

the
Leading European
Entertainment Network



**JP Morgan
TV Broadcasting
CEO Conference**

The Grove
11 July 2007

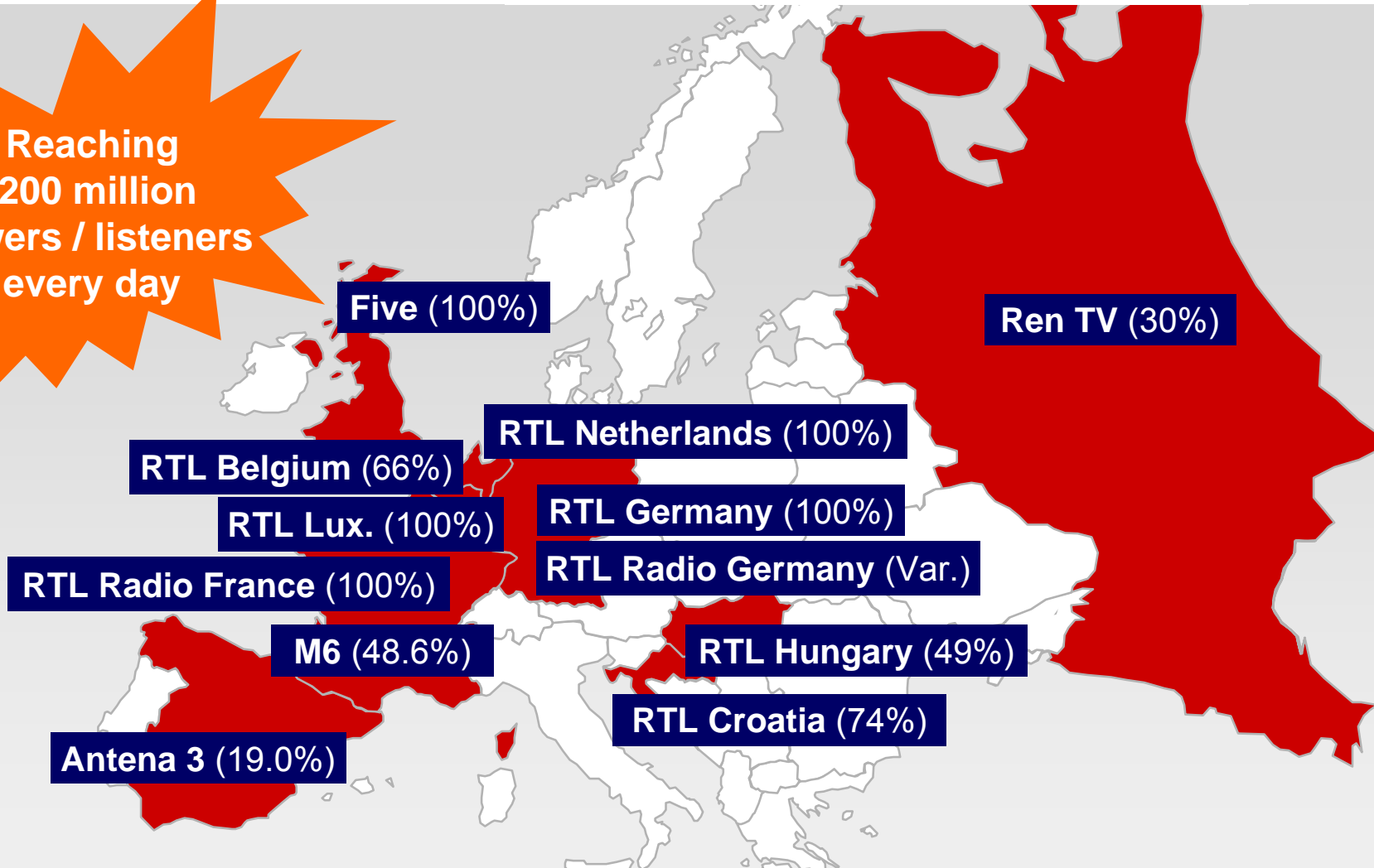
- **Introduction – RTL Group today**
- **Digital Strategy**
- **Conclusion**

