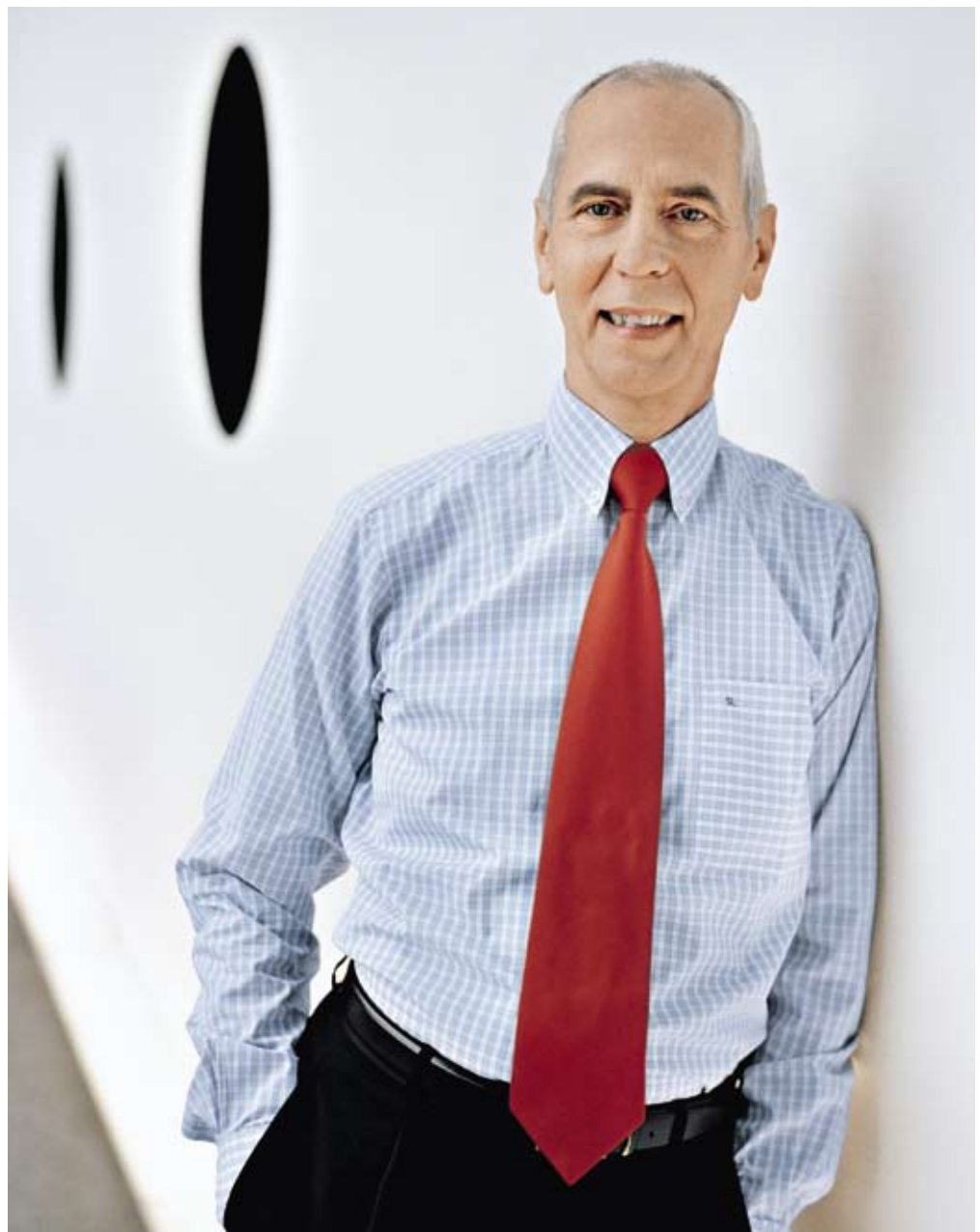


# Chairman's statement



**“With substantial cash generation and a strong balance sheet, the Group has ample financial flexibility to pursue value-creating investments.”**

*Siegfried Luther, Chairman of the Board of Directors*

**2007 offered clear proof of the operational and financial strength of our Group. For the sixth consecutive year, RTL Group reports significant growth of its operating profit. With substantial cash generation and a strong balance sheet, the Group has ample financial flexibility to pursue value-creating investments.**

RTL Group is in excellent shape. This is ever more important, as the digital world presents many opportunities and challenges for a broadcasting and production company such as RTL Group. I am pleased to report that the Board and the management team all agree on three appropriate strategic responses: first, developing and strengthening our families of channels. The strong results generated by the RTL families in Germany, the Netherlands and Belgium, and also by Groupe M6 in France, underline the validity of this concept. In the UK, where RTL Group operates the young Five family, the company had to record a significant impairment of goodwill, mainly due to stronger competition in the increasingly fragmented UK television market, affecting all established broadcasters.

The second response is to further increase our non-advertising revenue streams, not only by activities such as merchandising, shopping or testing new digital business models, but also by significantly growing our production unit, FremantleMedia, across all markets. And third, we can succeed by exploring geographical expansion, especially in fast-growing markets.

On 4 December 2007, Bertelsmann AG acknowledged that it was considering making an offer to acquire all the outstanding shares in RTL Group that it did not already own. On 20 December 2007, Bertelsmann AG announced that

it would not proceed with a contemplated voluntary public offer for RTL Group shares for the time being, “in light of uncertainties” in the Luxembourg Takeover Law, while maintaining its strategic goal to take RTL Group private. If Bertelsmann does indeed make an offer, the RTL Group Board of Directors will assess it in accordance with the interests of the company and its minority shareholders.

The RTL Group share price ended the year at €80.77, down 5.4 per cent from the end of 2006, though this was better than the DJ STOXX index of European media shares which was down 6.7 per cent over the year.

At the end of the year, Gunter Thielen and Ewald Walgenbach resigned from RTL Group’s Board of Directors. The resignations followed changes in the Bertelsmann AG Executive Board. The Board thanks Gunter Thielen and Ewald Walgenbach for their contribution in building RTL Group’s strong position and for their loyal services as members of the Board of Directors.

The RTL Group Board co-opted Hartmut Ostrowski, the new Chairman and Chief Executive Officer of Bertelsmann AG. Replacing Mr Thielen, he has joined the RTL Group Board as non-executive director as from 1 January 2008 and has also become a member of the Nomination and Compensation Committee.

Finally, I would like to thank everyone within our Group companies and at the Corporate Centre for their magnificent effort, initiative, creativity and dedication. Without their commitment and hard work, such a strong overall performance would not be possible.



**Siegfried Luther**  
Chairman