

the  
Leading European  
Entertainment Network



UBS

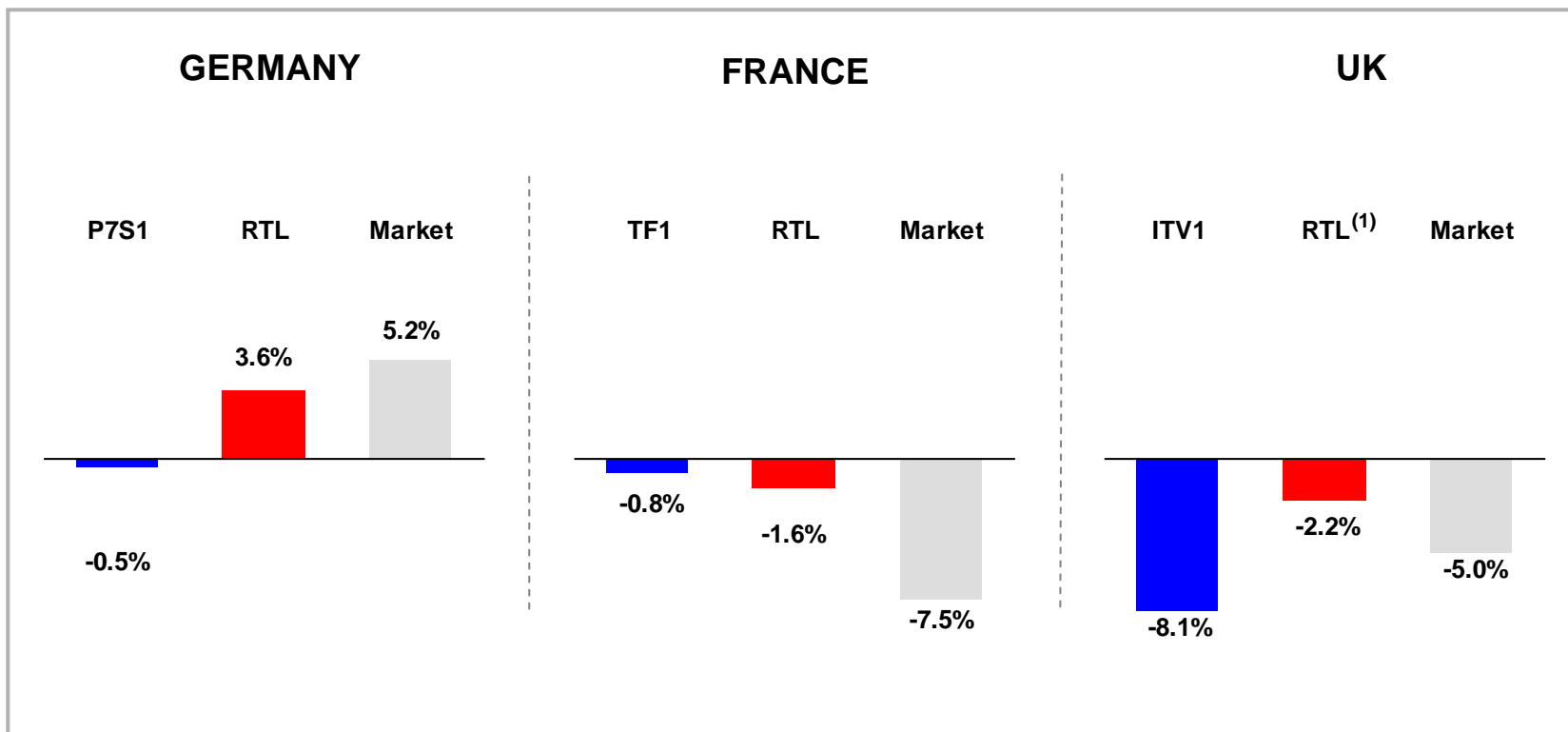
London, 27 November 2008

# Agenda

1. Advertising Market Development
2. Operational Update
3. Strategy



# Advertising Market Development



**Notes:**

Germany / gross / Jan – October: AC Nielsen

France / gross / Jan – October: M6 estimation (given mix of net and gross advertising spots)

UK / net / Jan -December: Five estimate

(1) : Five family development

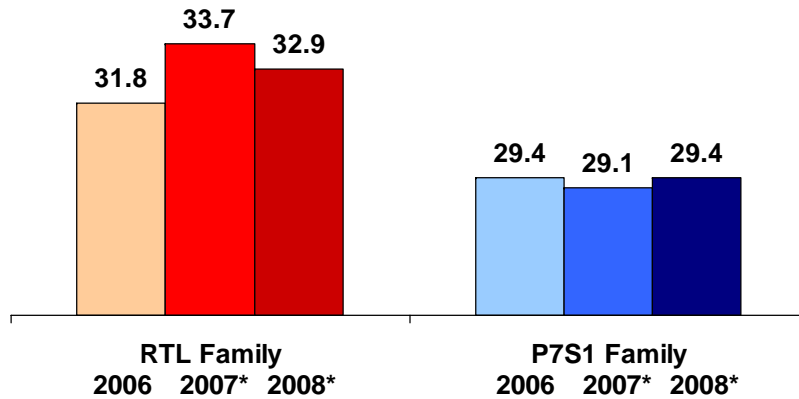
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# German TV