Leading European
Entertainment Networks

RTL Group's Portfolio – Broadcasting & Radio



Reaching
200 million
viewers / listeners
every day



▶ 38 TV CHANNELS AND 29 RADIO STATIONS IN 10 COUNTRIES

RTL Group Shareholding in %

RTL Group's Portfolio - Content



300 programs
on air / in production

● Local production operation

▶ **FREMANTLE WITH LOCAL OPERATIONS IN 22 COUNTRIES...**

RTL Group's Portfolio - Content



300 programs
on air / in production

- Local production operation
- Territory with FM formats broadcast

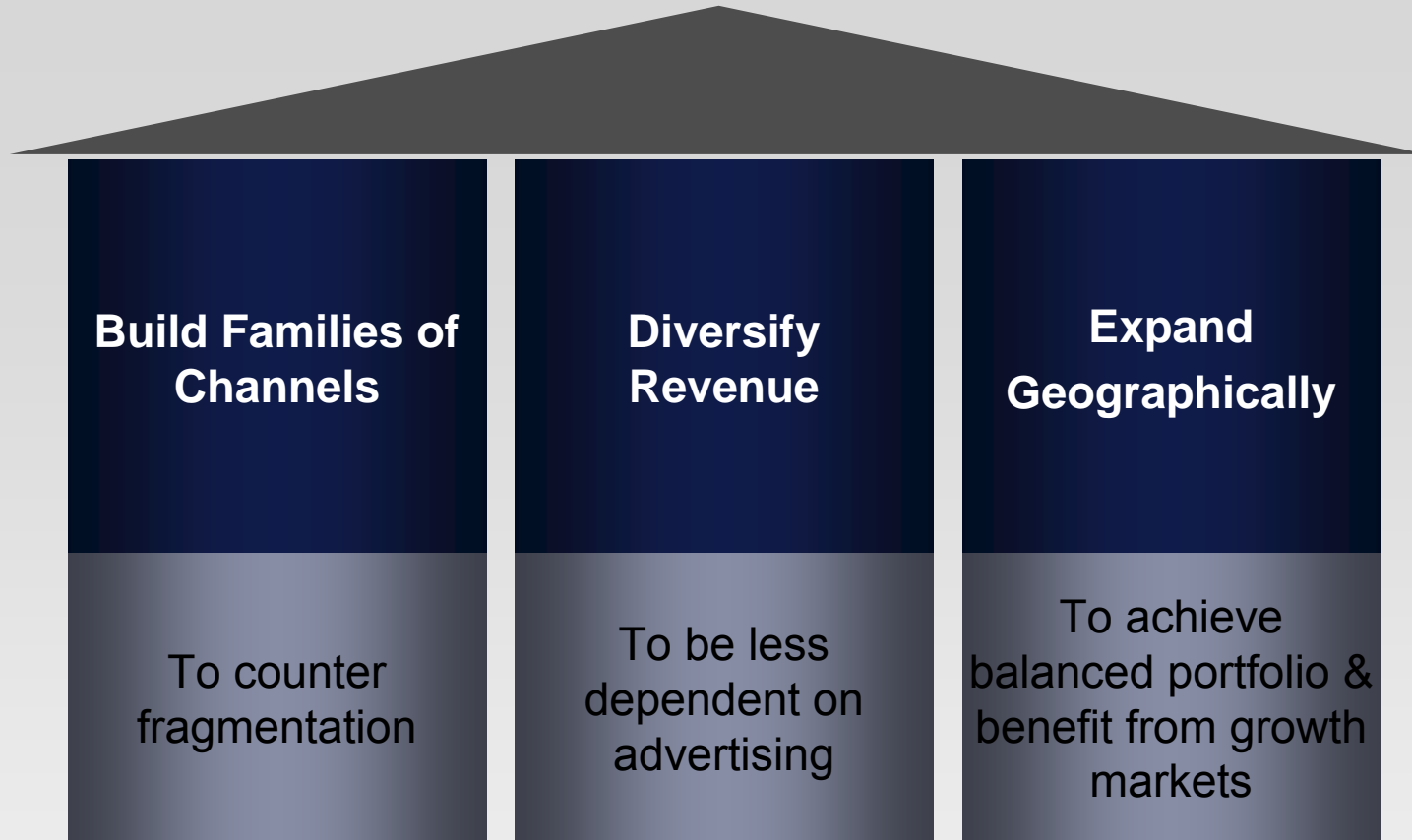
▶ ...AND 300 PROGRAMS BROADCAST IN MORE THAN 150 TERRITORIES.

