



Market Update RNTS MEDIA N.V.

November 25, 2014

A broad access to capital markets and a continuous trading facility are most attractive for existing and potential shareholders of an internationally operating company. With the migration of RNTS Media N.V. to RNTS Media S.A. our company will lay the basis for an application to the regulated stock market of Bourse de Luxembourg and – through the “European Passport” legislation – a potential listing on all EU regulated markets.

Taking these opportunities into account, the Management Board and the Supervisory Board of RNTS Media NV expect enhanced liquidity of the issued shares, which is going to propel the company to an improved financial position and dynamic growth in 2015 and beyond.

Hence, the conversion of the RNTS Media N.V., a public company under Dutch law, having its official seat in Amsterdam, the Netherlands, into RNTS Media S.A., a public limited company with its official seat and permanent establishment in Luxembourg, has been unanimously approved by the Management Board and the Supervisory Board of RNTS Media N.V.

Approved conversion documents signed on 24th of November 2014 comprising the proposal for cross-border conversion and the explanatory statement are annexed to this market update.

The future new articles of association and the listing prospectus are now being prepared. An extraordinary general meeting of shareholders (“EGM”) is expected to be announced for the end of January 2015.

Annex I

PROPOSAL FOR CROSS-BORDER CONVERSION

The management board (the **Management Board**) of:

RNTS Media N.V., a public limited company under Dutch law (*naamloze vennootschap*), having its official seat in Amsterdam, the Netherlands, its office address at Friedrichstrasse 95, 10117 Berlin, the Federal Republic of Germany and registered in the Dutch Commercial Register under number 54747805 (the **Company**),

hereby presents the following proposal for the effectuation of a cross border conversion (*grensoverschrijdende omzetting*) of the Company into a public limited company under Luxembourg law,

WHEREAS:

- (A) The issued share capital of the Company currently consists of 114,533,333 bearer shares with a nominal value of EUR 0.10 each (the **RNTS Shares**).
- (B) The RNTS Shares are listed on the Official List of the Luxembourg Stock Exchange (the **LuxSE**) and to trading on the Euro MTF market of the LuxSE.
- (C) The Management Board intends to convert the Company into a public limited company that is governed by Luxembourg law (*société anonyme*) and to transfer its principal place of business to 2-4, Avenue Marie-Thérèse, 2132, Luxembourg.
- (D) Dutch law does not provide for regulations regarding a cross-border conversion of or into a company under Dutch law, except for (European Union based) regulations regarding the cross-border migration of the corporate seat of a Societas Europaea (*Europese naamloze vennootschap*) that has or will have its corporate seat in the Netherlands. In particular Section 8 of the SE Regulation 2157/2001 and Sections 3 - 6 of the Dutch SE Implementation Act (*Uitvoeringswet verordening Europese vennootschap*) are relevant in this perspective (the **SE Provisions**).
- (E) Luxembourg law does not expressly provide for regulations regarding the conversion of a public limited company governed by other law than Luxembourg law, into a public limited company (*société anonyme*) that is governed by Luxembourg law. Such conversion is however permitted under the real seat theory to which Luxembourg law adheres and which is implemented by and underlying to the Luxembourg law of 10 August 1915 on commercial companies (as amended).
- (F) Section 49 of the Treaty on the Functioning of the European Union (*Verdrag betreffende de werking van de Europese Unie*) (2012, C 326/01) prohibits member states of the European union to impose restrictions on the freedom of establishment

of nationals of a member state of the European Union in the territory of another member state.

- (G) Case law of the European Court of Justice, more in particular in judgements of:
- (i) 16 December 2008, C-210/06 (*JOR* 2009/35) (*Cartesio Oktató és Szolgáltató* bt); and
 - (ii) 12 July 2012, C-378/10 (*JOR* 2012/285) (*Vale Építési kft*),

confirmed that pursuant to *inter alia* Section 49 of the Treaty on the Functioning of the European Union, a company governed by the law of a member state of the European Union may transfer its corporate seat to another member state of the European Union with an attendant change as regards the national law applicable, and the company may convert into a form of company which is governed by the law of the member state of the European Union to which it has transferred its corporate seat. Member states of the European Union may not require the winding-up or liquidation of a company governed by its law in preventing that company from converting itself into a company governed by the law of the other member state of the European Union, to the extent that it is permitted under the law of that member state to do so.