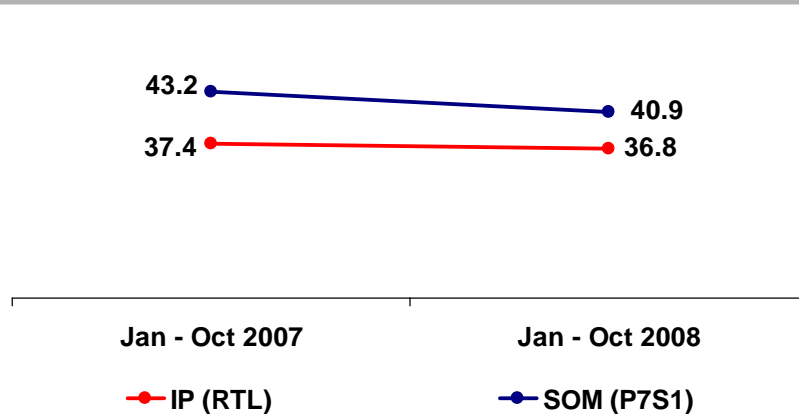
## Family Audience share (14-49) in %\*



## Audience Share (14-49)

	Wk 1-46 2008	Wk 1-46 2007
RTL	15.6%	16.1%
VOX	7.5%	7.9%
RTLII	6.2%	6.3%
Super RTL	2.7%	2.7%
<b>RTL Group</b>	<b>32.9%</b>	<b>33.7%</b>
P7S1 Family	29.4%	29.1%

## Gross advertising market share (%)



## Comments

- Advertising market share being maintained at around 45 per cent
- Sales system remains un-changed for 2009

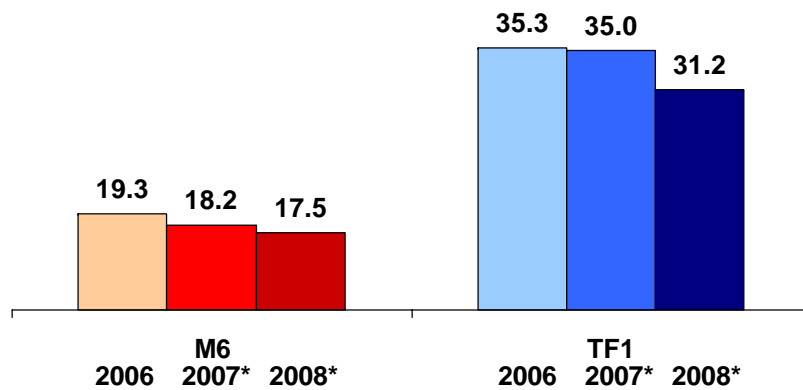
Source: GfK

Note: excl. RTL II (incl : 42.8 in 2007, 43.3 in 2008)

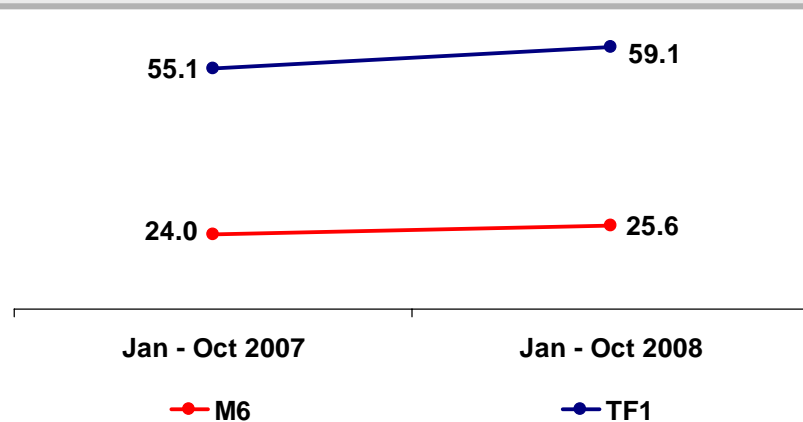
\* 2007 & 2008 : week 1 – 46

# French TV

## Audience share (housewives < 50) in %\*



## Advertising market share (%)



## Comments

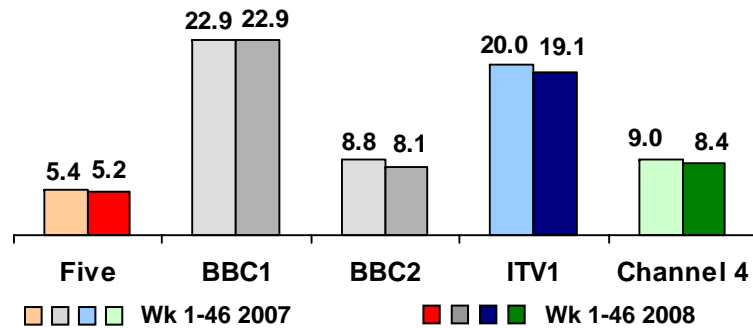
- Continued strong performance of access prime time schedule, in particular “Un diner presque parfait”
- W9 also going from strength to strength both in terms of audiences and financially
- Uncertain legal environment for 2009

Source: Mediamétrie, estimates from M6

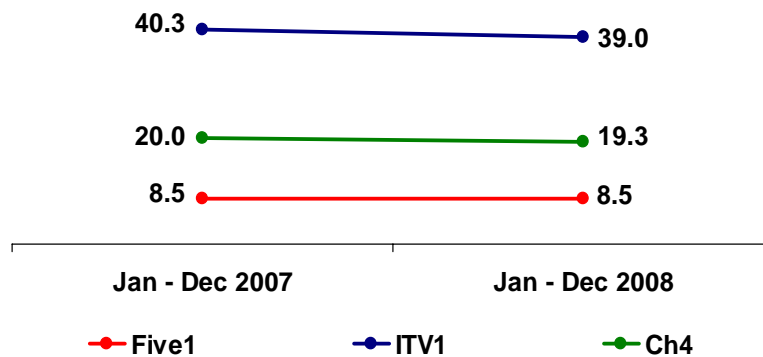
\* 2007 & 2008 : week 1 – 46

# UK TV

## Audience share (adults, all day) in %



## Net Advertising market share (estimate)



Source: Five estimates spot revenue

## Comments

- New CEO from end of October
- Top management changes announced – new Director of Programmes and Head of Acquisitions
- No changes in advertising forecasts for 2008 – market expected to be down around 5 per cent

# Other territories : TV (1)

rt(4)

rt(5)

rt(7)

rt(8)

## Netherlands

- **RTL4 leadership with 14.7% audience share YTD<sup>1)</sup>**  
(flat vs. YTD 2007)
- **Number 1 commercial family: 30.5% audience share**  
(+1.0pp vs. YTD 2006)



