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GERMAN TV BUSINESS DRIVES RTL GROUP'S RECORD RESULTS IN 2017

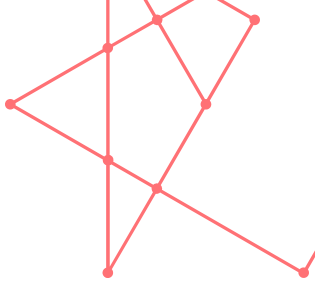
- Full-year revenue up 2.2 per cent to €6,373 million; EBITDA up 3.8 per cent to €1,464 million
- Digital revenue ("Digital" refers to the internet-related activities with exception to online sales of merchandise ("e-commerce"). Digital revenue spreads over the different categories of revenue, for example other advertising sales, the production/distribution of films, programmes and other rights and the professional services, excluding e-commerce, home shopping and platform revenue) continues to grow dynamically, up by 23.3 per cent to €826 million
- Attractive shareholder returns: final dividend of €3.00 per share in addition to the interim dividend of €1.00 per share already paid in September 2017, representing a dividend yield of 5.9 per cent for the fiscal year 2017

Luxembourg, 7 March 2018 – RTL Group announces its audited results for the year ended 31 December 2017.

2017 was another successful financial year for RTL Group – and this despite challenging TV advertising markets across the Group's footprint. RTL Group's business model stands for resilient top-line growth, a well-diversified revenue mix and high-quality earnings. This set of strong results shows that RTL Group is in an excellent position to write the next chapter in its success story. As a key strategic priority, RTL Group will expand its direct-to-consumer on-demand services, driven by investments in local, exclusive content.

RTL Group reports record **EBITDA for the fifth consecutive year**

- Group revenue increased 2.2 per cent to €6,373 million (2016: €6,237 million), once again reaching a record level. This was mainly driven by higher revenue from Mediengruppe RTL Deutschland, Groupe M6 and RTL Group's rapidly growing digital businesses, despite the fact that all European net TV advertising markets in RTL Group's territories were down or stable year-on-year
- Platform revenue (Revenue generated across all distribution platforms (cable, satellite, IPTV) including subscription and re-transmission fees) was up 13.5 per cent to €319 million (2016: €281 million), while digital revenue grew dynamically by 23.3 per cent to €826 million (2016: €670 million)



- RTL Group's revenue is well diversified with 47.5 per cent from TV, 20.1 per cent from content, 13.0 per cent from digital activities, 5.0 per cent from platform revenue, 4.0 per cent from radio advertising and 10.4 per cent from other revenue
- EBITDA (See note 3 to the Consolidated Financial Statements in the RTL Group Annual Report 2017) also reached a new record level with €1,464 million compared to €1,411 million in 2016 (up 3.8 per cent). The increase results from higher EBITDA contributions from Mediengruppe RTL Deutschland, FremantleMedia and a positive one-off effect from the sale of RTL Group's buildings in Rue Bayard, Paris, of €94 million
- EBITDA margin was up to 23.0 per cent (2016: 22.6 per cent)
- Net profit attributable to RTL Group's shareholders increased by 2.6 per cent to €739 million (2016: €720 million), mainly resulting from the higher EBITDA
- Net cash from operating activities (See note 3 to the Consolidated Financial Statements in the RTL Group Annual Report 2017) was €1,023 million, resulting in a higher operating cash conversion (See note 3 to the Consolidated Financial Statements in the RTL Group Annual Report 2017) of 104 per cent (2016: 97 per cent). Net financial debt (See note 3 to the Consolidated Financial Statements in the RTL Group Annual Report 2017) was €545 million at the end of 2017 (2016: net financial debt of €576 million)
- Following an already exceptionally strong fourth quarter in 2016, Group revenue was up 0.8 per cent at €2,023 million (Q4/2016: €2,007 million), while EBITDA was up strongly to €575 million (Q4/2016: €508 million) in the fourth quarter of 2017. This reflects higher EBITDA contributions from FremantleMedia and RTL Nederland as well as the one-off effect from the sale of RTL Group's buildings in Rue Bayard, Paris, of €94 million, partly balanced by restructuring provisions
- RTL Group's Board of Directors has proposed a final dividend of €3.00 per share for the fiscal year 2017. This reflects the Group's strong cash flows, future investment plans and its target net debt to full-year EBITDA ratio5 of 0.5 to 1.0 times. In addition, RTL Group already paid an interim dividend of €1.00 per share for the fiscal year 2017 in September 2017 (2016: final dividend of €3.00 per share plus interim dividend of €1.00)
- Based on the average share price in 2017 (€68.25 (Frankfurt Stock Exchange)), the total dividends for the fiscal year 2017 (€4.00 per share; 2016: €4.00 per share) represent an attractive dividend yield of 5.9 per cent (2016: 5.4 per cent) and a payment of 83 per cent of the reported EPS (€4.81)

