



**PROPOSED ACQUISITION OF  
RTL GROUPE'S RADIO ACTIVITIES  
IN FRANCE**

13 December 2016

# RTL RADIO DIVISION, A MAJOR OPPORTUNITY

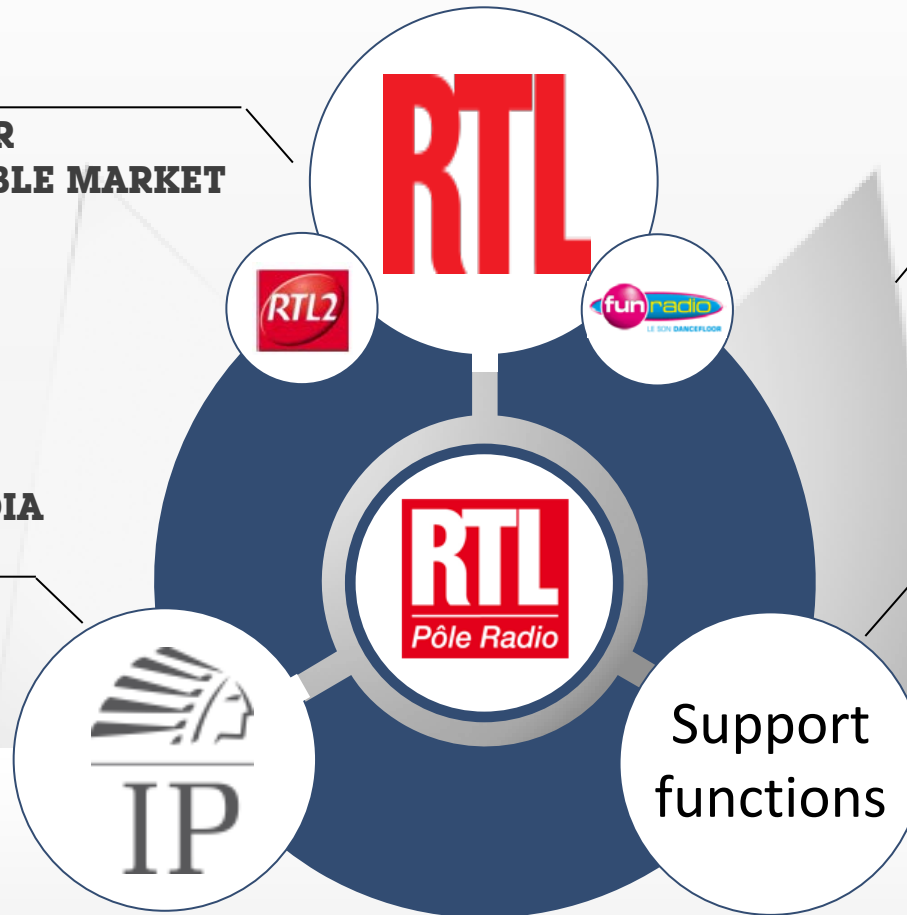


**ACQUISITION OF A LEADER  
WITHIN A SOLID AND STABLE MARKET**

**A NEW CONTRIBUTION TO  
EBITA**

**CREATION OF A MULTIMEDIA  
SALES HOUSE**

**POTENTIAL FOR SYNERGIES**



**OPTIMISATION OF M6'S BALANCE SHEET STRUCTURE  
LEADING TO STRONG VALUE CREATION FOR SHAREHOLDERS**

# 1. PRESENTATION OF THE RADIO DIVISION



## The leading French private Radio Group

**RTL** No. 1 FRENCH RADIO

**6.4 m**  
listeners per day

**2:21 h**  
average listening time

**No.1** Leadership on  
all indicators  
CA - AQH - AS - LTP

Leading radio in cumulative  
audience share  
on major targets

**17.9%** 13+      **11.7%** 25-59      **14%** CSP+i

**funradio** No.2 MUSIC RADIO IN FRANCE

**3.4 m**  
listeners per day

**1:25 h**  
average listening time

**8.1%** cumulative  
audience share  
of 25-49 year olds

**58%** of 25-49 year olds  
Ind. 156 vs. radio

**33 years old:** average age

**RTL2** No. 2 MUSIC STATION FOR CSP+I

**2.4 m**  
listeners per day

**1:23 h**  
average listening time

**+12%** listeners at any  
given time  
vs. 2015

**38%** of 25-49 year olds  
Ind. 156 vs. radio

**44 years old:** average age

Source: Médiamétrie 126,000 Radio September-October 2016, Monday-Friday 5am-12am.