## Belgium

- **Market leader RTL TVi: 26.2% market share YTD<sup>1)</sup>**
- **Number 1 commercial family: 35.7% audience share**  
(+0.5pp vs YTD 2007)



## Hungary

- **Market leader: 32.7% audience share YTD<sup>1)</sup>**  
(-1.8pp vs YTD 2007)

## Other territories : TV (2)



### Croatia

- 26.3% (all day) and 27.4% (prime time) – weeks 1 – 46 in 2008



### Spain

- October 2008 audience share in family target of 18.0% versus 17.7% in 2007 (YTD 18.5% versus 18.3% YTD for T5)
- Shares for Cuatro and La Sexta of 8.8% and 6.9% in family target for the month (YTD 10.0% and 5.9% respectively)



### Russia

- Audience share stable with all day share Jan – Oct 2008 YTD of 5.3%

# FremantleMedia : entertaining the World



Neighbours



# Global formats are now vital to broadcasters (1/2)

**1997**

## Germany: Top 15 Entertainment Series

**2007**

Title	Origin	Mills.	Title	Origin	Mills.
1. Wetten dass...?	Germany	15.4m	1. Wetten dass...?	Germany	11.8m
2. Musikantenstadl	Germany	7.2m	<b>2. Who Wants To Be A Millionaire UK</b>		<b>6.8m</b>
3. Geld Oder Liebe	Germany	6.8m	3. Starquiz mit Jorg Pilawa	Germany	6.7m
4. Lass dich überraschen	Germany	5.5m	4. Willkommen bei Carmen	Germany	5.6m
5. Musik Liegt in der Luft	Germany	5.5m	<b>5. Idols</b>	<b>UK</b>	<b>5.5m</b>
6. Lustige Musikanten	Germany	5.4m	6. Musikantenstadl	Germany	5.3m
7. Traumhochzeit	Germany	5.3m	7. Verstehen Sie Spass?	Germany	5.2m
8. 7 Tage – 7 Köpfe	Germany	4.9m	<b>8. Got Talent</b>	<b>UK</b>	<b>5.0m</b>
9. Rudis Urlaubsshow	Germany	4.9m	<b>9. Farmer Wants A Wife</b>	<b>UK</b>	<b>4.8m</b>
10. Versteckte Kamera	Germany	4.8m	<b>10. Strictly Come Dancing</b>	<b>UK</b>	<b>4.7m</b>
<b>11. The Dating Game</b>	<b>USA</b>	<b>4.7m</b>	<b>11. Kitchen Nightmares</b>	<b>UK</b>	<b>4.6m</b>
<b>12. Die 100.000 Mark Show</b>	<b>Neth</b>	<b>4.7m</b>	12. Der Naturwunder	Germany	4.6m
13. Kein Schöner Land	Germany	4.6m	13. Wie schlau ist Deutschland	Germany	4.4m
<b>14. All You Need Is Love</b>	<b>Neth</b>	<b>4.1m</b>	<b>14. Supernanny</b>	<b>UK</b>	<b>3.7m</b>
<b>15. Soundmix Show</b>	<b>Neth</b>	<b>3.9m</b>	<b>15. Die 10...</b>	<b>Neth</b>	<b>3.5m</b>

Ranked By Millions Individuals 3+

Source: Eurodata TV 3+ episodes

# Global formats are now vital to broadcasters (2/2)

**1997**

## France: Top 15 Entertainment Series

**2007**

Title	Origin	Mills.
1. Les Enfants de la Télé	France	7.9m
2. Les Années Tubes	France	7.2m
3. Drole de Jeu	France	6.6m
4. Les Grosses Tetes	France	6.5m
<b>5. Going For Gold</b>	<b>UK</b>	<b>6.3m</b>
6. La Fureur	France	6.2m
7. Capitale d'un Soir	France	6.2m
8. Intervilles	France	6.0m
9. La Grande Débrouille	France	5.6m
10. Faites La Fete	France	5.5m
11. Fiesta	France	5.4m
<b>12. Qui est Qui</b>	<b>Ireland</b>	<b>5.3m</b>
13. Etonnant et Drole	France	5.0m
14. Je Passe a la Tele	France	5.0m
15. Fort Boyard	France	4.9m

Title	Origin	Mills.
<b>1. Survivor</b>	<b>UK</b>	<b>8.2m</b>
<b>2. Who Wants To Be A Millionaire</b>	<b>UK</b>	<b>7.4m</b>
<b>3. Star Academy</b>	<b>Neth</b>	<b>6.4m</b>
4. 100 Plus Grands	France	6.1m
5. Les Enfants de la Télé	France	5.7m
6. Plus Grand Cabaret Du Monde	France	5.2m
<b>7. Secret Story (Big Brother)</b>	<b>Neth</b>	<b>4.8m</b>
<b>8. Idols</b>	<b>UK</b>	<b>4.5m</b>
9. Les Années Bonheur	France	4.4m
<b>10. Got Talent</b>	<b>UK</b>	<b>4.3m</b>
<b>11. Temptation Island</b>	<b>USA</b>	<b>4.0m</b>
<b>12. Farmer Wants A Wife</b>	<b>UK</b>	<b>3.9m</b>
<b>13. The Inventor</b>	<b>UK</b>	<b>3.9m</b>
<b>14. Peking Express</b>	<b>Belgium</b>	<b>3.8m</b>
15. Tenue de Soirée	France	3.8m

