



Credit Suisse / First Boston

London

July 21<sup>st</sup>, 2005



# Agenda

## **1. Advertising Market Developments**

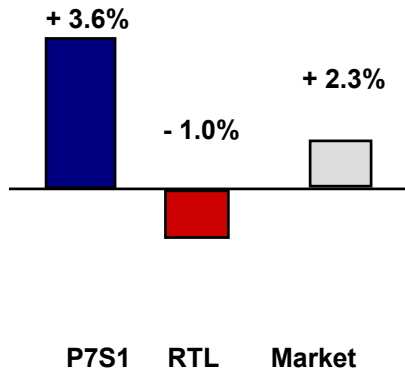
2. Operational Update

3. Strategy

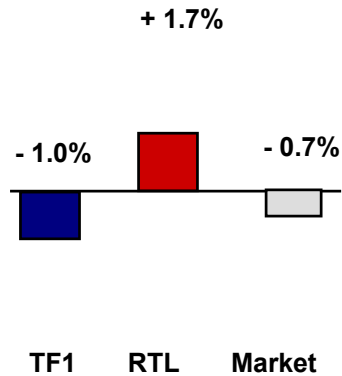


# Advertising Market Developments

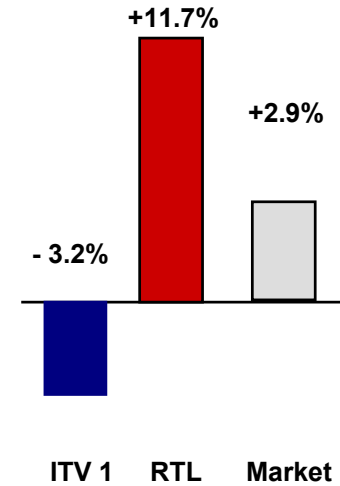
## GERMANY



## FRANCE



## UK



Notes : Germany (excl. RTL II), France / gross / January – June 2005  
UK / net / Jan – September 2005 estimated

# Agenda

1. Advertising Market Developments

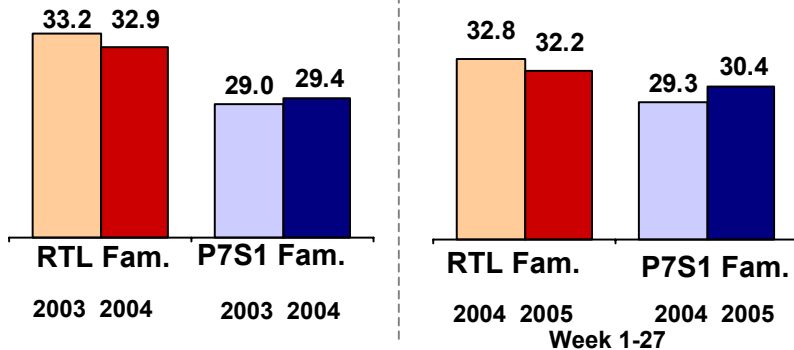
**2. Operational Update**

3. Strategy



# German TV

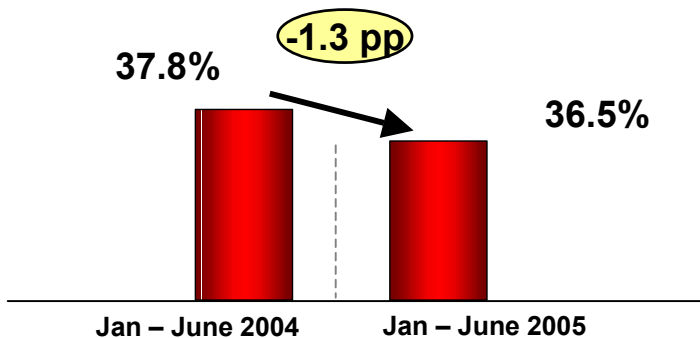
## Family Audience share (14-49) in %



## Audience Share (14-49)

	Week 1-27 2004	Week 1-27 2005
RTL	17.1%	15.9%
VOX	5.2%	6.4%
RTL II	7.6%	6.7%
Super RTL	2.5%	2.6%
<b>RTL Group</b>	<b>32.8%</b>	<b>32.2%</b>
P7S1 Fam.	29.3%	30.4%

