

# RTL GROUP **portrait** Gerhard Zeiler

Chief Executive Officer of RTL Group  
Member of the Executive Board of Bertelsmann AG

## **TV Architect**

Discover, develop, produce and broadcast; inform and entertain; create families of channels and forge connections. But what Gerhard Zeiler, Chief Executive Officer of RTL Group since March 2003, loves most about television is the emotional aspect: "There's an amazing amount of feeling involved in television. If you strike the right note, you don't just reach viewers, you genuinely move and captivate them. You win them over to your content. That's why I think television is the most complete medium."

Once at the helm of the internationally active RTL Group, Zeiler was quick to prove himself the architect of Bertelsmann's TV business. The group's channels have successfully launched numerous initiatives aimed at increasing non-advertising revenue, and today RTL Group is regarded as a trailblazer in diversification business. The company has reduced its dependence on advertising markets and boosted its profitability. But above all, Zeiler has set further milestones for the group by extending its international TV activities. The new channel RTL Televizija, launched in Croatia in April 2004, broke even within just two years. In July 2005, RTL Group succeeded in acquiring a 30 per cent stake in the channel Ren TV, securing the group a foothold in the rapidly expanding Russian TV market. Also in mid-2005, the group fully took over the British channel Five, establishing a platform on which to build a successful family of channels on the fiercely competitive British market. Over a year later, this important step was followed up by the launch of two digital channels there, named Five US and Five Life.

Today, Europe's leading entertainment network has shareholdings in 43 TV channels and 32 radio stations in 10 countries, and is active in content production all over the world. And under Gerhard Zeiler's leadership, the company intends to grow steadily stronger on the international TV markets. In August 2006, the Board of Directors renewed Zeiler's assignment as CEO of RTL Group until May 2011, enabling him to continue concentrating fully on the company's international channel 'architecture' and on expanding its production business. Says Zeiler: "RTL Group is nowhere near the end of its development. Together with a team of passionate entrepreneurs, both in our profit centres and at the group's Luxembourg headquarters, I will strive to continue writing RTL Group's great success story."

Gerhard Zeiler has very clear-cut ideas about the future of Bertelsmann's biggest contributor of revenues and profits, based on a 'three-pillar' strategy, comprising the following elements: Firstly, build up and continue to develop families of channels modelled on the successful model of Mediengruppe RTL Deutschland (RTL Television, Vox, N-TV, RTL II, Super

RTL and the three digital pay-TV channels RTL Crime, RTL Living and Passion). The second goal is to grow RTL Group's non-advertising revenue streams through its diversification activities and production business. The long-term aim is to generate 50 per cent of total revenue from sources other than advertising. RTL Group intends to grow its production arm FremantleMedia 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. The final goal is to explore geographical expansion, especially in fast-growing, emerging markets. RTL Group currently operates in ten countries and would like to further develop in central, eastern and southern Europe.

"We've already made good progress on all three pillars over the past few years", says Zeiler. "Geographically speaking, too, our portfolio is better balanced than ever before", he explained. "In 2002, more than half our operating result was generated in Germany. The figure in 2007 was down to 37 per cent. At the same time, we significantly improved our results throughout the group. Not least against the backdrop of our strong presence on the European TV markets, we are careful with our investment decisions. But if we identify a target that will help us implement our strategy and create value for the group, then we'll pursue it", Zeiler said.

Gerhard Zeiler was born on July 20, 1955 in Ottakring, a working-class district of Vienna, the first of a pair of identical twins. He has never concealed his Social Democratic leanings and his critical distance vis-à-vis the powers that be. Zeiler studied psychology, sociology and educational science. After several months working as a freelance journalist, he took a job as press spokesman for the Austrian minister for education and the arts, Dr Fred Sinowatz, whom he eventually followed to the Federal Chancellor's Office in 1983. Later he continued working in the same capacity for Chancellor Dr Franz Vranitzky.

In November 1986, Gerhard Zeiler entered the TV business, becoming Secretary-General of the Austrian Broadcasting Corporation (ORF). At the tender age of 24 he had already sat on the broadcaster's supervisory board, and even then he realised that "television is a part of my life".

In the early 1990s Zeiler went to Munich to become the CEO of the TV channel Tele 5. Between 1992 and 1994 he then worked as Chief Executive of RTL II, before returning to Vienna to modernise that historic public broadcasting institution, ORF, as its new CEO.

In November 1998, he took up another challenge when he was appointed Chief Executive of the German group of channels centred around RTL Television in Cologne. After its high-speed start-up phase, commercial television needed fresh momentum, because licence-fee-funded public broadcasters had awoken from their monopoly-induced hibernation and were gearing up for tough competition with their new commercial rivals.

