Morgan Stanley
October / November
2013

The leading European entertainment network

RTL
GROUP

Agenda

BROADCAST 2

Broadcast Update

1 INTRODUCTION

Strategic Update

Financial Update

Strategic & Financial Update

DIGITAL 3

Digital Update

CONTENT 4

FremantleMedia

RTL GROUP

RTL Group continues to lead in all its three strategic pillars

BROADCAST

- **#1 or #2** in 8 European countries
- **Leading broadcaster:**
  54 TV channels and 28 radio stations

CONTENT

- **#1** global TV entertainment content producer
- Productions in **62 countries**;
  Distribution into **150+ territories**

DIGITAL

- **Leading European media company** in online video
- **Strong online sales houses** with multi-screen expertise

We are delivering on our strategic goals…

BROADCAST	CONTENT	DIGITAL
ENHANCE BROADCAST PORTFOLIO	**CREATE** MARKET-LEADING CONTENT	**DRIVE** DIGITAL TRANSFORMATION
Strengthen family of channels ✓	**Maintain** leading position ✓	**Expand** non-linear services ✓
Grow non-ad business ✓	**Rebalance** portfolio ✓	**Grow** online ad and non-ad business ✓
Expand into high growth markets ✓	**Deepen** digital exploitation ✓	**Enter** multi-channel network business ✓

RTL GROUP

… which results in an ability to invest and provide attractive cash returns

USE OF FINANCIAL HEADROOM

Investments to increase long-term shareholder value

Excess cash: extraordinary pay-outs to shareholders

50-75% pay-out policy

FINANCIAL HEADROOM

ORDINARY DIVIDEND

Illustrative view

1.0

Net debt to EBITDA

0.5
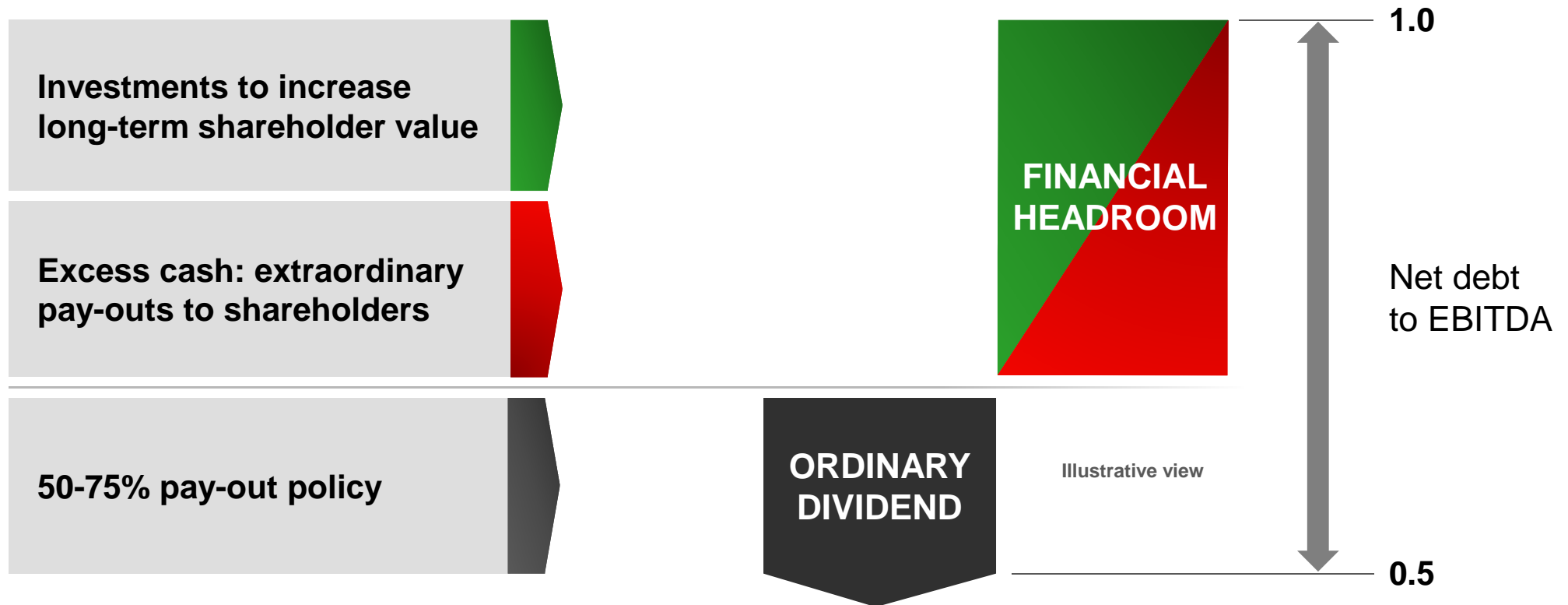
RTL" GROUP

Managing RTL Group with a long-term focus

Adaptable cost structure
with tight control

High-quality earnings
and cash flow profile

Efficient capital structure
with full financial flexibility

Attractive shareholder
remuneration

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Financial Update

BROADCAST
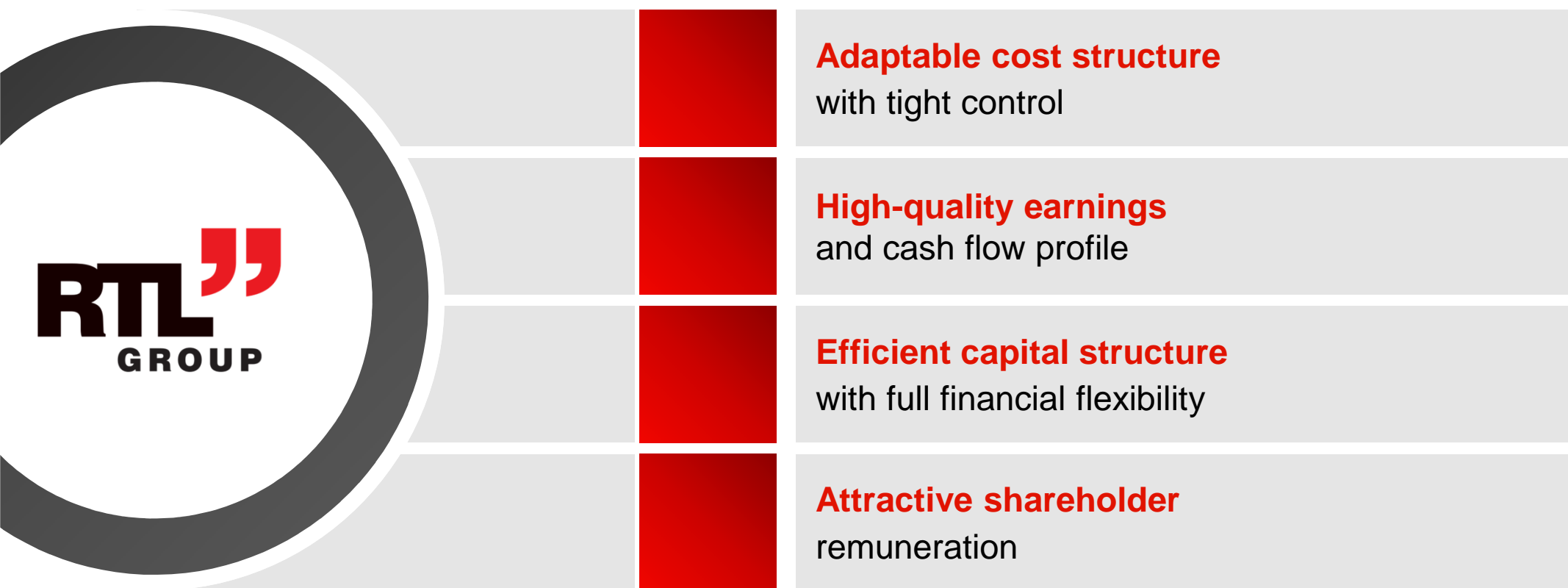
RTL GROUP

Additional non-linear TV offers increase overall viewing time

OVERALL TV CONSUMPTION RTL GROUP'S CORE MARKETS
Daily viewing time in minutes
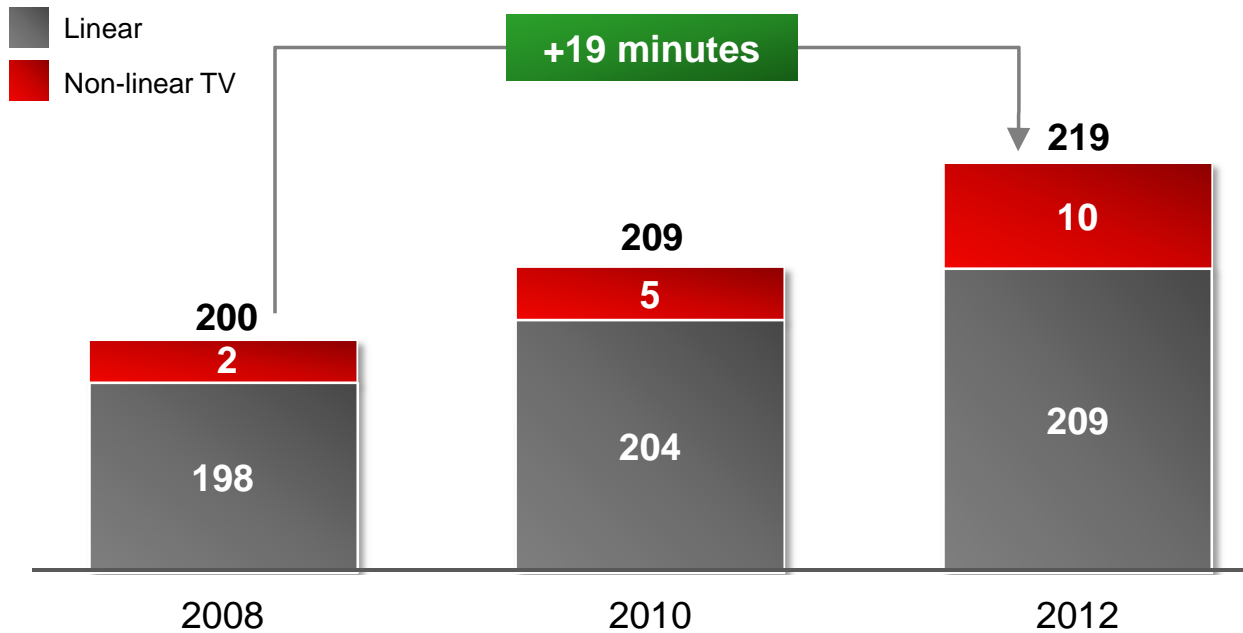
Non-linear as % of total viewing time 2012