## Gross advertising market share (%)



## Comments

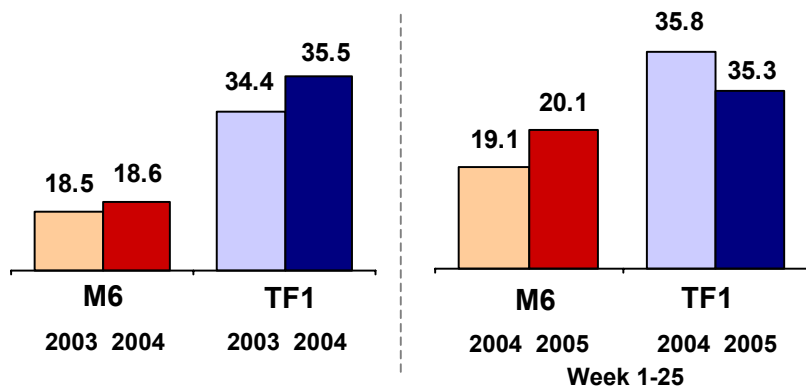
- RTL TV losing share to smaller channels within family
- Advertising market continues to be weak
- Programme grid and cost base under continuous review

Source: GfK

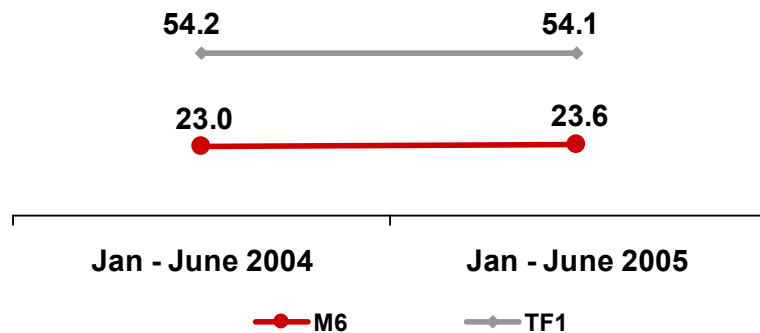
Note: excl. RTL II

# French TV

## Audience share (housewives < 50) in %



## Gross advertising market share (%)

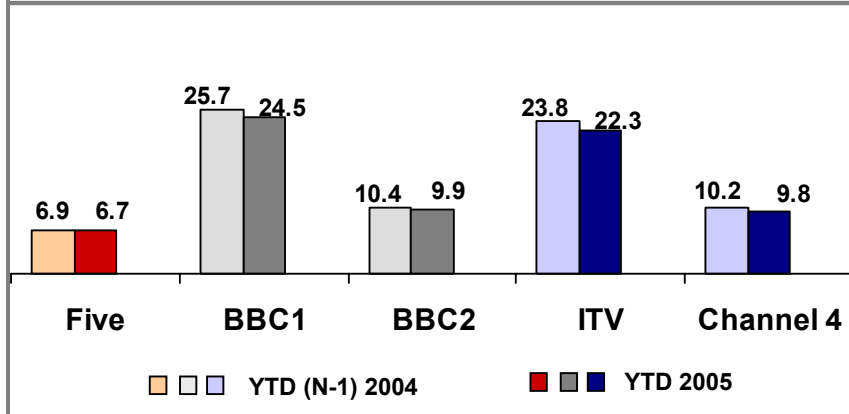


## Comments

- Audience share performance continues to be excellent
- Qtr 1: increased advertising revenue despite difficult comparables
- Investment in new DTT channels to be made
- Flexible approach to programming cost development maintained

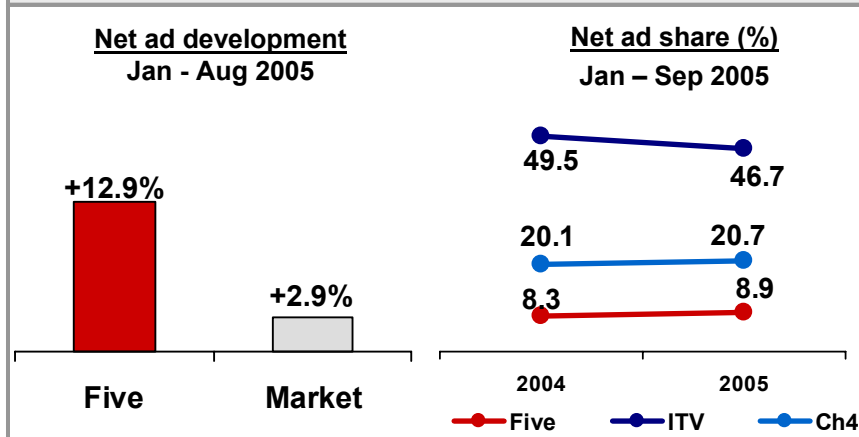
Source: Mediamétrie, M6 publicité

## Audience share (adults, all day) in %



Legend: ■ YTD (N-1) 2004, ■ YTD 2005

## Advertising market (estimate)



## Comments

- Significant slow down of ad. mkt after strong first quarter
- Five continues to out-perform
- New programmes launches extremely valuable in terms of younger (16-34) and up-market (ABC 1) demographics
- Growth strategy maintained – acquisition of UBM stake provides flexibility

