

RTL Group pulls through crisis with strong results – net result on the level of 2008

Luxembourg, 11 March 2010 – RTL Group, the leading European entertainment network, announces its audited results for the year ended 31 December 2009.

Highlights

In EUR million	Year to December 2009	Year to December 2008	Per cent change
Revenue	5,410	5,774	(6.3)
Underlying revenue¹	5,284	5,711	(7.5)
Reported EBITA²	755	916	(17.6)
Restructuring charges	34	32	
Start-up losses ³	46	23	
Adjusted EBITA	835	971	(14.0)
Reported EBITA margin (%)	14.0	15.9	
Adjusted EBITA margin (%)	15.4	16.8	
Reported EBITA	755	916	(17.6)
Impairment of goodwill and of disposal group and amortisation and impairment of fair value adjustments on acquisitions	(247)	(407)	
Loss from sale of subsidiaries, joint ventures and other investments	–	(9)	
Net financial income	10	28	
Income tax expense	(220)	(232)	
	<i>of which: Current tax expense</i>	<i>(192)</i>	<i>(195)</i>
	<i>Deferred tax expense</i>	<i>(28)</i>	<i>(37)</i>
Profit for the year	298	296	+0.7
Attributable to:			
Minority interest	93	102	
RTL Group shareholders	205	194	+5.7
EPS (in EUR)	1.33	1.26	
Adjusted EPS (in EUR)⁴	2.85	3.87	
Proposed/paid total dividend per share (in EUR)	3.50	3.50	

Regulated information

¹ Adjusted for Alpha Media Group in Greece, RTL Klub in Hungary, other minor scope changes and at constant exchange rates

² 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 and gain or loss from sale of subsidiaries, joint ventures and other investments

³ Primarily Alpha Media Group in Greece and the digital television channels in the UK

⁴ Adjusted earnings per share represents the net profit for the period adjusted for impairment of goodwill, disposal groups and amortisation of fair value adjustments on acquisitions, gain or loss from sale of subsidiaries, joint ventures and other investments, net of income tax expense and one-off tax effects

Record second half-year leads to satisfying set of results for fiscal year 2009

- Reported Group revenue down 6.3 per cent to EUR 5,410 million as most TV advertising markets across Europe declined by double-digit rates; RTL Group's investments in content production and diversification businesses helped to better balance the Group's financial position
- With a record second half-year EBITA of EUR 437 million (up 5.6 per cent year-on-year), full-year EBITA reached EUR 755 million (down 17.6 per cent), despite
 - higher start-up losses (EUR 46 million) which mainly resulted from the first-time full-year consolidation of Alpha Media Group in Greece, and
 - significant one-time charges, including restructuring costs in the UK, Germany and Greece totalling EUR 34 million, and a significant programme write-down at Five amounting to EUR 22 million
- Healthy EBITA margin of 14.0 per cent (2008: 15.9 per cent); the EBITA margins of the big five profit contributors – Mediengruppe RTL Deutschland, Groupe M6, FremantleMedia, RTL Nederland and RTL Belgium – remained stable or even increased
- Net profit attributable to RTL Group shareholders up 5.7 per cent to EUR 205 million despite goodwill impairments on Five Group in the UK and Alpha Media Group in Greece
- Net cash from operating activities was EUR 763 million, resulting in an operating cash conversion of 106 per cent and a net cash position of EUR 789 million at the end of 2009
- Proposed dividend for 2009 of EUR 3.50 per share, based on RTL Group's sound financial position and the fact that there is no major acquisition target in the short term (for 2008: total dividend of EUR 3.50 per share)

Costs down by EUR 371 million, audience ratings up

- Since the fourth quarter of 2008, RTL Group has placed a strong focus on cost cutting in response to the substantial slowdown in advertising bookings. On a constant scope basis – excluding restructuring costs and other one-off effects – operating costs fell EUR 371 million, compared to 2008
- Despite significant programme cost savings, RTL Group's families of channels achieved higher audience shares in almost all countries
 - Germany: costs down by 14 per cent, audience share up to 34.4 per cent (+1.5 percentage points)
 - France: costs down by 7 per cent, audience share up to 21.6 per cent (+0.4 percentage points)
 - The Netherlands: costs down by 14 per cent, audience share up to 32.3 per cent (+1.8 percentage points)
 - Belgium: costs down by 6 per cent, audience share up to 38.9 per cent (+2.9 percentage points)
 - UK: costs down by 19 per cent, audience share slightly up to 6.27 per cent (+0.03 percentage points)