Linear
Non-linear TV

+19 minutes

2008	2010	2012
200	209	219
2	5	10
198	204	209

GER	~ 6%
FRA	~ 4%
NED	~ 5%
US	~ 14%
UK	~ 14%
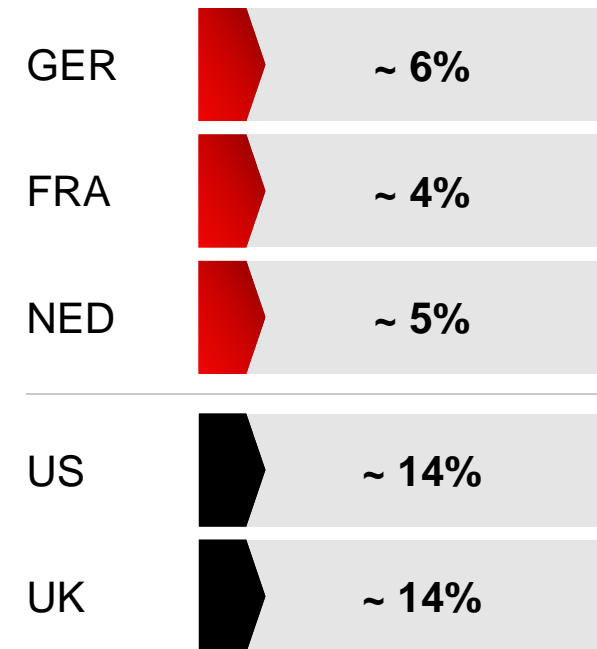
Average of Germany, France, the Netherlands; including catch-up TV, VOD and PVR time-shifted; excl. short-form video; Source: ScreenDigest

RTL GROUP

Television beats online in terms of reach and time spent

REACH OF POPULATION
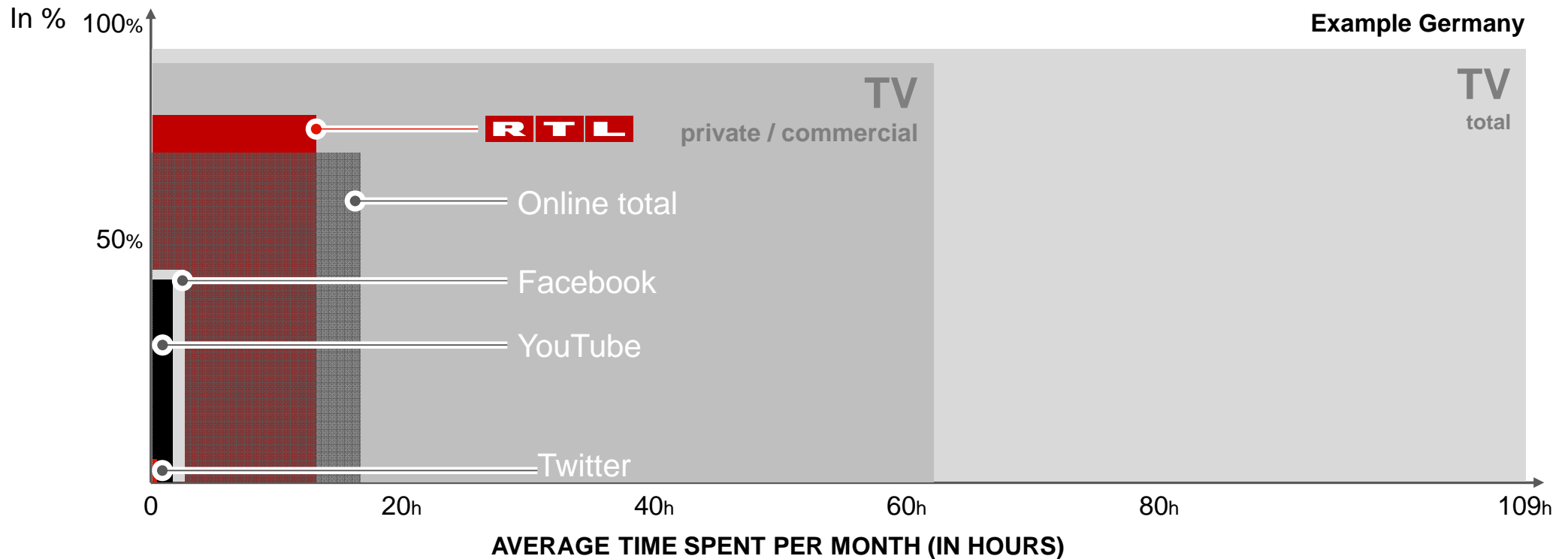
In % 100%

Example Germany

TV
private / commercial

TV
total

RTL

Online total

50%

Facebook

YouTube

Twitter

0   20h   40h   60h   80h   109h

AVERAGE TIME SPENT PER MONTH (IN HOURS)

RTL
GROUP

Resisting fragmentation while increasing market share

	GERMANY	FRANCE	THE NETHERLANDS

Audience shares in %

GERMANY

+1.8 %pts

29.4 → 31.2

2006 — H1/2013

14 – 59 years

FRANCE

+1.6 %pts

20.8 → 22.4

2006 — H1/2013

Housewives <50 years

THE NETHERLANDS

+3.6 %pts

28.8 → 32.4

2006 — H1/2013

20 – 49 years

TV net ad market share in %

+0.2 %pts

43.8 → 44,0

2006 — H1/2013

+6.2 %pts

19,8 → 26,0

2006 — H1/2013

+8.4 %pts

40.9 → 49.3

2006 — H1/2013
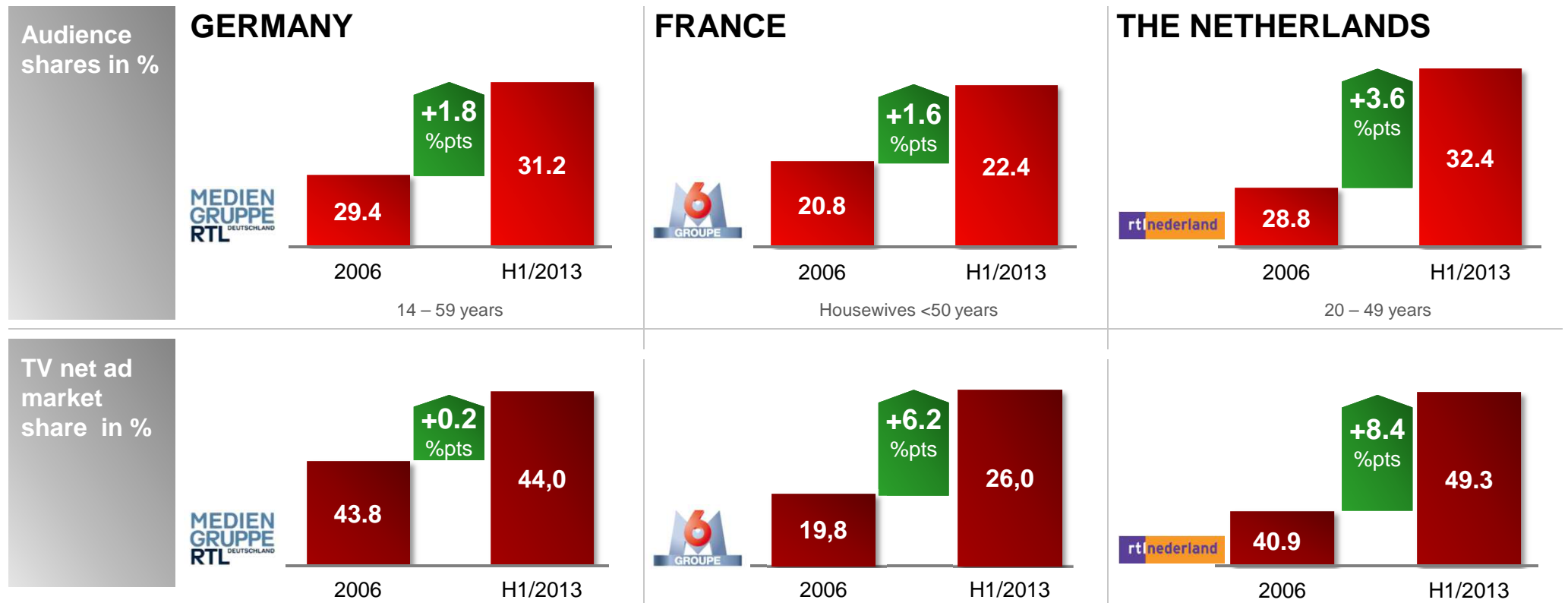
Source: AGF in cooperation with GfK, TV Scope 5.0, Mediametrie, SKO
Note: RTL II is included in audience share figures but not fully controlled by MG RTL Deutschland; RTL Group estimates for TV net ad market share

