press release

RTL Group generates strong financial results for 2012

Full-year EBITA exceeds €1 billion, for the third consecutive year – Record result from Mediengruppe RTL Deutschland – Five new TV channels launched

Luxembourg, 25 February 2013 − RTL Group, the leading European entertainment network, announces its audited results for the year ended 31 December 2012.

Highlights

In € million	Year to December 2012	Year to December 2011	Per cent change
Revenue	**5,998**	**5,765**	**+4.0**
Underlying revenue[1]	**5,872**	**5,704**	**+2.9**
Reported EBITA[2]	**1,078**	**1,134**	**(4.9)**
Reported EBITA margin (%)	**18.0**	**19.7**	
Reported EBITA	**1,078**	**1,134**	
Impairment of investment in associates and amortisation and impairment of fair value adjustments on acquisitions of subsidiaries and joint ventures	(92)	(19)	
Re-measurement of earn-out arrangements	2	–	
Gain/(Loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	(9)	107	
EBIT	**979**	**1,222**	**(19.9)**
Net financial expense	(11)	(29)	
Income tax expense	(277)	(302)	
Profit for the year from continuing operations	**691**	**891**	
Loss for the year from discontinued operations	(1)	(96)	
Profit for the year	**690**	**795**	**(13.2)**
Attributable to:			
Non-controlling interests	93	99	
RTL Group shareholders	**597**	**696**	**(14.2)**
Basic EPS continuing operations (in €)	**3.89**	**5.01**	
Basic EPS discontinued operations (in €)	(0.01)	(0.48)	
Reported EPS (in €)	**3.88**	**4.53**	
Proposed/paid total dividend per share (in €)	**10.50**	**5.10**	

Regulated information

[1] Adjusted for the disposal of radio stations in the Netherlands, the acquisition of cable channels in Hungary, 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

RTL Group's revenue reaches a record €6.0 billion, despite an increasingly challenging economic environment

- Reported Group revenue up 4.0 per cent to €6.0 billion, reflecting higher revenue from Mediengruppe RTL Deutschland and FremantleMedia, and exchange rate effects

- For the third consecutive year, RTL Group generated an EBITA of more than €1 billion, despite an increasingly challenging economic environment

    - EBITA decreased 4.9 per cent to €1,078 million as a significantly higher profit contribution from the German TV operations was offset by lower results from operations facing more challenging market conditions in other countries, higher investment in programming and portfolio effects such as the disposal of the Dutch radio stations

    - Reported EBITA margin remains at a healthy level of 18.0 per cent (2011: 19.7 per cent)

- Net profit attributable to RTL Group shareholders down to €597 million (2011: €696 million), mainly due to an impairment amounting to €72 million on RTL Group's shareholding in the Spanish broadcaster Grupo Antena 3

- Net cash from operating activities was €925 million, resulting in an operating cash conversion of 101 per cent and a net cash position of €1,051 million at the end of 2012

- Throughout 2012, European TV advertising markets clearly reflected local macro-economic developments: while the German TV advertising market was slightly up, the French, Dutch and Belgian markets were estimated to be down year-on-year, with a significant slowdown over the second half of the year; markets in Spain, Hungary and Croatia continued to experience a more pronounced decline

- 44 per cent of RTL Group's revenue originates from a broad range of non-advertising activities such as content production, rights trading, teleshopping, e-commerce, merchandising

A more efficient capital structure, providing sufficient flexibility to invest

- On 24 February 2013, RTL Group's Board of Directors decided to distribute an interim dividend, comprising an ordinary dividend of €5.1 per share and an extraordinary dividend of €5.4 per share

- The total dividend amounting to €1.6 billion will be funded by the Group's net cash position and debt in the form of a shareholder loan from Bertelsmann provided at arm's length terms and at current market conditions. The dividends will be paid on 7 March 2013

- As a result of this, RTL Group will have a 2012 net debt to EBITDA ratio of around 0.5 times. This conservative level of gearing creates a more efficient capital structure, in line with the industry, and still provides sufficient flexibility to invest

- The Board also approved a new dividend policy going forward, targeting a pay-out ratio of 50 to 75 per cent of the adjusted consolidated net profit attributable to RTL Group shareholders

- RTL Group notes that Bertelsmann is considering a reduction of its shareholding in RTL Group through a capital market transaction, while maintaining a qualified majority of approximately 75 per cent. While the Supervisory Board of Bertelsmann has in principle approved a potential reduction of shares in RTL Group, no final decision has been taken yet on whether or not Bertelsmann will offer any part of its shareholding in RTL Group. We expect Bertelsmann to release further information as and when appropriate

RTL Group's largest profit centre achieves a record result

- Mediengruppe RTL Deutschland achieved a combined audience share of 33.7 per cent among young viewers aged 14 to 49, and remained the clear market leader, 5.9 percentage points ahead of its main commercial competitor. EBITA increased by 9.8 per cent to €581 million – the best ever full-year operating profit for RTL Group's largest profit centre

- In France, M6 was again the only major French channel to increase its total audience share year-on-year. As a result, the combined total audience share of Groupe M6 grew to 15.5 per cent. EBITA of Groupe M6 decreased to €224 million as a result of lower advertising revenue and programming investment related to the Euro 2012 football championship

- RTL Nederland attracted a combined prime time audience share of 32.3 per cent in the commercial target group, with a significant lead of 12.3 percentage points over its main commercial competitor. Following record results in 2011, EBITA decreased to €97 million due to a weaker TV advertising market and scope changes resulting from the exit of the Dutch radio stations

