RTL Group’s German and French businesses drive record Q3 results

- Q3/2017: revenue up 1.5 per cent; EBITDA up 17.4 per cent
- Mediengruppe RTL Deutschland and Groupe M6 with strong double-digit EBITDA growth in Q3/2017
- January to September 2017: revenue up 2.8 per cent to €4,350 million; adjusted EBITDA\(^1\) up 3.4 per cent; reported EBITDA slightly down
- Full-year EBITDA outlook lifted
- Combination of SpotX and Smartclip into one integrated ad-tech company

Luxembourg, 9 November 2017 – RTL Group announces its results for the nine months ending 30 September 2017.

Q3/2017: RTL Group clearly outperforms German and French TV advertising markets

- In the third quarter of 2017, reported Group revenue was up 1.5 per cent to €1,372 million (Q3/2016: €1,352 million), mostly due to higher revenue from Mediengruppe RTL Deutschland and Groupe M6
- EBITDA\(^2\) was up strongly by 17.4 per cent to €263 million (Q3/2016: €224 million), driven by the strong performances in Germany and France: Mediengruppe RTL Deutschland’s EBITDA was up 23.9 per cent, while Groupe M6 increased its EBITDA by 36.5 per cent
- Net profit attributable to RTL Group shareholders increased by 11.8 per cent to €114 million (Q3/2016: €102 million)

January to September 2017: total video strategy fuels revenue growth

- Reported Group revenue increased by 2.8 per cent to €4,350 million (January to September 2016: €4,230 million), reaching a new record level. This was driven by higher revenue from Mediengruppe RTL Deutschland, Groupe M6 and RTL Group’s rapidly growing digital businesses
- RTL Group’s digital revenue\(^3\) continued to show very dynamic growth, up 30.2 per cent to €560 million (January to September 2016: €430 million). This was mainly driven by organic growth at BroadbandTV and StyleHaul, the sale of American Gods to streaming service Amazon Prime Video and the first-time full consolidation of Smartclip and Divimove
- RTL Group’s revenue is well diversified with 47.7 per cent from TV advertising, 18.7 per cent from content, 12.9 per cent from digital activities, 5.4 per cent from platform revenue, 4.0 per cent from radio advertising and 11.3 per cent other revenue

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\(^1\) EBITDA for January to September 2016 adjusted for the positive one-off effect from the gradual phase-out of the M6 Mobile contract (+€43 million)

\(^2\) See note 4 to the condensed consolidated interim financial information as at and for the nine months ended 30 September 2017

\(^3\) Excluding e-commerce, home shopping and platform revenue for digital TV
• **Reported EBITDA** was down 1.6 per cent to €889 million for the first nine months of 2017 (January to September 2016: €903 million), mainly due to the positive one-off effect at Groupe M6 amounting to €43 million in 2016. Adjusted for this one-off effect, EBITDA was up 3.4 per cent.

• **Reported EBITDA margin** was at 20.4 per cent (January to September 2016: 21.3 per cent; adjusted for the one-off effect: 20.3 per cent)

• Accordingly, **net profit** attributable to RTL Group shareholders was slightly down year-on-year to €434 million (January to September 2016: €443 million)

• **Net cash from operating activities** was €387 million, leading to a decreased operating cash conversion of 76 per cent (January to September 2016: 93 per cent)

• Following the payment of an interim dividend of €154 million on 7 September 2017, RTL Group had **net financial debt** of €1,097 million as of 30 September 2017 (30 June 2017: €1,000 million; 31 December 2016: €576 million)

**Outlook**

*RTL Group lifts its EBITDA outlook for 2017 and confirms its revenue outlook for the full year 2017 (most recently communicated on 30 August 2017), assuming there will not be major changes in the economic climate across RTL Group’s markets:*

• RTL Group continues to expect its total **revenue** for the fiscal year 2017 to grow moderately (+2.5 per cent to +5.0 per cent), driven by the Group’s digital businesses and Mediengruppe RTL Deutschland

• At the same time, RTL Group’s reported **EBITDA** for the full year 2017 is now expected to be slightly up (+1.0 per cent to +2.5 per cent) based on the strong Q3 performance and the planned sale of RTL Group’s buildings in Rue Bayard, Paris, that will positively impact the Group’s EBITDA in Q4/2017 (previously: broadly stable)

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4 See note 4 to the condensed consolidated interim financial information as at and for the nine months ended 30 September 2017
“Strong core business drives record results”

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

“In the third quarter, RTL Group once again demonstrated the healthy state of its core business. As indicated at the end of August, our families of channels in Germany and France continued to outperform their respective TV advertising market significantly. This drove RTL Group’s best ever third quarter revenue and operating profit.

