

Strong ratings despite significant cost reduction

Declining advertising markets across Europe result in significantly lower revenue and earnings – RTL Group responds with comprehensive cost cutting measures, while audience performance increases – Further investments in growth businesses

Luxembourg, 26 August 2009 – RTL Group, the leading European entertainment network, announces its interim results to 30 June 2009.

Highlights

In EUR million	Half year to June 2009	Half year to June 2008	Per cent change (%)
Revenue	2,588	2,864	(9.6)
Underlying revenue¹	2,527	2,821	(10.4)
Reported EBITA²	318	502	(36.7)
Restructuring charges	(20)	(6)	
Start-up losses ³	(35)	(11)	
Adjusted EBITA	373	519	
Reported EBITA margin (%)	12.3	17.5	
Reported EBITA	318	502	(36.7)
Impairment of goodwill and amortisation of fair value adjustments on acquisitions	(234)	(19)	
Gain/(loss) from sale of subsidiaries, joint ventures and other investments	–	7	
Net financial income/(expense)	(10)	25	
Income tax expense	(136)	(124)	
Profit/(loss) for the period	(62)	391	
Attributable to:			
Minority interest	43	53	
RTL Group shareholders	(105)	338	
Basic EPS	(0.68)	2.20	n.a.
Adjusted EPS (EUR)⁴	1.01	2.18	(53.7)

Regulated information

¹ Adjusted for Alpha Media Group in Greece, other minor scope changes and at constant exchange rates

² EBITA represents earnings before interest and income tax expense excluding impairment of goodwill and disposal groups, amortisation and impairment of fair value adjustments on acquisitions and gain or loss from sale of subsidiaries, joint ventures and other investments

³ Primarily Alpha Media Group in Greece and the digital television channels in the UK

⁴ Adjusted earnings per share represents the net profit for the period adjusted for impairment of goodwill and disposal groups, amortisation of fair value adjustments on acquisitions, gain or loss from sale of subsidiaries, joint ventures and other investments, net of income tax expense and one-off tax effects

Tough economic environment in the first half of 2009

- Reported Group revenue down 9.6 per cent to EUR 2,588 million as TV advertising markets across Europe declined by double-digit rates; RTL Group's investments in content production and diversification businesses helped to better balance its financial position
- Reported EBITA down 36.7 per cent to EUR 318 million due to
 - lower profit contributions from most profit centres,
 - higher start-up losses (EUR 35 million) which mainly resulted from the first-time full consolidation of Alpha Media Group in Greece, and
 - significant one-time charges including restructuring costs in the UK, Germany and Greece totalling EUR 20 million and a significant programme write-down at Five amounting to EUR 22 million
- Reported EBITA margin of 12.3 per cent (2008: 17.5 per cent)
- Net loss attributable to RTL Group shareholders of EUR 105 million mainly due to goodwill impairments for Five Group in the UK and Alpha Media Group in Greece
- Net cash from operating activities of EUR 237 million resulting in an operating cash conversion of 98 per cent
- Outlook for 2009 remains unchanged: RTL Group currently sees no significant change to the European TV advertising market conditions in the second half of 2009, therefore it has to be expected that the profitability level will be considerably down compared to 2008, as already announced

Steady increase in cost savings combined with strong audience ratings

- Since the fourth quarter of 2008, RTL Group has placed a strong focus on cost cutting in response to the substantial slowdown in advertising bookings: on a constant scope basis, excluding restructuring costs and other one-off effects, operating costs fell EUR 198 million compared to the first half of 2008
- Many operations have already reduced their costs by more than 10 per cent in the core TV business in the reporting period:
 - Germany – RTL Television, Vox, N-TV: EUR 97 million (minus 15 per cent)
 - France – M6 main channel: EUR 48 million (minus 17 per cent)
 - The Netherlands – RTL 4, 5, 7, 8: EUR 17 million (minus 11 per cent)
 - UK – Five Group: EUR 22 million (minus 13 per cent)
- Despite significant programme cost savings, RTL Group's families of channels in the major markets Germany, France, the Netherlands and Belgium all achieved higher audience shares; the Group's market-leading flagship channels RTL Television (Germany), RTL 4 (the Netherlands) and RTL-TVI (Belgium) were significantly up year on year