**Ranked By Millions Individuals 4+**

Source: Eurodata TV 3+ episodes

# Outstanding formats produced worldwide



Entertainment show  
from the UK



41 countries



Game show  
from Japan



31 countries



Talent show  
from the UK



26 countries



Entertainment  
show from the UK



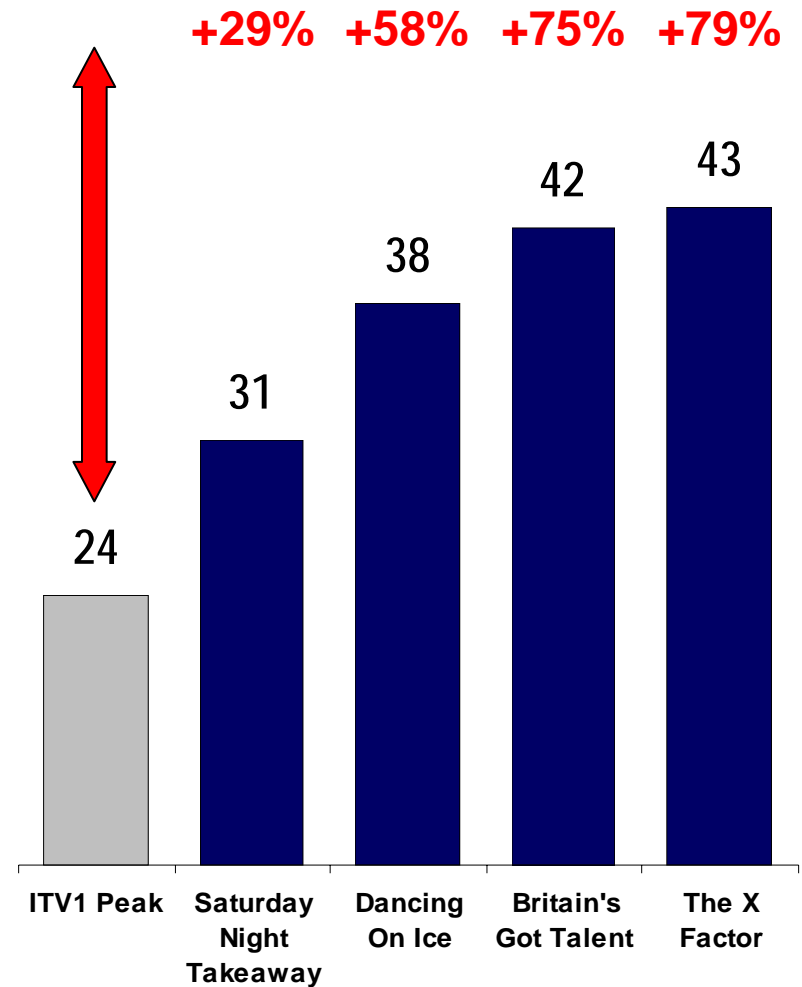
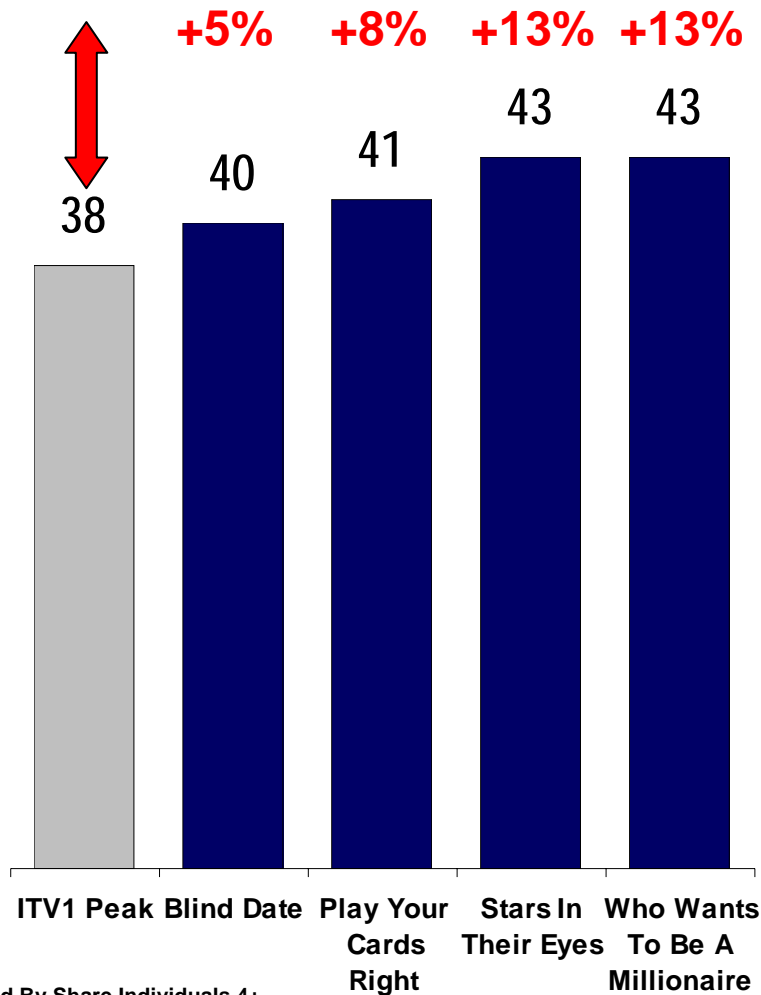
15 countries

# Formats Are Working Harder: ITV1 example

1998

## ITV1 Top Prime Time Entertainment Series (%)

2008



Note: Ranked By Share Individuals 4+  
Source: BARB/TNS 2008 to 05.10.08

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# Key Questions for the Future