- (H) Based on the above it is clear that with respect to the conversion of the Company into a Luxembourg public limited company, no explicit statutory provisions of Dutch law exist. In this respect, for reasons of legal certainty, the conversion will be construed in accordance with the relevant SE Provisions.
- (I) The shareholders of the Company that vote against the conversion of the Company into a Luxembourg public limited company, will be offered the possibility to offer all their shares to the Company for buy back in exchange for a cash amount, in accordance with this proposal.
- (J) The interests of creditors of the Company are safeguarded by a procedure set out in this proposal, pursuant to which creditors may oppose to this proposal for conversion.
- (K) The Company does not have any employees and no works council is established within the Company.

1. Main elements of the proposed conversion

- 1.1 It is proposed to effect a conversion of the Company into a public limited company under Luxembourg law (*société anonyme*) (the **Conversion**), as a result of which:
- (a) the Company will not cease to exist and not be liquidated;
 - (b) the Company will become a public limited company under Luxembourg law, governed by Luxembourg law.
- 1.2 In connection with the Conversion the principal place of business, i.e. the place of effective management and central administration of the Company, will be transferred from Berlin, the Federal Republic of Germany, to Luxembourg, Luxembourg and the

statutory seat of the Company will be transferred from Amsterdam, the Netherlands to Luxembourg.

- 1.3 Without prejudice to the Withdrawal Right described in paragraph 2.6, no changes in the Company's shareholder base will occur as a consequence of the Conversion. Each person holding shares (with a nominal value of EUR 0.10 each) in the issued share capital of the Company upon Conversion will therefore hold the same number of shares in the Company immediately after the Conversion. The Conversion will be effectuated without any new shares in the capital of the Company being issued.
- 1.4 With respect to the Company, there are no:
- (a) persons who – as a pledgee or usufructuary of shares or as a holder of depositary receipts issued for shares – hold the right to attend general meetings of shareholders of the Company;
 - (b) holders of non-voting shares or non-profit-sharing shares; and
 - (c) persons who otherwise than as a shareholder have special rights – such as pursuant to profit participating certificates or share options issued by the Company – the legal position of whom requires special attention in the context of the Conversion.

2. Procedure / time schedule

2.1 Deposition

This proposal for conversion will be published on the Company's website (www.rntsmedia.com) and will be deposited with the Dutch Chamber of Commerce, at the registered office of the Company and at the offices of the civil law notary referred to below.

2.2 Announcement

It will be announced in a daily newspaper with national distribution in the Netherlands and in the Dutch State Gazette (*Staatscourant*) that this proposal for Conversion is deposited with the Dutch Chamber of Commerce.

2.3 Objection period

Up until two months after the day of the announcement in the Dutch State Gazette that this proposal for Conversion has been deposited, each creditor of the Company may, by means of an email or faxed letter (sent with request for confirmation of receipt) to the Company and the civil law notary referred to below (addressed as described below), raise an objection against this proposal for Conversion, and request that the Company provides security or another guarantee for the performance of his debt-claim. The Company shall provide such security or guarantee unless it is of the opinion that the creditor has adequate guarantees already or if the financial position

of the Company after the Conversion does not offer less guarantees for the performance of the debt-claim than before.

The foregoing does not affect the possibility for a creditor, to lodge with the District Court in Amsterdam (provided that the court deems itself competent), by means of a petition (*verzoekschrift*), an objection against this proposal for conversion, with mention of the guarantee that is sought.

Notices to the Company under this paragraph 2.3 must be sent to the Company at:
RNTS Media N.V.

Fax: +(49) 30 300 148 101

marked for the attention of: the Management Board

e-mail: roger.vandiepen@rntsmedia.com and andreas.bodczek@rntsmedia.com

with copy to the Dutch civil law notary:

Joyce.leemrijse@allenovery.com

2.4 Resolution of the supervisory board

The supervisory board of the Company (the **Supervisory Board**) has approved the proposal for Conversion and, to the extent necessary, the adoption of a management board resolution to convert in accordance with the terms of this proposal for Conversion.

