The leading European entertainment network
Agenda

- Q1 2011 RESULTS
  - Business Review
  - Strategy update
RTL Group
Qtr 1 highlights 2011

**Up EUR 10 m**

REVENUE
EUR 1.26 billion

REPORTED EBITA continuing operations
EUR 181 million

**Down EUR 24 m**

EBITA MARGIN
14.4%

CASH CONVERSION
131%

MIXED ADVERTISING MARKET PICTURE

SOME PROGRAMME RE-INVESTMENTS

Strong audience shares in major markets
GERMANY, FRANCE, NETHERLANDS

NET CASH POSITION
EUR 1.6 billion

DIVIDEND: Paid end April
EUR 5.00 per share

Solid top line performance within mixed advertising market picture
Agenda

○ Q1 2011 results

● BUSINESS REVIEW

○ Strategy update

The leading European entertainment network
Germany & France
Q1 Results 2011

NET ADVERTISING MARKET DEVELOPMENT (in %)
Q1 2011 vs 2010

Source: Médiamétrie, housewives under 50, RTL Group estimates
Groupe M6 : M6 and W9: TF1 Group : TF1, TMC and NT1: France TV : Fr2, Fr3 : YTD (March), delta versus same period 2010

AUDIENCE SHARE 14-49 (in %)

Source: RTL Group estimates, Nielsen, 14C49, YTD (March) 2011

AUDIENCE SHARE – FAMILY OF CHANNELS
HOUSEWIVES <50 ALL DAY (in %)

Source: Médiamétrie, housewives under 50, RTL Group estimates
Groupe M6 : M6 and W9: TF1 Group : TF1, TMC and NT1: France TV : Fr2, Fr3 : YTD (March), delta versus same period 2010
Strengthened international presence via acquisitions of Radical Media, Ludia and Four One Media

Produced nearly 9,500 hours of TV programming across 54 countries – one of the largest creators of award-winning international programmes

- In the US, American Idol was, for the seventh year in a row, the most watched prime time entertainment series
- In the UK, series seven of The X Factor was the highest rated entertainment show with nearly one-third of the population tuning into the final
- In Germany, the local version of Got Talent was the most popular yet, with an average audience share of over 37% among viewers aged 14 to 49
- In Australia, the final of the second series of Masterchef was the most watched non-sports show ever

EBITA impacted by contract re-negotiations affecting pricing and volumes
NET TV ADVERTISING MARKET SHARE (in %)

Q1 2011 vs 2010

- NED123
  - 2010: 22.1
  - 2011: 31.8

- RTL
  - 2010: 48.8
  - 2011: 29.1

- SBS
  - 2010: 29.1
  - 2011: 29.1

NET TV ADVERTISING MARKET DEVELOPMENT (in %)

