

# corporate profile

## **RTL Group – the leading European entertainment network**

With 45 television channels and 31 radio stations in 11 countries, RTL Group is the leading European entertainment network. The Luxembourg-based company operates TV channels and radio stations in Germany, France, Belgium, the Netherlands, the UK, Luxembourg, Spain, Greece, Russia, Hungary and Croatia. It is one of the world's leading producers of television content such as talent and game shows, drama, daily soaps and telenovelas, including *Idols*, *Got Talent*, *The X Factor*, *Good Times – Bad Times*, *Family Feud* and *The Bill*.

The company's history dates back to 1931 when the Compagnie Luxembourgeoise de Radiodiffusion (CLR) was founded. As a European pioneer, the company broadcast a unique programme in several languages using the same frequency. RTL Group itself was created in spring 2000 following the merger of Luxembourg-based CLT-UFA and the British content production company Pearson TV, owned by UK media group Pearson plc. CLT-UFA itself was created in 1997 when Bertelsmann AG (shareholder of UFA) and Audiofina (shareholder of the historic Compagnie Luxembourgeoise de Télédiffusion, CLT) merged their TV, radio and TV production businesses.

In July 2001, Bertelsmann became majority shareholder of RTL Group following a stock swap with the Belgian-Canadian holding company Groupe Bruxelles Lambert (GBL). In December 2001, Bertelsmann entered into an agreement with Pearson plc to acquire its 22 per cent stake in RTL Group. Bertelsmann's interest in RTL Group is now 90.5 per cent. The remaining 9.5 per cent of RTL Group is publicly traded on the Brussels and Luxembourg stock exchanges.

## **The business units**

Television: RTL Group is Europe's largest broadcaster. Each day, over 200 million viewers all over Europe watch RTL Group's television channels, which include the families of channels clustered around the flagships RTL Television in Germany, M6 in France, RTL 4 in the Netherlands, RTL-TVI in Belgium, and the young Five family in the UK. The company also has broadcasting operations in Hungary (RTL Klub), Russia (Ren TV), Croatia (RTL Televizija) and Greece (Alpha TV).

Content: RTL Group's content production arm, FremantleMedia, is one of the largest international producers outside the US. Each year it produces 10,000 hours of award-winning primetime programming across 57 countries. RTL Group is also one of the world's leading independent distributors outside the US, with rights to 19,000 hours of programming in 150 countries worldwide.

Radio: RTL Group's radio stations reach millions of listeners each day. The flagship radio station is RTL in France. In addition to the market leader, RTL Group also owns the two music stations RTL 2 and Fun Radio in France, and has radio holdings in other European countries.

## **Group strategy**

RTL Group's strategy can be categorised into three main areas. The first is development and strengthening of the 'family of channels' concept. We firmly believe this is the solution to the accelerated fragmentation of audiences, being driven by the increasing digital multi-channel presence. The company has already built up strong families of channels within Western Europe, all of which – with the exception of the Five group in the UK – are either number one or two in their respective markets. These activities were most recently enhanced with the addition of a number of digital channels with clearly defined profiles. They include W9 in France, Five USA and Fiver in the UK, and Passion, RTL Crime and RTL Living in Germany.

Our second goal is to grow our non-advertising revenue streams considerably through diversification activities and content production.

FremantleMedia plays a key role, and RTL Group wants to grow the business significantly across all markets. Content is vital for today's broadcasting industry, and growth prospects are excellent as 'can't afford to miss' content becomes ever more valuable in the digital age. New ways of distribution – online, mobile, linear or on-demand – need exciting content to justify their existence.

The digital world offers RTL Group, as both a content company and a brand company, many opportunities for new business models. In countries with significant broadband penetration, the company operates on-demand platforms such as *M6Replay.fr* or *RTLnow.de*, provides a broad range of services such as video communities, social networks and online games, and is also gradually expanding its mobile TV activities.

Our third and final goal is to explore geographical expansion, especially in fast-growing, emerging markets. We currently operate in 11 countries and would like to further develop in Central, Eastern and Southern Europe. At the same time we will assess opportunities in our existing portfolio as they arise.