Kepler
16 December
2011

The leading European entertainment network
Agenda

- Q3 2011 RESULTS
  - Business Review
  - Strategy update
### RTL Group Q3 2011 highlights

**Revenue**
- **EUR 3.99 billion**

**Reported EBITA continuing operations**
- **EUR 701 million**

**Portfolio strengthened:**
- Acquisition of minorities;
- Creation of new family of channels;
- Step into Asia

**Strong audience shares in major markets**
- Germany, France, Netherlands

**EBITA Margin**
- **17.6%**

**Underlying cost base up less than 1%**

**Net Cash Position**
- **EUR 970 million**

**Cash Conversion**
- **93%**

> Improved profitability against increasingly difficult comparatives
Agenda

○ Q3 2011 results

● BUSINESS REVIEW

○ Strategy update
Germany & France
Results 2011

NET ADVERTISING MARKET DEVELOPMENT (in %)
10 months 2011 vs 2010

<table>
<thead>
<tr>
<th>Market</th>
<th>RTL</th>
<th>P7S1</th>
</tr>
</thead>
<tbody>
<tr>
<td>0,3</td>
<td>1,2</td>
<td>1,8</td>
</tr>
</tbody>
</table>

NET ADVERTISING MARKET DEVELOPMENT (in %)
9 months 2011 vs 2010

<table>
<thead>
<tr>
<th>Market</th>
<th>M6</th>
<th>TF1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,9</td>
<td>3,9</td>
<td>-1,6</td>
</tr>
</tbody>
</table>

AUDIENCE SHARE 14-49 (in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Groupe M6</th>
<th>TF1</th>
<th>France Television</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>29,0</td>
<td>32,4</td>
<td>18,9</td>
</tr>
<tr>
<td>2004</td>
<td>29,7</td>
<td>31,8</td>
<td>21,6</td>
</tr>
<tr>
<td>2005</td>
<td>30,1</td>
<td>30,3</td>
<td>33,1</td>
</tr>
<tr>
<td>2006</td>
<td>29,4</td>
<td>32,2</td>
<td>35,1</td>
</tr>
<tr>
<td>2007</td>
<td>31,8</td>
<td>33,6</td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>29,3</td>
<td>32,9</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>29,0</td>
<td>34,4</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>28,9</td>
<td>35,0</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>29,4</td>
<td>32,9</td>
<td></td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Channel</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groupe M6</td>
<td>29.0</td>
<td>29.4</td>
<td>30.3</td>
<td>29.4</td>
<td>29.0</td>
<td>29.3</td>
<td>29.1</td>
<td>29.7</td>
<td>28.9</td>
</tr>
<tr>
<td>TF1</td>
<td>33.2</td>
<td>32.9</td>
<td>32.2</td>
<td>31.8</td>
<td>33.6</td>
<td>32.9</td>
<td>30.1</td>
<td>29.7</td>
<td>28.9</td>
</tr>
<tr>
<td>France TV</td>
<td>21.6</td>
<td>33.1</td>
<td>18.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: RTL Group estimates, Médiamétrie, delta versus YTD November 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)

<table>
<thead>
<tr>
<th></th>
<th>HY 2011</th>
<th>HY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>621</td>
<td>596</td>
</tr>
<tr>
<td>EBITA</td>
<td>72</td>
<td>90</td>
</tr>
</tbody>
</table>

ROS
- HY 2011: 11.6%
- HY 2010: 15.1%
FremantleMedia is known for…

- Idols
- Got Talent
- The X Factor
- The Price Is Right
- Gute Zeiten Schlechte Zeiten
- Hindenburg
- Ice Road Truckers
- Family Feud
- Unter Uns
- Take Me Out
- Neighbours
- Un Post Al Sole
…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

21st Century Entertainment Company

TV Production

Distribution

Kids

Branded Ent.