Global Brand Pop Idol



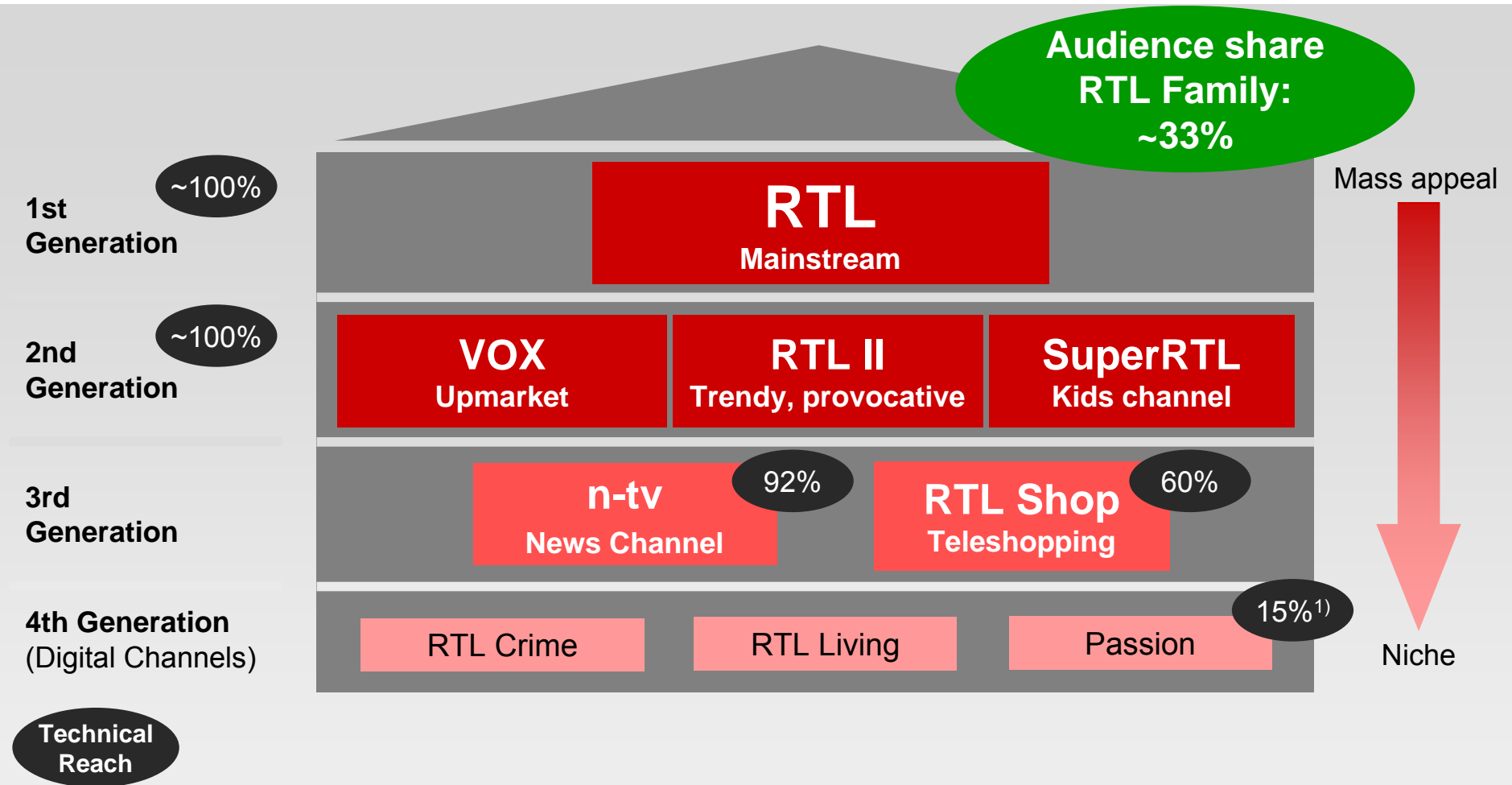
▶ ...AND SOME OF THE FORMATS TRAVEL AROUND THE WORLD