**IP France** Leadership in commercial AS (audience share) based on national private sales house, 13+ target, 25-59 years and CSP+i (upper socio-economic targets). CA (cumulative audience), 13+ target.

**RTL** Leading private radio station for CA, LTP (listening time per person), AQH (average quarter hour) and audience share, 13+ target CA and LTP, 13+ target Commercial audience share and leadership based on 16 commercial radio stations (excluding Indés Radios) on targets RTL Matin - 7.00am-9.30am: CA, 13+ target. Leadership in CA, AQH, LTP and commercial audience share on 13+ target, private radio sector (excluding Indés Radios).

**FUN Radio:** Music radio sector ranking in commercial audience share based on 16 commercial stations, 13+ target. CA and LTP, 13+ target Commercial audience share based on 16 commercial stations, 25-49 years target AQH in structure and index vs. total radio, on 25-49 years target. Average age base AQH. Bruno dans la Radio - 6.00am-9.00am: CA, 13+ target. Ranking in commercial audience share, music radio sector, 13+ target.

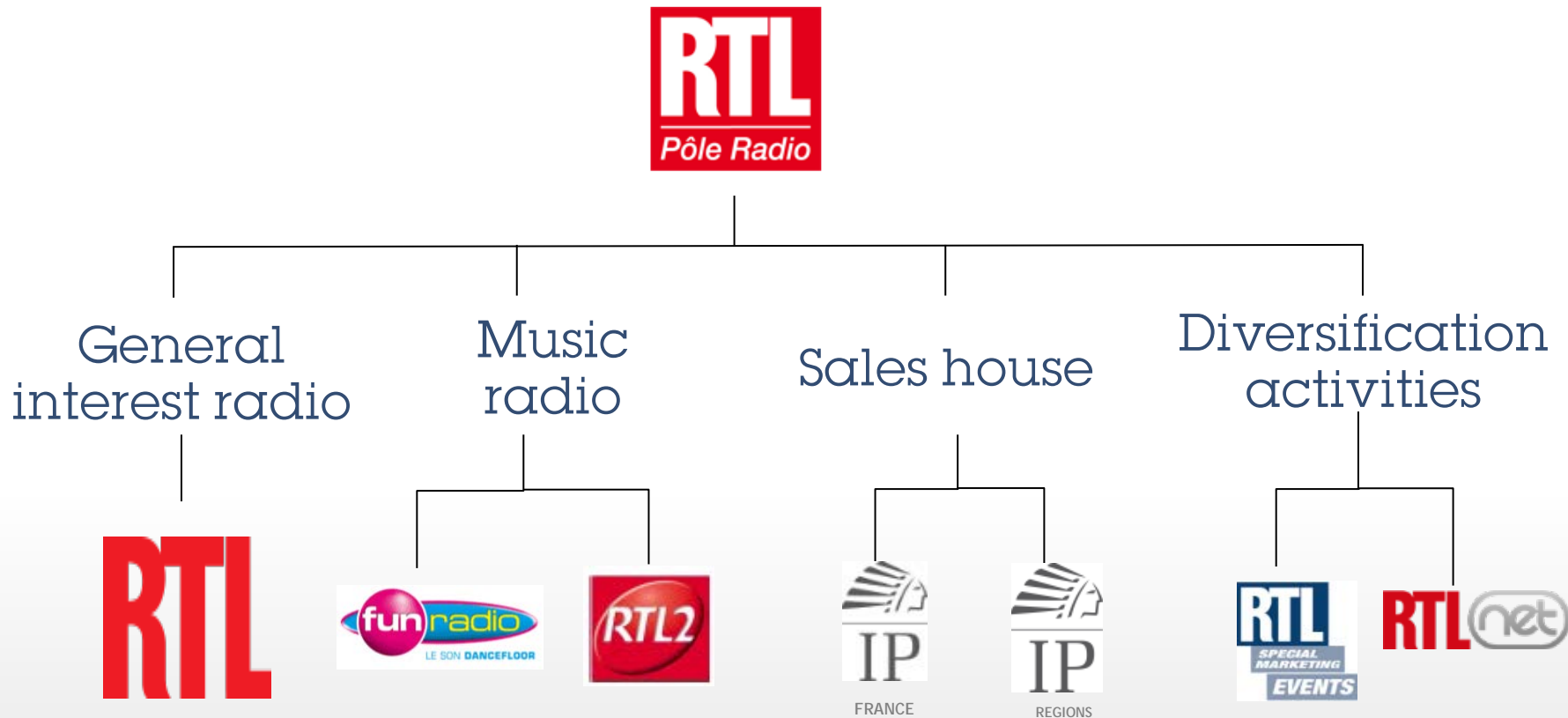
**RTL2** commercial audience share ranking of 16 commercial radio station base, music radio sector, tied with Fun Radio, CSP+i CA and LTP target, 13+ target. Change in AQH vs 2015, 13+ target AQH in structure and index vs. total Radio sector, CSP+i target. Average age AQH base. Le Double Expresso - 6.00am-9.00am: CA, 13+ target. Cumulative audience share ranking, adult music radio sector, CSP+i target.

