

Q3/2014: Solid results driven by slight improvement in advertising revenue in key markets

- Mediengruppe RTL Deutschland remains on track for another record full-year EBITA
- For the period January to September 2014, RTL Group reports slightly lower revenue and a decrease in EBITA, mainly due to the difficult economic situation in France and headwinds for FremantleMedia
- RTL Group accelerates its digital expansion with recent acquisitions of the programmatic video advertising platform, SpotXchange, and the leading multi-channel network for fashion, beauty and lifestyle, Style Haul

Luxembourg, 13 November 2014 – RTL Group, the leading European entertainment network, announces its results for the nine months ending 30 September 2014.

Highlights

In € million	January to September 2014	January to September 2013 ¹	Per cent change
Revenue	3,946	4,012	(1.6)
Underlying revenue²	3,890	3,958	(1.7)
Reported EBITA³	679	713	(4.8)
Reported EBITA margin (%)	17.2	17.8	
Reported EBITA	679	713	
Impairment of goodwill and amortisation and impairment of fair value adjustment on acquisitions of subsidiaries	(101)	(7)	
Impairment of investments accounted for using the equity method	–	72	
Re-measurement of earn-out arrangements	1	–	
Gain from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	2	5	
EBIT	581	783	
Net financial expense	(24)	16	
Income tax expense	(197)	(206)	
Profit for the period	360	593	
Attributable to:			
Non-controlling interests	54	58	
RTL Group shareholders	306	535	
Reported EPS (in €)	2.00	3.48	

Regulated information. The figures presented in the interim management statement are unaudited

¹ All financial information for January to September 2013 are 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

Q3/2014: continued improvement of TV advertising market conditions

- **TV advertising markets** across Europe were up in the third quarter – with the exception of Belgium
- However, the third quarter, with the summer holiday season, is a traditionally weaker quarter in terms of advertising revenue (**seasonality**)
- In the third quarter of 2014, reported Group **revenue** was stable at €1,259 million (Q3/2013: €1,257 million), while **reported EBITA** was €160 million (Q3/2013: €161 million)

January to September 2014: exchange rate effects and new advertising tax in Hungary weigh on RTL Group results

- **TV advertising markets** across Europe continued to show signs of improvement over the first nine months of 2014. With the exception of France – which was stable – and Belgium – which was down 0.7 per cent – all European net TV advertising markets in RTL Group's territories were up year-on-year
- Reported Group **revenue** decreased slightly to €3,946 million (January to September 2013: €4,012 million), mainly due to negative exchange rate effects, lower advertising sales in France along with lower revenue from FremantleMedia and UFA Sports
- RTL Group's **digital revenue**⁴ continued to show dynamic growth, up 16 per cent to €180 million benefitting from organic growth and new acquisitions
- **Reported EBITA** was €679 million compared to €713 million in the first nine months of 2013. The decrease is mainly due to lower profit contributions from FremantleMedia and RTL Group's broadcasting operations in France, which offset growth from Germany and the Netherlands
- **EBITA margin** at 17.2 per cent (January to September 2013: 17.8 per cent)
- **Net profit attributable to RTL Group shareholders** decreased by 42.8 per cent to €306 million (January to September 2013: €535 million). As described at the half year, this was principally due to movements in impairment charges. In the first nine months of 2014, RTL Group recorded a goodwill impairment on RTL Hungary amounting to €77 million. Conversely, the net profit for the first nine months of 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 €586 million, resulting in an operating cash conversion of 86 per cent

⁴ Excluding e-commerce, home shopping and distribution revenue for digital TV



- Following the payment of an extraordinary interim dividend of €307 million on 4 September 2014, RTL Group had **net financial debt** of €926 million as of 30 September 2014 (30 June 2014: €475 million)