Q1 2011 vs 2010

- Market
  - 2010: 8.0
  - 2011: 7.7

- RTL
  - 2010: 6.7
  - 2011: 6.7

- RTBF
  - 2010: 6.7
  - 2011: 6.7

Q1 TV AUDIENCE SHARE – FAMILY OF CHANNELS

Source: RTL Group estimates, 20-49, PRIMETIME (in %) : delta versus Q1 2010

- RTL
  - 2010: 32.8
  - 2011: 22.3

- SBS
  - 2010: 28.6
  - 2011: 37.4

- Ned 1-3
  - 2010: +1.5
  - 2011: -2.3

Q1 TV AUDIENCE SHARE – FAMILY OF CHANNELS

Source: RTL Group estimates, 18-54, PRIMETIME (in %) : delta versus Q1 2010

- RTL Belgium
  - 2010: 16.8
  - 2011: 16.8

- Pubcaster
  - 2010: -0.8
  - 2011: +0.8

- AB Group
  - 2010: 6.2
  - 2011: 6.2

- French Channels
  - 2010: 27.3
  - 2011: 27.3
Agenda

- Q1 2011 results
- Business Review

**STRATEGY UPDATE**
RTL Group Strategy
Our Business Model in the Digital Age

OPTIMIZE CORE BUSINESS

DEVELOP FUTURE GROWTH

TV & RADIO

AD SALES

COST CONTROL

2nd REVENUE STREAM

DIVERSIFICATION

GROWTH AREAS

Rev: EUR ~2.1 bn
EBITA: EUR ~280m

CORE BUSINESS

Rev: EUR ~3.5 bn
EBITA: EUR ~830m

NON-LINEAR OFFERS

CONTENT

ONLINE & MOBILE
### Consequences for RTL Group

#### What we have to do

- Expand distribution, if we control brand/ads
- Develop offers for other devices
- Experiment with pay VOD (e.g. subscriptions)

#### What we are doing

**GROWING CATCH-UP TV OFFERS**

<table>
<thead>
<tr>
<th></th>
<th>RTLnow, VOXnow, SuperRTLnow</th>
<th>M6replay, W9replay</th>
<th>RTLxl*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>11,4</td>
<td>8,4</td>
<td>12,3</td>
</tr>
<tr>
<td>2010</td>
<td>17,0</td>
<td>18,1</td>
<td>16,9</td>
</tr>
<tr>
<td>2011</td>
<td>23,3</td>
<td>31,5</td>
<td>27,1</td>
</tr>
</tbody>
</table>

- Line extension to VOX, SuperRTL
- Ipad offer
- Introduction of 3rd party video player

- Expansion to IPTV
- Ipad offer
- VIP pass (US-series before French FTA)

- Expansion to IPTV
- Pay-VOD movie offer

**Maximize content offer and monetization**

**Sources:** Internal measurements, average video views quarter on quarter. M6 data includes IPTV and mobile. * RTLxl also contains short form clips.
Consequences for RTL Group

What we have to do

- Invest in creative content and intellectual property
- Broaden capabilities
- Invest in pipeline and distribution network

What we are doing

FREMANTLE GROWTH

Capabilities

- Branded Entertainment
- Acquire Radical Media

Network

- Expand production network
- Acquisition of Original Productions
- Acquisition of Kids content
- Acquisition of US-Drama series

Pipeline

- Increase pipeline

Growth initiatives in all 3 strategic areas – while driving in-house efficiencies
Consequences for RTL Group

What we have to do

- Diversify into related areas, get less ad dependent
- Make use of competencies in promotion and synergies
- Get the most out of our unsold inventory

What we are doing

DIVERSIFICATION ACTIVITIES

- Rights Trading
- Brand Exploitation
- Events
- Home Shopping & E-Commerce
- Gaming

Leveraging our brands and creating diversification - revenues of approximately EUR 620m in 2010
Predicting the Future of TV ...

**PREDICTIONS IN 2002...**

*Wall Street Journal* (December 2002)

**... NEARLY ONE DECADE LATER**

*Deloitte TMT Study* (January 2011)

Whatever the predictions: They remain predictions.

We will be prepared and adapt our business to reality.
Threats to Broadcasters
How can new TV devices harm broadcasters?

Linear TV distribution: Overview of current threats

Producer

Recording/Editing

Illegal copying/Piracy

Producer

Ad-skipping

Illegal copying/Piracy

Producer

Overlays & Scaling

Producer

We need to tackle the following threats to our signal:
- Ad skipping (i.e. cut out the advertising blocks)
- Illegal copying (i.e. Peer-to-peer networks / piracy)
- Scaling or overlays (e.g. Pushing ads on our signal)
- TV viewing without measurement (e.g. PC/mobile)
Threats to Broadcasters
How can new TV devices harm broadcasters?

What we have to do...

Carriage agreements
- Manufacturers/platform operators want our live-HD signal and VOD offers
  VS.
- Settlement only WITH signal protection ("set of rules")
  We are currently negotiating with all major players

Aggregation
- 3rd parties want to license our non-linear content (e.g. Hulu)
  VS.
- Allow aggregation only if WE sell ads and control our brands
  Explore all options – don’t allow one player to become dominant

Our TV content / signal is the most effective leverage for countering potential threats