# 1. PRESENTATION OF THE RADIO DIVISION

## ■ Acquisition of a group of companies

subject to the approval of:

- The CSA (Law of 30 September 1986)
- The Luxembourg government



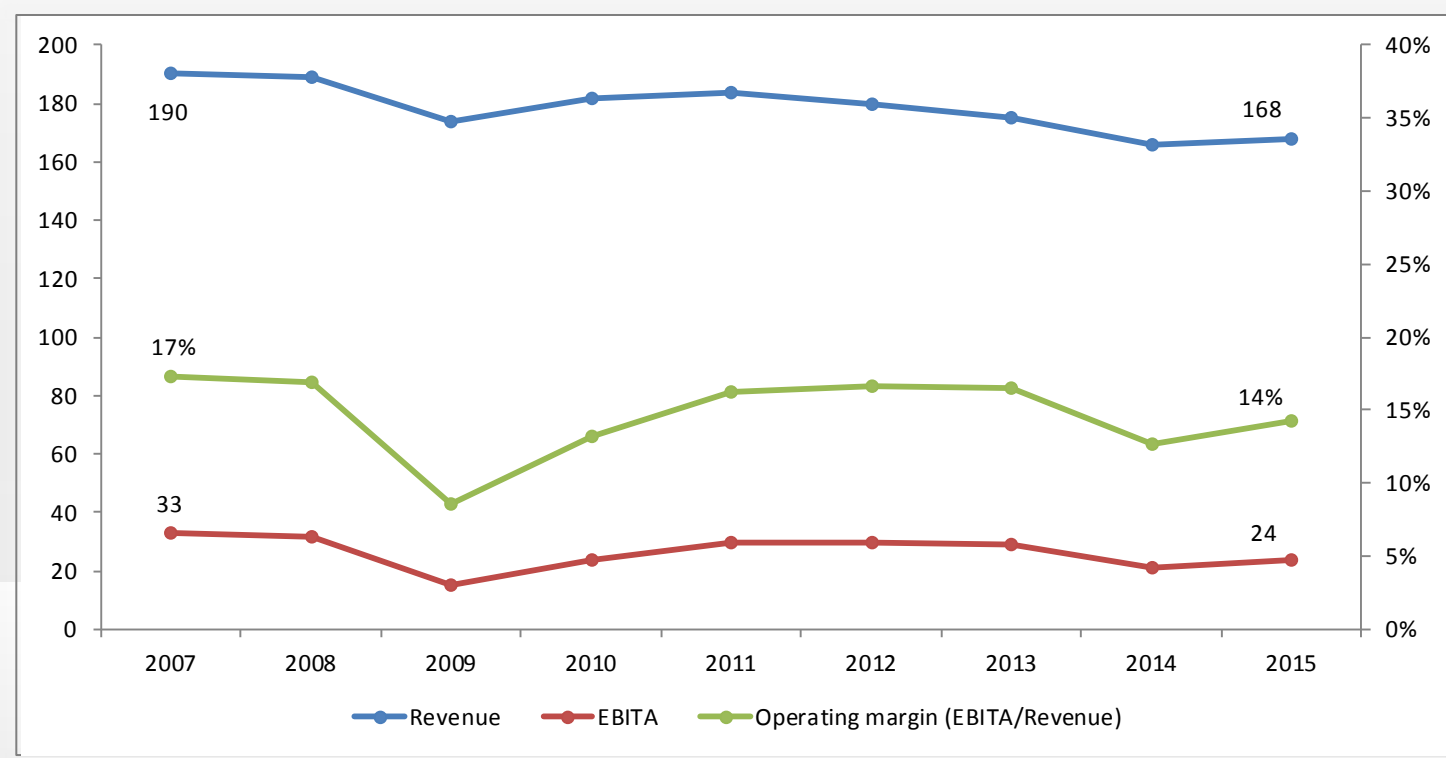


**GROUPE**

# 1. PRESENTATION OF THE RADIO DIVISION

- Key figures