- Mediengruppe RTL Deutschland increased its clear audience leadership over main competitor ProSiebenSat1 to 4.3 percentage points, mainly driven by the strong performance of flagship channel RTL Television. EBITA was EUR 366 million, down 11.6 per cent due to significantly lower advertising revenue
- Groupe M6 demonstrated its resilience in a strong economic downturn: EBITA remained almost stable at EUR 195 million, driven by significantly lower programme costs at the main channel and higher profit contributions from its digital channels and diversification activities. Groupe M6 was the only family of channels in France with growing ratings
- Worldwide production arm FremantleMedia reached again the record results level of the previous year. Despite general pressure on the profit margins, EBITA remained stable at EUR 155 million
- EBITA of RTL Nederland increased to EUR 72 million, thanks to an early focus on cost reduction. A strong ratings performance was mainly driven by the flagship channel, RTL 4, which significantly increased its audience share to become the clear market leader once again
- The newly acquired Alpha Media Group initiated comprehensive restructuring and cost reduction measures in reaction to the downturn of the Greek market. Despite these savings, Alpha TV's audience share increased significantly year-on-year, proving that the new programming strategy is working

Continued investments in digital activities, content and diversification

- In total, RTL Group's online platforms across Europe registered more than 1 billion video streams, delivering professionally produced content to our viewers – an increase of 49 per cent compared to 2008
- On-going improvement and extensions of RTL Group's popular catch-up TV services
 - Launch of Vox Now in Germany, W9 Replay in France, and RTL Most in Hungary
 - Groupe M6 complemented its market-leading offer with a new paid service, M6 VOD, which features premium content such as movies and season passes for popular TV series, and M6 Bonus, a free service offering highlights of M6's signature programmes, as well as interviews, making-ofs and outtakes
 - M6 Replay and RTL Gemist also became available on TV screens
 - Selected programmes from M6 Replay and RTL Now are also available on mobile phones
- At the beginning of October 2009, RTL Nederland launched the special-interest channel RTL Lounge, which targets young women with Dutch and international drama and lifestyle programmes. The channel has already become the most viewed digital channel in the Netherlands
- In February 2009, FremantleMedia acquired a 75 per cent stake in Original Productions, the US-based creator of hit TV shows such as *Ice Road Truckers*

- In a unique extension of the *Idols* brand, FremantleMedia created a TV programme-based attraction – *The American Idol Experience* – at Walt Disney World Resort, Florida, which opened in February 2009
- Audiovisual rights companies Universum Film in Germany and SND in France achieved record results

“Good results, significant net cash position, high dividend proposal”

Gerhard Zeiler, Chief Executive Officer of RTL Group, said:

“In 2009, RTL Group had to operate in a tough economic environment, in particular during the first half of the year when the TV advertising markets declined at double-digit rates. With a strong year-end finish, RTL Group again achieved good full-year results and continued to operate at high levels of profitability.

At the beginning of 2009, in the midst of the economic uncertainty, we made it our top priority to significantly reduce the cost base in our core business of TV broadcasting, without losing audience shares. We have clearly achieved this goal. In almost every country, we actually increased our audience shares as our local management teams combined comprehensive cost cutting with smart programming decisions.

RTL Group has succeeded in limiting the negative EBITA impact of the advertising revenue shortfall and achieved a net result at the level of 2008. Our focus on cash generation led to a significant net cash position of EUR 789 million at the end of 2009. Based on this sound financial position and the fact that we don't see a major acquisition target in the short term, the Board has decided to recommend a gross dividend payout of EUR 3.50 per share, on par with the 2008 fiscal year.

The 2009 results across all our countries also show that our industry is flexible and resilient even in difficult situations and is able to master the challenges of the future. RTL Group's decentralised structure with strong CEOs gives the company a solid competitive edge.

Although the revenue decline has slowed considerably since autumn 2009, we cannot expect a quick recovery of advertising revenues to previous levels. While we remain cautious, we will also continue to invest in promising business opportunities, based on our strong brands and content. These include on-demand services as non-linear TV viewing grows rapidly, digital pay channels to establish a second revenue stream, content production, and our broad range of diversification businesses.”



RTL Group results conference call for journalists:

Date: Thursday 11 March 2010
11:00 (Luxembourg) / 10:00 (London)

Number to dial: +44 (0)203 003 2666

Password: Media

Slides from the presentation and an MP3 file will also be available to download at RTLGroup.com

For further information please contact:

Media
Oliver Herrgesell
Corporate Communications
Phone: +352/2486 5200
oliver.herrgesell@rtlgroup.com

Investor Relations
Andrew Buckhurst
Investor Relations
Phone: +352/2486 5074
andrew.buckhurst@rtlgroup.com

About RTL Group

RTL Group is the leading European entertainment network, with interests in 45 television channels and 31 radio stations in 11 countries and content production throughout the world. The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, Five in the UK, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia and Hungary, Alpha TV in Greece, Ren TV in Russia and Antena 3 in Spain. RTL Group's flagship radio station is RTL in France, and the company 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 9,500 hours of programming across 57 countries.