

Q1/2017: RTL Group with stable net profit; as expected, soft start in 2017

- Q1 results in line with expectations: revenue down 1.9 per cent and EBITDA down 8.3 per cent, following an exceptionally strong Q1/2016 and the effect of the absence of *American Idol* on the US network Fox in 2017
- FremantleMedia recently announced that *American Idol* will be revived on the US network ABC
- Digital revenue continued to show very dynamic growth – up 48.3 per cent
- RTL Group on track with full-year outlook – guidance confirmed

Luxembourg, 11 May 2017 – RTL Group announces its quarterly results for the period ended 31 March 2017.

Q1/2017: results as a consequence of exceptionally high Q1/2016 comparable

- Group revenue was down 1.9 per cent to €1,405 million (Q1/2016: €1,432 million), solely due to the absence of *American Idol* on the US network Fox in 2017 which more than compensated higher revenue from Mediengruppe RTL Deutschland, Groupe M6 and the dynamically growing digital business. Adjusted for the *American Idol* effect, RTL Group continued to grow by around 4 per cent, in line with the full-year guidance
- EBITDA was down by 8.3 per cent to €264 million (Q1/2016: €288 million), mainly based on lower profit contributions from the football club Girondins de Bordeaux and FremantleMedia. Despite the decrease, this was the second-highest Q1 EBITDA in RTL Group's history. The EBITDA margin stood at 18.8 per cent (Q1/2016: 20.1 per cent)
- Net profit attributable to RTL Group shareholders was stable at €137 million (Q1/2016: €138 million), thanks to a gain of €14 million resulting from a re-measurement of the fair value of RTL Group's 75.5 per cent interest in multi-platform network Divimove
- Net cash from operating activities was €220 million (Q1/2016: €319 million), resulting in an operating cash conversion of 116 per cent (Q1/2016: 150 per cent)
- As of 31 March 2017, RTL Group had a net debt position of €390 million (31 December 2016: net debt of €576 million)

Segments: Solid performance in key markets

- Mediengruppe RTL Deutschland's EBITDA was stable at €168 million (Q1/2016: €169 million)
- At Groupe M6, EBITDA decreased to €76 million (Q1/2016: €90 million), reflecting lower EBITDA contributions from SND and the football club Girondins de Bordeaux, partly compensated by higher TV advertising
- FremantleMedia's EBITDA decreased to €13 million (Q1/2016: €19 million), mainly due to phasing effects and the absence of *American Idol* (the show's final season on US network Fox was mainly aired in Q1/2016)
- RTL Nederland's EBITDA was down to €1 million (Q1/2016: €3 million), mainly due to lower TV advertising sales

“Profitability remains high with continued investments in digital and content”

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

“Following the exceptionally strong first quarter 2016 with an early Easter, we have returned to regular business in the first quarter of 2017. Nonetheless, our profitability remains on a high level and we will continue to significantly invest in digital and content.

As stated in prior years, the first quarter is not necessarily an indicator for the full year. This is especially true for FremantleMedia. We can only emphasise once more that the content business cannot be managed on a quarterly basis. The launch of *American Gods* on the US pay-TV channel Starz and on Amazon Prime Video in more than 200 territories will have a positive impact on FremantleMedia's revenue in Q2. RTL Group maintains its outlook for the full year 2017 and expects total Group revenue to increase moderately and EBITDA to be broadly stable.

We are excited about the launch of *American Gods*, which is one of FremantleMedia's signature productions in 2017 and the second major project coming out of the company's push into drama, following *The Young Pope* in 2016. Looking at the show's exceptional audience shares on Starz and great praise from fans and critics alike, FremantleMedia once more created must-see television. Just a few days ago, they announced that *American Idol*, one of the most iconic shows in TV history, will come back on the US network ABC. Both are proof of what we have said before: exclusive content is the power engine for everything we do in the total video universe.”

Outlook

RTL Group confirms its outlook given at the full-year results 2016 presentation on 9 March 2017: RTL Group expects its total revenue for the fiscal year 2017 to continue to grow moderately (+2.5 per cent to +5.0 per cent), driven by the Group's digital businesses and Mediengruppe RTL Deutschland. At the same time, RTL Group's EBITDA for the full year 2017 is expected to be broadly stable (-1.0 per cent to +1.0 per cent).