from RTL Group's Radio Division in France: a stabilised financial performance

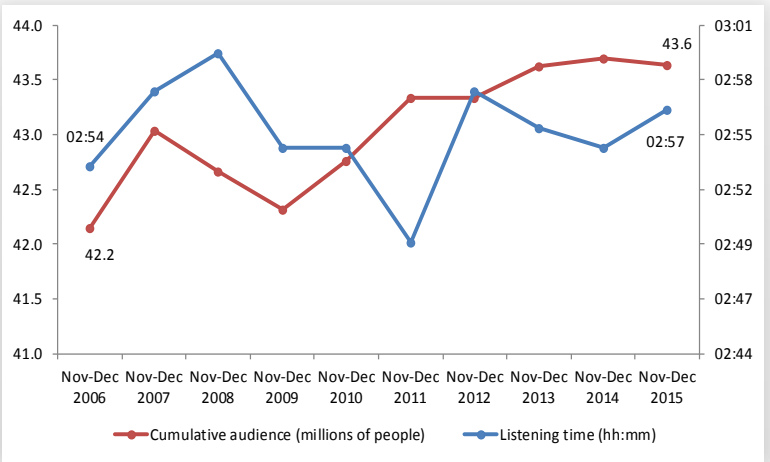
Revenue and EBITA (€ millions)



# 2. THE RADIO MARKET IN FRANCE

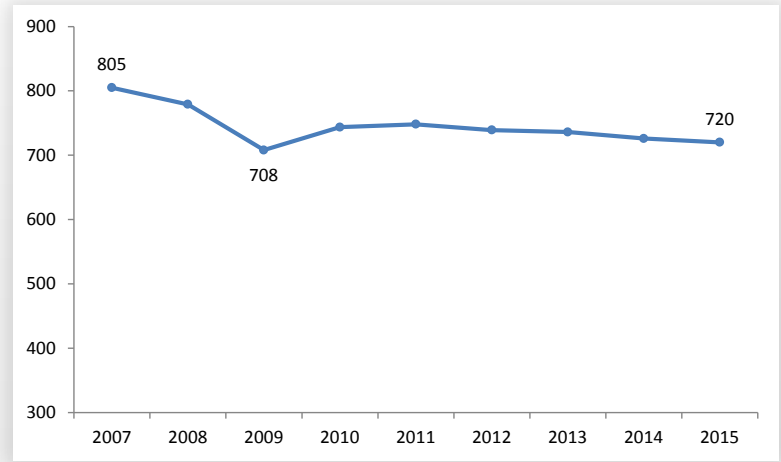
■ A stable yet fragmented market in which RTL is leader