This approval is evidenced by co-signing this proposal for conversion by the members of said Supervisory Board.

2.5 Resolution of the general meeting of shareholders

At an extraordinary general meeting of shareholders of the Company (the **EGM**) the shareholders of the Company will be requested to resolve to the Conversion on the basis of this proposal for Conversion.

This EGM can only be held once the two month objection period (referred to in paragraph 2.3) has lapsed, but may be convened (taken into account the relevant provisions of Dutch law and the articles of association of the Company) during the objection period.

2.6 Withdrawal Right

2.6.1. General

If the general meeting adopts the proposal to effect the Conversion at the EGM, any shareholder of the Company that voted against such proposal has the right to elect not to remain a shareholder of the Company as of the Conversion taking effect (the **Withdrawal Right**) and file a request for compensation with the Company (the **Withdrawal Application**) (such shareholder being a **Withdrawing Shareholder** and such form by which a request can be filed being a **Withdrawal Application Form**) within one month after the EGM in which the proposal to effect the Conversion has been adopted.

A Withdrawing Shareholder can only make use of the Withdrawal Right for the shares in the capital of the Company that such Withdrawing Shareholder (i) registered for the EGM and for which such Withdrawing Shareholder voted against the Conversion and (ii) still holds at the time of the Withdrawal Application (the **Exit Shares** and each an **Exit Share**). A shareholder who has voted in favour of the proposal to effect the Conversion at the EGM, abstained from voting, or was not present or represented at the EGM, does not have a Withdrawal Right.

In order to qualify as a Withdrawing Shareholder, a shareholder will have to submit the Withdrawal Application Form to the Company (in the same manner as it must notify the Company of an objection to the Conversion (referred to in paragraph 2.3)) within one month after the EGM has approved the Conversion (starting on the day after the EGM, the **Withdrawal Period**). All Withdrawal Applications shall be irrevocable after the end of the Withdrawal Period and a Withdrawing Shareholder will not be allowed to transfer his Exit Shares in any manner.

For the avoidance of any doubt, the Withdrawal Right does not in any way or manner prejudice any contractual agreements between the Company (and/or third parties) and the shareholders in connection to restrictions on the transfer of shares in the capital of the Company (due to a lock-up provision or otherwise).

Instead of exercising the Withdrawal Right, shareholders not willing to become a shareholder of RNTS Media S.A. may consider to sell their RNTS shares on the stock exchange at any time prior to the effective time of the Conversion.

In the event the general meeting of shareholders does not adopt the resolution regarding the Conversion, this Clause 2.6 is not applicable.

2.6.2. Price per Exit Share; Repurchase

As part of the Conversion the Company will repurchase all but not part of the Exit Shares of the Withdrawing Shareholders. The exit price per Exit Share that will be repurchased from a Withdrawing Shareholder will be equal to the lower of (i) the average closing price of the RNTS Shares on the official pricelist of the Euro MTF market of the LuxSE for the last five to ten trading days preceding the day of the repurchase or (ii) the amount of EUR 2.70 (this amount being a 10% discount price for which shares in the capital of the Company were issued as part of the Fyber transaction for which reference is made to the announcements and documentation published on the website of the Company. The discount resolves out of the higher offered repurchase volume than average traded market volume). The exit price and further conditions for the repurchase will be determined by the Management Board, subject to the approval of the Supervisory Board.

The Company will only repurchase the Exit Shares if and in so far as permitted by Dutch law and if, to judgement of the Management Board, after the repurchase the Company can still meet its financial obligations. In no event the Company will proceed with the Conversion if the aggregate pay out amount will exceed EUR 2,000,000 (this as expected redemption amount for not more than 2 per cent of the

estimated free floating shares). If not all the shares of the Withdrawing Shareholders (excluding those that waived their rights for a payment under the Withdrawal Right) can be repurchased within the Withdrawal Period or such longer period as determined by the Management Board, subject to the approval of the Supervisory Board, the Conversion will not take place.

