Petercam
19 October 2011
Agenda

- HY 2011 RESULTS
  - Business Review
  - Strategy update
 RTL Group
Half year highlights 2011

**REVENUE**
EUR 2.75 billion

**REPORTED EBITA**
continuing operations
EUR 557 million

**EBITA MARGIN**
20.2%

**CASH CONVERSION**
96%

**NET CASH POSITION**
EUR 973 million

**NET RESULT**
EUR 324 million

Portfolio strengthened:
acquisition of minorities;
creation of new family of
channels; step into Asia

Strong audience shares in major markets
GERMANY, FRANCE,
NETHERLANDS

> Improved profitability against difficult comparatives
Agenda

- HY 2011 results
- BUSINESS REVIEW
- Strategy update
NET ADVERTISING MARKET DEVELOPMENT (in %)  
HY 2011 vs 2010

<table>
<thead>
<tr>
<th>Channel</th>
<th>Market</th>
<th>RTL</th>
<th>P7S1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-0.4</td>
<td>0.4</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Source: RTL Group estimates, Médiamétrie, delta versus YTD September 2010

AUDIENCE SHARE 14-49 (in %)

Source: RTL Group estimates, Nielsen, delta versus YTD September 2010

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

Source: RTL Group estimates, Médiamétrie, delta versus YTD September 2010
Groupe M6: M6 and W9; TF1 Group: TF1, TMC and NT1; France TV: Fr2-4
**KEY FACTS 2011**

- Continues to produce the highest rated entertainment shows around the world
  - In the US, season ten of American Idol was once again the most watched prime time entertainment series
  - In the UK, series five of Britain’s Got Talent was the highest rated entertainment show so far this year
  - In Germany season eight of the local version of Idols was yet again a ratings success
  - In Australia the third series of Masterchef is the number one show to date on Network TEN

- Growth in revenue driven by new acquisitions with EBITA margin suffering due to continued pressure on margins and difficult comparatives

**KEY FINANCIALS** (in EUR million)

- **HY 2011**
  - Revenue: 621
  - EBITA: 72
  - ROS: 11.6%

- **HY 2010**
  - Revenue: 596
  - EBITA: 90
  - ROS: 15.1%
FremantleMedia is known for...
...but FremantleMedia also has a global expertise in other parts of the value chain.
FremantleMedia’s evolution

TV Production and Rights Company

- Distribution
- Licensing
- Home Video
- Licensing

21st Century Entertainment Company

- TV Production
- Kids
- Branded Ent.
- Gaming
- Live Events
- Distribution
- Licensing
- Home Video
- Digital
- Retail
- TBA

idea
NET TV ADVERTISING MARKET DEVELOPMENT (in %)  

HY 2011 vs 2010  

Market | RTL | SBS  
---|---|---  
8.1 | 21.6 | 6.5  

Source: RTL Group estimates

NET TV ADVERTISING MARKET DEVELOPMENT (in %)  

HY 2011 vs 2010  

Market | RTL | RTBF  
---|---|---  
4.3 | 5.6 | -0.4  

Source: RTL Group estimates

TV AUDIENCE SHARE – FAMILY OF CHANNELS  

RTL | SBS | Ned 1-3  
---|---|---  
34.5 | 23.1 | 25.6  

Source: RTL Group estimates, 20-49, PRIME TIME (in %): delta versus YTD September 2010

TV AUDIENCE SHARE – FAMILY OF CHANNELS  

RTL Belgium | Pubcaster | AB Group | French Channels  
---|---|---|---  
37.3 | 16.8 | 5.6 | 27.1  

Source: RTL Group estimates, shoppers 18-54, PRIME TIME (in %): delta versus YTD September 2010
Agenda

- Q1 2011 results
- Business Review

● STRATEGY UPDATE
RTL Group exercises put option which leads to unwind of all Dutch radio assets from RTL Nederland

Sanoma and Talpa acquire SBS Broadcasting

- Sanoma
- Talpa
- RTL Group

RTL NL Holding

- SBS NL
- RTL NL
- RTL Group

RTL NL+ Digital

Situation after RTL Group exercises put option with Talpa

- Sanoma
- Talpa
- RTL Group

SBS NL

Radio Group

RTL NL+
Digital

- RTL Group becomes 100 per cent shareholder of RTL NL’s TV and Digital assets
- Talpa becomes 100% shareholder of all radio assets
# Acquisition of Cable Channels in Hungary

## Strategic Rational

### THREE PART ACTION PLAN

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Cleans up shareholding</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Allows implementation of multichannel strategy</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td><strong>2nd revenue stream from cable operators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Actions

- **Acquire 31%**
- **Create family of channels**
- **Aim: distribution fee**

---

**Current Actions**

1. Acquire 31%
2. Create family of channels
3. Aim: distribution fee

---

**Strategic Rational**

- Currently IKO Telkom holds 31%, RTL 69%
- Media law changes enables gain of full control

- RTL Klub needs family of channels in highly fragmented and fragmenting market

- RTL bouquet becomes even more attractive to competing digital platforms (cable, DTH, Sat, IPTV)
Acquisition of Cable Channels in Hungary

Fragmentation in the Hungarian TV market

2 main commercial channels = 40% of all day audience share
RTL Klub  TV2

4 mid-sized channels = 17% of all day audience share
Viasat3  Film+  Cool  M1 (PSB)

80+ small channels = each less than 2.5% audience
Disney  Discovery  Turner  UPC  Viasat  ...

Hungarian TV market highly fragmented
Acquisition of Cable Channels in Hungary
Development of Advertising Spend in the UK and Hungary

Hungarian market shows similar development to the UK
Hungary: Acquisition of 7 Cable Channels & 31 per cent stake in M-RTL

Description

#1 PAY-TV CHANNEL PROVIDER IN HUNGARY

Cool TV: #3 cable channel; young-skewing general entertainment, launched in 2004

Film+: #1 movie channel and #2 overall cable channel, launched in 2004

Reflektor: celebrity channel, launched in 2008

Film+2: sister channel to Film+, launched in 2008

Sorozat: series channel, launched in 2008

Prizma: entertainment channel, launched 2008

Muzsika: music channel, launched in 2009

Combined audience share of 10.1% (+2.0 pp yoy)

Significant growth potential through smaller channels

Highly profitable operation

Possibility to generate subscription fees for RTL Klub

High level of synergies between main channel and cable channels
Croatia: Buy-out of Remaining Minority Shareholder

- **2003**: RTL Group establishes RTLH with local partners
  - RTL Group: 33%
  - Pinta: 25%
  - Splitska: 8%
  - Prodrvaka: 8%
  - Agrokor: 13%
  - Atlantic: 13%

- **2010**: After change in media law, RTL Group bought out several shareholders up until 2010
  - RTL Group: 74%
  - Agrokor: 13%
  - Atlantic: 13%

- **2011**: In 2011, RTL Group acquires remaining 26%-stake from Agrokor and Atlantic
  - RTL Group: 100%

**Timing for buy-out good as…**

1. Croatian Competition Authority put pressure on Agrokor
2. Price negotiated reasonable
Future Opportunities

EXPAND FOOTPRINT IN ASIA
Petercam
19 October 2011

The leading European entertainment network