RTL'' GROUP

German TV ad share in media mix is still underdeveloped…

GROSS MARKET DEVELOPMENT
In %, year-on-year

- ■ Growth 2011 – 2012
- ■ Growth 2012 – 2013

5.7%

3.0%

1.2%   1.4%

-4.5%

-6.5%

PRINT

TV
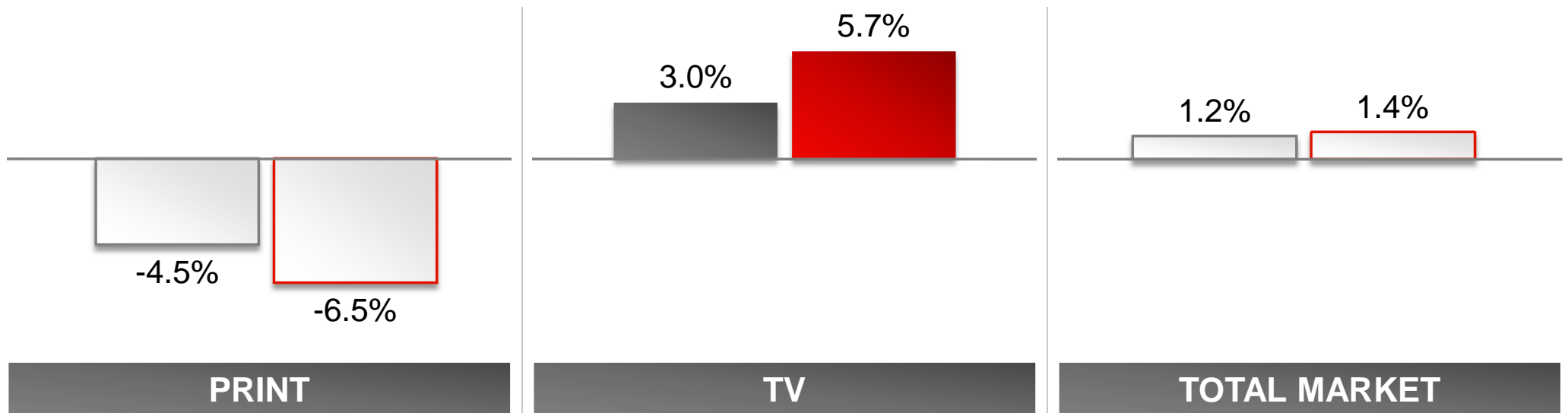
TOTAL MARKET

Source: Nielsen Media Research, Jan – Aug 2011 vs. 2012 and Jan – Aug 2012 vs. 2013

RTL'' GROUP

…with still some growth potential compared to other markets

TV'S AD SHARE IN MEDIA MIX 2012
In % of total ad spend

	GER	NED	UK	FRA	ESP	USA
TV ad share	22%	27%	28%	33%	38%	44%
(growth value)		5	6	11	16	22
Print ad share	43%	37%	24%	27%	24%	26%

Growth potential

RTL GROUP
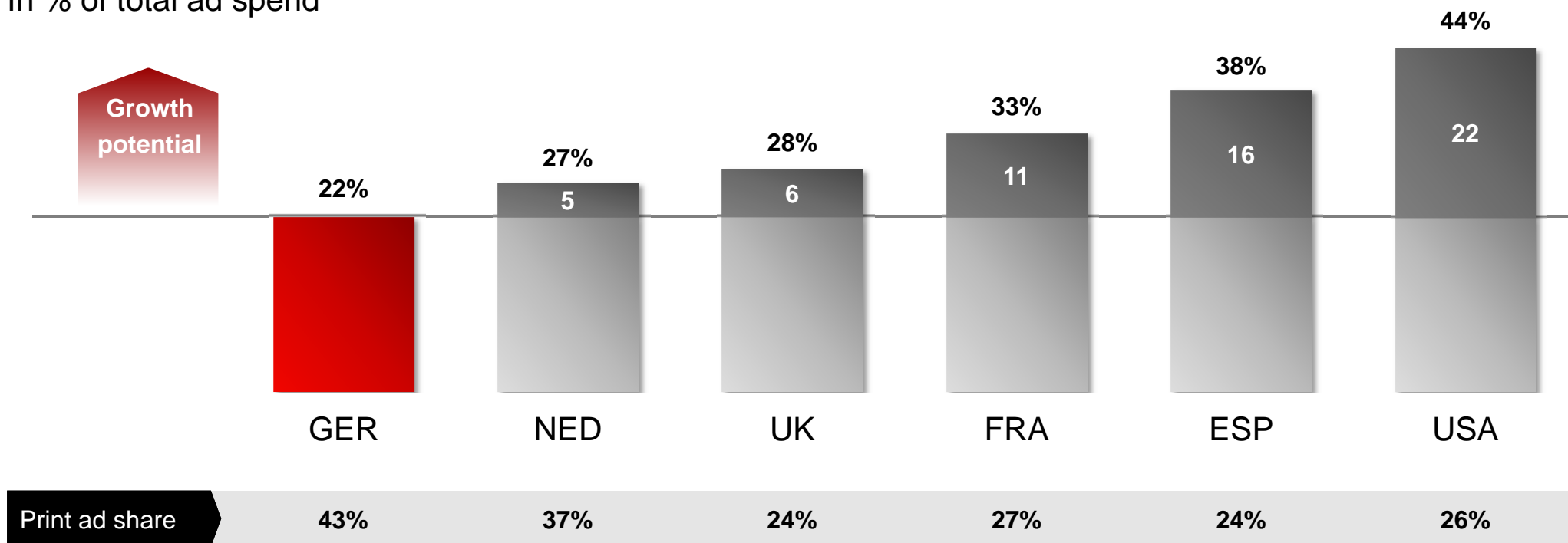
Evolving German TV landscape opens new opportunities…

ANALOGUE VERSUS DIGITAL DISTRIBUTION
TV households (in million)

■ Analogue TV
■ Digital TV

Terrestrial		Cable		Satellite		IPTV	
2003	2013	2003	2013	2003	2013	2003	2013
2.4	1.3	19.2	16.4 (7.0)	12.8 (1.8)	16.9		1.9

Source: AGF in cooperation with GfK, TV Scope 5.0, June

RTL GROUP
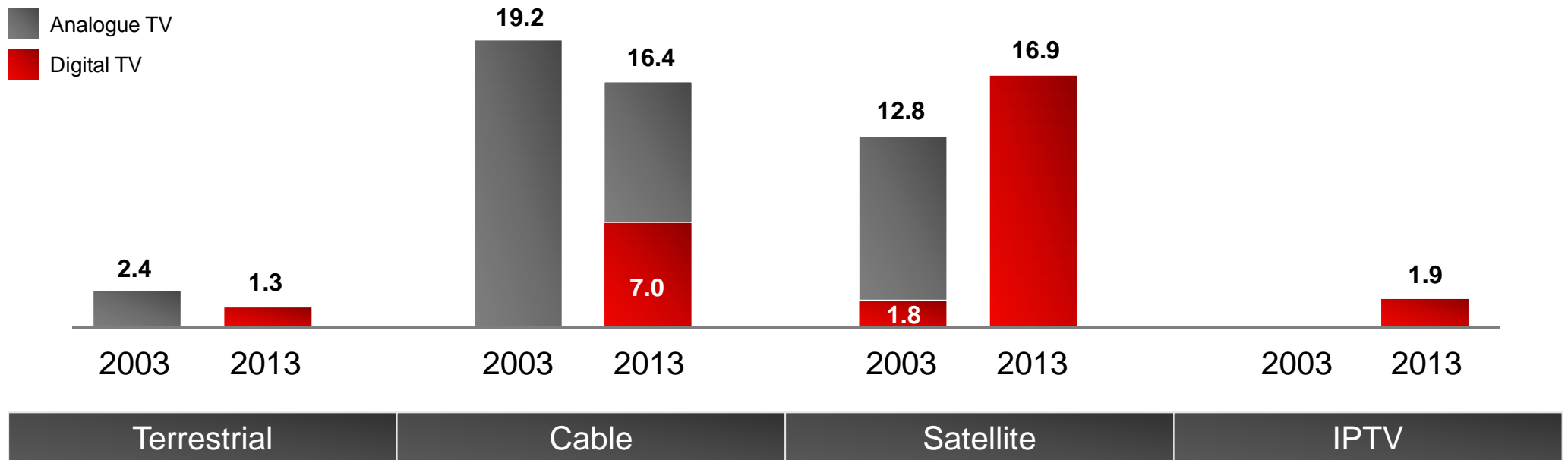
… resulting in additional revenue through subscriptions

MG RTL DEUTSCHLAND HD SUBSCRIBERS
In million

+3.5m

0.2

2.0

3.7

2011   2012   2013
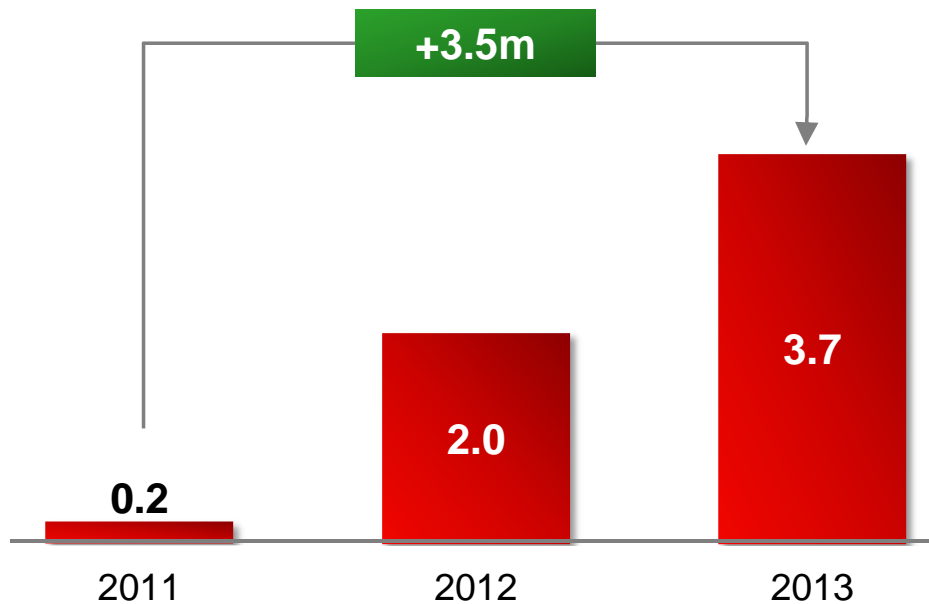
HD POTENTIAL IN GERMANY
In million households