RTL Group further strengthens creative pipeline and digital expertise

Broadcast:

- The channels of Mediengruppe RTL Deutschland significantly increased their lead over the ProSiebenSat1 channels to 5.5 percentage points in the target group of viewers aged 14 to 59 (Q1/2016: 4.0 percentage points). With a total audience share of 5.2 per cent, the German TV channel Vox surpassed competitor ProSieben (4.6 per cent), underlining its position among the top TV channels in Germany. Both can be largely attributed to the strong, local and exclusive programming
- In France, Groupe M6 increased its combined audience share to 23.6 per cent among women under 50 responsible for purchases. The main channel M6 stepped up its game in French fiction with the new series *Glacé* which scored a strong average audience of 3.9 million viewers

Content:

- In March 2017, FremantleMedia International (FMI) and Mediengruppe RTL Deutschland struck a deal, giving FMI exclusive international distribution rights to Mediengruppe RTL Deutschland's extensive library of programming dating back to 2000, as well as rights for future commissions and show formats
- Also in March, FremantleMedia announced the production of *My Brilliant Friend* starting in summer 2017, an eight-episode drama series from director Saverio Costanzo (*The Solitude Of Prime Numbers, Hungry Hearts*). The story will be based on the first of the four-book series by Elena Ferrante
- In Germany, UFA Fiction's 6-part historical drama *Charité* launched with 8.4 million viewers and a total audience share of 25.9 per cent, public broadcaster ARD's highest new series launch in 13 years. The broadcaster has already commissioned a second season
- On 30 April 2017, the highly anticipated *American Gods* premiered on the US pay-TV channel Starz, attracting a cumulative audience of 1.4 million on its premiere night and exceeding the broadcaster's prime-time average share across all demographics including Men 18 to 49 (+595 per cent), Adults 18 to 49 (+540 per cent) and Adults 25 to 54 (+540 per cent). On Amazon Prime Video, the series has been available internationally since 1 May 2017

- On 9 May 2017, US network ABC announced an agreement with FremantleMedia North America and 19 Entertainment to revive television's most successful and recognised music competition series, *American Idol*, for the 2017/18 season. A host and judges will be announced at a later time

Digital:

- RTL Group's digital revenue¹ continued to show very dynamic growth, up 48.3 per cent to €178 million (Q1/2016: €120 million)
- The digital businesses that make up the RTL Digital Hub – BroadbandTV, StyleHaul and SpotX – continued to show strong revenue growth. Comparing Q1/2017 with Q1/2016: BroadbandTV revenue was up 118 per cent, StyleHaul was up 100 per cent and SpotX was up 17 per cent
- In February 2017, FremantleMedia entered into an agreement with the controlling shareholders of Europe's leading multi-platform network (MPN), Divimove, to modify the corporate governance of the company. According to the agreement, the company's founders shall remain at the helm for at least two more years to continue the company's exponential growth. Divimove is now fully consolidated in RTL Group's accounts
- In April 2017, RTL Group participated in a Series B funding round for VideoAmp, increasing its share in the US-based advertising technology company to approximately 24 per cent on a fully-diluted basis. VideoAmp operates a platform for cross-screen data optimisation

¹ Excluding e-commerce, home shopping and platform revenue for digital TV

Key financial figures (January to March 2017):

In € million	Q1/2017	Q1/2016	Per cent change
Revenue	1,405	1,432	(1.9)
Underlying revenue²	1,375	1,430	(3.9)
EBITDA³	264	288	(8.3)
EBITDA margin (%)	18.8	20.1	
EBITDA	264	288	(8.3)
Depreciation, amortisation and impairment	(50)	(63)	
Re-measurement of earn-out arrangements	(1)	–	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	14	–	
EBIT	227	225	+0.9
Net financial expense	(3)	(2)	
Income tax expense	(70)	(68)	
Profit for the period	154	155	(0.6)
<i>Attributable to:</i>			
<i>Non-controlling interests</i>	17	17	
RTL Group shareholders	137	138	(0.7)
Reported EPS (in €)	0.89	0.90	

The full report for the first-quarter results 2017 and slides from the presentation will be available to download at <http://www.rtlgroup.com/results-q1-2017>

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² Adjusted for minor scope changes and at constant exchange rates

³ EBITDA represents earnings before interest and taxes 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



About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 60 television channels and 31 radio stations, content production throughout the world and rapidly growing digital video businesses. 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. 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 31 countries, FremantleMedia's comprehensive global network is responsible for approximately 12,000 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-platform networks BroadbandTV, StyleHaul and Divimove as well as FremantleMedia's more than 260 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 SpotX. For more information, please visit RTLGroup.com and follow RTL Group on Twitter @rtlgroup.

RTL Group – Entertain. Inform. Engage.