

RTL Group reports a successful start into 2015: EBITA slightly up, net profit significantly higher

- Mediengruppe RTL Deutschland with significant revenue and EBITA growth
- Very strong revenue growth in digital: up +66 per cent
- Healthy financial position allows for further investments

Luxembourg, 7 May 2015 – RTL Group, the leading European entertainment network, announces its quarterly results to 31 March 2015.

Highlights

In € million	Q1/2015	Q1/2014 restated ¹	Per cent change
Revenue	1,308	1,313	(0.4)
Underlying revenue²	1,236	1,252	(1.3)
Reported EBITA³	194	191	+1.6
Reported EBITA margin (%)	14.8	14.5	+0.3
EBITDA⁴	247	246	+0.4
EBITDA margin (%)	18.9	18.7	+0.2
Reported EBITA	194	191	
Impairment of disposal group	(14)	–	
Impairment of investments accounted for using the equity method and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(2)	(2)	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	(1)	
EBIT	178	188	
Net financial expense	(4)	(11)	
Income tax expense	(53)	(69)	
Profit for the period	121	108	
<i>Attributable to:</i>			
<i>Non-controlling interests</i>	15	17	
RTL Group shareholders	106	91	+16.5
Reported EPS (in €)	0.69	0.59	+16.9

¹ All financial data for Q1/2014 restated for impact of IFRIC 21

² Adjusted for minor 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

⁴ EBITDA represents EBIT excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, 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

Q1/2015: EBITA, EBITA margin and net profit up year-on-year

- Advertising market conditions in the first quarter showed a mixed picture: looking across the Group's markets, RTL Group estimates that the net TV advertising markets in Germany, France, Croatia and Spain were up, while the market developments in the Netherlands, Belgium and Hungary remained challenging
- Reported Group revenue was stable at €1,308 million (Q1/2014: €1,313 million). Lower revenue at Groupe M6 and FremantleMedia was offset by significantly higher revenue from Mediengruppe RTL Deutschland
- Reported EBITA was slightly up to €194 million compared to €191 million in Q1/2014. Accordingly, the EBITA margin increased to 14.8 per cent (Q1/2014: 14.5 per cent)
- RTL Group's digital revenue⁵ continued to show very dynamic growth, up +66 per cent to €88 million (Q1/2014: €53 million), benefitting from organic growth and new acquisitions
- Net profit attributable to RTL Group shareholders amounted to €106 million (Q1/2014: €91 million), a 16.5 per cent increase year-on-year
- Net cash from operating activities was €208 million, resulting in an operating cash conversion of 110 per cent (Q1/2014: 114 per cent)
- As of 31 March 2015, RTL Group had a net debt position of €452 million (31 December 2014: debt of €599 million)

Segments: Mediengruppe RTL Deutschland achieves new record EBITA

- Mediengruppe RTL Deutschland's EBITA reached a new record high for a first quarter at €153 million, up from €134 million in Q1/2014, driven by significantly higher TV advertising revenue
- At Groupe M6, EBITA was slightly up to €41 million (Q1/2014: €40 million), reflecting higher EBITA contributions from 6ter, M6 and Paris Première which were partly offset by lower contributions from diversification activities
- RTL Nederland's EBITA was down to minus €3 million from (Q1/2014: profit of €6 million), mainly due a weak TV advertising market, lower margins of the diversification business and higher programming costs
- FremantleMedia's EBITA decreased to €3 million (Q1/2014: €9 million), mainly due to lower revenue caused by phasing effects on the delivery of programmes at FremantleMedia North America and in Europe

⁵ Excluding e-commerce, home shopping and platform revenue for digital TV



“Overall, a successful start into the year”

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

“Overall, we had a successful start into the year and slightly increased our operating profit EBITA, mainly driven by another strong performance from Mediengruppe RTL Deutschland.

During the first months of the year we have been further reinforcing our three strategic pillars: broadcast, content and digital. With Oxygem in France, we boost the digital development of Groupe M6. As digital video monetisation becomes more automated, we have extended our presence in April with a minority investment in the start-up Clypd in the US. Clypd complements the rapidly growing business of SpotXchange by adding cutting-edge sales capabilities to place spots into linear TV programmatically. Additionally, FremantleMedia invested in the newly launched Corona TV to strengthen its scripted pipeline with projects that will have cinematic feel. BroadbandTV used funding provided by RTL Group to acquire the leading kids content producer and publisher on Youtube, YoBoHo.