# Benelux and Hungary TV



## Netherlands

- RTL4 leadership with 18.5% audience share YTD<sup>1)</sup> (- 0.8p vs. 2004)
- Number 1 commercial family: 31.1 % audience share (+0.1p vs. 2004)
- Increased competition coming from JdM channel launch in August



## Belgium

- Market leader RTL TVi: 23.9% market share YTD<sup>1)</sup>
- Number 1 commercial family: 32.6% audience share (- 0.2 vs 2004)



## Hungary

- Market leader: 36.2% audience share YTD<sup>1)</sup>



## Croatia

- 28.6% Successful start;  
Out performing business plan means breakeven now earlier than expected

**Continued leadership in smaller countries**

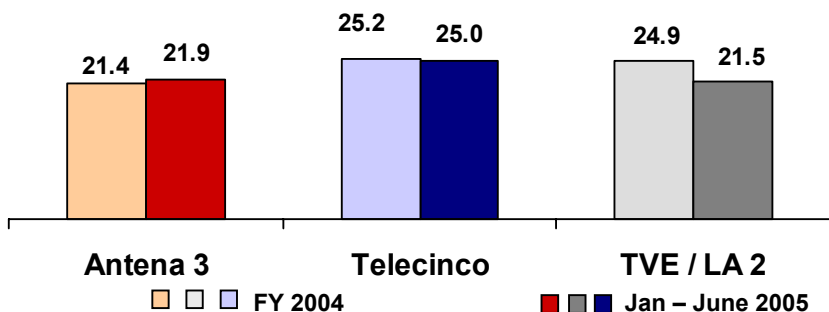
NL: shp 20-49 (18h-24h); B: shp 18-54 (17h-23h), H: 18-49 (19h-23h); C : 18-49, all day

Sources: SKO/ Mediamétrie - CIM / AGB

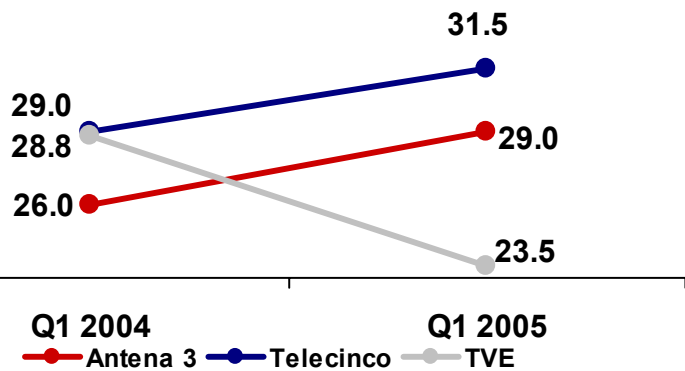
1) YTD = week 1-23

# Antena 3

Audience share (commercial target, all day) in %



Net Advertising market share (%)



Comments

- Advertising market remains one of strongest in Europe
- A3 continues to out-perform
- Continued speculation around possible new FTA operator and DTT timetable
- Cost base firmly under control despite increased investment in Q1

# REN TV – Strategic Rationale

**Huge country with strong growth potential**

- Population of 145 million, more than 50 million TV households
- GDP growth rates significantly above European average
- One of the fastest growing advertising markets in the world