Segments: Mediengruppe RTL Deutschland and FremantleMedia drive RTL Group profit growth

- For the sixth consecutive year, Mediengruppe RTL Deutschland generated record earnings: EBITDA grew by 3.5 per cent to €743 million (2016: €718 million), mainly driven by higher TV and digital advertising as well as platform revenue – despite the challenging environment in which the German net TV advertising market was estimated to be down
- In 2017, Groupe M6's EBITDA was down to €389 million (2016: €400 million) (2016 figures for Groupe M6 pro-forma including RTL Radio (France)), mainly due to the positive one-off effect from the gradual phase-out of the M6 Mobile contract in 2016. Adjusted for this effect, EBITDA was up 9 per cent. The French TV advertising market was estimated to be stable year-on-year, with Groupe M6's channels outperforming the market
- EBITDA of FremantleMedia – RTL Group's global content production arm – increased to €140 million (2016: €129 million), reflecting higher profit contributions from the businesses in North America and Europe. The

EBITDA margin improved to 9.5 per cent (2016: 8.6 per cent)
- RTL Nederland's EBITDA was down to €87 million (2016: €96 million), due to lower advertising revenue and higher investment in the SVOD platform Videoland

"We will re-invigorate RTL's pioneering spirit"

Bert Habets, Chief Executive Officer of RTL Group, comments:

"This set of strong results shows that we are in an excellent position to write the next chapter in RTL Group's success story. To succeed in this mission, we have to go back to our roots, to re-invigorate RTL's pioneering spirit – one of taking calculated risks, putting consumers first to maximise the time they spend with our content and sharing best practices and business opportunities across our Group.

While we have a highly profitable, cash-generating core business in TV broadcasting, growth in our 'Total Video' industry mainly comes from non-linear or streaming services. To tap into this significant growth potential, we will increase investment in our on-demand services in the countries where we have strong families of channels. The launch of new services in Belgium, Hungary and Croatia over the next few months – all based on the French 6play platform – is the first example. We will also continue to build and develop our multi-platform networks and our investments in ad-tech.

FremantleMedia will continue its successful push into high-end drama production, in all key countries. And with this push, also the streaming platforms become meaningful clients for FremantleMedia as recently demonstrated with American Gods and Deutschland 86."

Elmar Heggen, Chief Financial Officer of RTL Group, says:

"2017 was another successful financial year – and this despite challenging TV advertising markets across our footprint. In addition, unfavourable exchange rate effects, in particular in the fourth quarter, impacted our revenue growth. However, we once again report record results in terms of revenue and EBITDA and a very strong profit margin. Mediengruppe RTL Deutschland generated a record profit for the sixth consecutive year, while FremantleMedia significantly improved its profitability.

RTL Group's business model stands for resilient top-line growth, a well-diversified revenue mix and an excellent earnings profile. With our high levels of cash generation we have the financial means for both major investments and attractive dividend payments to our shareholders. That's why the Board of Directors has decided to propose to the AGM a final dividend of €3.00 per share."

More cross-media innovation

- Following the approvals of the French media regulator CSA ("Conseil supérieur de l'audiovisuel") and the completion of the employee consultations, the regrouping of RTL Group's French radio operations into Groupe M6 closed on 1 October 2017. RTL Group's voting rights in Groupe M6 were aligned to its economic shareholding of 48.26 per cent in Groupe M6 with effect as of 1 January 2018
- In May 2017, Mediengruppe RTL Deutschland signed a new distribution agreement with platform provider Vodafone, including the addition of live streams of Mediengruppe RTL Deutschland's TV channels into Vodafone's Giga TV app. In 2018, Groupe M6 signed several distribution agreements with major platform providers in France such as SFR-Altice, Canal+, Bouygues and Orange