2.6.3. Tax consequences

The cash payment that a Withdrawing Shareholder receives pursuant to the repurchase of his shares will be subject to Dutch dividend withholding tax if and to the extent that such payment exceeds the shares' average capital recognised as paid-in for Dutch dividend withholding tax purposes and which will be borne by the Withdrawing Shareholders.

For other tax consequences of the repurchase Withdrawing Shareholders are advised to consult their tax advisor.

2.6.4. Procedure

A shareholder that wishes to make use of his Withdrawal Right must take the following steps:

(a) Vote against the proposal to effect the Conversion at the EGM

The registration formalities for the EGM will be described in the convocation of the EGM, which will be made available on the Company's website (www.rntsmedia.com) approximately 36 days prior to the EGM. In the event that a shareholder votes the Exit Shares at the EGM in person, through a written proxy registered in accordance with the registration procedure for the EGM or through a proxy granted to the independent third party as set out in the agenda for the EGM, no additional evidence of such vote against the proposal to effect the Conversion will be required. The Company's voting records constitute conclusive evidence as to how these shares are voted. If the Exit Shares were voted through any other means (f.e. through any proxy voting provider) the shareholder will need to provide written evidence that the Exit Shares were voted in his name against the proposal to effect the Conversion.

(b) File a claim for compensation with the Company

Shareholders who voted against the proposal to effect the Conversion can exercise their Withdrawal Right during the Withdrawal Period, i.e. within one month after the EGM in which the proposal to effect the Conversion has been adopted (starting the day after the EGM). A shareholder who wishes to exercise his Withdrawal Right must file a Withdrawal Application Form with the Company. A draft of the Withdrawal Application Form will be made available through the Company's website at the date of the announcement of the EGM the final version will be posted on the Company's website after the EGM.

2.7 Statement of civil law notary in the Netherlands

A civil law notary in the Netherlands, will issue a statement (*attest*) in the form of a notarial deed showing that, from a Dutch law perspective, all acts and formalities that must (reasonably) be observed by and within the Company for the Conversion, have been met.

Provided that the Withdrawal Period has lapsed the statement can be issued by the civil law notary notwithstanding the fact the Company has received Withdrawal Applications during such Withdrawal Period and not all of the offered Exit Shares have been repurchased at that time. In that case the shares will be repurchased after the Conversion.

2.8 Effectuation of the Conversion

After receipt of the statement of the Dutch civil law notary (referred to in paragraph 2.7), the civil law notary in Luxembourg will see to it that the Conversion is effectuated by resolutions to that extent of the general meeting of shareholders of the Company and including the determination of the new articles of association of the Company by notarial deed.

2.9 Registration of the Company in Luxembourg

Within one month at the latest after the Conversion of the Company, i.e. the enactment of the resolutions of the general meeting of shareholders resolving on the Conversion before the Luxembourg civil law notary, the Company will be entered in the Luxembourg Commercial Register under the name RNTS Media S.A.

2.10 De-registration of the Company in the Netherlands

As per the effectuation of the Conversion the Luxembourg civil law notary will inform the Dutch civil law notary that the Company is a public limited company under Luxembourg law, upon which the Dutch civil law notary will notify the Dutch Chamber of Commerce to remove the registration of the Company in its Commercial Register as per the date of effectuation of the Conversion.

3. Further information on the consequences of the Conversion

3.1 *Type of legal entity, name and official seat of the Company*

Before the Conversion:

- (a) The Company:
the public limited company under Dutch law (*naamloze vennootschap*):
RNTS Media N.V., having its official seat in Amsterdam, the Netherlands.

After the Conversion:

- (b) The Company:

the public limited company under Luxembourg law (*société anonyme*):
RNTS Media S.A., having its registered office at 2-4, avenue Marie-Thérèse,
2132, Luxembourg, the Grand-Duchy of Luxembourg.

3.2 *Articles of association of the Company after the Conversion*

The articles of association of the Company will be amended in connection with the Conversion.

The text of the articles of association of the Company as currently in force and the articles of association as they will read after the amendment thereof in connection with the Conversion are attached to this proposal as Annex 1 and Annex 2 respectively.

3.3 *Intentions with regard to the composition of the Management Board and the Supervisory Board after the Conversion*

There is no intention to change the composition of the Management Board and the Supervisory Board after the Conversion.

