RTL Group reports record first-half EBITA and raises full-year EBITA outlook

- H1/2016: revenue up 3.2 per cent and EBITA up 8.6 per cent, driven by Groupe M6 and Mediengruppe RTL Deutschland
- RTL Group raises full-year EBITA outlook and now expects EBITA to grow slightly year-on-year; revenue outlook confirmed
- Interim dividend of €1.00 per share to be paid in September 2016


H1/2016: continued strong growth in digital, EBITA margin further improved

- Reported Group revenue was up 3.2 per cent to €2,878 million (H1/2015: €2,788 million). This was driven by higher revenue from Mediengruppe RTL Deutschland, Groupe M6, RTL Nederland and RTL Group’s rapidly growing digital businesses
- RTL Group’s digital revenue\(^1\) continued to show dynamic growth, up 20.5 per cent to €264 million (H1/2015: €219 million)
- RTL Group’s revenue is well diversified with 50.6 per cent from TV advertising, 19.2 per cent from content, 9.2 per cent from digital activities, 4.6 per cent from platform revenue (€134 million), 4.5 per cent from radio advertising and 11.9 per cent other revenue
- Reported EBITA was up strongly by 8.6 per cent to €580 million (H1/2015: €534 million), mainly based on a significantly higher profit contribution from Mediengruppe RTL Deutschland and on a positive one-off effect at Groupe M6 amounting to €43 million. The EBITA margin increased to 20.2 per cent (H1/2015: 19.2 per cent)
- EBITDA was up 8.1 per cent, reaching €679 million (H1/2015: €628 million), with an EBITDA margin of 23.6 per cent (H1/2015: 22.5 per cent)
- Despite the significantly higher EBITA, net profit attributable to RTL Group shareholders was down to €341 million (H1/2015: €351 million), largely due to higher tax charges
- Net cash from operating activities was €403 million (H1/2015: €295 million), resulting in an operating cash conversion rate of 88 per cent (H1/2015: 74 per cent)

\(^1\) Excluding e-commerce, home shopping and platform revenue for digital TV
As of 30 June 2016, RTL Group had a net debt position of €958 million (31 December 2015: net debt of €670 million). On 28 April 2016, RTL Group paid out an amount of €460 million for the final dividend for the financial year 2015 (€3.00 per share).

On 24 August 2016, RTL Group’s Board of Directors authorised the distribution of an interim dividend of €1.00 per share, to be paid in September 2016. This reflects the Group’s strong cash flows and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times.

Segments: Mediengruppe RTL Deutschland with yet another record first-half EBITA

- RTL Group estimates that the net TV advertising markets were up in all markets in which the Group is active, with the exception of Hungary. For the full year 2016, RTL Group continues to expect that TV advertising revenue will be geared towards the first half of the year.
- Mediengruppe RTL Deutschland’s EBITA grew significantly by 5.5 per cent to another record high of €362 million (H1/2015: €343 million), driven by higher TV advertising revenue.
- At Groupe M6, EBITA increased strongly to €139 million (H1/2015: €105 million), mainly driven by the positive one-off effect from the gradual phase-out of the M6 Mobile contract which more than compensated the impact of the higher programming costs for the Uefa Euro 2016 live broadcasts.
- FremantleMedia’s EBITA increased to €30 million (H1/2015: €28 million), benefiting from higher profit contributions from the company’s operations in Asia Pacific, the UK and Germany.
- RTL Nederland’s EBITA was down to €26 million (H1/2015: €27 million), mainly due to higher programme investments.

Q2/2016: Groupe M6 drives EBITA growth

- In the second quarter of 2016, RTL Group’s revenue was down 2.3 per cent to €1,446 million (Q2/2015: €1,480 million), due to lower revenue from FremantleMedia (primarily phasing effects), negative exchange rate effects and lower advertising revenue in the month of June because of the Uefa Euro 2016 (with the exception of Groupe M6 in France).
- EBITA was up 3.2 per cent to €351 million (Q2/2015: €340 million), driven by Groupe M6 and Mediengruppe RTL Deutschland.
- Net profit attributable to RTL Group shareholders was €203 million (Q2/2015: €245 million).
Outlook

- Based on the strong performance in the first half of 2016 and on the significant positive one-off effect from the gradual phase-out of the M6 Mobile contract (positive EBITA impact of €43 million in 2016), RTL Group raises its EBITA outlook given on 10 March 2016. Assuming there will not be major changes in the economic climate across RTL Group’s markets, the Group now expects its full-year EBITA to be slightly up (+1.0 per cent to +2.5 per cent) compared to the full year 2015 (previously: to be broadly stable)

- At the same time, RTL Group confirms its revenue outlook: the Group still expects its total full-year revenue to continue to grow moderately (+2.5 per cent to +5.0 per cent), predominantly driven by the Group’s digital businesses and Mediengruppe RTL Deutschland

“New all-time high in Group EBITA; investments start to pay off”

Joint statement from Anke Schäferkordt and Guillaume de Posch, Co-Chief Executive Officers of RTL Group:

“The very strong performance in the first half of 2016 confirmed once again the sustainable success of RTL Group’s portfolio and growth strategy. Group EBITA has reached a new all-time high, while digital revenue continued to grow by double-digit rates year-on-year. This set of excellent results allows us to pay an interim dividend of €1.00 per share to our shareholders.