We act from a position of strength and will keep up this momentum in the fourth quarter, heading for another set of strong full-year results. We continue to invest in exclusive programming to ensure that our channels and on-demand services have the most attractive proposition for both viewers and advertisers.

As we announced end of August, we are accelerating the execution of our Total Video strategy. This includes an ambitious growth plan for our ad-tech businesses with the main goal to create a global and independent monetisation platform for broadcasters, video-on-demand services and publishers. We are very happy to report that over recent months SpotX and Smartclip have made significant progress in expanding their collaboration. We have now decided to combine both companies into one integrated ad-tech company by the end of 2018. We will roll out the platform across our operations and scale it up with further acquisitions and partnerships.”

Segments: Mediengruppe RTL Deutschland clearly outperforming German advertising market

- During the first nine months of 2017, Mediengruppe RTL Deutschland’s EBITDA increased by 4.8 per cent to €500 million (January to September 2016: €477 million). This improvement was mainly driven by higher TV and digital advertising and platform revenue. In Q3/2017, Mediengruppe RTL Deutschland’s EBITDA was up 23.9 per cent, also profiting from higher advertising and platform revenue

- Groupe M6’s EBITDA was down by 4.4 per cent to €258 million (January to September 2016: €270 million), mainly due to the positive one-off effect from the gradual phase-out of the M6 Mobile contract in 2016. Adjusted for this one-off effect, EBITDA was up 13.7 per cent. In Q3/2017, Groupe M6’s EBITDA was up by 36.5 per cent thanks to the combined effect of the solid performance of the television division and the positive balance from the transfer of Girondins de Bordeaux players at the end of the season

- FremantleMedia’s EBITDA was down 1.6 per cent to €60 million (January to September 2016: €61 million), mainly due to start-up losses from digital operations. Revenue however was up by 2.2 per cent to €983 million in the first nine months of 2017 (January to September 2016: €962 million)

- RTL Nederland’s EBITDA was down to €46 million (January to September 2016: €60 million), mainly due to lower TV advertising revenue
Reach more with Total Video

More ad tech

- On 2 October 2017, RTL Group closed the transaction to take full ownership of SpotX and acquired the remaining 36.4 per cent shareholding for a total amount of USD 139.2 million, subject to a cash/debt adjustment, of which USD 7.7 million have been contributed to SpotX. Following this step, RTL Group pursues an ambitious growth plan for its ad-tech businesses with the main goal to create a global and independent monetisation platform for broadcasters, video-on-demand services and publishers

- To accelerate the execution of this plan, RTL Group has decided to combine SpotX and Smartclip into one integrated ad-tech company by the end of 2018, to roll out the platform across the Group's operations and to scale it up with further acquisitions and partnerships

- The combined entity will focus on ad-server development, addressable TV, bringing dynamic ad-insertion capabilities in house and close collaboration with the Group's minority shareholdings, VideoAmp and Clypd – positioning the company as an innovation leader among independent ad-tech platforms

More cross-media

- Following the approvals of the French media regulator CSA (“Conseil supérieur de l'audiovisuel”) and the completion of the employee consultations, RTL Group and Groupe M6 closed the regrouping of the Group's French radio operations into Groupe M6 on 2 October 2017. The purchase agreement provides for a price of €199.8 million, as announced in May 2017. RTL Group’s voting rights in Groupe M6 will be aligned to its economic shareholding of 48.26 per cent in Groupe M6 with effect as of 1 January 2018

