

Q1/2018: RTL Group reports good operating performance

- **Growing TV advertising revenue in RTL Group's main broadcasting markets of Germany, France and the Netherlands**
- **However, Q1 revenue negatively impacted by exchange rate effects**
- **Higher EBITDA contributions from the TV businesses in Germany, France and the Netherlands**
- **RTL Group confirms full-year outlook**

Luxembourg, 17 May 2018 – RTL Group announces its quarterly results for the period ended 31 March 2018.

Q1/2018: Underlying revenue up by 2.6 per cent

- Reported Group revenue was stable at €1,416 million (Q1/2017: €1,405 million), as higher revenue contributions from Mediengruppe RTL Deutschland and RTL Nederland were partly balanced by negative exchange rate effects amounting to €29 million; underlying revenue¹ was up 2.6 per cent
- RTL Group's digital revenue² was up 6.7 per cent to €190 million (Q1/2017: €178 million)
- EBITDA was €259 million (Q1/2017: €264 million). The slight decrease was mainly due to losses at the football club Girondins de Bordeaux which increased by €11 million and offset higher EBITDA contributions from the TV businesses in Germany, France and the Netherlands. The EBITDA margin stood at 18.3 per cent (Q1/2017: 18.8 per cent)
- Net profit attributable to RTL Group shareholders was €111 million (Q1/2017: €137 million, including a positive one-off amounting to €14 million)
- Net cash from operating activities was €237 million (Q1/2017: €220 million), resulting in an operating cash conversion of 112 per cent (Q1/2017: 116 per cent)
- As of 31 March 2018, RTL Group had a net debt position of €365 million (31 December 2017: net debt of €545 million)

¹ Underlying revenue adjusted for portfolio changes and at constant exchange rates

² Excluding e-commerce, home shopping and platform revenue for digital TV

Segments: growing advertising revenue in key markets³

- Mediengruppe RTL Deutschland's EBITDA was up 1.2 per cent to €169 million (Q1/2017: €167 million), driven by higher TV advertising revenue
- At Groupe M6, EBITDA was almost stable at €76 million (Q1/2017: €77 million) as increasing EBITDA from the unit's TV channels (driven by higher TV advertising revenue) was offset by losses at the football club Girondins de Bordeaux which increased by €11 million
- FremantleMedia's EBITDA was at €13 million (Q1/2017: €15 million), mainly due to lower profit contributions from FremantleMedia North America
- RTL Nederland's EBITDA was up strongly to €6 million (Q1/2017: €1 million), driven by higher TV advertising revenue

“We will increase investments in our video-on-demand services”

Bert Habets, Chief Executive Officer of RTL Group:

“During the first quarter of 2018, we generated higher TV advertising revenue in our key markets of Germany, France and the Netherlands. However, this good revenue growth was offset by negative exchange rate effects. Our profitability remains at a high level, and with the strong operating performance of our major business units, we are in a very good position to write the next chapter in RTL Group's success story.

As we have said before, the first quarter is not necessarily an indicator for the full year – in particular in years with major sporting events such as the upcoming football World Cup. Thus, we will keep a close eye on seasonal swings in advertising spend and expect 2018 to be more back end loaded than the prior years.

In the first quarter of 2018, we launched three new video-on-demand platforms – in Hungary, Croatia and Belgium – all based on the 6play platform of Groupe M6. This is a textbook example of how closer collaboration across our Group can be key to scaling up digital businesses. We will increase investments in our video-on-demand services with a clear focus on local, exclusive content, and gradually adopt a hybrid model – combining a free, advertising-financed service with a premium pay product.”

³ 2017 comparatives have been re-presented as if the transactions had occurred on 1 January 2017 to take into account the following:

- The transfer of the international activities of Smartclip from Mediengruppe RTL Deutschland to SpotX (shown in “Other segments”) on 1 January 2018;
- The transfer of Smartclip Benelux from Mediengruppe RTL Deutschland to RTL Nederland on 1 January 2018;
- The transfer of RTL Radio (France) to Groupe M6 on 1 October 2017; and
- The transfer of Divimove from FremantleMedia to “Other segments” at 31 December 2017