While we focus our M&A investments on content and digital, our broadcasting businesses continue to generate strong audience figures and high cash flows. Our biggest profit centre, Mediengruppe RTL Deutschland, is going from strength to strength and has succeeded in generating higher first-half EBITA for seven consecutive years.

We are also delighted to see that our French TV and radio broadcasters have outperformed their respective audience and advertising markets and posted significantly higher EBITA contributions for the first half of the year. With M6 Mobile, the management team of Groupe M6 – together with Orange – has demonstrated how to capitalise on our powerful brands to diversify revenue streams, create successful services, and add substantial value in a win-win relationship.

Overall, our higher investments in the programming grids of our broadcasters and in the creative diversity of FremantleMedia are clearly paying off. Excluding the month of June 2016 with the European football championship, our families of channels in the main markets of Germany, France, the Netherlands and Belgium scored higher or at least stable audience shares in ever more competitive environments.

Creative diversity, a pioneering spirit in digital video and advertising technology, and sustainable financial strength are and will remain RTL Group’s key success factors to further shape the Total Video universe.”
RTL Group continues to make steady progress across all strategic pillars

Broadcast

- M6 broadcast a total of 11 matches, including the final, for the biggest European football competition – Uefa Euro 2016. The final, between Portugal and France, achieved the same audience as the final of the 1998 World Cup between Brazil and France: 20.8 million viewers represented a total audience share of 71.8 per cent. This was a new all-time audience record for M6 since its creation, the most watched programme on French television year-to-date and the fifth largest TV audience ever recorded in France.

- In May, RTL Television signed a new exclusive TV broadcasting rights agreement with Uefa to air 28 of the 40 matches that the German national football team is due to play in the period 2018 to 2022. The new deal grants RTL Television exclusive broadcasting rights for all of Germany’s Euro 2020 qualifying games and for all of its World Cup 2022 qualifiers. The deal comes on top of the exclusive TV broadcasting rights RTL Television already holds for the period from September 2016 to October 2017 for Germany’s qualifying matches for the World Cup 2018 in Russia.

- In June, Mediengruppe RTL Deutschland launched two new linear TV channels:
  - RTL Plus offers a mix of entertainment programmes comprising popular classics and game shows. Starting in autumn, RTL Plus will revive iconic game shows such as *Family Feud, Jeopardy, Wheel of Fortune* or *Ruck Zuck* with all new episodes.
  - Toggo Plus – Germany’s first free-to-air time-shift channel – gives viewers a second chance to watch all of Super RTL's children's programmes again, exactly one hour after their initial airing.

Content

- On 11 January, FremantleMedia acquired a 51 per cent majority stake in Abot Hameiri, a leading Israeli production company specialising in entertainment formats, scripted reality and drama, with an option to increase its share in the future.

- On 25 April, FremantleMedia partnered with Sam Pollard and James Abadi, creators of the multi-award-winning *Release the Hounds* format, to launch the new UK independent production company Dr Pluto. FremantleMedia has a 25 per cent stake in the new company with an option to increase its share in the future.

- On 26 April, FremantleMedia invested in Squawka, a London-based football media company. FremantleMedia took a 35 per cent share, with options to increase its share in the future, making it the largest single shareholder in this digital business.
On 13 May, FremantleMedia acquired a 25 per cent stake in the new production company Wild Blue Media, with options to increase its share in the future. Wild Blue is headed up by former BBC and Studio Lambert alum Gary Hunter. The company will focus on creating new returnable brands with broad international appeal across factual, factual entertainment and live events.

On 25 May, FremantleMedia North America acquired a 25 per cent stake in Eureka Productions, with options to increase its share in the future. Eureka develops, sells and produces unscripted travelling formats (for example reality competitions) and docuseries for leading broadcasters and cable networks in the US and Australia.

On 7 June, FremantleMedia acquired a 25 per cent stake in the new scripted independent production company Dancing Ledge, with options to increase its share in the future. The company was founded by Award-winning drama producer Laurence Bowen. Current projects feature some of the UK’s most talented writers and a development deal with Martin Freeman.

On 27 June, UFA Fiction secured the film rights to a biopic of the two celebrity magicians, Siegfried and Roy. FremantleMedia International will hold the international distribution rights to the film.

