

RTL Group reports its highest ever full-year EBITA

- Full-year results 2013: RTL Group with significantly higher EBITA, EBITA margin and net profit
- Additional proposed dividend of €4.50 per share – making a total €7.00 per share for the year – combines attractive dividend yield with significant investment capacity for profitable growth

Luxembourg, 6 March 2014 – RTL Group, the leading European entertainment network, announces its audited results for the year ended 31 December 2013.

Highlights

In € million	2013	2012	Per cent change
Revenue	5,889	5,998	(1.8)
Underlying revenue¹	5,914	5,998	(1.4)
Reported EBITA²	1,152	1,078	+6.9
Reported EBITA margin (%)	19.6	18.0	
Reported EBITA	1,152	1,078	+6.9
Reversal of/(loss on) impairment of investment in associates and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	58	(92)	
Re-measurement of earn-out arrangements	1	2	
Impairment on disposal group	(10)	–	
Gain/(Loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	5	(9)	
EBIT	1,206	979	+23.2
Net financial income/(expense)	47	(11)	
Income tax expense	(305)	(277)	
Profit for the year from continuing operations	948	691	
Loss for the year from discontinued operations	–	(1)	
Profit for the year	948	690	+37.4
<i>Attributable to:</i>			
Non-controlling interests	78	93	
RTL Group shareholders	870	597	+45.7
Basic EPS continuing operations (in €)	5.67	3.89	
Basic EPS discontinued operations (in €)	–	(0.01)	
Reported EPS (in €)	5.67	3.88	
Proposed dividend per share (in €)	4.50	–	
Paid dividend per share (in €)	2.50³	10.50	

¹ Adjusted for BroadbandTV, 6ter and other minor scope changes, and at constant exchange rates

² EBITA (continuing operations) 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 and joint ventures, impairment of investment in associates, 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 In September 2013, RTL Group already paid an extraordinary interim dividend of €2.50 per share for fiscal year 2013

Significant profit growth in 2013

- Throughout 2013, European TV advertising markets reflected local macro-economic developments: the German TV advertising market was estimated to be slightly up, while all other markets were estimated to be down year-on-year. Over the second half of the year, market conditions improved in France, the Netherlands, Belgium and Spain
- RTL Group's families of TV channels in France, the Netherlands, Hungary and Croatia all gained TV advertising market shares; Mediengruppe RTL Deutschland's TV advertising market share was estimated to be approximately stable year-on-year
- Reported Group revenue was down 1.8 per cent to €5,889 million (2012: €5,998 million), as higher revenues from RTL Nederland and Mediengruppe RTL Deutschland were offset by lower revenue from FremantleMedia and exchange rate effects
- RTL Group's digital revenues⁴ continued to show very dynamic growth, up 26 per cent to €236 million thanks to organic growth and new acquisitions
- EBITA increased 6.9 per cent to €1,152 million (2012: €1,078 million), primarily driven by significantly higher profit contributions from Mediengruppe RTL Deutschland
- Reported EBITA margin improved significantly to 19.6 per cent (2012: 18.0 per cent)
- Net profit attributable to RTL Group shareholders increased strongly by 45.7 per cent to €870 million (2012: €597 million). The increase reflects higher EBITA and the following positive one-off effects:
 - o a reversal of an 2012 impairment, totalling €72 million, on RTL Group's shareholding in the Spanish broadcasting company Atresmedia (formerly Grupo Antena 3), as announced in the Group's half-year results on 22 August 2013
 - o the gain from disposal of non-monetary investments amounting to €49 million
- Net cash from operating activities was €1,121 million, resulting in an operating cash conversion of 106 per cent and a net cash position of €36 million at the end of 2013 (30 September 2013: net financial debt of €451 million)
- RTL Group's Board of Directors decided to propose a final dividend of €4.50 per share for fiscal year 2013, comprising an ordinary dividend of €2.50 per share and an extraordinary dividend of €2.00 per share. This proposal is a reflection of the Group's strong cash flows, future investment plans and its target net debt to full-year EBITDA ratio of 0.5 to 1.0 times. In addition, RTL Group already paid an extraordinary interim dividend of €2.50 per share for fiscal year 2013 in September 2013
- Based on the average share price in 2013 (€70.51⁵), all dividends for the fiscal year 2013, totalling €7.00 per share, represent a dividend yield of 10 per cent

⁴ Excluding e-commerce, home shopping and distribution revenue for digital TV; 2012 figures not audited

⁵ Euronext Brussels; the average share price at the Frankfurt Stock Exchange for the period 30 April to 31 December 2013 was €71.71

Good results from all profit centres – EBITA of Mediengruppe RTL Deutschland exceeded €600 million for the first time

- Mediengruppe RTL Deutschland achieved its best financial result ever: EBITA increased by 7.1 per cent to €622 million (2012: €581 million). This improvement was driven by a combination of higher advertising revenue and continued cost discipline
- In a declining French TV advertising market, Groupe M6 continued to outperform and increased its TV advertising market share. The company's EBITA was down to €207 million (2012: €224 million), mainly due to the start-up losses for the digital channel 6ter, launched in December 2012
- EBITA of RTL Nederland increased by 6.2 per cent to €103 million (2012: €97 million), thanks to higher TV advertising and digital distribution revenue. RTL Nederland significantly gained audience and TV advertising market share in 2013
- RTL Group's broadcasting operations in Belgium, Hungary and Croatia also increased their EBITA year-on-year, while the French radio family reported stable profit contribution
- Despite significantly lower revenue – mainly due to negative exchange rate effects and lower production revenue from Germany – FremantleMedia's EBITA showed only a small decrease to €136 million (2012: €138 million). As a result, the company's margin improved significantly to 8.9 per cent (2012: 8.1 per cent)

“Growing all profit indicators”

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

“Operationally and financially, RTL Group has once again performed very strongly in 2013 and demonstrated its resilience in facing challenging economic conditions. With another record result from our largest profit centre, Mediengruppe RTL Deutschland, and good results from all other units, we have succeeded in growing all profit indicators – EBITA, profit margin and net result. Our shareholders will also again profit from this excellent set of results with a total dividend of €7.0 per share.