RTL Group's Three Pillar Strategy



▶ IMPLEMENTATION ONGOING SINCE 2003

Example Family of Channels: The RTL Family in Germany



- ▶ FAMILY OF CHANNELS WITH COMPLIMENTARY POSITIONING
- ▶ TOP-DOWN DEVELOPMENT OF FAMILY (FROM MASS TO NICHE)

1) Potential – RTL digital channels require subscription

Example Family of Channels: The RTL Families in the Netherlands and the UK



Netherlands

UK

Audience share: ~30%

Audience share: ~6%

~100%

~93%

RTL4
Mainstream

Five
Mainstream

RTL5
Upmarket

RTL7
Trendy, provocative

Five Life
Female

Five US
Best of US

~75%

RTL8 *coming soon*
Second chance viewing

~35%

Five Life +1

Five US +1

coming soon

Technical Reach

▶ ONGOING FURTHER DEVELOPMENT OF FAMILIES

Status of Market Positions

Total RTL Group Audience Share and Position in Target Group:

No. 1

Germany

33%

Netherlands

30%

Belgium

32%

Hungary

35%

Croatia

29%

France
Radio

19%

Regained in 2006

No. 2

France
TV

19%

Spain

19%

Challenger's challenger

UK

6%

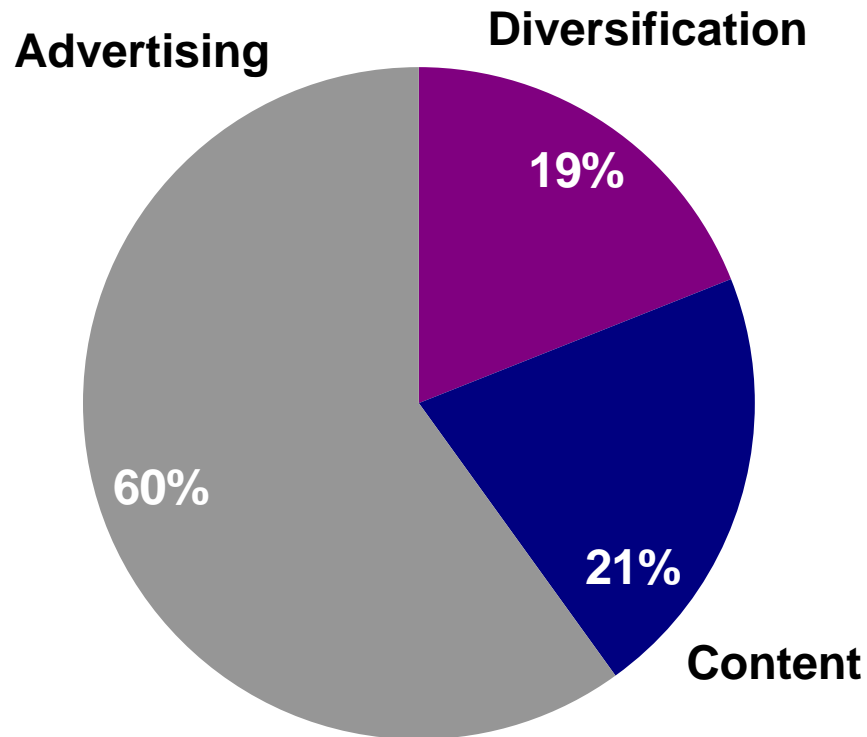
Russia

5%

▶ RTL GROUP NO. 1 OR 2 IN MOST MARKETS OF OPERATION

Diversify Revenue

RTL Group Revenue Split 2006



Diversification Examples

- Telephony / Call-In
- Home Shopping
- Online Shopping
- Merchandising
- Games
- Music
- Subscription Channels
- Rights Exploitation
- Football Club

▶ **ALREADY 40% OF RTL GROUP REVENUE ORIGINATE FROM BROAD RANGE OF NON-ADVERTISING ACTIVITIES**

Agenda



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Digitisation changes Parameters

Consumer Perspective

Whatever

Whenever

Wherever

Broadcasters' Challenges

Increasing Fragmentation

Emergence of new platforms

New consumer interaction and activity (on-demand platforms, communities, etc.)