On 24 August, FremantleMedia announced a deal with Amazon to showcase its ambitious fantasy drama, *American Gods*, on Amazon Prime Video in 2017. The show will be available on Amazon’s SVOD platform in Germany, Austria, UK and Japan following its US premiere on Starz.

**Digital**

RTL Group has a strong and rapidly growing presence across all digital platforms. In the first half of 2016:

- RTL Group’s catch-up TV services, websites and MCNs attracted a total 123.1 billion online video views, up 190 per cent year-on-year (H1/2015: 42.5 billion)
  - thereof: FremantleMedia’s 250 Youtube channels attracted 9.0 billion views, up 47.5 per cent year-on-year (H1/2015: 6.1 billion)

RTL Group now generates more than 20 billion online video views per month.

Mediengruppe RTL Deutschland, Groupe M6 and RTL Nederland reported double-digit online video advertising revenue growth rates. Comparing H1/2016 with H1/2015: Mediengruppe RTL Deutschland was up 61 per cent, Groupe M6 was up 32 per cent and RTL Nederland was up 29 per cent.

At the beginning of March, Mediengruppe RTL Deutschland launched a new video service called TV Now. The new offering bundles video content and live streams from Mediengruppe RTL Deutschland’s six free-to-air channels (RTL Television, Vox, N-TV, RTL Nitro, Super RTL and RTL II) into a single, homogeneous brand, replacing the previously separate services associated with individual channels.
In March, Mediengruppe RTL Deutschland announced the acquisition of a 93.75 per cent majority stake in Smartclip, with a call option to acquire the remaining shares. The purchase price was €46.9 million. Smartclip bundles the online video advertising inventory of 700 publishers worldwide, and manages the integration and serving of video advertising to all internet-connected devices. Smartclip complements RTL Group’s investments in digital advertising sales, including in particular SpotX. Approval from Germany’s Federal Cartel Office was received on 22 April 2016 and consequently Smartclip has been fully consolidated since the gain of control.

### Key financial figures (January to June 2016)

<table>
<thead>
<tr>
<th>In € million</th>
<th>H1/2016</th>
<th>H1/2015</th>
<th>Per cent change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>2,878</td>
<td>2,788</td>
<td>+3.2</td>
</tr>
<tr>
<td><strong>Underlying revenue</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>2,861</td>
<td>2,780</td>
<td>+2.9</td>
</tr>
<tr>
<td><strong>Reported EBITA</strong>&lt;sup&gt;3&lt;/sup&gt;</td>
<td>580</td>
<td>534</td>
<td>+8.6</td>
</tr>
<tr>
<td><strong>Reported EBITA margin (%)</strong></td>
<td>20.2</td>
<td>19.2</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong>&lt;sup&gt;4&lt;/sup&gt;</td>
<td>679</td>
<td>628</td>
<td>+8.1</td>
</tr>
<tr>
<td><strong>EBITDA margin (%)</strong></td>
<td>23.6</td>
<td>22.5</td>
<td></td>
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Reported EBITA

Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries

Re-measurement of earn-out arrangements and gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

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<sup>2</sup> Adjusted for minor scope changes and at constant exchange rates

<sup>3</sup> EBITA represents earnings before interest and taxes excluding impairment of goodwill and of disposal group, and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree

<sup>4</sup> EBITDA represents EBIT excluding amortisation and impairment of non-current programme and other rights, of goodwill and disposal group, of other intangible assets, depreciation and impairment of property, plant and equipment, impairment of investments accounted for using the equity method, re-measurement of earn-out arrangements, and gain or loss from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree
The full report for the interim results 2016 will be available to download at www.RTLGroup.com/results-H1-2016

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**About RTL Group**
RTL Group is a leader across broadcast, content and digital, with interests in 60 television channels and 31 radio stations, content production throughout the world and rapidly growing digital video businesses. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia, Hungary and Antena 3 in Spain. The Group also operates the channels RTL CBS Entertainment HD and RTL CBS Extreme HD in Southeast Asia. RTL Group's families of TV channels are either the number one or number two in eight European countries. The 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, Spain and Luxembourg. RTL Group's content production arm, FremantleMedia, is one of the largest international creators, producers and distributors of multi-genre content outside the US. With operations in 31 countries, FremantleMedia's comprehensive global network is responsible for more than 10,000 hours of programming a year and distributes over 20,000 hours of content worldwide. Combining the catch-up TV services of its broadcasters, the multi-channel networks BroadbandTV, StyleHaul and Divimove as well as FremantleMedia’s 250 YouTube channels, RTL Group has become the leading European media company in online video. RTL Group also owns a majority stake in the programmatic video advertising platform SpotX. For more information, please visit RTLGroup.com and follow RTL Group on Twitter @rtlgroup.