The successful public offering in April 2013 and the listing of our shares in the Prime Standard of the Frankfurt Stock Exchange, followed by the inclusion in the MDAX stock index, raised the awareness of RTL Group in the capital markets.

We have made good progress in strengthening our core businesses and in building new growth engines, especially in the digital world. We have already started a lot of initiatives, but we want to do more.

Based on our very healthy financial position, we have the investment capacity to explore opportunities across our three strategic pillars: broadcast, content and digital.

As ever, we will continue to apply our strict investment criteria and prudent business approach, but we clearly aim to accelerate RTL Group's revenue growth to secure and enhance our market-leading positions in free-to-air television, content production and online video."

RTL Group makes good progress across its three strategic pillars: broadcast, content and digital

Broadcast: significant investments in the existing footprint and in new high-growth Asian markets

- In July 2013, RTL Television secured the highly attractive rights to broadcast the qualifying matches of the German national team for the European Football Championship 2016 and Football World Cup 2018
- New TV channels in Europe strengthen RTL Group's family of channels:
 - o In France, Groupe M6's new free-TV channel, 6ter, has become the leading channel in the commercial target group among the six DTT channels launched in December 2012
 - o In August 2013, RTL Hrvatska was awarded a license for a new kids and family channel; the new free-TV channel, named RTL Kockica, was launched very successfully in January 2014. In February, the channel scored an average daytime audience share of 21.8 per cent among children
 - o In October 2013, Mediengruppe RTL Deutschland announced plans to launch a new special-interest pay-TV channel called Geo Television. It is scheduled for launch on 8 May 2014
 - o In total, RTL Group will have launched six new channels in Europe in the period 2012 to 2014
- In August 2013, RTL Group announced a strategic alliance with CBS Studios International to launch two pay-TV channels in South East Asia, targeting a potential market of 113 million TV households. The partnership is advancing well:
 - o The first channel – RTL CBS Entertainment HD – is already on air in Malaysia, Thailand, Singapore and the Philippines
 - o The second channel – RTL CBS Extreme HD – will launch end of March 2014 in Singapore

Content: global creative competencies strengthened

- In the first half of 2013, RTL Group's production arm FremantleMedia concluded its strategic realignment creating a clearer focus for its future as a stronger and more unified company. As a result, FremantleMedia has already scaled up investment in the creative pipeline and format development across all genres, launching 46 new shows in 2013
- In February 2014, FremantleMedia announced a partnership with Vice Media to create a multi-channel food platform; both companies will develop and produce digital content for the Vice food vertical, which FremantleMedia will take to TV around the world
- In November 2013, FremantleMedia strengthened its scripted business and Nordic footprint by acquiring a 51 per cent stake in Miso Film. The Danish independent production company is focused on high-end prime-time TV series and films for the Scandinavian and larger European markets
- In Germany, UFA Cinema's theatrical release *Der Medicus* (The Physician) premiered in cinemas on 25 December 2013 and sold more than 3.5 million tickets since. The film was the number one in box office in Germany for two weeks

Digital: RTL Group has become the leading European media company in online video

- Through targeted investments, RTL Group has become the number 3 global player in the Youtube ecosystem (excluding music video services):
 - In April 2013, RTL Group made a minority investment in Style Haul, the leading online video network for fashion and beauty. In September 2013, RTL Group further increased its stake and now has a shareholding of 26.1 per cent
 - In June 2013, RTL Group acquired a 57.5 per cent majority stake in BroadbandTV, Youtube's third largest multi-channel network (MCN). BroadbandTV currently manages more than 15,000 channels and generates around 1.45 billion video views per month
 - In September 2013, FremantleMedia acquired a minority stake in Divimove, the second largest MCN on Youtube in Germany, with the potential of further investments in the future
- In July 2013, RTL Nederland acquired a 65 per cent stake in Videoland, the leading transactional video-on-demand (VOD) platform in the Netherlands. In April 2014, Videoland will launch a new 'all-you-can-watch' subscription on-demand service

- RTL Group's catch-up TV services and websites, including BroadbandTV, attracted a total 16.8 billion online video views in 2013, up 143 per cent year-on-year
 - o Thereof, FremantleMedia's more than 140 Youtube channels attracted 6.7 billion views, up 49 per cent year-on-year
 - o Mobile video views increased by 59 per cent in Germany, by 57 per cent in France and by 176 per cent in the Netherlands

Outlook

- Over the second half of 2013, TV advertising market conditions improved in most of RTL Group's European territories. Assuming that European economies will continue to recover from the debt crisis, RTL Group expects its total revenue, at constant scope and exchange rates, to be broadly stable
- RTL Group's EBITA for the full year 2014 is also expected to be broadly stable

The document with the more detailed full-year results 2013 and slides from the presentation will be available to download at www.rtlgroup.com/results_fy2013.aspx.

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About RTL Group

RTL Group is the leading European entertainment network, with interests in 55 television channels and 27 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 company also operates the joint venture channels RTL CBS Entertainment HD in Southeast Asia and Big RTL Thrill in India. 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 22 countries, FremantleMedia's comprehensive global network is responsible for 8,500 hours of programming a year and distributes over 20,000 hours of content worldwide. Combining the catch-up TV services of its broadcasters, the newly acquired multichannel network BroadbandTV and FremantleMedia's more than 140 Youtube channels, RTL Group has become the leading European media company in online video.