Gaming

Live Events

Retail

Digital

Home Video

TBA
NET TV ADVERTISING MARKET DEVELOPMENT (in %)

10 months 2011 vs 2010

<table>
<thead>
<tr>
<th>Market</th>
<th>RTL 17,2</th>
<th>SBS 6,1</th>
</tr>
</thead>
</table>

Source: RTL Group estimates

TV AUDIENCE SHARE – FAMILY OF CHANNELS

<table>
<thead>
<tr>
<th>Channel</th>
<th>Audience Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTL</td>
<td>35,2</td>
</tr>
<tr>
<td>SBS</td>
<td>23,0</td>
</tr>
<tr>
<td>Ned 1-3</td>
<td>25,2</td>
</tr>
</tbody>
</table>

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

NET TV ADVERTISING MARKET DEVELOPMENT (in %)

10 months 2011 vs 2010

<table>
<thead>
<tr>
<th>Market</th>
<th>RTL 5,5</th>
<th>RTBF -0,2</th>
</tr>
</thead>
</table>

Source: RTL Group estimates

TV AUDIENCE SHARE – FAMILY OF CHANNELS

<table>
<thead>
<tr>
<th>Channel</th>
<th>Audience Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTL Belgium</td>
<td>37,7</td>
</tr>
<tr>
<td>Pubcaster</td>
<td>16,9</td>
</tr>
<tr>
<td>AB Group</td>
<td>5,6</td>
</tr>
<tr>
<td>French Channels</td>
<td>26,7</td>
</tr>
</tbody>
</table>

Source: RTL Group estimates, shoppers 18-54, PRIMETIME (in %): delta versus YTD November 2010
Agenda

- Q3 2011 results
- Business Review

● STRATEGY UPDATE
1. WHAT ARE THE CHALLENGES OF ‘DIGITAL’
2. WHAT IS OUR STRATEGIC RESPONSE?
3. DIGITAL FACT vs DIGITAL FICTION
**What Are The Challenges of Digital?**

1. **Increasing Competition**
   - More “TV” than ever
   - New and traditional players competing for business
   - Higher demand for premium content
   - Pressure on ad prices

2. **Technological Change**
   - Merged TV and online world
   - Abuse of TV signal
   - Emerging gatekeepers
   - Separation of channel and format brands

3. **Shift in Consumer Behaviour**
   - Non-linear TV viewing
   - TV goes mobile
   - Further fragmentation of TV usage
   - Diminishing relevance of linear TV
   - Potential shift of advertising budgets
1. WHAT ARE THE CHALLENGES OF DIGITAL?

2. WHAT IS OUR STRATEGIC RESPONSE?

3. DIGITAL: FACT vs DIGITAL: FICTION
What Is Our Strategic Response?

Invest and Experiment

Over 928 million video views in 1st HY

Figures based on 2010A
What Is Our Strategic Response?

Invest and Experiment

Apps already Launched: Over 80
Total App Downloads: 16m

TV & More

Online & Mobile
What Is Our Strategic Response?

Goal: Top 10 player

Total Page impressions 1st HY 2011

25 billion
What Is Our Strategic Response?

Use marketing power and brands to build sustainable and profitable businesses

Examples:

- Mobile
- Mister Good Deal
- American Idol
- Universum Film
- Ludia
What are the challenges of digital?

What is our strategic response?

Digital Fact vs Digital Fiction
Digital Fact versus Digital Fiction

**Fragmentation:**
‘Audiences are moving away from TV and spreading thinly across thousands of destinations.’

**Targeting:**
‘Advertisers are demanding targeting, which TV does not provide’

**Non-Linear:**
‘The demand for ‘on-demand’ is cannibalizing linear TV audiences’

**Disintermediation:**
‘New platforms and technologies are allowing producers to bypass broadcasters’

**Linear TV Usage (in minutes/day)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Year 2000</th>
<th>Year 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>242</td>
<td>279</td>
</tr>
<tr>
<td>Europe</td>
<td>203</td>
<td>228</td>
</tr>
</tbody>
</table>

**Source:** Eurodata TV Worldwide

**Non-linear TV**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>162</td>
<td>165</td>
<td>168</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>11</td>
<td>13</td>
</tr>
</tbody>
</table>

**Source:** Nielsen 3 Screen Report

**Linear TV**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>152</td>
<td>154</td>
<td>154</td>
</tr>
</tbody>
</table>

**Source:** Nielsen 3 Screen Report

- **Non-linear TV:** +3 hours
- **linear TV:** +2 hours
Qualities that define a successful ‘digital’ entertainment company remain the same:

- Great Content
- Strong Brands
- Massive Reach
Kepler
16 December
2011