RTL Group's answer: An extended Offer and Value Chain

Evolving structure of broadcaster's consumer offer

Analogue Broadcasting



Broadcaster's offers in the digital age

▶ OUR BROADCASTERS INCREASINGLY USE ALL NEW WAYS TO THE CONSUMER

RTL Group activities by platform

Video on demand



Terrestrial	Cable	Satellite	VoD	DSL/IP-TV	Mobile	Communities	Web-Portals
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Key Facts VoD Offers

	Content	Revenue model
Germany	<ul style="list-style-type: none"> ▪ Pay: Series (CSI), Soaps ▪ Free: Entertainment, Soaps 	<ul style="list-style-type: none"> ▪ Pay VoD ▪ Ad VoD
France	<ul style="list-style-type: none"> ▪ Pay: mainly US series ▪ Free: mainly Entertainment 	<ul style="list-style-type: none"> ▪ Pay VoD ▪ Ad VoD
Netherlands	<ul style="list-style-type: none"> ▪ Pay: B-Movies ▪ Free: Entertainment, News 	<ul style="list-style-type: none"> ▪ Pay VoD ▪ Ad VoD
UK	<ul style="list-style-type: none"> ▪ CSI and Grey's Anatomy 	<ul style="list-style-type: none"> ▪ Pay VoD

▶ **RTL BROADCASTERS WITH SUBSTANTIAL OFFERS – TRYING OUT EMERGING BUSINESS MODELS**

RTL Group activities by platform

IP-TV



Partnerships with Telcos: linear IP-TV distribution

Germany
Netherlands
Spain
Hungary

France
UK
Belgium
Croatia

Non-linear IP-TV

Description:

- Non-linear IP-TV platforms (Joost, etc.) not traditional broadcasting but on-demand platforms
- Main RTL Business Units in talks with all platform

Co-operation dependent on 2 issues:

- 1 Protection of copyrights
- 2 Business model (Ad Vod guarantees, etc.)

- ▶ RTL CHANNELS ALREADY PRESENT ON VARIOUS LINEAR IP-TV OFFERS
- ▶ NON-LINEAR IP-TV TREATED AS VOD PLATFORMS: TALKS WITH EVERYONE

RTL Group activities by platform

Mobile TV



Terrestrial	Cable	Satellite	VoD	DSL/IP-TV	Mobile	Communities	Web-Portals
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Germany

- Where: 3G TV offering of T-mobile, Vodafone
- What: Soap episodes, News clips and live stream of n-tv
- Other: RTL involved in DVB-H trials, applied for licence in national tender

France

- Where: 3G TV offering of Orange, TPS mobile bundle
- What: live stream of M6 channels
- Other: 3G mobile VOD of M6 key programs (e.g. Desperate Housewives)

Netherlands

- Where: 3G TV offering of Vodafone and Orange
- What: live stream RTL Z (News & Business)
- Other: 3G mobile VOD of key shows
- DVB-H: RTL to participate in offering launched this year (KPN)

UK

- No presence so far on 3G mobile TV offering but under discussions
- Participation in DVB-H trials and discussion for integration in a DAB offering (e.g. BT Movio)

Spain

- Mobile A3 clips distributed on Vodafone and Movistar
- Participation in all DVB-H trails

Fremantle

- Mobile channel "Atomic Wedgie" in the US (on Sprint, Helio)

▶ **RTL GROUP IN KEY MARKETS ALREADY PRESENT BEYOND TRIAL PHASE**

RTL Group activities by platform

User generated content / Examples Germany & France



Terrestrial

Cable

Satellite

VoD

DSL/IP-TV

Mobile

Communities

Web-Portals

Germany: CLIPFISH



- Germany's most active video community: 2.000 new videos uploaded every days
- Up to 125 million video views per month
- Weekly TV-format on RTL2

France: WIDEO.FR



- Fastest growing video community in France
- Over 30.000 new member per month
- Up to 18 million video views per month