**1**

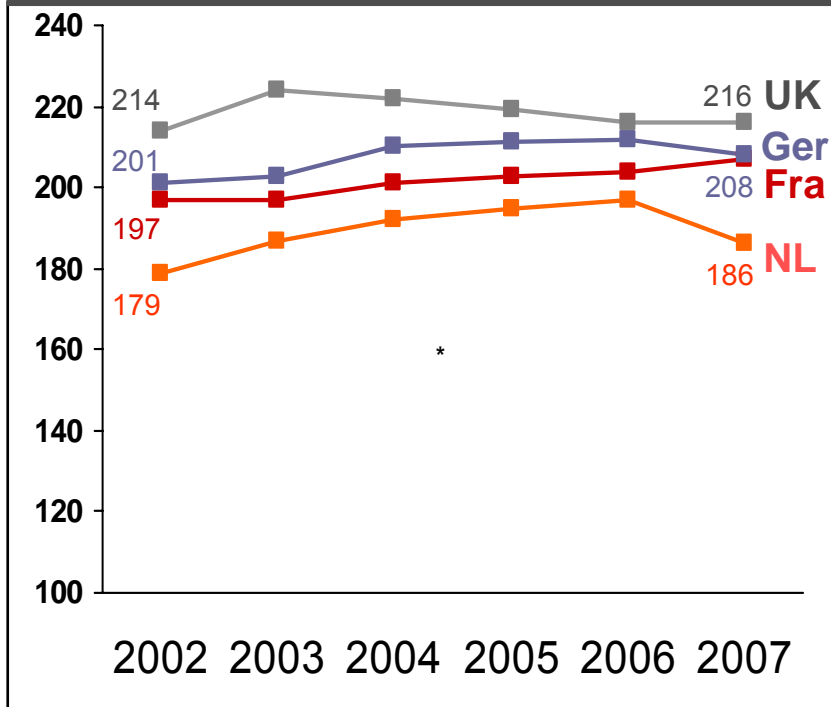
**Is broadcasting still a growing business?**

**2**

**What do we have to do in future to generate high growth?**

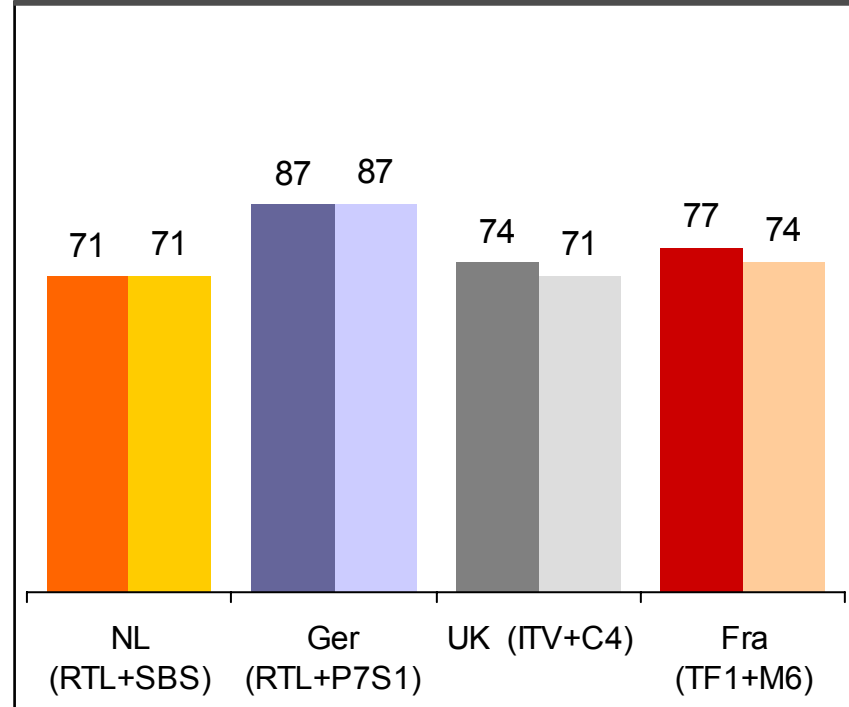
# Consumption and fragmentation

TV time spending (in min per day)



► Almost stable TV consumption

Cumulated family ad market share 02-07 of TOP 2 commercial broadcasters (in%)



