

# RTL GROUP corporate profile

## **RTL Group – the leading European entertainment network**

With 44 television channels and 32 radio stations in ten countries, RTL Group is the leading European entertainment network. The Luxembourg-based media group operates TV channels and radio stations in Germany, France, Belgium, the Netherlands, the UK, Luxembourg, Spain, Russia, Hungary and Croatia. It is one of the world's leading producers of television content such as talent and game shows, drama, daily soaps and telenovelas, including *Idols*, *Got Talent*, *The X Factor*, *Good Times – Bad Times*, *Family Feud* and *The Bill*.

The company history dates back to 1931 when the Compagnie Luxembourgeoise de Radiodiffusion (CLR) was founded. As a European pioneer, the company broadcast a unique programme in several languages using the same frequency. RTL Group itself was created in spring 2000 following the merger of Luxembourg-based CLT-UFA and the British content production company Pearson TV, owned by UK media group Pearson plc. CLT-UFA itself was created in 1997 when Bertelsmann AG – shareholder of UFA, and Audiofina – shareholder of the historic Compagnie Luxembourgeoise de Télédiffusion (CLT) – merged their TV, radio and TV production businesses.

In July 2001, Bertelsmann became majority shareholder of RTL Group following a stock swap with the Belgian-Canadian holding company Groupe Bruxelles Lambert (GBL). In December 2001, Bertelsmann entered into an agreement with Pearson plc to acquire its 22 per cent stake in RTL Group. Bertelsmann's interest in RTL Group is now 90.3 per cent. The remaining 9.7 per cent of RTL Group is publicly traded on the Brussels and Luxembourg stock exchanges.

## **The business units**

Television: RTL Group is Europe's largest broadcaster. Each day, over 200 million viewers all over Europe watch RTL Group's television channels, including RTL Television, RTL II, Super RTL, N-TV and Vox in Germany; M6 in France; RTL-TVI and Club RTL in Belgium; RTL 4, RTL 5, RTL 7 and RTL 8 in the Netherlands; Five in the UK; RTL Klub in Hungary; Ren TV in Russia; and RTL Televizija in Croatia.

Content: RTL Group's content production arm, FremantleMedia, is one of the largest international producers outside the US. Each year it produces over 10,000 hours of award-winning primetime programming across 55 countries. RTL Group is also one of the world's leading independent distributors outside the US, with rights to 19,000 hours of programming in 150 countries worldwide.

Radio: RTL Group's flagship radio station is RTL in France. The company also owns, or has interests in, other stations in France, Germany, Belgium, the Netherlands, Spain and Luxembourg, reaching millions of listeners each day.

### **Group strategy**

RTL Group's strategy can be categorised into three main areas. The first is development and strengthening of the 'family of channels' concept. We firmly believe this is the solution to the accelerated fragmentation of audiences, being driven by the increasing digital multi-channel presence. As part of this strategy we have launched a number of digital channels with clearly defined profiles, including W9 in France, Five US and Fiver in the UK, and three digital pay channels – Passion, RTL Crime and RTL Living – in Germany. Most recently, in autumn 2007, RTL Radio France launched two new digital radio stations, RTL L'Equipe and RTL Autrement.

Our second goal is to grow our non-advertising revenue streams through diversification activities and our production business. Our long-term aim is to generate 50 per cent of our total revenue from sources other than advertising.

FremantleMedia plays a key role for RTL Group and we want to grow the business significantly across all markets. Content is vital for today's broadcasting industry, and growth prospects are excellent as 'can't afford to miss' content becomes ever more valuable in the digital age. New ways of distribution – online, mobile, linear or on-demand – need exciting content to justify their existence.

As both a content company and a brand company, the digital world offers many opportunities for new business models. Several RTL Group companies have content or channel distribution agreements with mobile operators, and we are involved in DVB-H trials across Europe. Online, we have, or are developing, video on demand platforms in all countries with significant broadband penetration, such as M6Replay.fr in France or RTLnow.de in Germany. Our group companies are also increasingly present in digital entertainment. We already provide a broad range of services, including online games, community, and dating, plus user-generated content exchange platforms.

Our final goal is to explore geographical expansion, especially in fast-growing, emerging markets. We currently operate in ten countries and would like to further develop in central, eastern and southern Europe. At the same time we will assess opportunities in our existing portfolio as they arise.