▶ **RTL GROUP ONLINE VIDEO SITES PROFIT FROM STRONG TV CROSS-PROMOTION**

RTL Group activities by platform

Online-Offers of Key Business Units



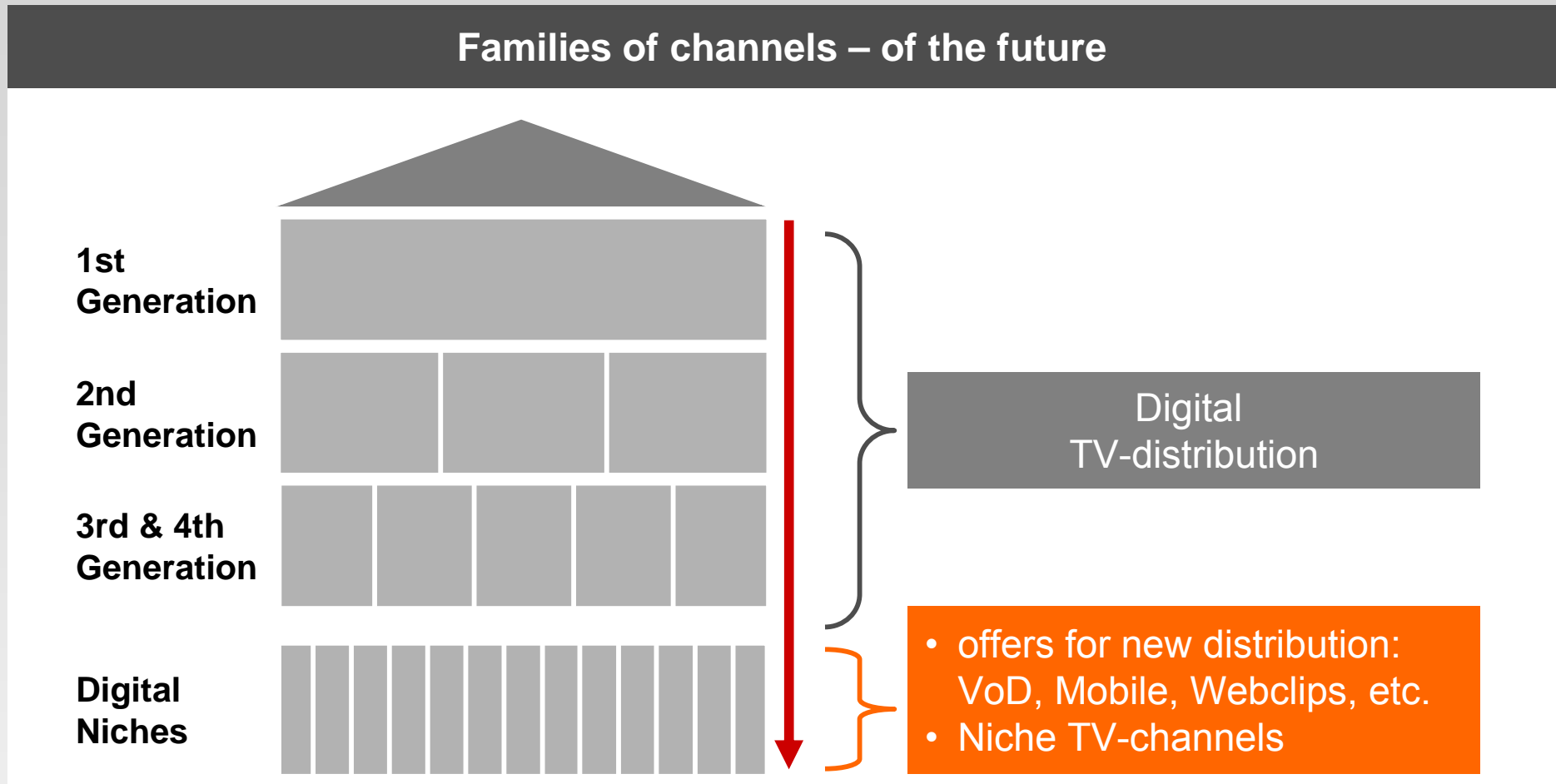
Terrestrial	Cable	Satellite	VoD	DSL/IP-TV	Mobile	Communities	Web-Portals
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Key Facts Broadcaster Portals

	RTL Germany	M6	RTL Netherlands	Five
Description	General Interest Portal	General Interest Portal	General Interest Portal	Broadcaster site/Promotion
Page Impressions per month	430 million	69 million	24.9 million	11.5 million
Unique Users per month	6 million	2.9 million	2.9 million	1.5 million
Online Revenue 2006	EUR 16 million			