- Mediengruppe RTL Deutschland increased its clear audience leadership over main competitor ProSiebenSat1 to 4.5 percentage points. However, EBITA of the German profit centre down 25.5 per cent due to significantly lower advertising revenue
- Despite considerably lower TV advertising revenue, Groupe M6 increased its EBITA 3.7 per cent, driven by significantly lower programme costs at the M6 main channel and higher profit contributions from its digital channels and diversification activities
- Worldwide production arm FremantleMedia continues to produce the most watched entertainment shows in key markets such as the US, the UK and Germany; EBITA down 10.3 per cent mainly due to general pressure on profit margins
- With the UK TV market strongly affected by the economic downturn, Five Group registered an operating loss of EUR 19 million, excluding a significant programme write-down of EUR 22 million and restructuring charges of EUR 8 million
- Newly acquired Alpha Media Group initiated comprehensive restructuring and cost reduction measures in reaction to the substantial downturn of the Greek market; despite these savings, Alpha TV's audience share increased each month from January to June 2009, proving that the new programming strategy is working

RTL Group's corporate strategy remains in place – further investments in content production, digital activities and diversification businesses

- In total, RTL Group's online platforms across Europe registered more than 470 million video streams, which delivered professionally produced content to our viewers – an increase of 97 per cent compared to the first half of 2008
- On-going improvement and extensions of RTL Group's popular catch-up TV services
 - Selected programmes from M6 Replay and RTL Now are now available on mobile phones
 - Launch of Vox Now in Germany
 - RTL Gemist will soon be available on TV screens in the Netherlands
- RTL Interactive acquired the remaining shares of *Wer-kennt-wen.de*; with 6.6 million members at the end of June 2009, and 6.21 million unique users per month, the site has become the leading social network in Germany
- RTL Group is investing in High Definition TV (HDTV) services in Germany, the Netherlands and France
- In a unique extension of the *Idols* brand, FremantleMedia created a TV programme-based attraction, *The American Idol Experience*, at Walt Disney World Resort, Florida. Since opening in February 2009, the attraction has drawn over 5,000 visitors daily
- In February 2009, FremantleMedia acquired a 75 per cent stake in Original Productions, the US-based creator of hit TV shows such as *Ice Road Truckers*



“Adapting to the new market realities”

Gerhard Zeiler, Chief Executive Officer of RTL Group, said:

“During the first half of 2009, the combination of falling advertising demand with the economic downturn on the one hand and an increasing supply of advertising airtime on the other, led to strong pressure on spot prices and discount levels.

RTL Group expects no quick change to the TV advertising market conditions and is therefore aiming for a significantly reduced cost base in our core business. In order to adapt to the new market realities, we need to gradually lower our production and acquisition costs, and structure our processes even more efficiently.

Our goal is to achieve these savings while maintaining our leading audience market positions. This is very challenging, but achievable. In the first half of 2009, we already managed to significantly reduce costs while simultaneously increasing our audience share in many markets.

While we work hard to optimise the efficiency of our core business, we'll also further invest in promising new opportunities – in digital channels, online video, diversification activities and content production.”

Conference Call RTL Group Results for the media:

Date: Wednesday 26 August 2009
11.00 (Luxembourg) / 10.00 (London)

Number to dial: +44 (0) 203 0 03 26 66
Password: Media

The slides of the presentation and an audio file of the conference call will be available to download at www.RTLGroup.com.

For further information please contact:

Media
Oliver Herrgesell
Corporate Communications
Phone: +352/2486 5200
oliver.herrgesell@rtlgroup.com

Investor Relations
Andrew Buckhurst
Investor Relations
Phone: +352/2486 5074
andrew.buckhurst@rtlgroup.com

About RTL Group

RTL Group is the leading European entertainment network, with interests in 45 television channels and 32 radio stations in 11 countries and content production throughout the world. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, Five in the UK, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia and Hungary, Alpha TV in Greece, Ren TV in Russia and Antena 3 in Spain. RTL 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, Greece, Spain and Luxembourg. RTL Group's content production arm, FremantleMedia, is one of the largest international producers outside the US. Each year, it produces 10,000 hours of programming across 57 countries.