made Youtube music sensation Sam Tsui, airs Mondays exclusively on Vevo.

North America – 3 March 2014

PEOPLE

DAVE HEUTEN

FremantleMedia Belgium

Belgium – 4 March 2014



Dave Heuten

FremantleMedia announced the appointment of Dave Heuten to the role of Co-Managing Director of the company's Belgian production arm, reporting into Cécile Frot-Coutaz, CEO FremantleMedia.

A former SBS executive, Heuten will work alongside Stefan De Keyser, also Co-Managing Director of FremantleMedia (FM) Belgium. He will drive the creative vision of the business including developing and selling FM formats into the Belgian market across all platforms, working closely with FM's global production, licensing and sales operations. De Keyser will lead the management of the day-to-day operations and will spearhead all commercial activity.

Cecile Frot-Coutaz, CEO FremantleMedia added: "Dave's extensive knowledge of the global format market, together with his impressive creative track record and his passion for programme making will complement Stefan's strong operational and commercial knowledge and experience. I'm confident that they will make a winning team and deliver growth in this important market."

Dave Heuten says, "I'm delighted to be joining a truly global company with a reputation for high quality content with wide appeal and some of the world's leading TV brands. I look forward to working alongside Stefan and the team to continue to grow the business further."

Heuten joins FremantleMedia from SBS Belgium where he was Programme Manager & Head of Formats. Prior to this, he was Executive Line Producer at Zodiak, responsible for format development, acquisitions and sales, overseeing content development, sales and productions for series including *Peking Express*, *India Celebrity Express*, *Beyond Boundaries* and *Mercator*.

Heuten replaces Kristine Willems who is leaving the business at the end of March.

PEOPLE

GOEDELE LIEKENS

RTL Nederland

The Netherlands – 3 March 2014



Goedele Liekens (left) with
Erland Galjaard

Goedele Liekens has signed a two year contract with RTL 4 which sees her host new show *Divorce Hotel* and be a panelist on *RTL Late Night*.

Goedele Liekens was elected Miss Belgium in 1986 which led her into a career in television in Belgium and in the Netherlands, both as a presenter and producer. She studied psychology and sexology and has written several

books related to these subjects. She is a UN ambassador since 1999.

Erland Galjaard, Programme Director at RTL Nederland comments: "Goedele offers the perfect combination of substance, humour and looks. That makes her a well accomplished talk show guest but also an experienced presenter with personality and a solid background."

New show *Divorce Hotel*, sees couples who want a divorce check into the hotel for three days and check out as divorcees. Lawyers, counselors and psychologists help the participants speed up the usually very long process. *Divorce Hotel* is produced by Vorst Media, producers of *Verslaafd* and *Gepenst*.



More about *Backstage*

BACKSTAGE IS AVAILABLE IN THREE LANGUAGES

You can read *Backstage* in your preferred language – in English, German or French.

DAILY NEWS FROM ACROSS THE GROUP – DIRECTLY IN YOUR INBOX

In addition to the weekly newsletter we offer to registered users a daily newsletter available in three languages.

‘AT RTL GROUP, WE CARE’

RTL Group is committed to effectively combine business success with socially responsible actions towards local communities and to protect the environment. Visit the Corporate Responsibility news section on *Backstage* (CR news) and find out how RTL Group aims to improve the societies in which we operate.

backstage.rtlgroup.com backstage.rtlgroup.fr backstage.rtlgroup.de

For more information, don't hesitate to contact the editorial team:

Backstage@rtlgroup.com