**Cumulative audience and listening time**



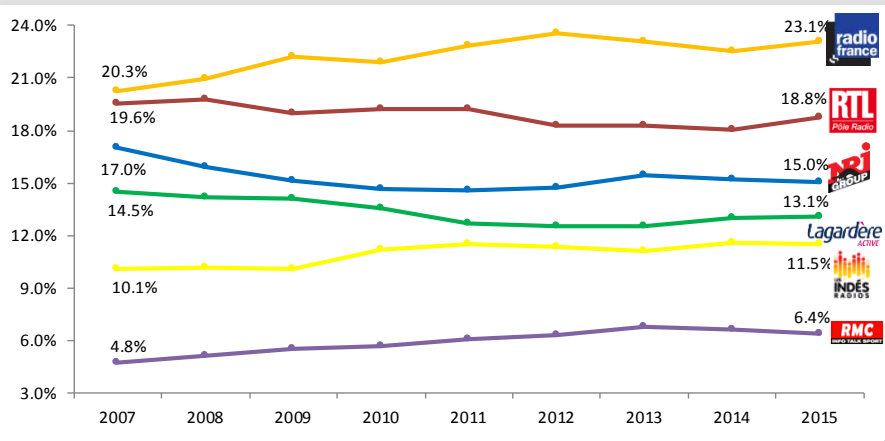
Source Mediamétrie I26 Radio - The Radio Audience in France survey

