

Record revenue, EBITDA, EBITA

- Full-year revenue up 3.4 per cent to €6,237 million
- EBITA up 3.3 per cent to €1,205 million, EBITDA up 3.8 per cent to €1,411 million
- Digital revenue¹ continues to grow dynamically, up by 31.9 per cent to €670 million
- Attractive shareholder returns: total dividend of €4.00 per share for the fiscal year 2016, representing a dividend yield of 5.4 per cent

Luxembourg, 9 March 2017 – RTL Group announces its audited results for the year ended 31 December 2016.

Highest organic revenue growth rate since 2010

- Group revenue increased 3.4 per cent to €6,237 million (2015: €6,029 million), mainly driven by growing revenue at Mediengruppe RTL Deutschland and dynamic growth in digital revenue; underlying/organic revenue² growth rate was 3.0 per cent
- Platform revenue³ was up 13.3 per cent to €281 million (2015: €248 million)
- RTL Group's revenue is well diversified with 52.1 per cent from broadcast advertising (TV and radio), 21.2 per cent from content, 10.7 per cent from digital activities, 4.5 per cent from platform revenue and 11.5 per cent from other revenue
- EBITA⁴ also reached a new record level, up 3.3 per cent to €1,205 million (2015: €1,167 million). The increase is mainly due to higher EBITA contribution from Germany and a positive one-off effect at Groupe M6 from the settlement of the M6 Mobile contract, amounting to €42 million
- EBITA margin was stable at 19.3 per cent (2015: 19.4 per cent)
- EBITDA⁵ was up by 3.8 per cent to €1,411 million (2015: €1,360 million), with an EBITDA margin of 22.6 per cent (2015: 22.6 per cent)

¹ "Digital" refers to the internet-related activities with exception to online sales of merchandise ("e-commerce"). Digital revenue spreads over the different categories of revenue, for example other advertising sales, the production/distribution of films, programmes and other rights and the professional services, excluding e-commerce, home shopping and platform revenue

² Adjusted for scope changes and at constant exchange rates

³ Revenue generated across all distribution platforms (cable, satellite, IPTV) including subscription and re-transmission fees

⁴ 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, see note 3 to the Consolidated Financial Statements in the RTL Group Annual Report 2016

⁵ 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, see note 3 to the Consolidated Financial Statements in the RTL Group Annual Report 2016

- Net profit attributable to RTL Group shareholders decreased to €720 million (2015: €789 million), mainly due to higher tax charges
- Net cash from operating activities was €1,106 million, resulting in a higher operating cash conversion⁶ of 97 per cent (2015: 87 per cent). Net financial debt⁶ was €576 million at the end of 2016 (2015: net financial debt of €671 million)
- In the fourth quarter of 2016, Group revenue was up 6.3 per cent at €2,007 million (Q4/2015: €1,888 million), while EBITA was stable at €449 million (Q4/2015: €451 million). This reflects a one-off charge at RTL Radio (France) following accounting misstatements over a number of previous years and a decrease at RTL Nederland, partly balanced by higher EBITA contributions from Mediengruppe RTL Deutschland, Groupe M6 and FremantleMedia. Adjusted for the one-off charge at RTL Radio (France), fourth quarter EBITA was up 2.0 per cent year on year
- RTL Group's Board of Directors has proposed a final ordinary dividend of €3.00 per share for the fiscal year 2016. This proposal is a reflection of the Group's strong cash flows, future investment plans and its target net debt to full-year EBITDA ratio⁶ of 0.5 to 1.0 times. In addition, RTL Group already paid an interim dividend of €1.00 per share for the fiscal year 2016 in September 2016 (2015: ordinary dividend of €3.00 per share plus interim dividend of €1.00)
- Based on the average share price in 2016 (€73.70⁷), the total dividends for the fiscal year 2016 (€4.00 per share; 2015: €4.00 per share) represent an attractive dividend yield of 5.4 per cent (2015: 4.9 per cent) and a payment of 85 per cent of the reported EPS (€4.69)