**REN TV is an attractive asset**

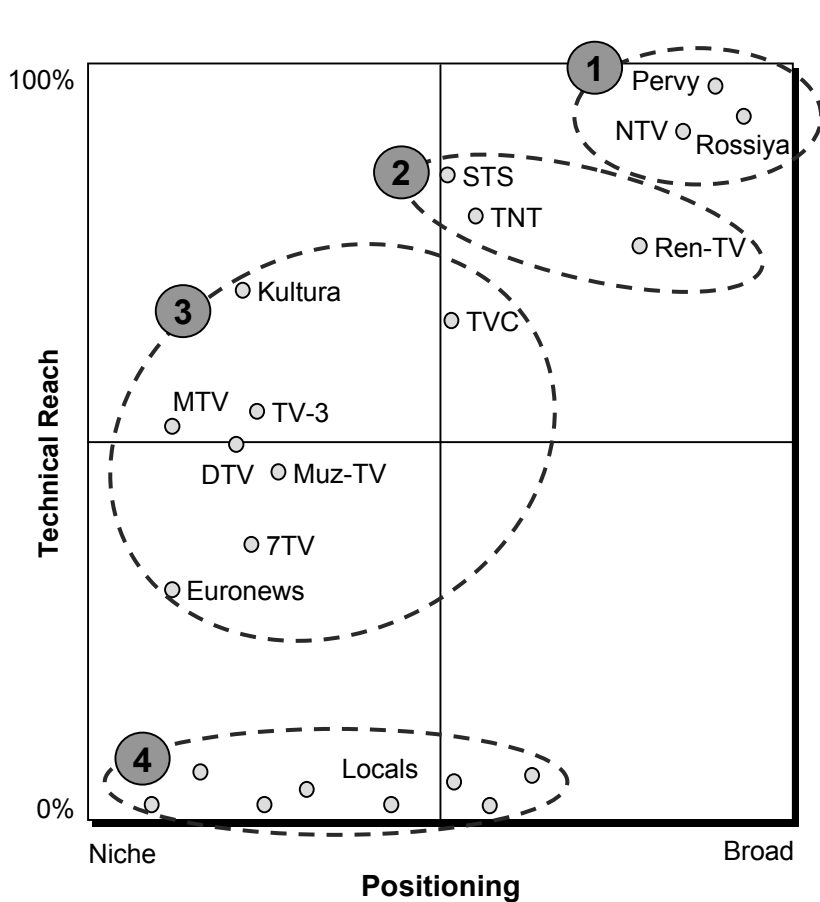
- One of six players with national coverage
- Significant improvement potential
- Diversification potential underexploited

**Good fit into RTL Group's expansion strategy**

- Investment in Russia represents milestone for RTL Group
- RTL Group first foreign investor in a Russian general interest channel

# Russian TV Market

## Reach, Positioning and market power



**1**  
**National Channels**

- Targeted to a broad audience (generalist channels)
- Almost full national coverage
- National broadcast licenses and own frequencies
- Daily audience reach between 40-60%

**2**  
**National Networks**

- Targeted to a more specific audience
- 65-80% coverage
- Network of owned and affiliated channels with local licenses
- Daily audience reach between 30-40%