Zeiler successfully unleashed all his company's creative forces and proved himself to be an assertive strategist, especially when dealing with figures and costs. In many years, RTL Television duly experienced double-digit growth in its market share, revenues and earnings. Mediengruppe RTL Deutschland has steadily increased its audience share and remained

head and shoulders above its competitors in the target groups favoured by advertisers, with a combined audience share of over 30 per cent. As a result, the German group's net share of the TV advertising market rose from 40.8 per cent in 2000 to 43.3 per cent in 2007.

Thus, Mediengruppe RTL Deutschland, along with the success of its French family of channels run by Groupe M6, made a key contribution to the rise of RTL Group. In the fiscal year 2007, the Group increased its operating result (EBITA) to €98 million (compared with €51 million in 2006). Revenue increased to €5.7 billion. 2007 was the most successful business year in RTL Group's history. By maintaining a firm focus on its core businesses, the company grew its operating result for the sixth consecutive year, and generated its highest EBITA margin ever.

Today, more than 200 million people all over Europe tune into an RTL Group TV channel or radio station every day. FremantleMedia, RTL Group's production arm, is one of the largest international producers outside the United States. The company currently produces more than 300 programmes in 55 countries, including the US. In all, it creates more than 10,000 hours of programming a year, including films, series, shows and documentaries.

This success has earned Zeiler widespread recognition within the industry. In October 2004, he was voted 'Media Personality of the Year' at the Mipcom audiovisual content trade show in Cannes. The judges emphasized that RTL Group had kept on setting new records despite the crisis afflicting the media sector. Zeiler himself, the focus of all these plaudits, was careful to guard against too much praise, and those who work with him know he means what he says when he highlights the importance of team effort.

Gerhard Zeiler accepts that his career will keep him constantly on the move. The battle for audiences in the international TV business necessitates a presence in all major TV markets. Programmes, formats and licences are acquired worldwide. Ideas no longer come from the US alone, but also from countries like England, from Scandinavia or from the Netherlands. In fact North America is adopting more and more successful European productions.

At the same time digitalisation is profoundly changing the face of the TV industry: accelerating fragmentation of viewer markets calls for an even broader offer. To strengthen the market positions of its families of channels, RTL Group is starting to launch more and more digital channels that cater to rather closely defined target groups. But above all, digitalisation offers a myriad of opportunities for expanding the group's diversification businesses, which include video on demand (VOD) services, the establishment of online communities, and the distribution of TV programmes via new media, like the internet or mobile phones. "We are developing our broadcasting operations into digital TV families with a presence on all new platforms. We will systematically meet the rising demand for attractive content and expand our production arm FremantleMedia, with new talent, new formats and by doing business in new markets.", said Zeiler, summing up his objective.

As CEO of the publicly listed RTL Group, the experienced TV executive is still passionate about programming, which makes him a great partner for the management teams at RTL Group's many channels. Zeiler is convinced that "television will remain a trendsetting medium. And RTL remains the quality brand in commercial European TV. Another reason why our core business is not about to change is precisely that digitalisation is triggering a

huge increase in the number of services offered. On the one hand, we will concentrate on producing programmes characterised by their high quality, creativity and emotionality. And on the other hand, we will continue to develop powerful channel brands that keep viewers coming back to try out new programmes. Brands that turn shows into real events. As a content and brand company, RTL Group is in an excellent position to continue strengthening its position as the leading European entertainment network", he concluded.

## **Biography**

Born on July 20, 1955 in Vienna  
Graduate in Psychology, Sociology and Educational Science

## **Career Milestones:**

- 1976 Scientific Assistant at the Austrian Institute for Occupational Research
- 1979 Freelance journalist
- 1979 Press Spokesman for Austria's minister for education and the arts, Dr. Fred Sinowatz, and later for Chancellor Dr. Franz Vranitzky
- 1986 Secretary-General, Austrian Broadcasting Corporation (ORF)
- 1991 Chief Executive Officer, Tele 5, a German commercial TV channel based in Munich
- 1992 Chief Executive Officer, RTL II in Cologne/Munich
- 1994 Chief Executive Officer, ORF
- 1998 – 2005 Chief Executive Officer, RTL Television, Cologne
- 2000 Member of RTL Group Operations Management Committee
- 2002 Member of the Supervisory Board, M6
- 2002 – 2004 Member of the Bertelsmann Stiftung Board Of Trustees
- since March 2003 Chief Executive Officer, RTL Group
- since October 2005 Member of the Executive Board of Bertelsmann AG

## **Contact**

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