Segments: RTL Group's three largest business units – Mediengruppe RTL Deutschland, Groupe M6 and FremantleMedia – with significantly higher profit contributions

- Once again, Mediengruppe RTL Deutschland closed the year with record results: EBITA grew by 3.1 per cent to €705 million (2015: €684 million), resulting in an outstanding EBITA margin of 31.8 per cent (2015: 32.0 per cent). Over the past ten years, Mediengruppe RTL Deutschland more than doubled its EBITA (2007: €329 million)
- Groupe M6 also reached a record EBITA of €252 million (2015: €205 million), mainly driven by the positive one-off effect from the settlement of the M6 Mobile contract, amounting to €42 million which more than compensated for the impact of the higher programming costs for the Uefa Euro 2016 live broadcasts
- In line with previous guidance, FremantleMedia's EBITA increased by 6.8 per cent to €110 million (2015: €103 million), reflecting higher profit contributions from content coming through the pipeline as a result of recent acquisitions and investments

⁶ See note 3 to the Consolidated Financial Statements in the RTL Group Annual Report 2016

⁷ Frankfurt Stock Exchange

- RTL Nederland's EBITA was down to €85 million (2015: €101 million), due to lower TV advertising revenue, higher programme costs and start-up losses of the SVOD platform, Videoland

Outlook

- Beginning with the fiscal year 2017, RTL Group will report EBITDA as its key performance indicator for operating profit, adapting to more common reporting standards of the media industry (previously: EBITA)
- RTL Group expects its total revenue for the fiscal year 2017 to continue 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 EBITDA for the full year 2017 is expected to be broadly stable (-1.0 per cent to +1.0 per cent), mainly due to the lack of positive one-off effects at the level Groupe M6 recorded in 2016
- Digital revenue is expected to continue to show dynamic double-digit growth and increase its share of RTL Group's total revenue to at least 15 per cent within the next three to five years
- RTL Group will keep a leverage target of 0.5 and 1.0 times net debt to full-year EBITDA for the fiscal year 2017. RTL Group will continue to focus on cash conversion and expects 2017 levels to be broadly in line with previous years, not below 90 per cent
- The dividend policy remains unchanged: RTL Group plans to pay out between 50 and 75 per cent of the adjusted net result for the fiscal year 2017

"Exclusive content is the power engine for everything we do in the total video universe"

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

"2016 was another record year for RTL Group. We continued our growth track, with both revenue and EBITA at an all-time high, and at the same time, our three most important business units – Mediengruppe RTL Deutschland, Groupe M6 and FremantleMedia – reported higher operating profits. Mediengruppe RTL Deutschland generated a record profit for the fifth consecutive year, exceeding the level of €700 million for the first time. Groupe M6 profited from a positive one-off effect financially and from the Uefa Euro 2016 in terms of audience shares. We are a very cash-generative business, giving us all financial means for both – further investments and attractive dividend payments to our shareholders.

While we currently review our options for BroadbandTV, this does not change our overall strategy – broadcast, content, digital – which focuses on two main investment goals. One is to further expand and develop our digital businesses where global scale in content aggregation and advertising technology becomes ever more important. This is paying off:

our digital businesses continued to grow dynamically and we already reached our target that 10 per cent of the Group's total revenue originate from digital.

The other investment goal is to further grow content production. FremantleMedia is making sound progress with its push into high-end drama. Following the premiere of *The Young Pope* in October 2016, we are looking forward to seeing *American Gods* going on air in spring. In a ground-breaking deal with Amazon, we were also able to bring this extraordinary series to viewers worldwide – thanks to the close collaboration between the production and distribution business of FremantleMedia. Exclusive content like this is the power engine for everything we do in the total video universe.”