The present composition is as follows:

Management Board:

- A. Bodczek (managing director A);
- R.P. van Diepen (managing director A);
- J. Zech (managing director B) ;
- S.Y. Kim (managing director B); and
- H. Han (managing director B),

Supervisory Board:

- D.K.J. van Daele (chairman);
- G.M.C.Y. Dubois; and
- R. Kavanaugh

3.4 *Effect of the Conversion on the accounting methods used*

The IFRS accounting method of the Company and the financial year will remain unchanged under Luxembourg law.

4. Explanatory statement

With respect to this proposal of cross-border conversion, the Management Board has prepared an explanatory statement in accordance with Section 8(3) SE Regulation 2157/2001. It will be made available for inspection at the registered offices of the Company in accordance with Section 8(4) SE Regulation 2157/2001 and at the offices of the civil law notary referred to in paragraph 2.3. Copies of the explanatory statement and this proposal can be requested by those referred to in the SE Provisions and will be provided by the Company to those persons free of charge.

5. General caveats

The shareholders should recognize that migrating a company from one jurisdiction to another jurisdiction entails that a certain legal framework applicable in the original jurisdiction including certain protections and features which may be afforded in that jurisdiction may no longer be applicable in the new jurisdiction. Conversely, certain protections and features may be applicable in the new jurisdiction that were not applicable in the original jurisdiction.

Whilst it is difficult, if not impossible, given the complexity to assess in detail any repercussions and effects of the Conversion from a tax and non-tax point of view on the Company and its shareholders, in the reasonable judgment (albeit not based on a comparative study) of the Management Board, the Conversion, if implemented, should overall place the Company and its shareholders, from a holistic point of view and setting aside individual aspects which may be less or, as the case may be, more favourable in absolute and relative terms, in a situation that would not be fundamentally different from the situation that they are in for the time being.

ANNEX II

EXPLANATORY STATEMENT

This explanatory statement is made in respect of the proposal for a cross-border conversion (*grensoverschrijdende omzetting*) of RNTS Media N.V., a public limited company under Dutch law (*naamloze vennootschap*), having its official seat in Amsterdam, the Netherlands, its office address at Friedrichstrasse 95, 10117 Berlin, the Federal Republic of Germany and registered in the Dutch Commercial Register under number 54747805 (the **Company**) into a public limited company under Luxembourg law, as a result of which (i) the Company will not cease to exist and not be liquidated, and (ii) the Company will become a public limited company (*société anonyme*), governed by Luxembourg law (the **Conversion**).

This explanatory statement has been prepared by the management board of the Company (the **Management Board**). This explanatory statement does not purport to give a comprehensive and complete representation of all matters and issues in respect of the proposed Conversion but a mere schematic overview of all matters which, based on the knowledge of the Management Board as it stands at the time hereof may or might be of relevance in connection with the contemplated Conversion.

1. Reasons for the Conversion

The shares in the capital of the Company are currently listed on the Official List of the Luxembourg Stock Exchange (the **LuxSE**) and admitted to trading on the Multilateral Trading Facility ‘Euro MTF’ market of the LuxSE.

The Management Board, subject to the approval of the supervisory board of the Company, intends to apply for admission of the shares in the Company to trading on the regulated market of the LuxSE. An admission to trading on the regulated market of the LuxSE is expected to offer the Company an improved access to the capital markets. The prospectus relating to the admission of the shares in the Company to trading on the regulated market of the LuxSE, which would have to be approved by the Luxembourg supervisory authority, the *Commission de surveillance du secteur financier* (the **CSSF**), would also permit (subject to certain additional steps, such as the translation of the summary of the prospectus into relevant languages) to have the shares in the Company admitted to trading on further regulated markets within the European Economic Area.

Further to the listing on one or more regulated markets the shares are anticipated to be traded on a continuous basis which implies generally a higher liquidity scale of trading than at auctions (which is the standard trading method at the current listing on the Euro MTF). This is generally seen as having a positive effect for shareholders and as a factor able to contribute to the enhancement of the growth dynamics of the Company.