- RTL Group's content production arm FremantleMedia continued to produce number one prime time shows for the leading broadcasters in almost every major TV market in the world; the company's revenue grew by 19.7 per cent, driven by growth in the US, UK, Germany and Asia-Pacific, exchange rate effects, and recharges without margins to third parties for certain production contracts; EBITA decreased slightly to €138 million

- RTL Belgium and the RTL radio family in France remained clear market leaders and generated stable profit contributions

RTL Group makes good progress in all strategic fields – broadcasting, content and digital

Broadcasting

- In total, RTL Group launched five new TV channels in 2012 – a significant investment to further strengthen the broadcasting business:
    - 1 April 2012: launch of digital free-TV channel RTL Nitro in Germany. This is the most successful channel launch in recent years, with an audience share of 0.7 per cent among young viewers in December 2012
    - 1 September 2012: launch of digital children's channel RTL Telekids in the Netherlands
    - 1 October 2012: launch of family entertainment cable channel RTL II in Hungary; in the period October to December 2012, RTL II attracted an average audience share of 0.8 per cent among viewers aged 18 to 49
    - 5 November 2012: launch of action entertainment channel Big RTL Thrill in India, RTL Group's first broadcasting venture outside of Europe; the channel already reaches more than 25 million households
    - 12 December 2012: launch of 6ter in France, Groupe M6's new general entertainment channel for the whole family. 6ter has quickly become the audience leader among the six new DTT channels launched in France at that time

Content

- FremantleMedia's key formats capture mass audiences around the globe
    - *American Idol* has been the number one entertainment series in the US – the biggest TV market worldwide – for the past nine years
    - With an average total audience share of 40.8 per cent, *Britain's Got Talent* was the highest rated entertainment series in the UK for 2012
    - The local versions of *The Farmer Wants A Wife* in France, the Netherlands and Germany continued to score excellent ratings, with audience shares of up to 43.7 per cent
- FremantleMedia's new management team has put a clear focus on fuelling its creative pipeline, developing new formats and building brands, across a broad range of genres, while maintaining market leadership in its core business areas
    - The new structure announced on 1 February 2013 will create a Digital & Branded Entertainment division alongside a new global division focused on distribution and kids & family entertainment. Other commercial ancillary activities will be undertaken by the local production companies

- The kids & family entertainment division has signed a new five-year partnership with BBC Children's to develop and co-produce a continuous sequence of new children's programmes

Digital

- RTL Group's online platforms and on-demand offers across Europe collectively generated more than 2.4 billion video views of professionally produced content in 2012 – up 25 per cent year-on-year

- Mobile video views increased by 58 per cent to 118 million in Germany and by 119 per cent to 70.5 million in France

- RTL Group's online network comprises more than 200 websites, reaching an average 61 million unique users a month

- On 17 October 2012, RTL Nederland announced the acquisition of Videostrip, the Netherland's leading online video advertising network, which generated 1.3 billion video views and delivered 392 million ads in 2012

- FremantleMedia has become the highest-rated TV producer on Youtube, with 101 channels registering 4.5 billion views in 2012

    - The Youtube channels for the UK versions of *X Factor* and *Got Talent* have generated well over a billion hits around the world

    - In addition to its established TV format brands, FremantleMedia launched four Youtube-funded channels in 2012. The move is part of the company's strategy to produce original, quality programming for multiple media platforms

"A clear focus on maintaining our leadership positions and delivering financially"

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

"In 2012, RTL Group has once again demonstrated that it can operate successfully even in a very challenging economic environment. For the third consecutive year, our EBITA exceeded €1 billion. Our EBITA margin was very healthy at 18.0 per cent and our largest profit centre, Mediengruppe RTL Deutschland, achieved a new record EBITA of €581 million. This on-going success is based on RTL Group's unique set-up: we are the only pan-European free-TV group with a worldwide content production powerhouse.

Based on our strong financials, we also stepped up our investments and initiatives in our three strategic fields of broadcasting, content and digital. During 2012, RTL Group successfully launched five new TV channels. We are also building a strong and rapidly growing presence in non-linear TV and exploring the field of online video networks, with our first Youtube channels produced by FremantleMedia.

Our expertise in content and creativity has already proven to be a competitive advantage for the non-linear TV world as audiences are attracted by hit formats and established brands, across all screens and devices. This is why RTL Group is well positioned to develop a leading position in high-growth markets such as online video advertising.

Looking to 2013, economic conditions remain challenging, in line with local market conditions, and visibility continues to be limited. Facing this environment, we have a clear focus on maintaining our leadership positions and delivering financially while pursuing opportunities in broadcasting, content and digital which will develop the business further in future years."

RTL Group results conference call for journalists:

Date:	25 February 2013 11:00 (Luxembourg) / 10:00 (London)
Number to dial:	+44 (0) 20 3003 2666
Password:	RTL Group

The full-year financial report 2012, slides from the presentation and an MP3 file will be available to download at www.rtlgroup.com/results_fy2012.aspx

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About RTL Group

RTL Group is the leading European entertainment network, with interests in 53 television channels and 28 radio stations in ten countries 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 channel Big RTL Thrill in India and has interests in National Media Group in Russia. RTL 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 producers outside the US. Each year, it produces more than 9,100 hours of programming across 62 countries.

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