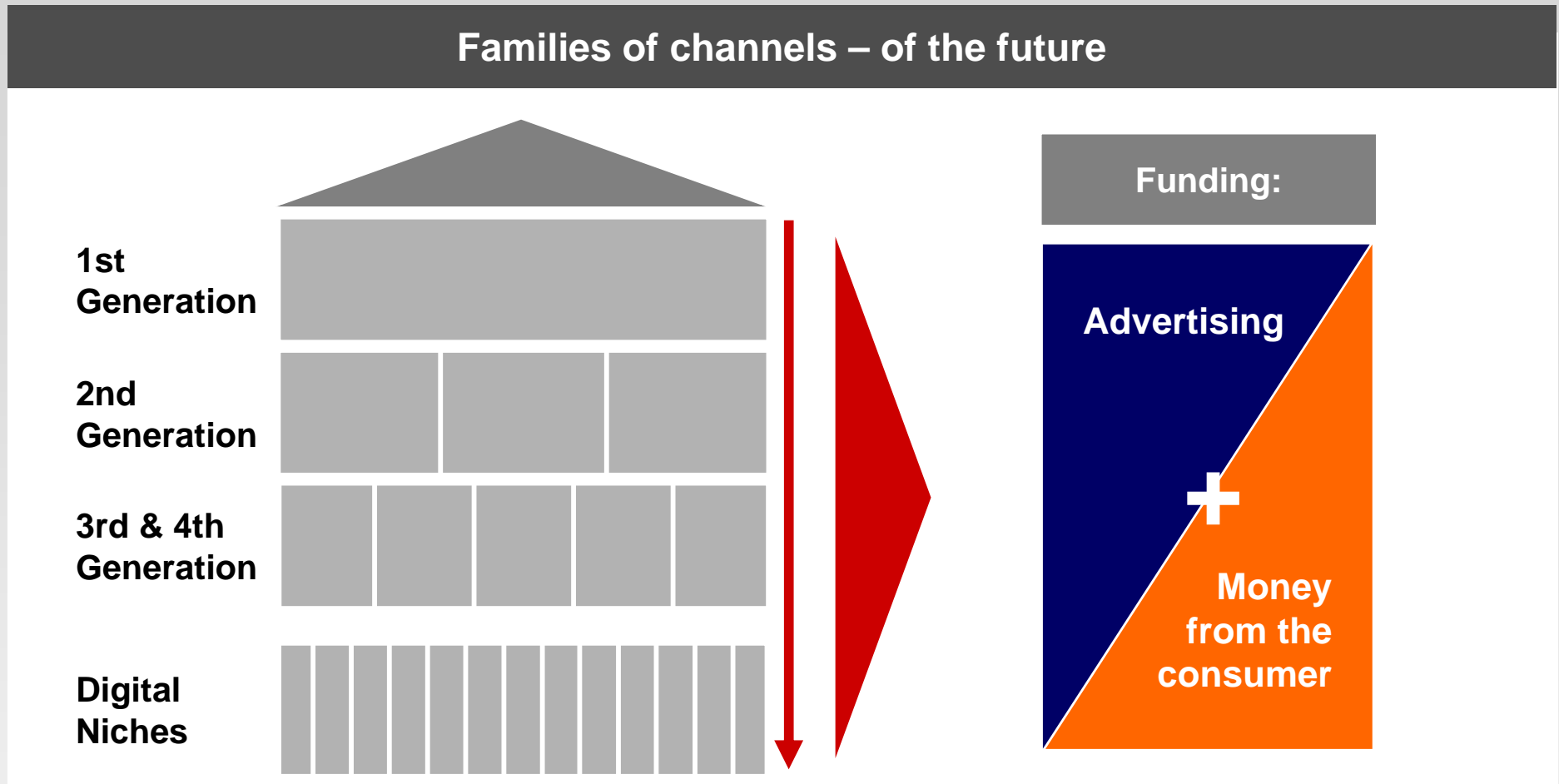
▶ **RTL GROUP IN KEY MARKETS WELL POSITIONED TO BENEFIT OF ONLINE ADVERTISING GROWTH**

Potential of families of channels even bigger



▶ **SUCCESSFUL FAMILIES IN THE DIGITAL WORLD EVOLVE FROM “CLASSIC” TO MULTI-PLATFORM FAMILIES**

Potential of families of channels even bigger



▶ **NEW OFFERS OPEN OPPORTUNITIES FOR NEW NON-ADVERTISING BUSINESS MODELS**

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Our Strategic Principles for the Digital World

