RTL GROUP

TV stands for Total Video
Highlights
Record interim operating results

€ 2,878 million
Revenue

+3.2%

€ 580 million
Reported EBITA

+8.6%

20.2%
EBITA Margin

€ 1.00
Interim dividend

€ 341 million
Net profit
Overview

‘Total Video’ describes the dynamic expanding TV universe

TV landscape has been fragmenting generation by generation

Now non-linear offers grow in quantity and quality, moving closer to traditional TV as TV-like offers

Digital tech, data and new types of content are embedded in Total TV
TV universe

Linear TV universe has expanded for generations and this will continue …

Fragmentation expected to accelerate

... targeting more niche audiences or business models

... via new distribution platforms

Definitions: Long-form is > 30 minutes, Short-form is < 30 minutes, Lower invest is defined as content produced <50K per hour. Higher invest is defined as content produced for >50K.

Source: Market sizes are internal estimations from a combination of internal business unit estimations and research sources.
TV universe
... expanding from linear to non-linear – illustrated in four ‘Quadrants’

Audiences expect...
- More choice
- More personalized viewing
- Less advertising, better experience

Advertisers expect...
- Higher ROI (driven by efficiencies)
- Fully transparent reporting
- Innovative cross-platform or cross-market campaigns

- More choice
- More personalized viewing
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- Higher ROI (driven by efficiencies)
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- Innovative cross-platform or cross-market campaigns
**Viewing time**

‘Total Video’ is currently not fully measured

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**Total video viewing time**

Minutes per user per day / estimated

<table>
<thead>
<tr>
<th></th>
<th>Germany</th>
<th>France</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2015</td>
<td>2015</td>
</tr>
<tr>
<td>Online short-form</td>
<td>6</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Online long-form (SVOD/Catch-up TV)</td>
<td>13</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Time-shifted (DVR)</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Linear TV</td>
<td>10</td>
<td>6</td>
<td>29</td>
</tr>
</tbody>
</table>

**Time-shifted**

“Leakage” can only be estimated – TV measurement systems only slowly catching up

- **Germany**
  - Vs. 2012: 210m
  - Vs. 2015: 232m
  - +5min

- **France**
  - Vs. 2012: 224m
  - Vs. 2015: 249m
  - +10min

- **USA**
  - Vs. 2012: 328m
  - Vs. 2015: 264m
  - +16min

**Source:** IHS May 2016, user defined as internet user between 18-64 evenly balanced by demographic, age, gender and income
Our strategic priorities across the 4 quadrants

Follow the viewers and explore presence in all video segments…

Our ambition for … audience

- Capture growth in total video, regain younger audiences, prevent unmeasured viewing

… advertisers

- Offer wider scope of advertising products in ‘Total Video’
Strategic priorities

…while investing in key success factors: exclusive content, ad-tech and data
Agenda

1 STRATEGY

1. TV Broadcast Family
2. MCN
3. Originals
4. Content
5. Ad tech
Broadcast family

Expansion of RTL broadcast family – linear and non-linear

- Investing in our family of channels remains top-priority
- Catch-up is now an integral part of our family – and is treated as its own brand
- Continue to optimize channel portfolio & launch new channels
- Continue to expand broadcasting family – especially in non-linear

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MCNs

Short-form business expanding beyond YouTube

Extend leading MCN position and drive monetization

New platforms are gaining scale – driving growth and monetisation opportunities

Our MCNs enjoy high audience growth

Continue to build the RTL Group Digital Hub
Digital first brands
We are building digital brands in key verticals...

Invest in digital first brands, expand web original content

Examples: non-exhaustive

Partners
Digital first brands
… as well as ramping-up our web original content

RTL Group web original content
Purely commissioned for web, excl. branded content

- 1h15 movie on YouTube
- 75% of budget covered by product placement
- 3.3 million views

BBTV incl. YB & Stylehaul

- #1 Pre-school Kids MCN on YouTube
- Creating in-house kids content at scale

Source: Web original content is still a rough estimation, Broadcasters includes web original content from GE, FR, NL
Strategic priorities in content
Fremantle is positioning itself in all ‘Total Video’ quadrants

**Long form**
- Develop the pipeline
- Maintain the core business and maximize the network

**Short form**
- Build a scalable digital business

**Higher invest**
- Keep existing hits on air
- Roll out formats to new territories
- Create new formats
- Accelerate the scripted strategy
- Expand across value chain
- Strengthen off-YouTube distribution
- Develop new verticals

**Lower invest**
### Develop pipeline

**Our scripted strategy is showing growth potential**

<table>
<thead>
<tr>
<th>1</th>
<th>Major series <em>American Gods</em> and <em>Young Pope</em> progressing</th>
</tr>
</thead>
</table>
| **American Gods (Starz)** | • Casting for major roles complete  
• Filming started, launch in 2017  
• Amazon Prime deal just signed |
| **The Young Pope (HBO/Sky/Canal+)** | • Paolo Sorrentino mini-series starring Jude Law and Diane Keaton  
• Produced by *Wildside*  
• Launched this October following special 2 part premiere at Venice Film Festival in September |

<table>
<thead>
<tr>
<th>2</th>
<th>Continued success in non-English language</th>
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</table>
| First subtitled drama ever to be aired in the US  
• Highest rated subtitled drama in UK history  
• #1 in the Scandinavia  
• Season 2 in development  
• Season 2 in production  
• UK adaptation in development (Euston)  
• Successful launch season on Canal+  
• Second season commissioned |

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<tr>
<th>3</th>
<th>Wide range of new commissions / developments</th>
</tr>
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<tbody>
<tr>
<td><strong>Hard Sun (BBC/Hulu)</strong></td>
<td>• Euston Films’ first commission. In pre-production</td>
</tr>
</tbody>
</table>
| **Wentworth (SoHo Aus)** | • S4 launching, two more commissioned  
• 2 international remakes |
| **Picnic at Hanging Rock (Foxtel)** | • FM Australia adaptation of 1970 mystery film |
| **Ruby King (ITV)** | • Euston Films legal drama  
• At script stage with Graham Mitchell |
| **Baghdad Central (C4)** | • Euston Films post-war Iraq drama  
• At script stage with Stephen Butchard |
Offering publishers ‘Total Video’ monetisation capabilities at scale

1,300 PUBLISHERS GLOBALLY

Ad tech

- Multi-screen delivery / ad-serving
- SSP / Yield optimisation
- Booking, reporting and forecasting tools
- Addressable TV (Connected TV / HbbTV)
- Cross-screen optimisation
- Programmatic ad sales for linear TV

Strategic goals
- Expansion and roll-out in Europe and Asia
- Grow premium private market places
- Building fully integrated ad stack
RTL GROUP

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Deutsche Bank
London, 8 September 2016
Guillaume de Posch