► Fragmentation being resisted

# Key Questions for the Future

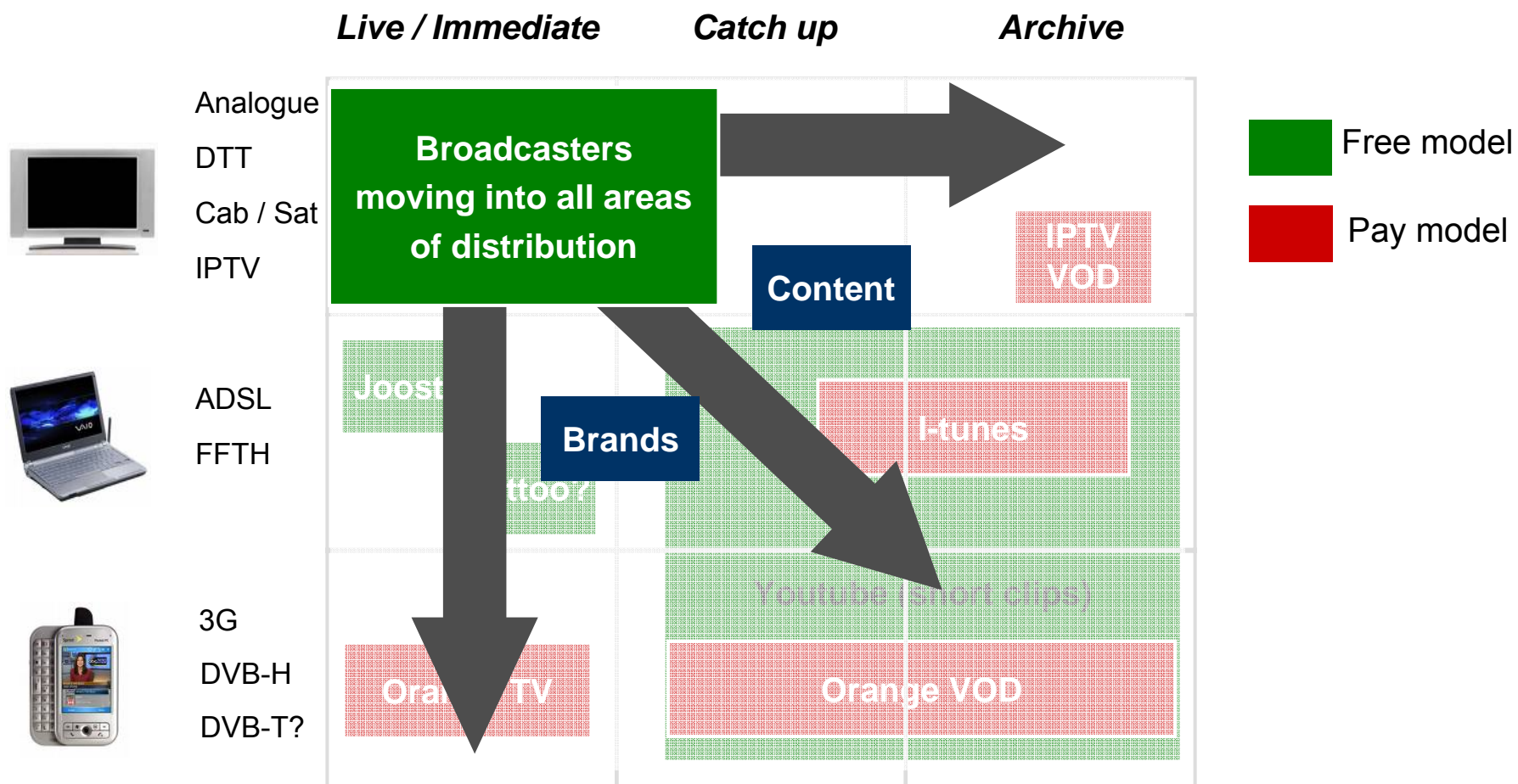
**2**

**What do we have to do in future to generate high growth?**

- ▶ **Move with our audience**
- ▶ **Experiment and take opportunities in the digital world**

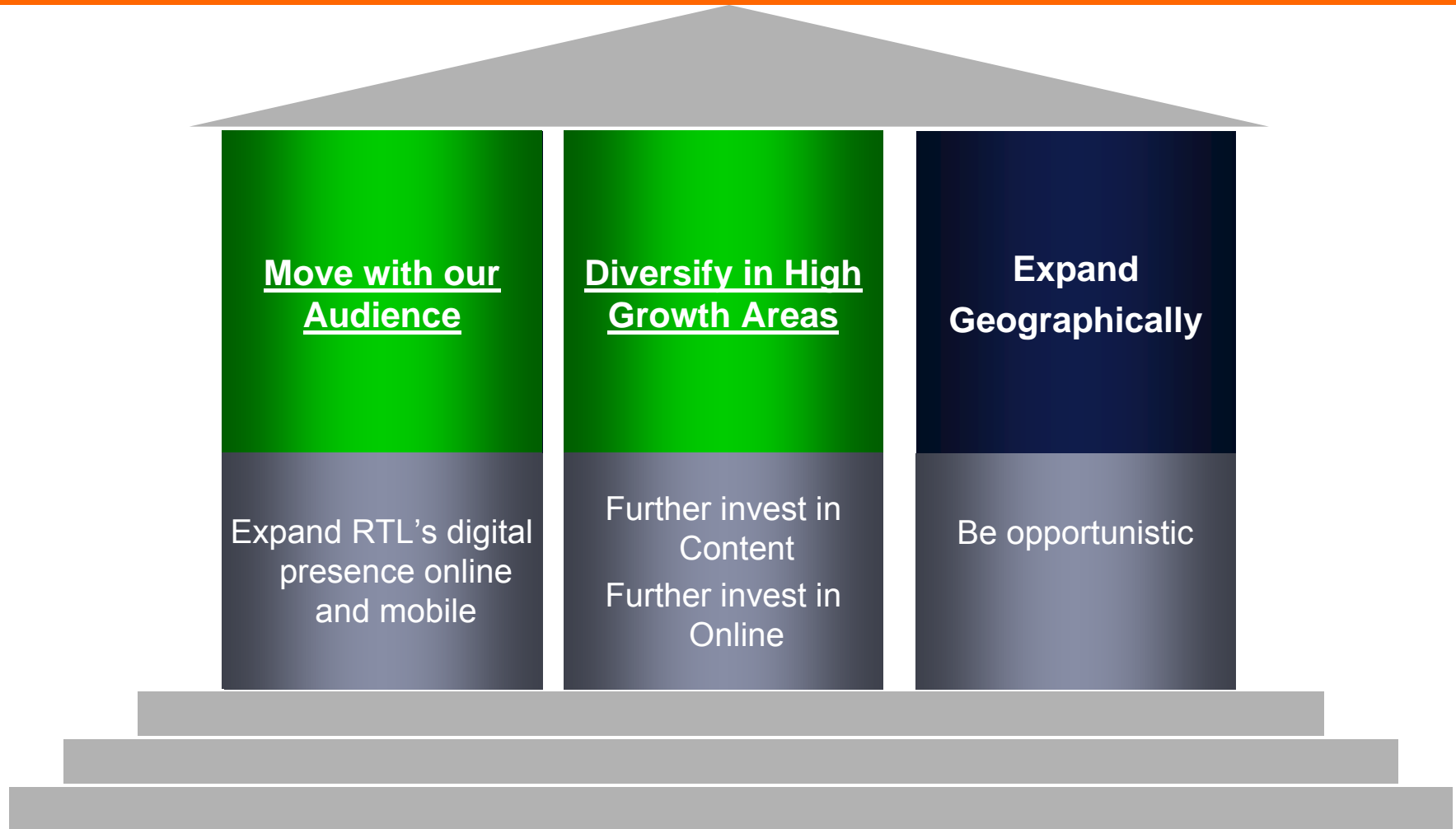
▶ **Many new areas with high growth potential**