5 Strategic Principles

1

**DON'T BE FRIGHTENED OF FRAGMENTATION:
FRAGMENT YOURSELF OR YOU WILL BE FRAGMENTED!**

2

**DON'T BE SCARED BY TECHNOLOGY: IT'S ALL ABOUT NEW WAYS
TO THE CONSUMER! – WE NEED TO TRY EVERYTHING!**

3

**DON'T RELY ON ONLY ONE CLIENT: DIVERSIFY REVENUE
STREAMS!**

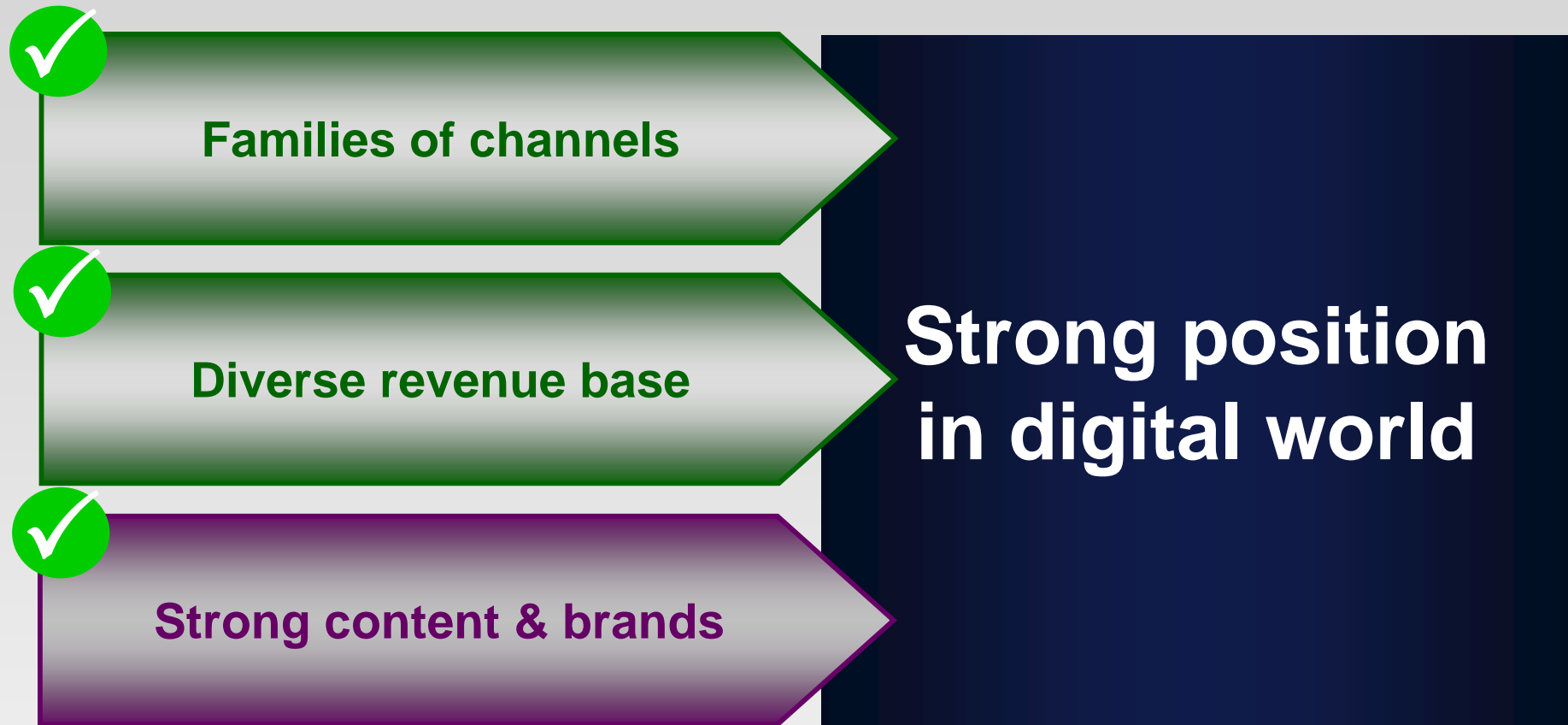
4

SERVE THE NICHE!

5

FOCUS AND INVEST IN CONTENT AND BRANDS!

Our Strategy revisited



▶ **OUR STRATEGY REMAINS UP-TO-DATE IN THE DIGITAL WORLD**

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