Mediengruppe RTL Deutschland reports best nine-month EBITA

- During the first nine months of 2014 EBITA of Mediengruppe RTL Deutschland increased significantly, by 5.0 per cent to €418 million (January to September 2013: €398 million). This improvement was mainly driven by higher TV advertising revenue in Q3 and a growing digital distribution business
- The French TV advertising market was estimated to be stable in the first nine months. Against this environment, Groupe M6's EBITA was down to €144 million (January to September 2013: €154 million), mainly due to lower TV advertising revenue
- RTL Nederland's EBITA increased by 6.9 per cent to €62 million (January to September 2013: €58 million), mainly driven by higher digital distribution revenue and diversification activities
- FremantleMedia's EBITA decreased to €54 million (January to September 2013: €77 million), due to unfavourable exchange rates, lower revenue from *American Idol* and increased investments in digital business and the content pipeline

“A global force in online video”

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

“After nine months, we see a similar picture as at our half-year results in August. While Mediengruppe RTL Deutschland and RTL Nederland report significant profit growth, the economic situation in France and for FremantleMedia remain challenging. In the third quarter, significant revenue and EBITA growth in Germany led to stable Group results, and we had a good start into the important fourth quarter.

Given our high cash flows and strong financial position, we won't wait for the economic condition to improve, but invest today in new growth drivers for RTL Group. This year, we will invest more than €240 million in rapidly growing digital businesses – while also launching new channels and further diversifying our content production arm. This is the highest investment level for acquisitions since 2005. With the recent acquisitions of SpotXchange and StyleHaul, we have made strategically important progress to make RTL Group a global force in online video and online video advertising.”



Highlights from RTL Group's operations

RTL Group continues to make good progress across its three strategic pillars: broadcast, content and digital

Broadcast: investments in core business

- New TV channels strengthen RTL Group's family of channels: during the reporting period, RTL Group companies launched three new channels: RTL Kockica in Croatia, Geo TV in Germany and RTL CBS Extreme HD in South East Asia
- RTL Television broadcast the first of 20 matches of the German football national team. The first match was watched by an average 10.88 million viewers. The audience share among viewers aged 14 to 59 was 33.7 per cent

Content: bolstering the footprint

- At the end of March 2014, FremantleMedia acquired a 75 per cent majority stake in the US-based reality production company, 495 Productions, and has the opportunity to acquire the remaining shareholding in the future. This allows FremantleMedia to expand its share of the valuable US cable market and complements and diversifies FremantleMedia's existing portfolio of content and clients in the biggest TV market worldwide

Digital: continued investments into digital capabilities and footprint

- With the acquisition of StyleHaul RTL Group further accelerates its rapidly growing presence in the online video space. With 900 million video views per month, StyleHaul is the leading multi-channel network on Youtube for fashion, beauty and lifestyle – a highly attractive segment for major advertisers
- FremantleMedia North America's recently-launched digital content studio, Tiny Riot, has partnered with BroadbandTV on a multi-year original programming deal spanning entertainment, gaming and music content
- In September, RTL Group completed the acquisition of a 65 per cent majority stake in the programmatic video advertising platform SpotXchange; the investment significantly strengthens RTL Group's global scale across the entire online video advertising market and adds new technology- and data-based competencies
- In September, RTL Interactive in Germany acquired Econa Shopping for €27.5 million. Econa 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



- RTL Group developed its strong and rapidly growing presence across all digital platforms. In the first nine months of 2014:
 - RTL Group's catch-up TV services and websites, including the Youtube MCN Broadband TV, attracted a total 24.4 billion online video views, up 159 per cent year-on-year
 - thereof: FremantleMedia's more than 175 Youtube channels attracted 6.2 billion views, up 34.8 per cent year-on-year
 - For the full year, RTL Group expects to more than double its online video views to around 40 billion

The interim financial report, slides from the analyst presentation and an MP3 file of the analyst conference call will be available to download at:

www.rtlgroup.com/results_q3_2014.aspx

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About RTL Group

RTL Group is the leading European entertainment network, with interests in 53 television channels and 28 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 South East 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 22 countries, FremantleMedia's comprehensive global network is responsible for 8,500 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 network BroadbandTV and FremantleMedia's more than 160 Youtube channels, RTL Group has become the leading European media company in online video. For more information, please visit RTLGroup.com and follow RTL Group on Twitter @rtlgroup.