# Digitisation Opportunities

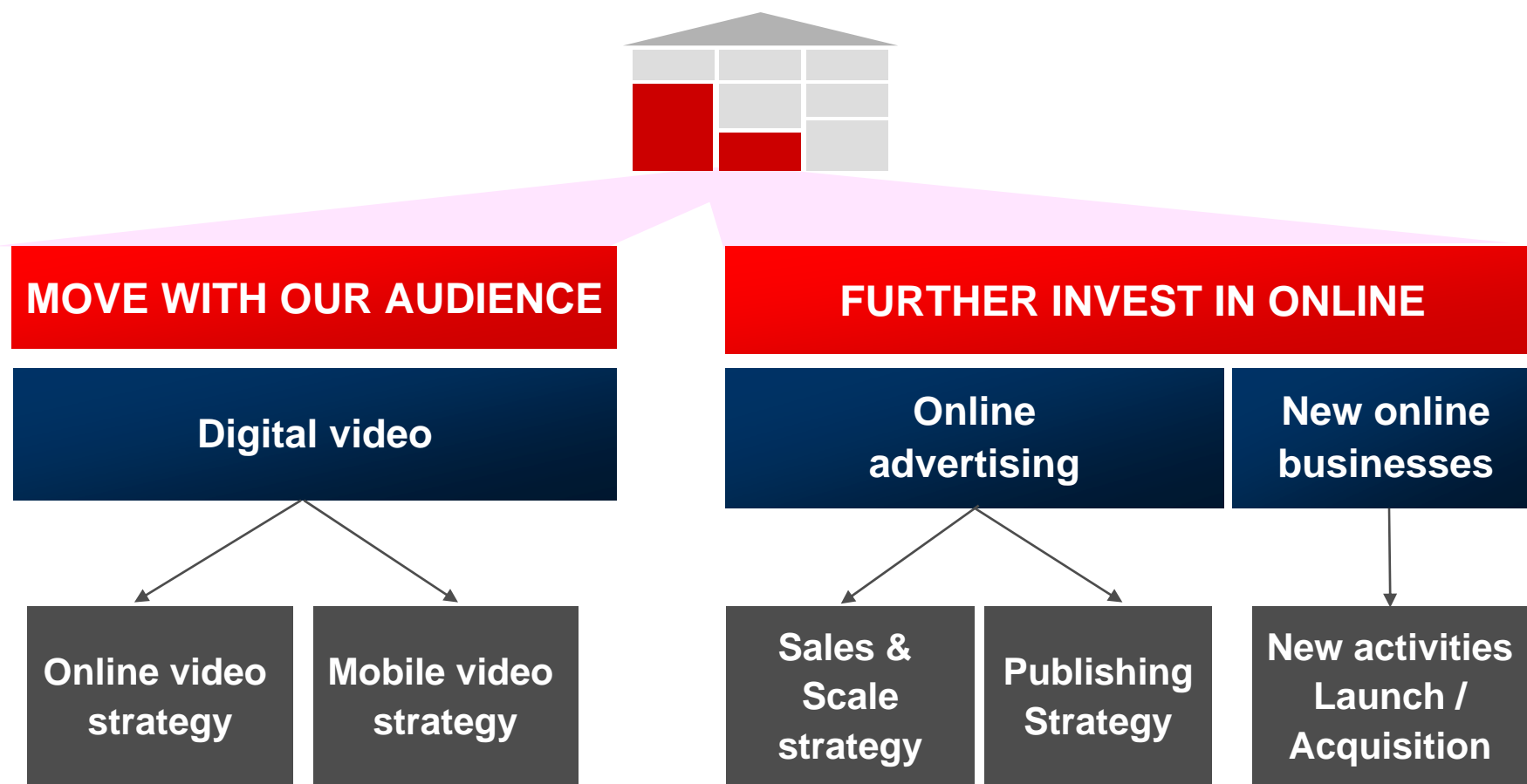


► Move with the audience !