**Net advertising market (€ millions)**



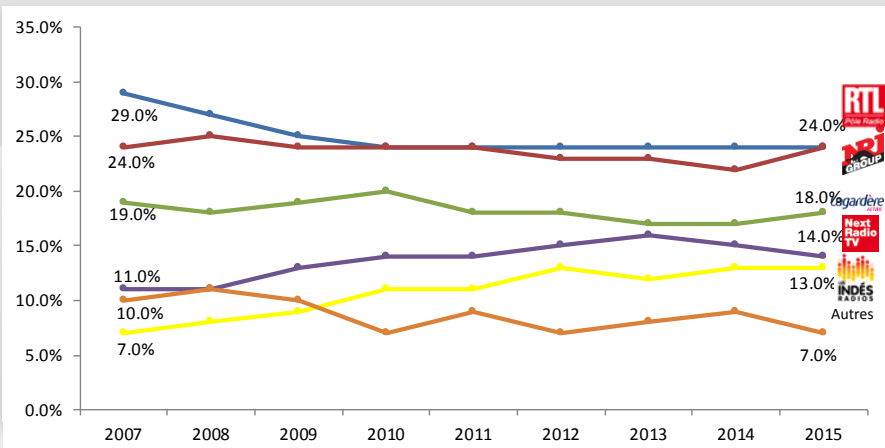
Source: IREP

**Group audience share**



Source: Mediamétrie I26 Radio - The Radio Audience in France survey

**Group gross advertising market share**



Source: CSA - Key figures from the French audiovisual sector

## 2. THE RADIO MARKET IN FRANCE



- Competition that is already multimedia based

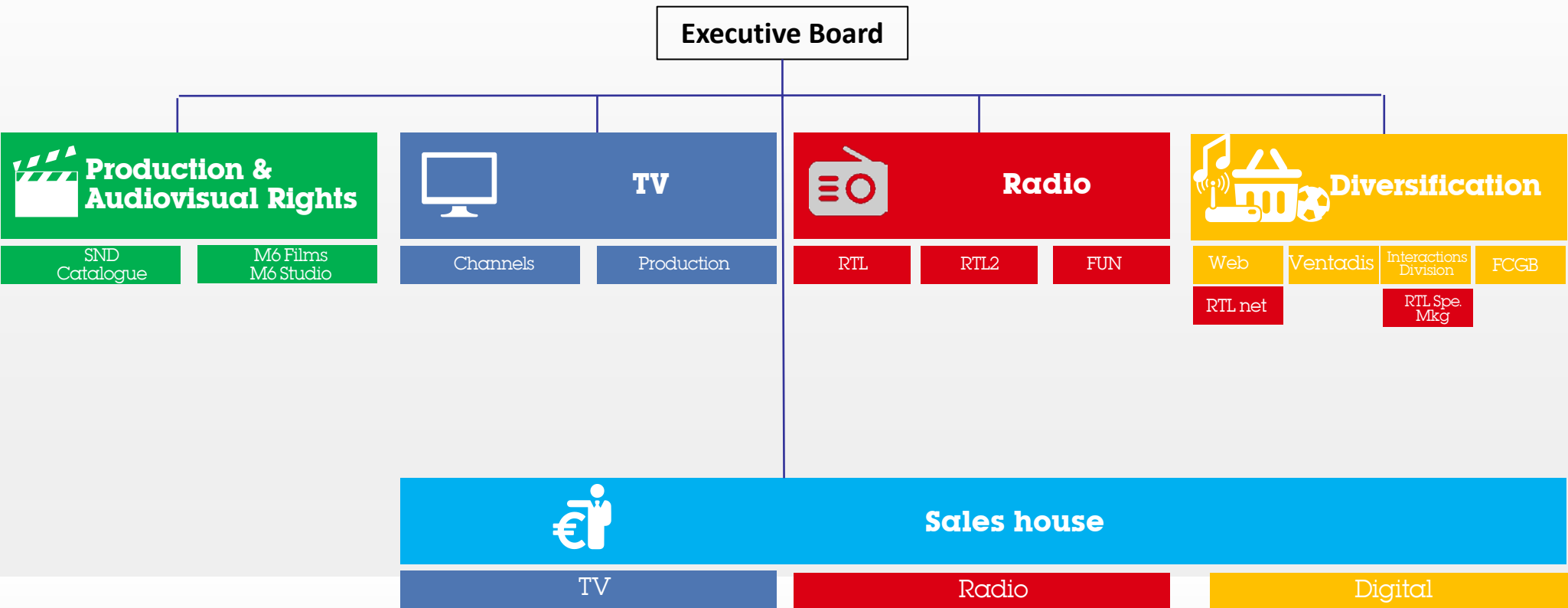
Sales house	Radio / Digital	Radio / TV / Digital	Radio / TV / Digital / Press	Radio / TV / Digital	Radio / TV / Digital
Radio					
TV					
Digital					
Press					



**GROUPE**

# 3. DESCRIPTION OF THE TRANSACTION

- The industrial project: Integration of a fourth activity into M6 Group and creation of a multimedia sales house