- In July 2017, RTL Group was the largest investor in the Series A financing round of Inception, an Israel-based leader in Virtual Reality entertainment, and now holds a minority stake of 15.6 per cent in the company (on a fully diluted basis)
- In January 2018, RTL Group fully acquired United Screens, the leading multi-platform network (MPN) in the Nordic countries. With this investment, RTL Group expands its footprint as the leading European media company in online video
- **More exclusive programming**
  Live sporting events remain an important part of RTL Television's programme line-up. In December 2017, RTL Television and rights owner Formula One World Championship Limited (FOWC) announced that the TV channel will air live coverage of all Formula One races, exclusively on free-to-air television until 2020. Uefa Europa League football will also continue to be broadcast on free-to-air TV following Mediengruppe RTL Deutschland's acquisition of the broadcasting rights to the European club competition for its TV channels RTL Television and Nitro
- Groupe M6 has partnered with Uefa to broadcast French national football team matches for the next four seasons. This new partnership includes the live and exclusive broadcasting by Groupe M6 of half of the French national team's European Qualifiers for Uefa Euro 2020 and the 2022 Fifa World Cup; friendlies and preparation matches as well as matches of the first two editions of the new Uefa Nations League competition (in 2018 and 2020)
- On 9 May 2017, US network ABC announced an agreement with FremantleMedia North America and 19 Entertainment to revive American Idol for the 2017/18 season. The new season kicks off on 11 March 2018

More technology

- On 1 October 2017, RTL Group closed the transaction to take full ownership of SpotX and acquired the remaining 36.4 per cent shareholding for a total amount of €128 million of which €7 million have been contributed to SpotX
- Following this step, RTL Group pursues an ambitious growth plan for its ad-tech businesses with the main goal to create a global and independent monetisation platform for broadcasters, video-on-demand services and publishers through the combination of SpotX and Smartclip into one integrated ad-tech company. The share transfer was completed in January 2018, while the operational business combination of the two companies will be completed during the course of 2018
- RTL Group underlines how state-of-the-art technology and big data are key elements of all successful business models for the digital media world:
  - Mediengruppe RTL Deutschland and ProSiebenSat1 have formed an alliance with United Internet to create a unified registration and login service for consumers dubbed 'Login Alliance' with the intention to ease consumer usage and to protect the consumer from unverified data usage
  - Groupe M6 teamed up with several partners in France to form the alliance Gravity, allowing advertisers and agencies to benefit from diverse data segments to execute programmatic digital campaigns in all formats and devices
    Outlook
- RTL Group expects its total revenue for the fiscal year 2018 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

- Digital revenue is expected to continue to show dynamic double-digit growth and increase its share of RTL Group's total revenue to at least 15 per cent until 2020 to 2022
- RTL Group will keep a leverage target of 0.5 and 1.0 times net debt to full-year EBITDA for the fiscal year 2018. RTL Group will continue to focus on cash conversion and targets 2018 levels not below 85 to 90 per cent
- The dividend policy remains unchanged: RTL Group plans to pay out between 50 and 75 per cent of the adjusted net result for the fiscal year 2018

Financial Review

In € million	**2017**	**2016**	Per cent **change**
Revenue	**6,373**	**6,237**	**+2.2**
Underlying revenue (Adjusted for scope changes and at constant exchange rates)	**6,338**	**6,225**	
EBITDA (See note 3 to the Consolidated Financial Statements in the RTL Group Annual Report 2017)	**1,464**	**1,411**	**+3.8**
EBITDA margin (per cent)	23.0	22.6	
EBITDA	**1,464**	**1,411**	
Impairment of investments accounted for using the equity method	(6)	–	
Depreciation, amortisation and impairment	(233)	(221)	
Re-measurement of earn-out arrangements and gain/(loss) from sale of subsidiaries, other investments and re-measurement to fair value of pre-existing interest in acquiree	21	7	
EBIT (See note 3 to the Consolidated Financial Statements in the RTL Group Annual Report 2017)	**1,246**	**1,197**	
Net financial expense	(24)	(18)	
Income tax expense	(385)	(363)	
Profit for the year	**837**	**816**	
Attributable to:			
Non-controlling interests	98	96	
RTL Group shareholders	**739**	**720**	
Reported EPS (in €)	**4.81**	**4.69**	

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