In order to have the prospectus (relating to the admission to trading of the shares in the Company on the regulated market of the LuxSE and potentially on other regulated markets) approved by the CSSF, it is necessary, in line with the EU Prospectus Directive (as implemented in Luxembourg), that the Company has its registered office in Luxembourg.

In view of this, the Management Board considers it necessary to convert the Company into a public limited company under Luxembourg law, which will have its registered office and place of effective management in Luxembourg.

2. **Expected consequences for the activities**

The activities of the Company are expected to be continued by the Company after the Conversion.

3. **Explanation from a legal, economic and social point of view**

Legal:

The Company will not cease to exist and not be liquidated as a consequence of the Conversion. Through the Conversion, the assets and liabilities of the Company will not be transferred.

Without prejudice to the Withdrawal Right described hereinafter, no changes in the Company's shareholder base will occur as a consequence of the Conversion. Each person holding shares (with a nominal value of EUR 0.10 each) in the issued share capital of the Company upon Conversion will therefore hold the same number of shares in the Company immediately after the Conversion. The Conversion will be effectuated without any new shares in the capital of the Company being issued.

If the general meeting of the Company adopts the proposal to effect the Conversion, any shareholder of the Company that voted against such proposal has the right to elect not to remain a shareholder of the Company as of the Conversion taking effect (the **Withdrawal Right**) and file a request with the Company to have his shares in the capital of the Company repurchased, which request must be filed within one month after the general meeting in which the proposal to effect the Conversion has been adopted – all on the terms and conditions as referred to in the proposal to effect the Conversion.

The Conversion does not change the legal relationships between the Company and third parties, which after the Conversion will remain and be considered to be legal relationships between the Company and those third parties.

The interests of creditors of the Company are safeguarded by a procedure set out in the proposal for Conversion, pursuant to which creditors may during a period of two months oppose to the proposal for Conversion.

The shareholders should recognize that migrating a company from one jurisdiction to another jurisdiction entails that a certain legal framework applicable in the original jurisdiction including certain protections and features which may be afforded in that

jurisdiction may no longer be applicable in the new jurisdiction. Conversely, certain protections and features may be applicable in the new jurisdiction that were not applicable in the original jurisdiction.

Whilst it is difficult, if not impossible, given the complexity to assess in detail any repercussions and effects of the Conversion from a tax and non-tax point of view on the Company and its shareholders, in the reasonable judgment (albeit not based on a comparative study) of the Management Board, the Conversion, if implemented, should overall place the Company and its shareholders, from a holistic point of view and setting aside individual aspects which may be less or, as the case may be, more favourable in absolute and relative terms, in a situation that would not be fundamentally different from the situation that they are in for the time being.

Economic:

The Conversion of the Company is required in order to be able to obtain an approval by the CSSF of the prospectus relating to the admission to trading on the regulated market of LuxSE (and any other regulated market within the European Economic Area). An admission to trading on the regulated market of the LuxSE (and, where contemplated, other regulated markets) is (are) expected to improve the Company's access to capital markets and, as a result, is (are) likely to enhance the Company's and its shareholders' financial position.

The Conversion will not affect either the business strategy, the corporate governance setup or the manner in which financial information of the Company is accounted for; which will remain IFRS.

The Conversion could have an impact for the shareholders of the Company. Due to the Conversion, the Company (for tax purposes) ceases to exist in the Netherlands, which could lead to tax effects on the Company and thereby on the value of its shares. The Management Board has analysed and to the best of its knowledge has deemed the Conversion to be without materially significant risk from the Company taxation perspective. However, the Conversion could also become treated as a taxable event for the shareholders as they may be deemed to have transferred their shareholding in a Dutch company. No general rule for the tax treatment of a shareholder can be given in this respect because such will depend on the identity and nationality of the shareholder involved. Each shareholder is therefore strongly advised to check the tax consequences of the Conversion with a tax counsel.

In respect to the potential tax implications considered from a company perspective, the clarification process of potential material withholding tax effects on the level of RNTS Media N.V. is on-going in the Netherlands, as well as the clarification in Germany of the potential loss of tax losses carried forward.



Social:

The Company does not have any employees and no works council is established within the Company.

The Conversion, therefore, has no effect on employment and working conditions.