36.5

Analogue TV   9,4

Digital TV   23,4

HD TECHNICAL POTENTIAL

HD Subs   3,7

H1/2013
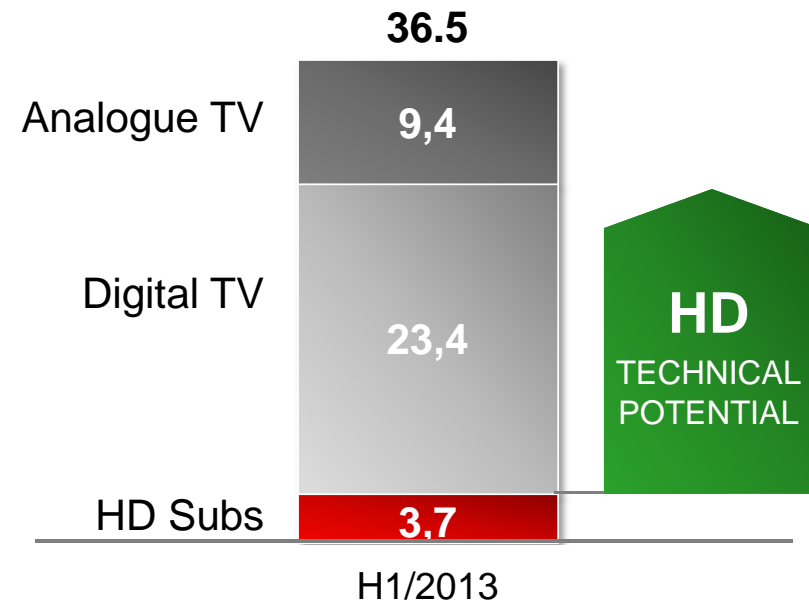
Source: according to platform operators; AGF in cooperation with GfK, TV Scope 5.0, June

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Geographic expansion into high growth markets
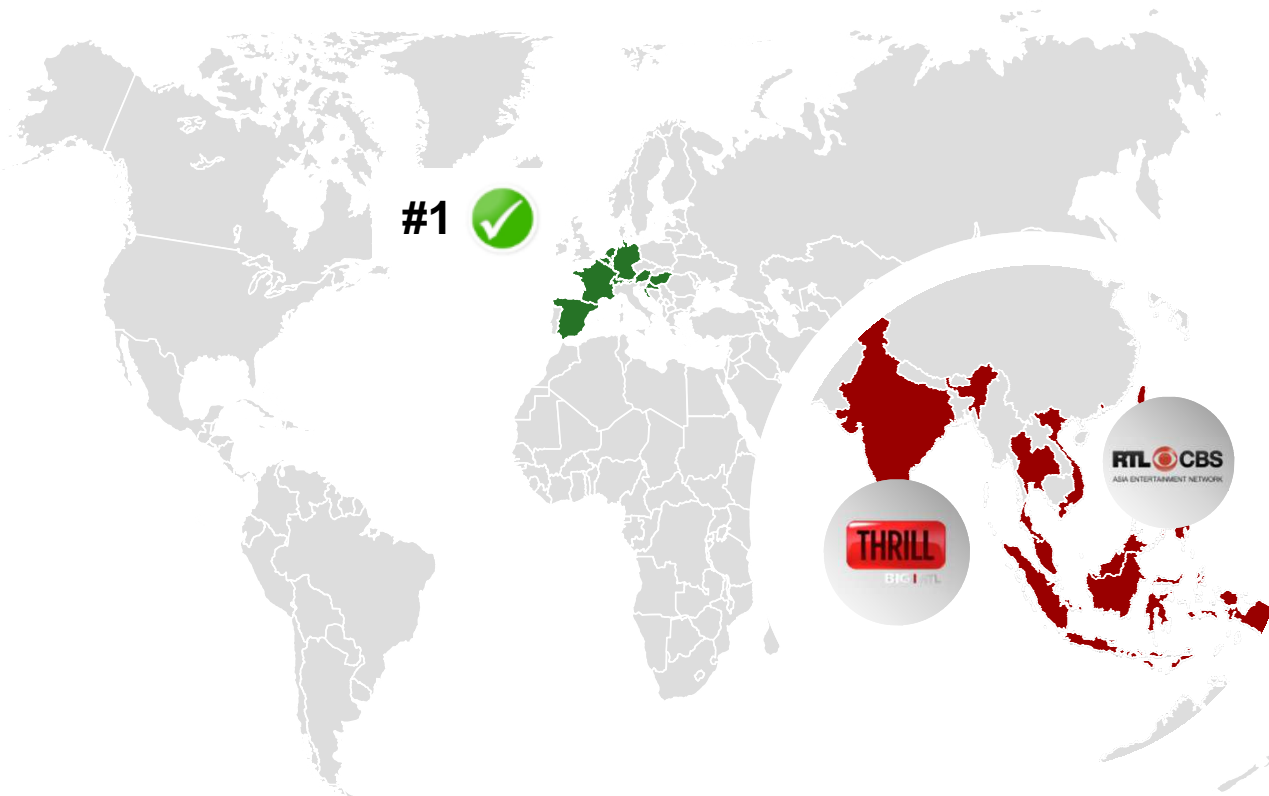
1 **India**

- **155m** TV households
- **83%** Pay-TV penetration
- **€6.0bn** Pay-TV market

2 **South-East Asia***

- **113m** TV households
- **26%** Pay-TV penetration
- **€4.5bn** Pay-TV market

*Market information for 8 initial launch markets:
Indonesia, Philippines, Vietnam, Thailand, Hong Kong, Malaysia, Singapore, Taiwan

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DIGITAL **3**

Digital Update

CONTENT **4**

FremantleMedia

RTL GROUP
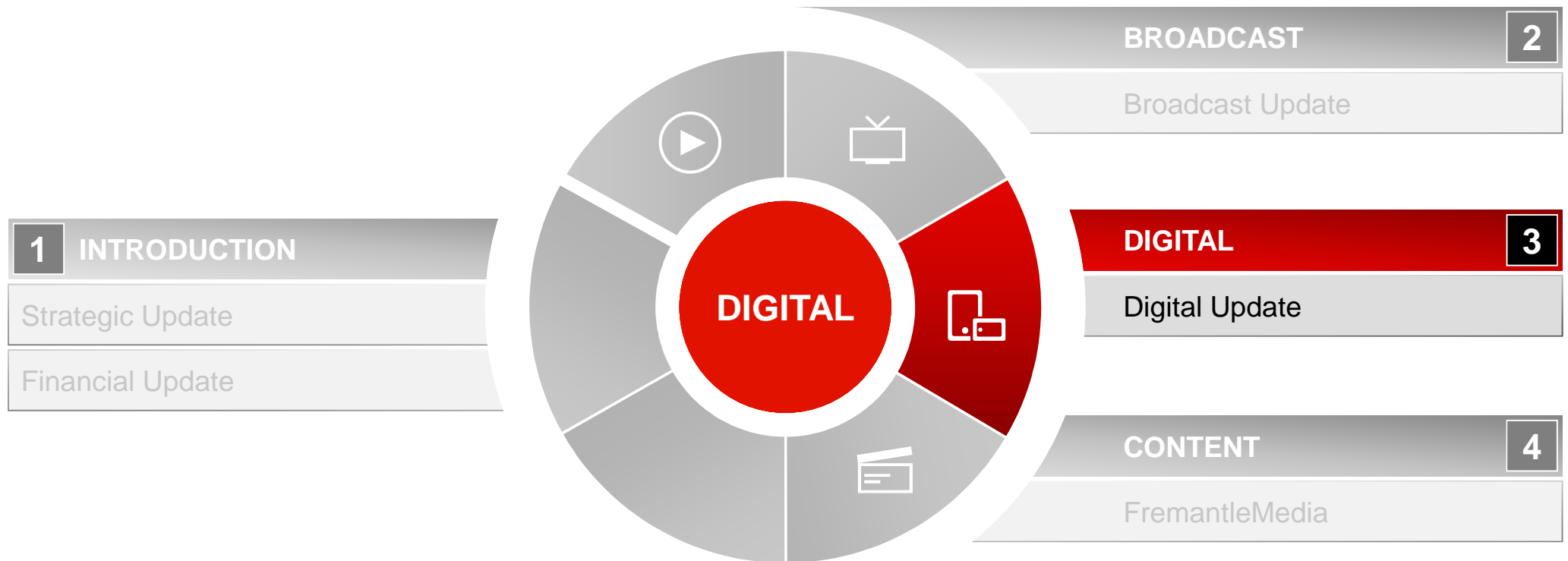
Dynamic growth in "pure" online business