We still have the capacity to explore more investment opportunities in the rest of the year based on our very healthy financial position. We will continue to do so throughout 2015, applying our strict investment criteria to generate profitable growth.

We confirm our outlook for the full year 2015 and expect our total revenue and EBITA to be broadly stable⁶.”

⁶ Excluding one-offs

RTL Group continues to invest in its strategic pillars

Broadcast:

- In March, RTL Hrvatska launched three new basic pay-TV channels: RTL Passion, RTL Crime and RTL Living. The company now operates three free-to-air and three pay-TV channels, more than any competitor in the Croatian market
- In April, RTL Group led the most recent financing round for Clypd, a US-based platform for programmatic advertising sales on linear TV, and now holds a 17.4 per cent minority stake in the company (on a fully diluted basis)
- In April, NBC Universal International Television Production, Mediengruppe RTL Deutschland and TF1 announced that they have entered into an international co-production agreement to produce original US-style TV procedural dramas. It is the first time that European broadcasters have partnered with a major US media company for a deal of this nature

Content:

- In February, FremantleMedia acquired a 25 per cent stake in newly started Corona TV. The deal, which gives FremantleMedia a first look option on all Corona TV output, furthers FremantleMedia's ambition to build its scripted pipeline with projects that will have a cinematic feel and attract international co-production funding
- In March, FremantleMedia International and Netflix signed a global licensing deal for *The Returned*, the new suspenseful drama co-produced by FremantleMedia North America and A+E Studios. Episodes have been available on Netflix in all regions outside the US and Canada, within 24 hours of the US broadcast on A+E Network
- In April, FremantleMedia, Shanghai Media Group's BestTV and China Media Capital announced an exclusive agreement that will create and develop entertainment formats for the Chinese market

Digital:

- RTL Group has a strong and rapidly growing presence across all digital platforms. In the first quarter of 2015:
 - RTL Group's catch-up TV services, websites and MCNs attracted a total 18.7 billion online video views, up 160 per cent year-on-year⁷ (Q1/2014: 7.2 billion)
 - thereof: FremantleMedia's more than 220 Youtube channels attracted 2.7 billion views, up 69 per cent year-on-year
- Following the most recent acquisitions of Divimove and YoBoHo, RTL Group now generates 6.4 billion online video views per month⁸

⁷ Aggregated view

⁸ Aggregated view; pro-forma



- In January, Groupe M6 strengthened its presence in the digital space with the acquisition of 100 per cent of the capital of French media group Oxygem, which provides website editing and e-marketing services
- In April, BroadbandTV announced the acquisition of the leading kids content producer and publisher on Youtube, YoBoHo, which owns and operates more than 25 channels. YoBoHo's library comprises of over 8,000 videos in the kids vertical, mainly produced by the company. It generates a total of three billion views per year. RTL Group provided funding for BroadbandTV's acquisition of YoBoHo
- RTL Group's recently acquired digital businesses – BroadbandTV, StyleHaul and SpotXchange – continued to show strong revenue growth, comparing Q1/2015 with Q1/2014: BroadbandTV was up 67 per cent, StyleHaul was up 60 per cent⁹, SpotXchange was up 86 per cent⁹

The full report for the first-quarter results 2015 will be available to download at www.rtlgroup.com/results-q1-2015

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About RTL Group

RTL Group is the leading European entertainment network, with interests in 52 television channels and 29 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 Southeast 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 28 countries, FremantleMedia's comprehensive global network is responsible for more than 10,000 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 networks BroadbandTV, StyleHaul and Divimove as well as FremantleMedia's more than 210 Youtube channels, RTL Group has become the leading European media company in online video. RTL Group also owns a majority stake in the programmatic video advertising platform SpotXchange. For more information, please visit RTLGroup.com and follow RTL Group on Twitter @rtlgroup.

⁹ Pro-forma