**3**  
**Niche Channels**

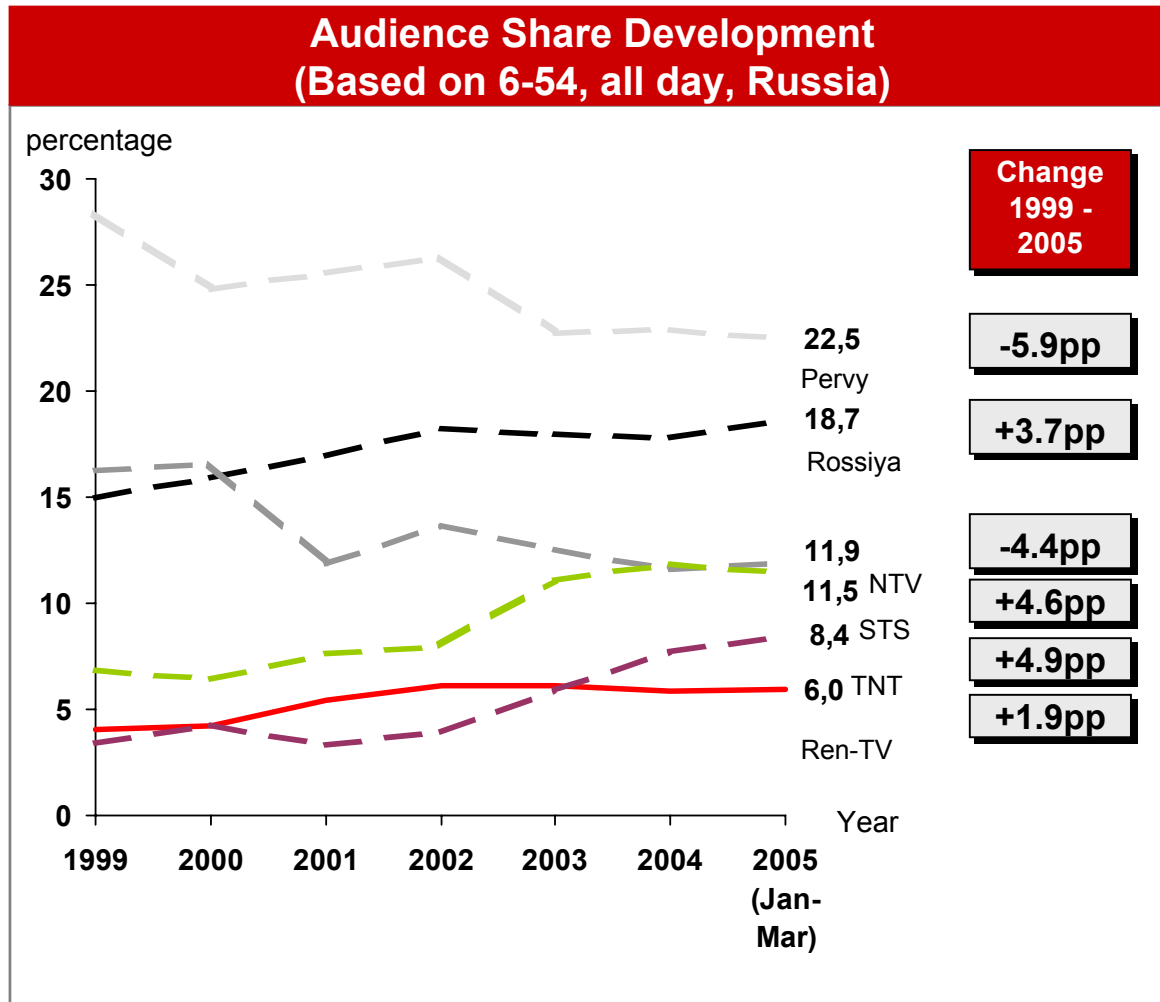
- Niche programming
- Limited technical coverage
- Not considered as “national medium” for advertisers
- Audience reach (~2-15%)

**4**  
**Regional Channels**

- Stand-alone regional channels with local license and programming – typically strong political influence and state funding
- Affiliated regional channels (part of a network)

# Russian TV Market

## Audience



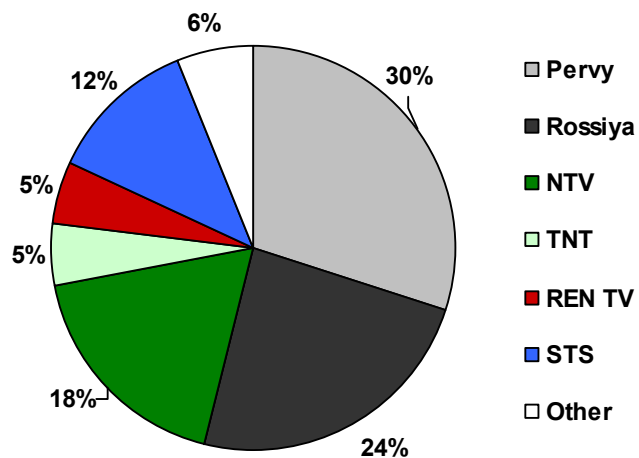
In 2004, REN TV lost ground to its competitors STS and TNT due to a lack of programme investments

The recent success of series "Soldiers" demonstrates the audience potential

Source: TNS Gallup

# Russian TV Market Advertising

## Advertising shares 2004

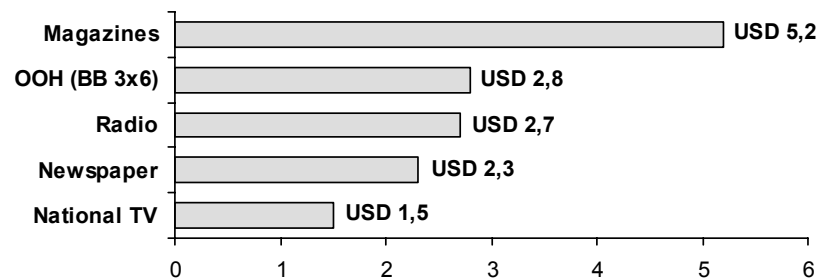


Net TV advertising market 2004: USD 1.7 billion

TV share of total market: 44.1%

## Price for advertising

### Net CPT by Media (2004)



TV most cost efficient media

# Russian TV Market

## REN TV Market



REN TV has 3 local licenses (Moscow, Chelyabinsk, Magnitogorsk), participations in 4 regional stations (Bryansk, Ekaterinburg, Rostov, Voronezh) and 190 affiliates



# Content

- Continue to leverage existing brands and international network
- Content becoming more & more valuable in a digital world.
- What can be done ?