"PURE" ONLINE REVENUE

Online / Mobile Portfolio

Transactional / Lead Generation

Online Video

ONLINE REVENUE
In € million

- ■ Ad
- ■ Non-Ad

90

20%

108

H1/2012	H1/2013
56% Ad	54% Ad
44% Non-Ad	46% Non-Ad
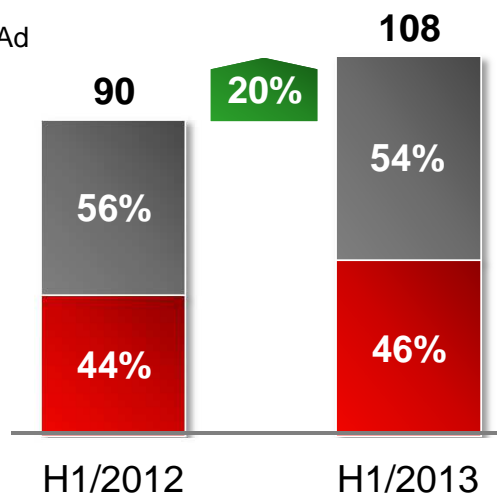
EXCLUDED FROM "PURE" ONLINE

High-volume e-commerce and home shopping

Mobile Virtual Network Operator (branded)

Retransmission fees for digital TV

RTL GROUP

TV promotion builds leading online offers

TV and video sites — **Drive** user engagement

Extend business

TV brand extensions — **Leverage** brand power

Content verticals — **Increase** scale and quality of network

New business

Non-ad ventures — **Diversify** portfolio in non-ad business

TV Promotion
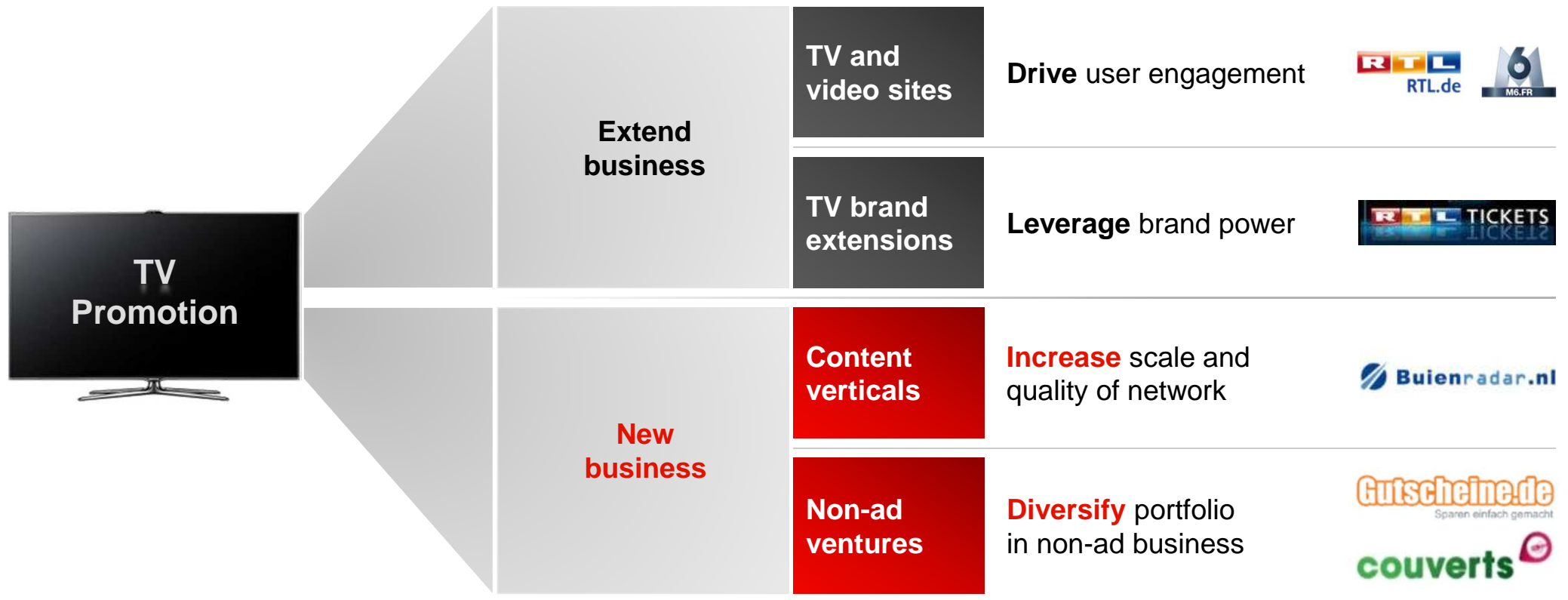
Growth of lead-gen and transactional businesses

Best-in-class online services across the Group

GER	Online couponing	Gutscheine.de	**+30%**	
FRA	Online photo service	monAlbumPhoto.fr	**+32%**	**TV promotion**
NED	Online education service	sQula	**+61%**	
FM	Mobile gaming	ludia	**+89%**	**TV brands**

ONLINE PHOTO SERVICE

450,000
orders per month

MonAlbumPhoto
TV commercial

MOBILE GAMES COMPANY

Note: revenue H1/2013 yoy growth

RTL GROUP

Strong growth in online video …
…accelerated by recent acquisitions

HALF-YEAR VIDEO VIEWS RTL GROUP
In billion, pro forma
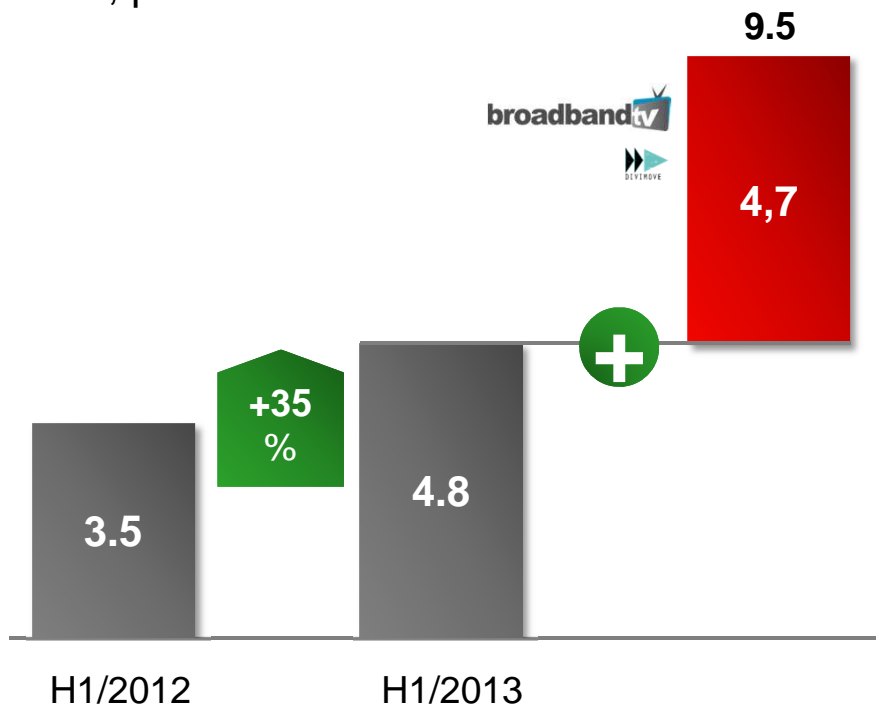
1 VOD		
2 WEBCLIPS		
3 WEB ORIGINALS		
4 Multi-Channel Networks		

Developing new formats as original web content

OUR WEB-ORIGINAL BRANDS

US channels

Exclusive window on BlipTV

Prodigy format spin-off for TV
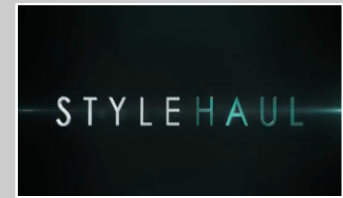
Worlds largest style network

European channels

2 original channels funded by YouTube and produced by FremantleMedia
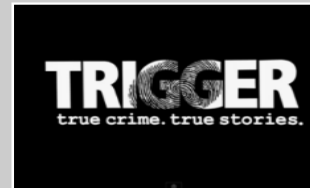
#1 European comedy channel on YouTube