- As already announced in February 2016, Groupe M6’s radio business is currently relocating from Rue Bayard, Paris, to Neuilly-sur-Seine and will finalise the relocation in the first quarter of 2018. RTL Group has signed a binding agreement to sell its buildings in Rue Bayard for €113.9 million and will receive 85 per cent of the proceeds in 2017. Consequently, RTL Group expects a substantial positive EBITDA impact from this transaction in Q4/2017

More exclusive programming

- On 13 November 2017 at 20:15, Vox will premiere the third and final season of their signature series *Club der roten Bänder*. As of 10 November, the first two episodes of the audience favourite will be available exclusively on TV Now ahead of the TV broadcast

- FremantleMedia continued to invest into the creative pipeline and acquired 75 per cent stake in Easy Tiger Productions, an Australian TV production company focused on prime-time scripted drama series. In October, the company also acquired a 25 per cent stake in the fast-growing independent UK production company, Label 1
Key financial figures: January to September 2017

<table>
<thead>
<tr>
<th></th>
<th>January to September 2017</th>
<th>January to September 2016</th>
<th>Per cent change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>4,350</td>
<td>4,230</td>
<td>+2.8</td>
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<tr>
<td>Underlying revenue⁵</td>
<td>4,308</td>
<td>4,221</td>
<td>+2.1</td>
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<tr>
<td>Reported EBITDA⁶</td>
<td>889</td>
<td>903</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Reported EBITDA margin (%)</td>
<td>20.4</td>
<td>21.3</td>
<td></td>
</tr>
<tr>
<td><strong>Reported EBITDA</strong></td>
<td></td>
<td>889</td>
<td>903</td>
</tr>
<tr>
<td>Impairment of investments accounted for using the equity method</td>
<td>(4)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment</td>
<td>(168)</td>
<td>(158)</td>
<td></td>
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<tr>
<td>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</td>
<td>21</td>
<td>-</td>
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<tr>
<td><strong>EBIT</strong></td>
<td></td>
<td>738</td>
<td>745</td>
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<tr>
<td>Net financial income/(expense)</td>
<td>(12)</td>
<td>(7)</td>
<td></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(236)</td>
<td>(235)</td>
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<td><strong>Profit for the period</strong></td>
<td>490</td>
<td>503</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Attributable to:</td>
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<td></td>
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<tr>
<td>Non-controlling interests</td>
<td>56</td>
<td>60</td>
<td></td>
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<tr>
<td><strong>RTL Group shareholders</strong></td>
<td>434</td>
<td>443</td>
<td>(2.0)</td>
</tr>
<tr>
<td><strong>Reported EPS (in €)</strong></td>
<td></td>
<td>2.83</td>
<td>2.88</td>
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⁵ Adjusted for minor scope changes and at constant exchange rates
⁶ See note 4 to the condensed consolidated interim financial information as at and for the nine months ended 30 September 2017
Interim report

The interim financial report, slides from the analyst presentation and an MP3 file of the analyst conference call will be available to download at:

www.rtlgroup.com/results-q3-2017

For further information please contact:

<table>
<thead>
<tr>
<th>Media</th>
<th>Investor Relations</th>
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<tbody>
<tr>
<td>Oliver Fahlbusch</td>
<td>Andrew Buckhurst</td>
</tr>
<tr>
<td>Corporate Communications</td>
<td>Investor Relations</td>
</tr>
<tr>
<td>Phone: +352/2486 5200</td>
<td>Phone: +352/2486 5074</td>
</tr>
<tr>
<td><a href="mailto:oliver.fahlbusch@rtlgroup.com">oliver.fahlbusch@rtlgroup.com</a></td>
<td><a href="mailto:andrew.buckhurst@rtlgroup.com">andrew.buckhurst@rtlgroup.com</a></td>
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About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 56 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. 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 30 countries, FremantleMedia’s comprehensive global network is responsible for approximately 12,000 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-platform networks BroadbandTV, StyleHaul and Divimove as well as FremantleMedia’s more than 280 YouTube channels, RTL Group has become the leading European media company in online video. RTL Group also owns the advanced video ad serving platform SpotX. For more information, please visit RTLGroup.com and follow RTL Group on Twitter @rtlgroup.


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