Must-see content drives RTL Group's broadcast businesses

- In December, RTL Group announced that it plans to regroup its French radio operations into Groupe M6. The transaction is, among others, subject to approval by the French media authority CSA (Conseil supérieur de l'Audiovisuel)
- M6 broadcast a total of 11 matches, including the final, of 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 in 2016 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 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
- RTL Plus, the latest addition to Mediengruppe RTL Deutschland's family of channels, was launched on 4 June 2016 and is the most successful channel launch of the last few years. In December 2016, RTL Plus already recorded an average audience share of 0.9 per cent in the 14 to 59 demographic

Content: additional investments in the creative pipeline

- In 2016, FremantleMedia made several investments, strengthening capabilities in the scripted, entertainment and factual genres. This included Abot Hameiri (51 per cent), Dr Pluto (25 per cent), Wild Blue Media (25 per cent), and Dancing Ledge (25 per cent)
- 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 over 200 territories, shortly after its US premiere on the pay-TV channel Starz in April 2017

- In September, highly acclaimed drama, *The Young Pope* – produced by FremantleMedia's Wildside for Sky, HBO and Canal Plus – celebrated its world premiere at the Venice Film Festival. *The Young Pope* was the best premiere for a new series on Sky in Italy, launched as Canal Plus' number one new international drama of 2016 in France, and was Sky Atlantic's number three new drama of the year in the UK
- On 14 October, UFA Fiction, FremantleMedia International and RTL Television announced that the sequel to the nationally and internationally award-winning series *Deutschland 83* will premiere exclusively on Amazon Prime Video in Germany in 2018. RTL Television has secured a first-look option for the linear TV rights and expects to air the sequel on German free-to-air television in 2018/19, after Amazon's first window

Digital has become a significant pillar of RTL Group's revenue

- RTL Group's digital revenue⁸ continued to show strong growth, up 31.9 per cent to €670 million (2015: €508 million), mostly due to organic growth. Digital revenue now makes up more than 10 per cent of RTL Group's total revenue
- All of the three main businesses of the RTL Digital Hub – BroadbandTV, StyleHaul and SpotX – continued to show strong individual revenue growth. Year-on-year, BroadbandTV was up 131 per cent, StyleHaul was up 54 per cent, and SpotX was up 18 per cent
- Mediengruppe RTL Deutschland, Groupe M6 and RTL Nederland reported outstanding online video advertising revenue growth rates. Comparing 2016 with 2015: Mediengruppe RTL Deutschland was up 106 per cent (driven by organic growth and the acquisition of Smartclip), Groupe M6 was up 37 per cent and RTL Nederland was up 61 per cent
- RTL Group's catch-up TV services, websites and MCNs attracted a total 274 billion online video views in 2016 (2015: 105 billion video views)
- In March 2016, 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 €48 million. Smartclip currently bundles the online video advertising inventory of 750 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
- Also in March, Mediengruppe RTL Deutschland bundled their catch-up services of the 'Now' family (RTL Now, Vox Now, RTL II Now, RTL Nitro Now, Super RTL Now and N-TV Now) in a new offer called TV Now

⁸ Excluding e-commerce, home shopping and platform revenue for digital TV

Financial Review

In € million	2016	2015	Per cent change
Revenue	6,237	6,029	+3.4
Underlying revenue⁹	6,202	6,020	+3.0
EBITA	1,205	1,167	+3.3
EBITA margin (per cent)	19.3	19.4	
EBITDA	1,411	1,360	+3.8
EBITDA margin (per cent)	22.6	22.6	
EBITA	1,205	1,167	
Amortisation and impairment of fair value adjustments on acquisitions of subsidiaries	(15)	(6)	
Re-measurement of earn-out arrangements	1	10	
Gain from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	6	4	
EBIT	1,197	1,175	
Net financial expense	(18)	(12)	
Income tax expense	(363)	(300)	
Profit for the period	816	863	
<i>Attributable to:</i>			
<i>Non-controlling interests</i>	96	74	
RTL Group shareholders	720	789	(8.7)
Reported EPS (in €)	4.69	5.14	

The document with the more detailed full-year results 2016 and slides from the presentation will be available to download at www.rtlgroup.com/results_fy2016

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⁹ Adjusted for scope changes and at constant exchange rates



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 and RTL CBS Extreme 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 260 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](https://twitter.com/rtlgroup).

RTL Group – Entertain. Inform. Engage.