Thousands of 'channels' emerging on new platforms …

1990	2000	2010
FTA networks	**Cable networks**	**OTT networks**

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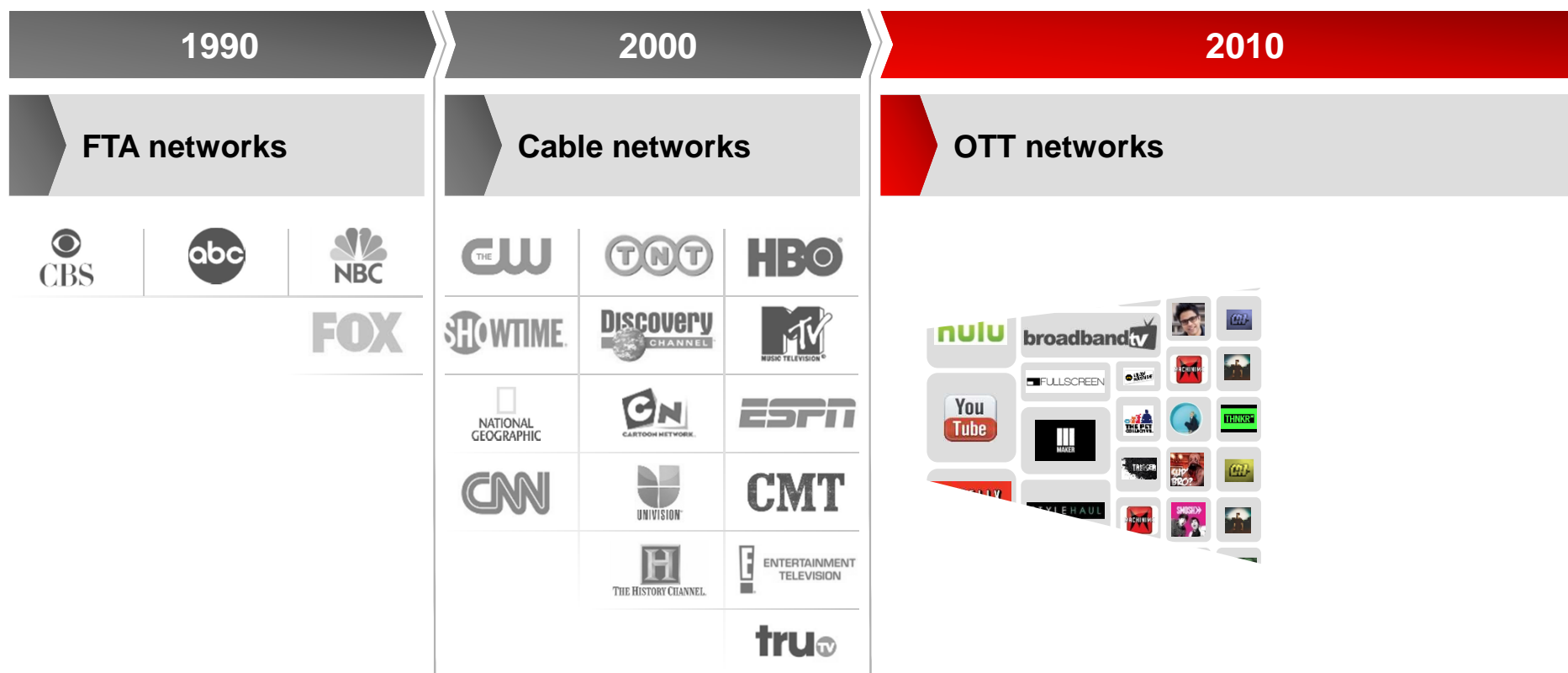
… bundled by multi-channel networks (MCNs) …

CONTENT	AGGREGATION	DISTRIBUTION	DEVICES
Studios / production companies	**Broadcast networks**	**Cable / DTH / DTT**	**TV Sets / STBs**
■ Disney	■ ABC	■ ComCast	■ Samsung
■ Warner	■ MTV	■ Sky	■ Philips
■ **FremantleMedia**	■ **RTL Group**	■ CanalSat	■ Sony
"Channel" producers	**Multi-channel networks**	**OTT content**	**PC / CTV / Mobile / streaming boxes**
■ Ray William Johnson	■ Maker Studios	■ YouTube	■ Apple, Google
■ NBA	■ Machinima	■ Facebook	■ Boxee, Roku
■ **FremantleMedia**	■ **BroadbandTV**	■ Dailymotion	■ Samsung, Sony

… who target niche audiences on a global scale

OTT PLATFORM	MULTI-CHANNEL NETWORKS	VERTICALS	CHANNELS*

blip

YouTube

MAKER

FULLSCREEN

bbtv

⭐ Entertainment

🏀 Sports

🧘 Lifestyle

🎧 Music

🎮 Gaming

PUBLIC PRANK

21m views / 340k subscribers

the daily hiit .com

590m views / 690k subscribers

SETH BLING

170m views / 1.1m subscribers
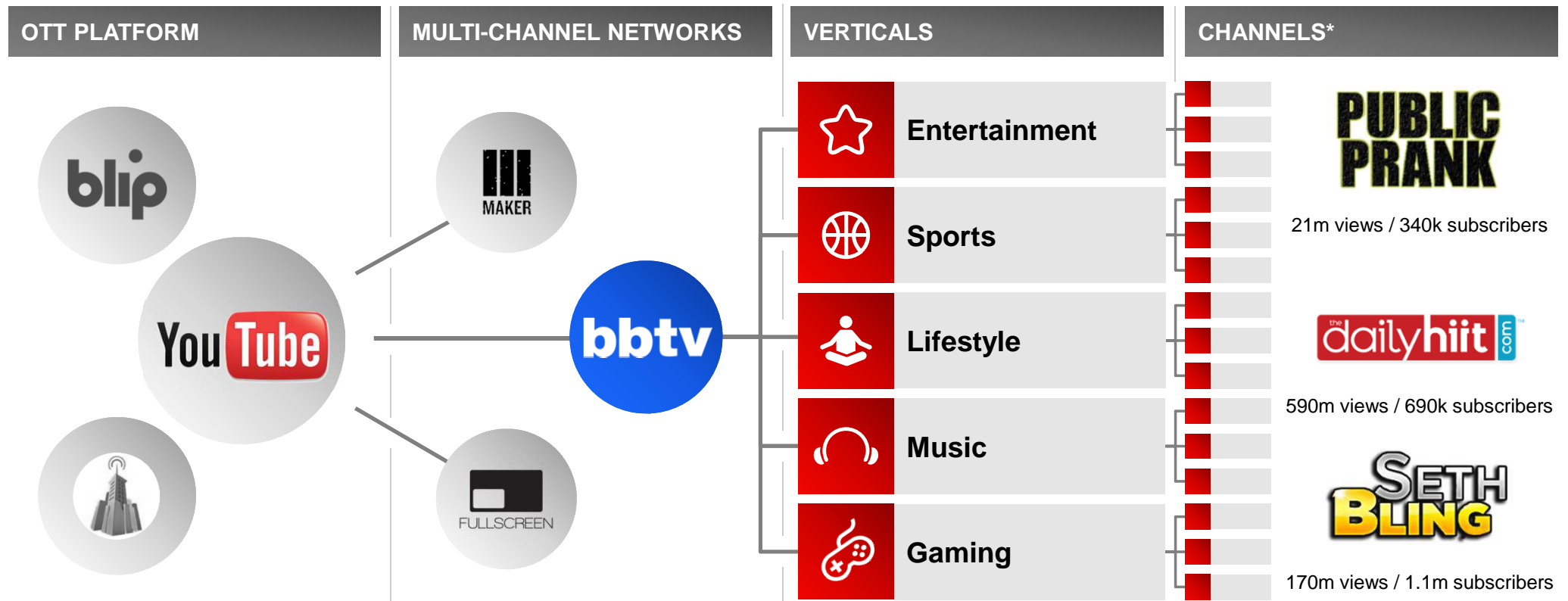
* Overall video views and subscribers as of September 2013

RTL" GROUP

broadbandTV : sustainable and fast growing business

ANNUAL AGGREGATED VIDEO VIEWS

broadbandtv

0.5bn

1.3bn

8.4bn*

GLOBAL REACH

1 billion+
video views per month

100 million+
channel subscribers

10 thousand+
content creators

2007	2009	2011	2013	TODAY
Foundation – One of first YouTube partners	**Break even –** First ever profitable MCN	**Sustainable –** Continued growth, month-on-month	**RTL Group –** Strategic partnership	**#4 MCN** On YouTube Worldwide

* TTM Aug '12 – Aug '13

RTL GROUP

Agenda

CONTENT

1	INTRODUCTION

Strategic Update

Financial Update

BROADCAST	2

Broadcast Update

DIGITAL	3

Digital Update

CONTENT	4

FremantleMedia

RTL GROUP

Leader in multiplatform entertainment production and rights exploitation

1	**Production**
2	**Exploitation**
3	**Distribution**

RTL"
GROUP

Long-running top brands that travel …

Territories	Years	ENTERTAINMENT		Territories	Years

ENTERTAINMENT

54 (Territories) / **7** (Years)	GOT TALENT	FAMILY FEUD	**54** (Territories) / **36** (Years)
46 (Territories) / **12** (Years)	Idols	The Price is Right	**35** (Territories) / **56** (Years)
37 (Territories) / **9** (Years)	THE X FACTOR	TAKE ME OUT	**24** (Territories) / **5** (Years)

FACTUAL ENTERTAINMENT

29 (Territories) / **12** (Years)	THE FARMER WANTS A WIFE	DEADLIEST CATCH	**120*** (Territories) / **8** (Years)

SCRIPTED | **KIDS**

11* (Territories) / **28** (Years)	Neighbours	TREE FU TOM	**8*** (Territories) / **2** (Years)

*Incl. tape sales; Source: FremantleMedia
Note: territories = maximum number of territories

RTL GROUP

Optimised resource base

MAXIMISE LOCAL PRESENCE

- Holistic territorial strategy
- Properly tooled up and plugged into the network

TERRITORIES

USA	Germany
UK	Europe
Asia Pacific	Latin America

Sponsorship	Licensing	Digital

DRIVE GLOBAL CONTENT & STRATEGY

- Global teams for key areas
- Craft global strategy
- Share best practice
- Refocus on distribution

DISTRIBUTION

FM International
Kids & Family

GLOBAL ROLES

Development
Production
Digital and branded Entertainment

MANAGE OVERHEADS AND CENTRAL FUNCTIONS

- Leaner overheads
- Shared central functions
- Avoid duplication & ensure show consistency

CENTRAL FUNCTIONS

HR	Finance
Strategy & M&A	Legal
Communications	Operations

RTL GROUP

Our strategy is to continue to nurture shows on air

PRODUCTION EXCELLENCE

ITV primetime vs. season average

Share individuals 4+

22%	35%	42%	53%	46%	42%	41%	+3 %pts	44%
itv	S1	S2	S3	S4	S5	S6		S7

CREATIVE REFRESHMENT

The judges

Simon's return as a judge

Popular comedian David Walliams

Reach out more to new talent

Morrissons supermarket **"Talent Spot"** mobile auditions

COMMERCIAL EXPLOITATION

In-store activation campaigns
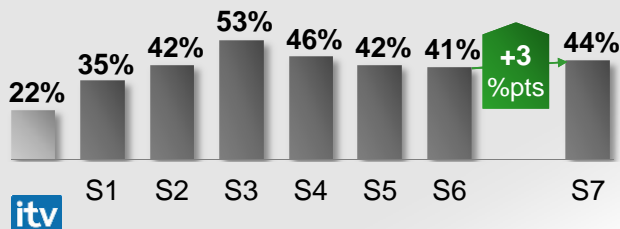
Source: FremantleMedia, BARB / Kantar

