

Strong digital growth and German TV business drive RTL Group half-year results

- Revenue, EBITA and net profit up
- Strong revenue growth in digital: up 94 per cent to €219 million
- Full-year outlook raised
- RTL Group will pay out an extraordinary interim dividend of €1.00 per share

Luxembourg, 27 August 2015 – RTL Group, the leading European entertainment network, announces its results for the six months ended 30 June 2015.

Highlights

In € million	Half-year to June 2015	Half-year to June 2014 restated ¹	Per cent change
Revenue	2,788	2,687	+3.8
EBITDA²	628	612	+2.6
EBITDA margin (%)	22.5	22.8	
Reported EBITA³	534	517	+3.3
Reported EBITA margin (%)	19.2	19.2	
Reported EBITA	534	517	
Impairment of goodwill of subsidiaries and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	2	(100)	
Re-measurement of earn-out arrangements	3	1	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre- existing interest in acquiree	4	2	
EBIT	543	420	
Net financial expense	(10)	(15)	
Income tax expense	(145)	(159)	
Profit for the period	388	246	+57.7
<i>Attributable to:</i>			
<i>Non-controlling interests</i>	37	44	
RTL Group shareholders	351	202	+73.8
Reported EPS (in €)	2.28	1.32	+72.7

¹ All financial data for H1/2014 restated for impact of IFRIC 21

² 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

³ 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

H1/2015: RTL Group net profit up 73.8 per cent

- Reported Group revenue was up 3.8 per cent to €2,788 million (H1/2014: €2,687 million) thanks to strongly increasing revenue at Mediengruppe RTL Deutschland, growing digital revenue and favourable exchange rate effects
- Reported EBITA was up 3.3 per cent to €534 million compared to €517 million in H1/2014, mainly driven by Mediengruppe RTL Deutschland, resulting in a stable EBITA margin at 19.2 per cent
- RTL Group's digital revenue⁴ continued to show very dynamic growth, up 94 per cent to €219 million (H1/2014: €113 million), benefitting from organic growth and new acquisitions
- Net profit attributable to RTL Group shareholders was up 73.8 per cent to €351 million (H1/2014: €202 million)
- Net cash from operating activities amounted to €295 million, resulting in an operating cash conversion of 74 per cent; RTL Group had net financial debt of €1,003 million as of 30 June 2015
- On 26 August 2015, RTL Group's Board of Directors authorised the distribution of an extraordinary interim dividend of €1.00 per share, to be paid in September 2015. This reflects the Group's cash flows and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times

Q2/2015: Dynamic growth of revenue, EBITA and net profit

- In the second quarter of 2015, RTL Group's revenue was up 7.7 per cent to €1,480 million (Q2/2014: €1,374 million), driven by higher revenue from Mediengruppe RTL Deutschland, digital assets and FremantleMedia
- EBITA was up 4.3 per cent to €340 million (Q2/2014: €326 million)
- Net profit attributable to RTL Group shareholders more than doubled in the second quarter to €245 million (Q2/2014: €111 million)

⁴ Excluding e-commerce, home shopping and platform revenue for digital TV

Segments: Mediengruppe RTL Deutschland continues outstanding financial performance

- During the first half of 2015, advertising market conditions showed a mixed picture: looking across the Group's markets, RTL Group estimates that the net TV advertising markets in Germany, France and Spain were up, while the market developments in the Netherlands, Belgium and Hungary remained challenging. Nonetheless, all of RTL Group's families of channels – with the exception of Groupe M6 – were outperforming their respective markets
- Mediengruppe RTL Deutschland's EBITA reached a new record high for a first half at €343 million, up 9.6 per cent from €313 million in H1/2014, driven by significantly higher TV advertising and also higher diversification revenue
- At Groupe M6, EBITA decreased to €105 million (H1/2014: €111 million), mainly reflecting lower EBITA contributions from the company's diversification businesses
- FremantleMedia's EBITA was broadly stable at €28 million (H1/2014: €29 million)
- RTL Nederland's EBITA was down to €27 million (H1/2014: €44 million), mainly due to challenging advertising market conditions
- RTL Hungary's EBITA was up to €16 million (H1/2014: €5 million), driven by one-off effects such as the partial reversal of a stock valuation allowance and the re-claim of the advertising tax paid in 2014

“Transforming RTL Group into a global force in video production, aggregation and monetisation”

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

“In the first half of 2015, RTL Group significantly increased revenue, EBITA and net profit, mainly driven by another strong performance from Mediengruppe RTL Deutschland and our rapidly growing digital video businesses.

Looking at our recent digital investments, BroadbandTV, StyleHaul and SpotXchange, which are now grouped together in the RTL Digital Hub, revenues have been increasing by high double digit growth rates – and we expect them to continue to do so for the foreseeable future. In terms of RTL Group's aggregated online video views, we expect our full-year figure to reach more than 80 billion this year.