## “Repurposing”

- Existing (library) content played out on mobile



## “Brand Extensions”

- New content based on existing brands



## “New Brands”

- New content developed specifically for mobile



# Radio

## ➤ France

- FM network coverage less than 100%
- Possible re-distribution in 2006
- Germany => largest radio player but market constrains development
- Digital Radio Mondiale (DRM) potential solution to both issues...

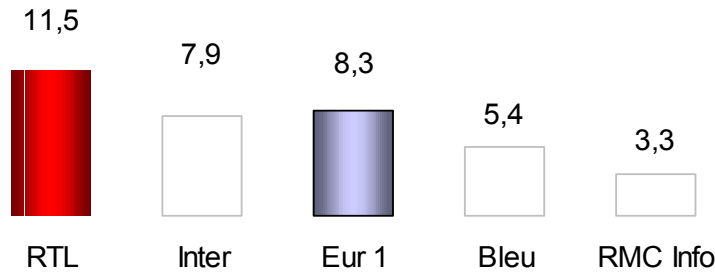


# French Radio

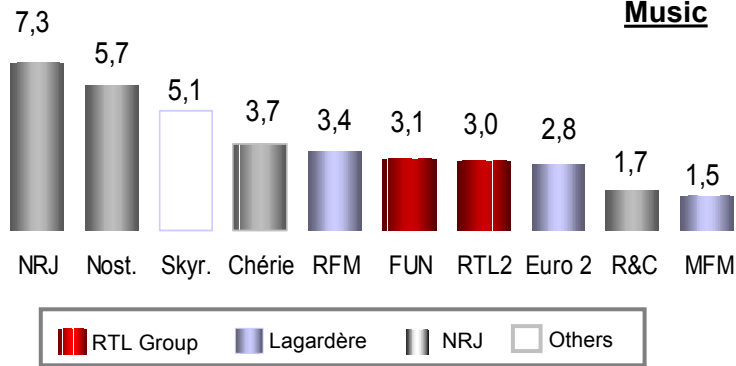
## Audience Share (Apr – Jun in %)

## Advertising market Share (Jan – June in %)

### Generalist



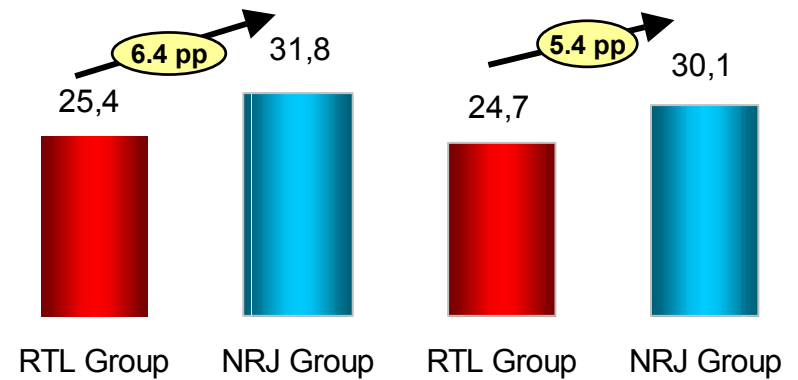
### Music



Source: Mediamétrie, Secodip (Brut)

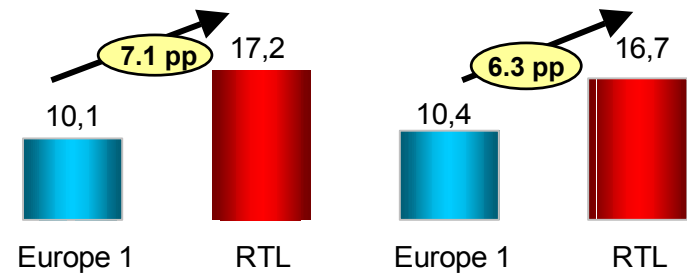
### 2004

### 2005



### 2004

### 2005



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# Our Strategy

## Continue with stated policy

- **Family of channels both FTA and in digital world with potential direct to customer approach in specific cases**
- **Diversification revenue**
- **Geographic expansion**
  - **Central, Southern & Eastern Europe**



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