… and further engage audiences by creating sophisticated digital extensions …

DURING BROADCAST

Social media

+34% YTD

+81% YTD

63.1m fans

15.1m followers

2nd Screen Apps

- **1m** downloads each
- **13** local versions of apps

ENGAGE WITH AUDIENCE

Gaming
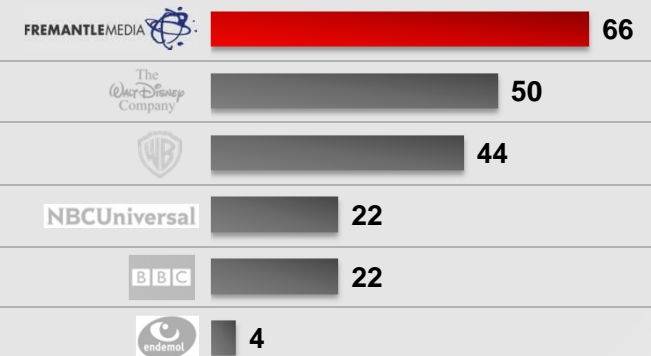
- **93m** app downloads
- **2m** current daily active users

Sponsoring Integration

REACH NEW AUDIENCES   YouTube

Ranking by global monthly unique users (in m)

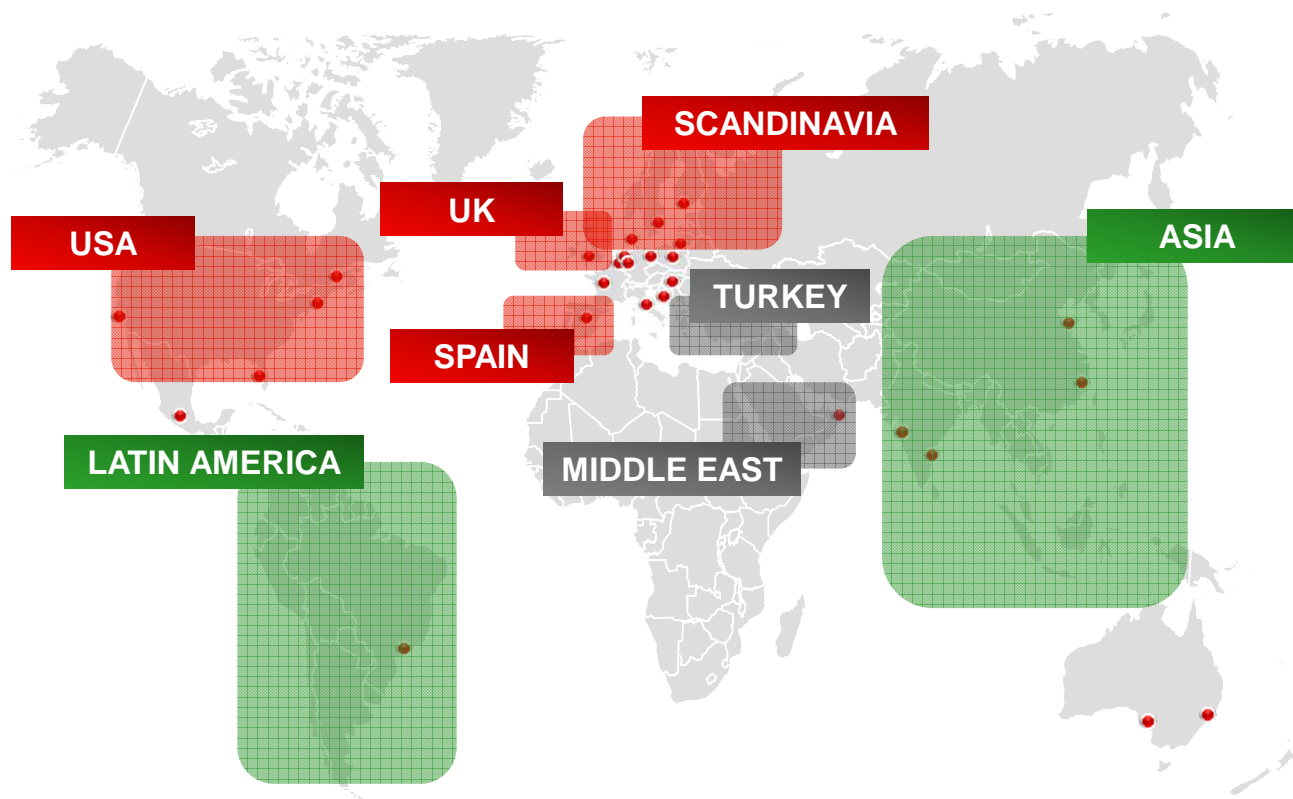|	
FREMANTLEMEDIA	66
The Walt Disney Company	50
WB	44
NBCUniversal	22
BBC	22
endemol	4

135 channels   +35 YTD

10.5bn views since launch   +62% YTD

Sources: FremantleMedia; ComScore Video Metrix, July 2013

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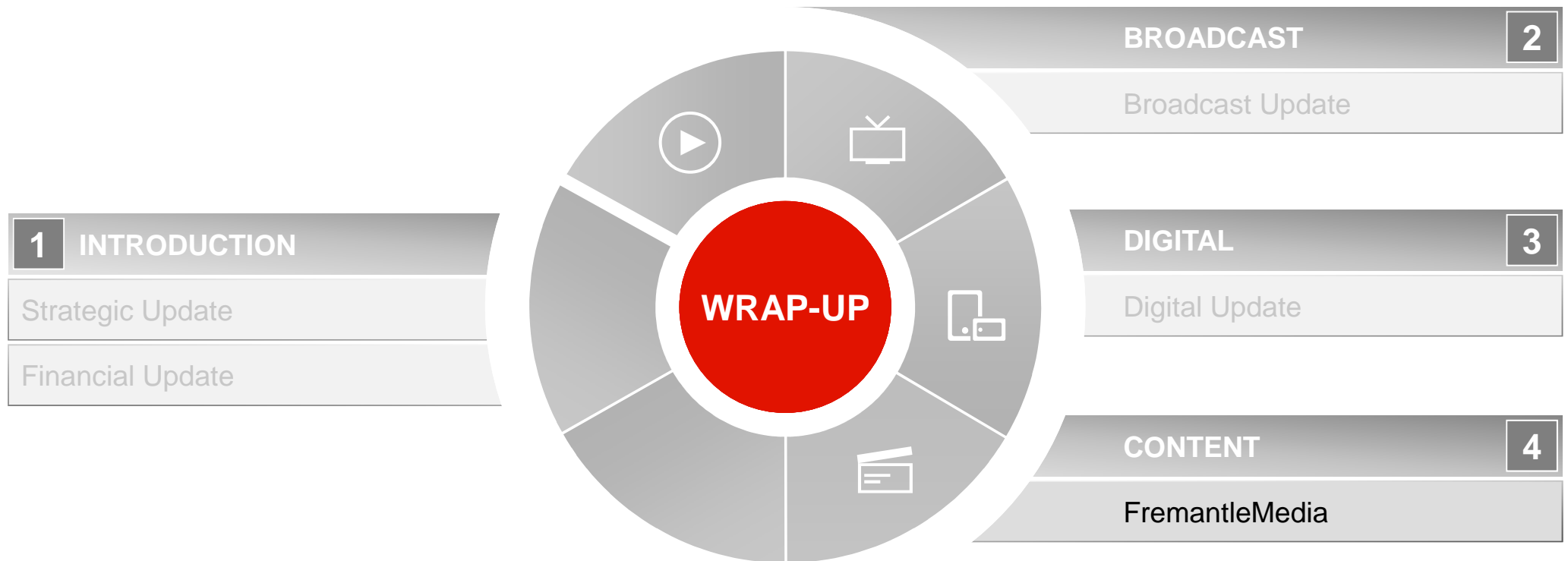
Grow and develop the FremantleMedia network