# RTL Group's Strategy : New Responses

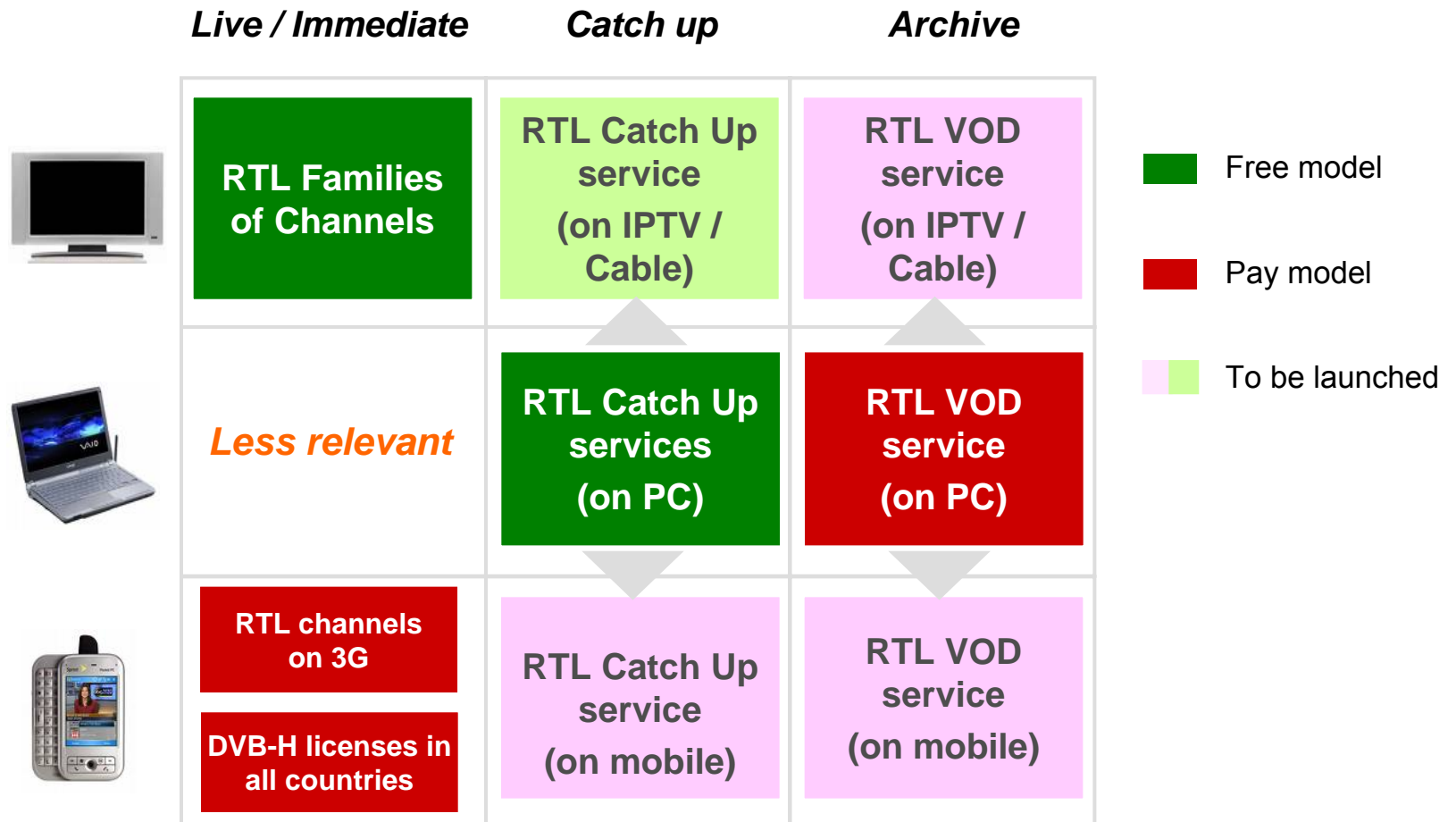


# Online / Digital Strategy : Overview



▶ RTL Group needs to grow its digital presence

# Online / Digital Strategy



▶ RTL Group has started to expand across all platforms

# Online / Digital Strategy

## Online Advertising - Markets

1

### Display Advertising

- Visual advertising (Banners, Pop-Ups, etc. - increasingly also video)
- Used for branding, visual campaigns
- **40% of Western Europe online ad market (USA: 33%)**

► **DISPLAY ADVERTISING IS CLOSE TO OUR BUSINESS**

2

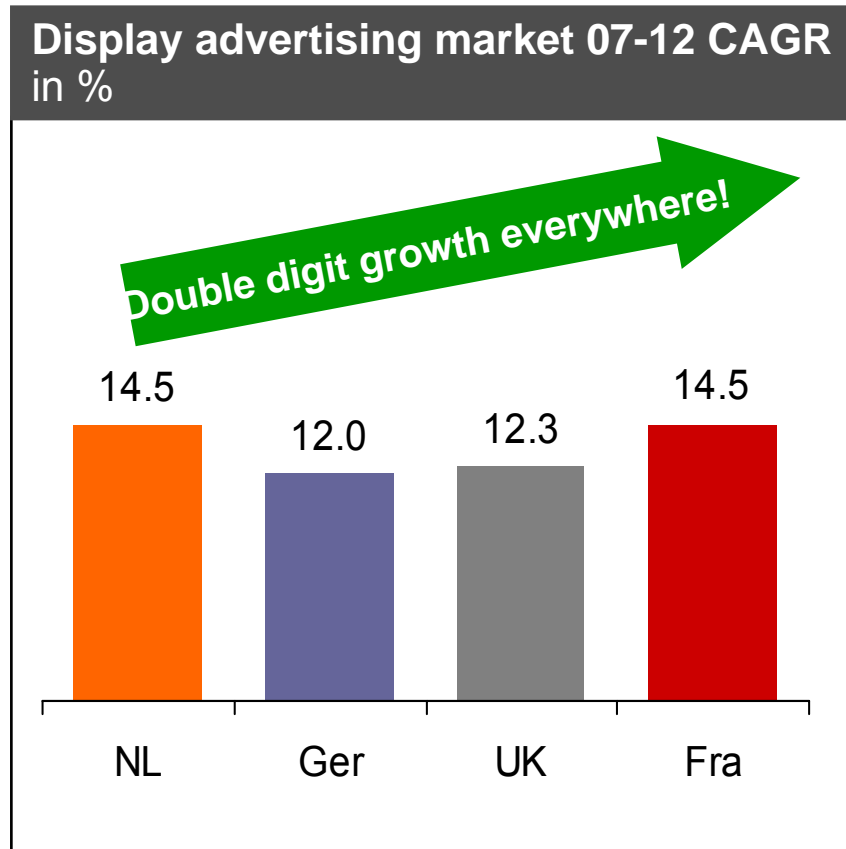
### Search Advertising

- Text-based advertising – next to search engine results
- Used to generate clicks/sales
- **60% of Western Europe online ad market (USA: 66%)**

► **SEARCHWORD CLIENTS ARE TOO SMALL FOR TV**

# Online / Digital Strategy

## Online Advertising - Overview



Source: Jupiter research, 2008

### Key Success Factors

1

SCALE

2

QUALITY OF CONTENT

3

DELIVERY

Cooperate with best technology provider

► Strong growth expected but key success factors needed.....

# Online / Digital Strategy

## Online Advertising – Scale

1

### SCALE

**Illustrative**

**Scale**

**Absolute scale: Reach**

**Relative scale: critical mass in verticals**

(in Unique Users)

Optimum reach for market leadership

Minimum reach to “exist”

Scale *within* verticals - **depth**

Scale *across* verticals - **breadth**

2007

2010

~10m

~15-20m

~5m

~8-10m

~1m

~3m

2-5 key verticals

5-10 key verticals

▶ ...including scale in all our main territories

# Summary

## Facts:

Consumers are increasingly going online for entertainment

Online video advertising market is growing fast

## Our Answer:

- ▶ We are actively expanding our online-offers whilst also leveraging our TV promotion power
- ▶ Securing online rights becoming increasingly important

- ▶ We are actively developing our offer to the customer in online video advertising
- ▶ Video advertising is our core competency

▶ **RTL Group well positioned to benefit from online market**

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UBS

London, 27 November 2008