Outlook

- RTL Group confirms its outlook given at the full-year results 2017 presentation on 7 March 2018: RTL Group expects its total revenue for the fiscal year 2018 to continue to grow moderately (+2.5 per cent to +5.0 per cent), driven by the Group's digital businesses and FremantleMedia
- The 2017 EBITDA included a positive one-off effect of €94 million from the sale of buildings in Rue Bayard, Paris. Normalised for this effect, RTL Group expects EBITDA in 2018 to be broadly stable (-1.0 per cent to +1.0 per cent)

RTL Group brings linear TV and on-demand services closer together

- In January 2018, RTL Group fully acquired United Screens, the leading multi-platform network (MPN) in the Nordic countries. With this investment, RTL Group expanded its footprint as the leading European media company in online video
- On 21 March 2018, Mediengruppe RTL Deutschland launched a new free-to-air channel: Now US focuses on US fiction. The channel is available exclusively via the VOD platform TV Now from 20:15 to 6:00. After broadcast, all programmes will be accessible on TV Now for up to 30 days. TV Now recorded paid subscriber growth for its TV Now Plus offer of 61 per cent compared to Q1/2017
- During the first quarter, RTL Group's families of channels in Croatia, Hungary and Belgium launched their new video-on-demand offers. These platforms are based on Groupe M6's 6play platform adapted to local needs
- RTL Nederland's video-on-demand service, Videoland, recorded paid subscriber growth of 82 per cent compared to Q1/2017. In April 2018, RTL Nederland announced that it plans to merge its video-on-demand offers – Videoland and RTL XL – into a single platform

Exclusive content continues to increase audiences

- In March 2018, US network ABC launched the return of *American Idol*. The show attracted an average audience of 10.1 million viewers and a total audience share of 9.6 per cent so far, over 50 per cent higher than ABC's prime time average. In May 2018, ABC commissioned another season of *American Idol* which is expected to be broadcast in 2019
- In Germany, UFA Fiction's historical three-part drama *Ku'damm 59* attracted an average 5.85 million viewers and an average total audience share of 16.8 per cent for public broadcaster ZDF. The show also generated a new record for the channel's on-demand service, with an average 1.3 million streams per episode

Customer-friendly industry standard facilitates user experience

- In March 2018, Mediengruppe RTL Deutschland, ProSiebenSat.1 and United Internet launched the European netID Foundation. The foundation will provide an open industry standard, branded 'netID', which allows websites in Europe to offer its users access to a standardised privacy centre that guarantees the transparent handling of their data as well as tighter control over it

Key financial figures (January to March 2018):

In € million	Q1/2018	Q1/2017	Per cent change
Revenue	1,416	1,405	+0.8
Underlying revenue⁴	1,438	1,401	+2.6
EBITDA⁵	259	264	(1.9)
EBITDA margin (%)	18.3	18.8	
EBITDA	259	264	(1.9)
Depreciation, amortisation and impairment	(52)	(50)	
Impairment of investments accounted for using the equity method	(2)	–	
Re-measurement of earn-out arrangements	–	(1)	
Gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	–	14	
EBIT	205	227	(9.7)
Net financial expense	(1)	(3)	
Income tax expense	(76)	(70)	
Profit for the period	128	154	(16.9)
<i>Attributable to:</i>			
<i>Non-controlling interests</i>	17	17	
RTL Group shareholders	111	137	(19.0)
Reported EPS (in €)	0.72	0.89	

The full report for the first-quarter results 2018 and slides from the presentation will be available to download at www.rtlgroup.com/results-q1-2018

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⁴ Adjusted for minor scope changes and at constant exchange rates

⁵ See note 4 to the condensed consolidated interim financial statements

About RTL Group

RTL Group is a leader across broadcast, content and digital, with interests in 61 television channels and 30 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. 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, 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 30 countries, FremantleMedia's comprehensive global network is responsible for more than 12,500 hours of programming a year and distributes over 20,000 hours of content worldwide. Combining the on-demand services of its broadcasters, the multi-platform networks BroadbandTV, StyleHaul, Divimove, United Screens and FremantleMedia's more than 300 YouTube channels, RTL Group has become the leading European media company in online video. RTL Group also owns the advanced video ad serving platform SpotX. For more information, please visit RTLGroup.com and follow RTL Group on Twitter @rtlgroup. RTL Group – Entertain. Inform. Engage.

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