SCANDINAVIA

UK

USA

TURKEY

SPAIN

ASIA

LATIN AMERICA

MIDDLE EAST

Get more scale in mature markets

Grow in emerging markets

Enter new markets

RTL GROUP

FremantleMedia : priorities for 2014 and beyond

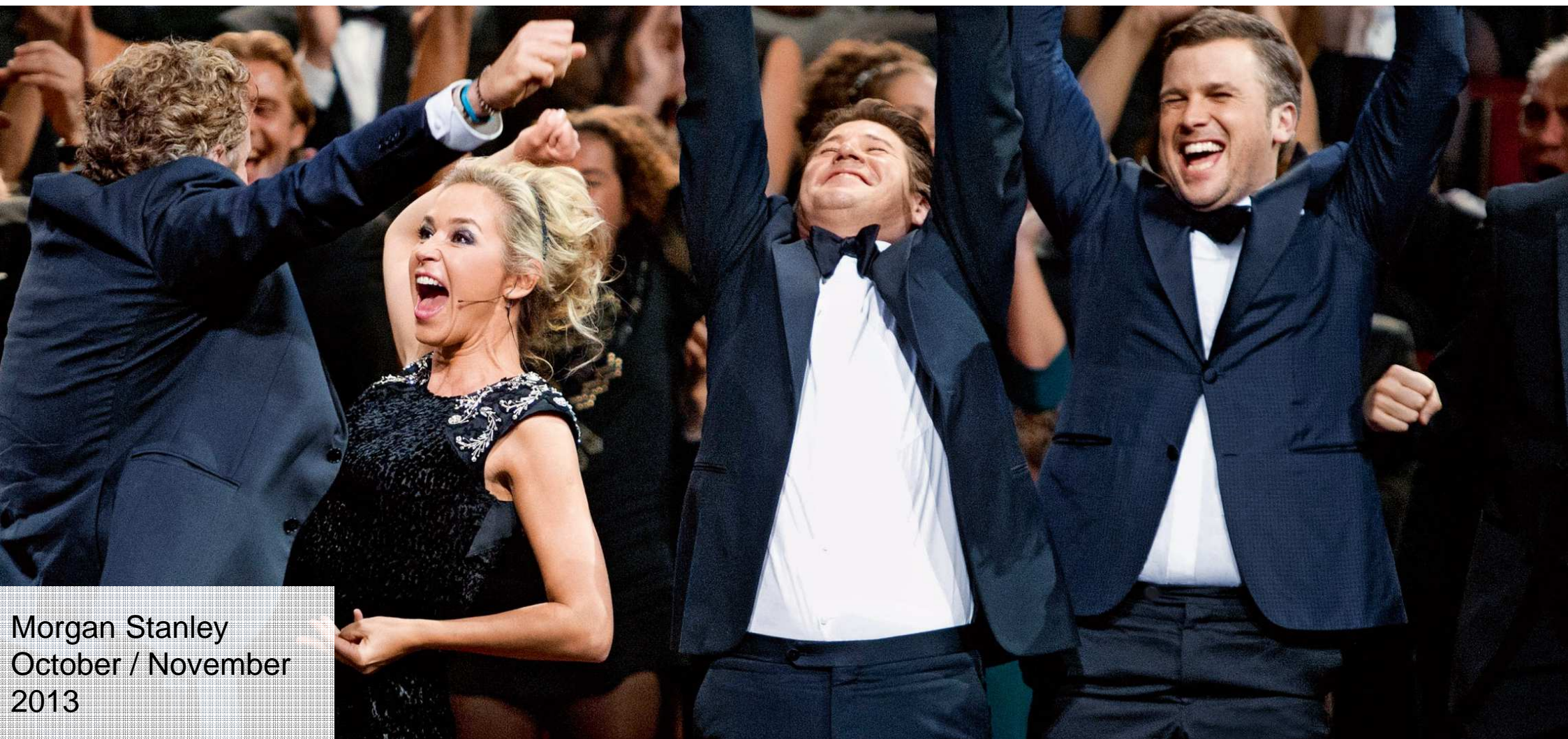|		
1	**Maintain** core business	■ Nurture shows on air ■ Develop new formats and brands ■ Digital extensions
2	**Diversify** portfolio	■ Increase drama capabilities ■ Expand local businesses & portfolio ■ Develop web original content and brands
3	**Grow and develop** the network	■ Get scale in mature markets ■ Grow in emerging markets ■ Enter new markets
4	**Build** a scalable digital business	■ Develop digital distribution ■ Expand digital production & properties ■ Manage & scale production

RTL GROUP

Agenda

WRAP-UP

RTL Group will continue to strengthen its leading market positions

Broadcast
Leading family of channels

Content
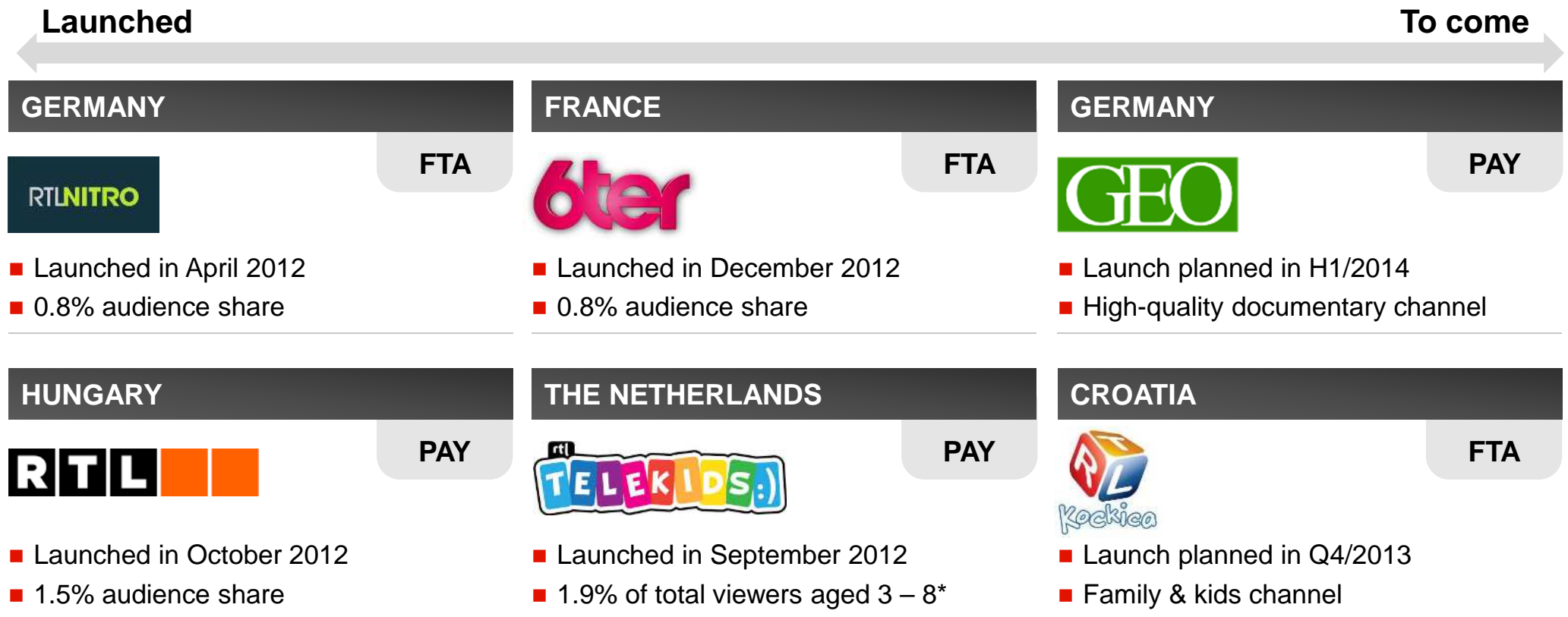Global brands, growth in digital

Digital
Worldwide online video presence

Morgan Stanley
October / November
2013

The leading European entertainment network

RTL GROUP

Constant expansion of family of channels

| GERMANY		FRANCE		GERMANY	
	FTA		FTA		PAY

GERMANY — FTA — RTLNITRO
- Launched in April 2012
- 0.8% audience share

FRANCE — FTA — 6ter
- Launched in December 2012
- 0.8% audience share

GERMANY — PAY — GEO
- Launch planned in H1/2014
- High-quality documentary channel

HUNGARY — PAY — RTL
- Launched in October 2012
- 1.5% audience share

THE NETHERLANDS — PAY — TELEKIDS:)
- Launched in September 2012
- 1.9% of total viewers aged 3 – 8*

CROATIA — FTA — RTL Kockica
- Launch planned in Q4/2013
- Family & kids channel

H1/2013, audience share in target group
* Average monthly viewers, reach per day

RTL GROUP

We are #1 European media company in online video

RTL GROUP MONTHLY VIDEO VIEWS
In billion, average H1/2013

0.5 — H1/2012
3x
1.6 — H1/2013
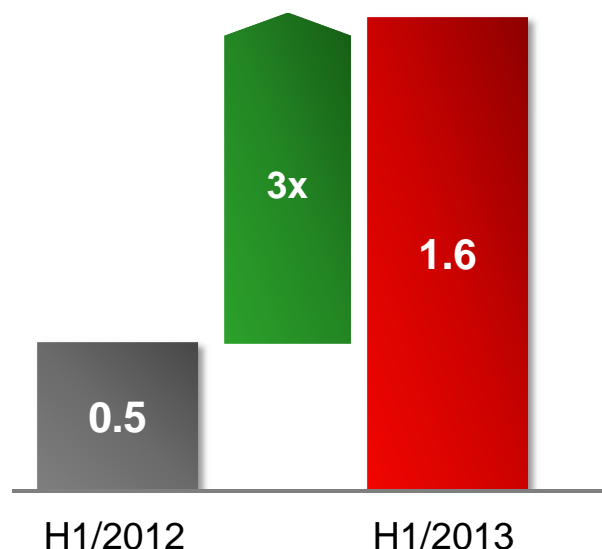
COMSCORE VIDEO RANKING*

#	COMPANY	MONTHLY VIEWS (BILLION)	REGION
1	Google / YouTube	69.8	USA
2	Facebook	4.5	USA
3	VEVO	3.4	USA
4	AOL (post Adap.TV merger)	3.1	USA
5	Hulu	2.2	USA
6	Dailymotion.com	2.1	Europe
7	Viacom Digital	1.9	USA
8	CBS Interactive	1.7	USA
9	**RTL Group** (restated)**	**1.6**	**Europe**
10	Microsoft Sites	1.2	USA

* ComScore Video Metrix, based on monthly average video views H1/2013; excluding Asia and Russia, ad networks and ad exchanges;
** RTL Group restated and grouped: internal figures H1/2013; includes recently acquired BroadbandTV and Divimove, pro forma

RTL'' GROUP

RTL Group has become a leading MCN player

WORLDWIDE LEADING MULTI-CHANNEL NETWORKS
Based on monthly video views

1	MACHINIMA	Production focus / gaming; Investors incl. **Google**
2	MAKER	Production focus; Investors incl. **Time Warner**
3	FULLSCREEN	Tech-driven; Investors incl. **Comcast and WPP**
4	broadband**tv**	Tech-driven; Strategic partner **RTL Group**

* ComScore YouTube Partner Ranking; excludes music services (VEVO, Warner Music, The Orchard, Universal Music Group, SonyBMG, muyap)

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