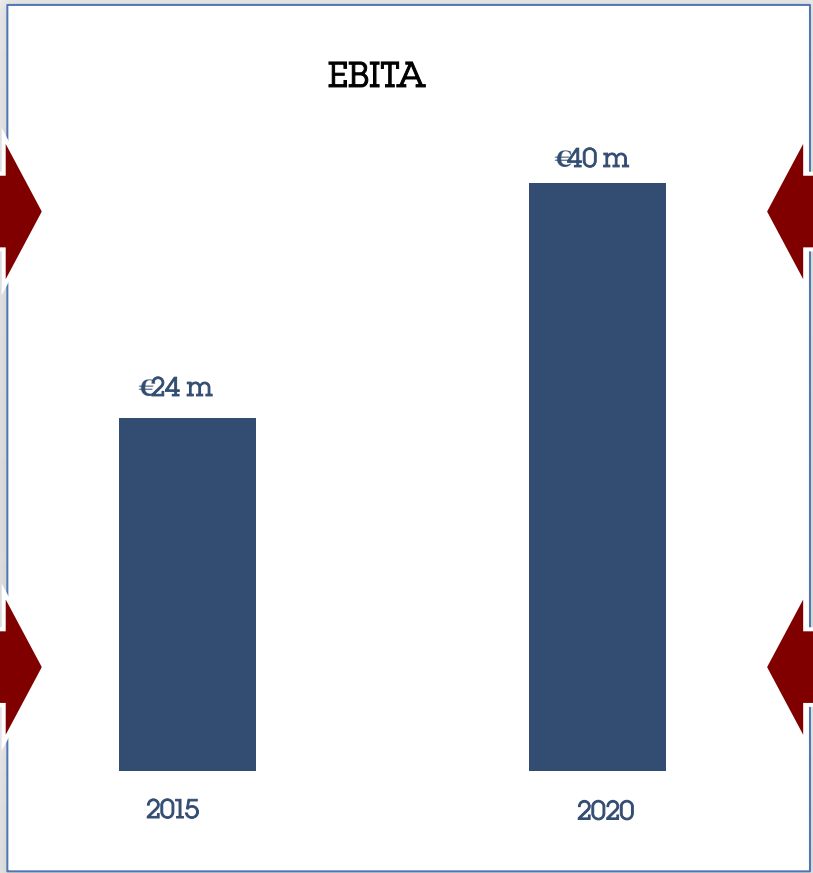


# 3. DESCRIPTION OF THE TRANSACTION

- M6 Group is targeting EBITA of €40 million for the radio division by 2020

Bringing together the sales teams dedicated to the Television, Radio and Digital markets to strengthen the attractiveness of the marketing and advertising offers by leveraging audience synergies and times of day when each media is consumed

Strengthening of activities and digital services, since the rapid growth in consumption of both the Radio and TV media in on-demand digital format requires a strong capacity for innovation and investment, which will be more effective with the coordinated action of different teams



Innovation in content, including News due to RTL's leadership, as well as Entertainment and Music with the Group's music stations and its TV channels

Sharing skills in the support functions, based on the best management tools and techniques, by targeting continuous improvement in processes and structures to benefit operational staff

### 3. DESCRIPTION OF THE TRANSACTION

- M6 would like to finance the entire transaction via long-term debt

Cost: €216 m *(excl. cash)*

#### Debt capacity

- ❖ TV sector ratio: 0.9 x EBITDA
- => M6 capacity ~ €300 m

#### Scenarios

- ❖ Financing: €200 / €240 m
- ❖ Proposed duration: 7 / 12 years
- ❖ To benefit from favourable market conditions, M6 is going to solicit bids from several banks

#### M6 consolidated cash profile

- ❖ Cash at 30/09/2016: €125.5 m

#### Borrower profile

- ❖ Positive net cash before the transaction
- ❖ Investment capacity maintained
- ❖ Dividend payment capacity maintained

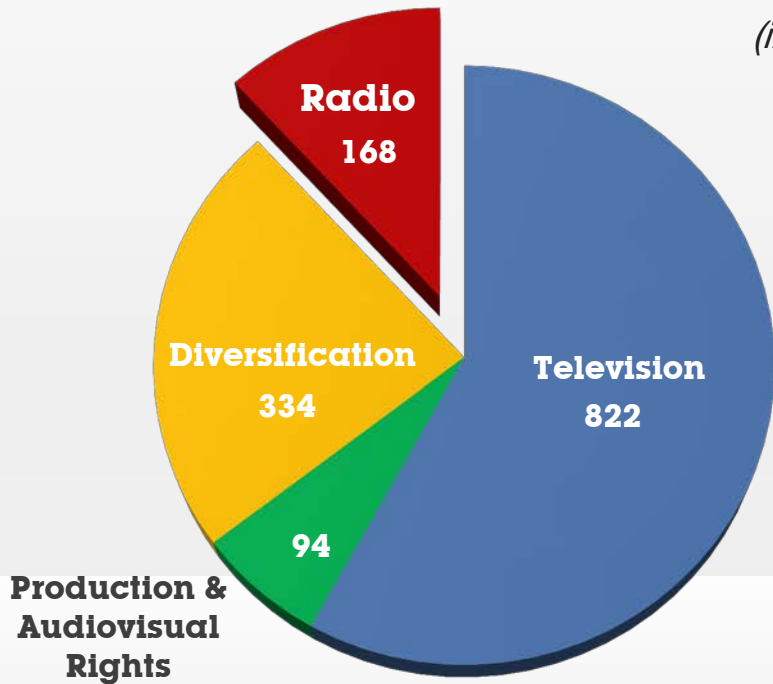
# 3. DESCRIPTION OF THE TRANSACTION

■ Key figures from the new group – Combined

## Combined Revenue 2015

€1,418 m

*(in € millions)*



## Combined EBITA 2015

€224 m

Production & Audiovisual Rights