In the digital age of total choice, the fundamentals of our business have never been more promising: Linear TV dominates the video market and is the only medium consistently reaching mass audiences day by day. In total, people watch more video content than ever before – long-form and short-form, linear and non-linear, on the TV screen and on multiple devices. The demand for high-quality video content is growing rapidly, as does online video advertising.

RTL Group has leading market positions across the whole value chain of this rapidly evolving total video market. With our financial strength, it is our ambition to significantly grow RTL Group over the next years – to transform the leading European entertainment network into a global force in video production, aggregation and monetisation.

Assuming there will not be major changes in the economic climate across our markets, we raise our outlook for the full year 2015. We now expect our total revenue to be slightly up compared to the full year 2014. We expect full-year reported EBITA to be in line with last year despite lower contributions from one-off gains in 2015.”

Impressive growth in digital

- In June 2015, RTL Group formed the RTL Digital Hub to drive leadership and growth in the digital video market. The RTL Digital Hub team manages RTL Group's portfolio of digital acquisitions; provides support for their further international expansion; and scans the market for further investments in the online video space
- The companies of the RTL Digital Hub – RTL Group's recently acquired digital businesses BroadbandTV, StyleHaul and SpotXchange – continued to show strong revenue growth, comparing H1/2015 with H1/2014: BroadbandTV was up 84 per cent, StyleHaul was up 112 per cent⁵, SpotXchange was up 90 per cent⁵
- In the first half of 2015:
 - RTL Group's catch-up TV services, websites and multi-channel networks (MCNs) attracted a total 42.5 billion online video views, up 171 per cent year-on-year⁶ (H1/2014: 15.7 billion)
 - FremantleMedia's more than 210 YouTube channels attracted 6.1 billion views, up 35 per cent year-on-year
- RTL Group currently generates more than 8 billion online video views per month⁷ – up 50 per cent compared to the monthly average in Q4/2014
- In April, RTL Group led the most recent financing round for Clypd, a US-based platform for programmatic advertising sales on linear TV, and now holds a 17.4 per cent minority stake in the company (on a fully diluted basis)
- In April, BroadbandTV announced the acquisition of the leading kids content producer and publisher on YouTube, YoBoHo
- At the Newfronts in May 2015, StyleHaul announced a new agreement with Amazon which will see StyleHaul produce short-form videos featuring its digital talent
- In June, BroadbandTV announced an agreement with the Huffington Post to form Outspeak, the first next-generation online video journalism network

⁵ Pro-forma

⁶ Aggregated view

⁷ Aggregated view; pro-forma

- In July, BroadbandTV and BMG announced a commercial agreement to form 'Windfall', a model for the music business set for the digital age, providing an end-to-end solution to find, develop, and service artists across all platforms

FremantleMedia continues its push into scripted prime-time entertainment

- In August 2015, FremantleMedia acquired a 62.5 per cent majority stake in Wildside, an Italian TV and feature film production company. The acquisition strengthens FremantleMedia's prime-time scripted business in the Italian market and bolsters the global content pipeline of FremantleMedia. Wildside is currently producing the series *The Young Pope*, a joint production of Sky, HBO and Canal Plus, directed by the Academy award-winning director, Paolo Sorrentino and starring Jude Law and Diane Keaton. FremantleMedia International is distributing the title in the non-partner territories
- In June, the US premium cable channel Starz gave the greenlight to FremantleMedia North America's adaptation of Neil Gaiman's acclaimed contemporary fantasy novel *American Gods*
- Having acquired the international distribution rights to UFA Fiction's *Deutschland 83* FremantleMedia International (FMI) announced an agreement with AMC's Sundance TV that saw the Cold War inspired drama become the first German-language series to air on a major US channel. FMI subsequently announced presales of the drama series *Deutschland 83* to Canal Plus (France), SVT (Sweden), NRK (Norway), DR (Denmark), YLE (Finland) and RUV (Iceland)
- In January, FremantleMedia acquired a 25 per cent stake in newly formed, UK-based Corona TV. The deal, which gives FremantleMedia a first look option on all Corona TV output, furthers FremantleMedia's ambition to build its scripted pipeline with projects that will have a cinematic feel and attract international co-production funding

The full report for the half-year results 2015 will be available to download at:
www.RTLGroup.com/results-H1-2015

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About RTL Group

RTL Group is the leading European entertainment network, with interests in 54 television channels and 29 radio stations and content production throughout the world. 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 28 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 more than 210 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 SpotXchange. For more information, please visit RTLGroup.com and follow RTL Group on Twitter [@rtlgroup](https://twitter.com/rtlgroup).