



# Q1 2009

**Thomas Ebeling, CEO**  
**Axel Salzmann, CFO**

May 14, 2009

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## Overview

Thomas Ebeling, CEO





## ProSiebenSat.1 Group delivers robust earnings in challenging market environment

### **Recurring EBITDA increased 6.0%, to EUR 93.8m (+EUR 5.3m)**

- Recurring EBITDA margin rises to 15.0% (+2.9 percentage points)
- Planned reduction of recurring costs of EUR 100m in 2009 compared to 2008 on track: operating costs adjusted for CMore in Q1 2008 decreased 10.3% or EUR 61.4m, to EUR 536.3m

### **Group revenues adjusted for CMore effect down 8.8% (-EUR 60.2m), to EUR 627.0m;**

### **Group revenues incl. CMore in Q1 2008 decreased 14.0% (-EUR 102.1m)**




- CMore deconsolidation in November 2008 added EUR 41.9m to Group's revenue decrease. In total, revenues in Diversification segment (excl. CMore effect) decreased 10.3% or EUR 9.7m.
- Revenues from the German-speaking Free TV segment were down 6.8% or EUR 28.3m. The international Free TV segment's revenue contribution decreased 12.6% or EUR 22.1m.

### **Investments in top programming**

- Sat.1: legendary soccer show „ran“ with Champions League and UEFA Cup as well as Johannes B. Kerner, Germany's most popular TV host, return to Sat.1; new late-night show with comedian Oliver Pocher
- Licensing agreement with CBS Paramount and Sony Pictures for the German Free TV stations extended
- Feature film deal with MGM for the Netherlands extended
- TV 2 in Hungary obtains UEFA Champions League rights



## Ratings performance

Audience shares		
Q1 2009		
<b>Germany</b>	<b>29.1%</b> (Q1 2008: 28.8%) 	<ul style="list-style-type: none"><li>• "Pirates of the Caribbean" was the most watched film on German TV (ProSieben: 37.5%)</li><li>• Successful formats such as "Germany's Next Topmodel" (ProSieben: up to 25.2%) or Champions League (Sat.1: up to 20.0%)</li></ul>
<b>Austria</b>	<b>16.5%</b> (Q1 2008: 14.9%) 	<ul style="list-style-type: none"><li>• The newly launched channel PULS 4 increased its performance to 2.2% in Q1 2009 (Q1 2008: 1.0%)</li><li>• Very successful performance of programs like "Germany's Next Topmodel" on ProSieben Austria (up to 19.4%) and "Austria's Next Topmodel" on PULS 4 (up to 13.0%)</li></ul>
<b>Switzerland</b>	<b>16.2%</b> (Q1 2008: 17.5%) 	<ul style="list-style-type: none"><li>• All three channels suffered audience share losses (in particular Sat.1 daytime and kabel eins access prime)</li><li>• Some new formats did not perform (e.g. "Klinik am Alex", "Die Gerichtsvollzieher", "Mr. Perfect")</li></ul>

All figures refer to 24-hour (Mon-Sun) audience shares. Germany: Sat.1, ProSieben, kabel eins, N24; target demographic 14-49 years / Austria: ProSieben Austria, Sat.1 Österreich, kabel eins austria, PULS 4 (from Jan. 28, 2008); target demographic 12-49 years / Switzerland: ProSieben Switzerland, Sat.1 Schweiz, kabel eins switzerland; target demographic 15-49 years.



## Ratings performance

	<b>Audience shares</b> Q1 2009		
<b>Netherlands</b>	<b>26.4%</b> (Q1 2008: 25.8%)		<ul style="list-style-type: none"><li>• Stable performance, prime time figures driven by enhanced programming investments</li></ul>
<b>Belgium</b>	<b>14.9%</b> (Q1 2008: 17.1%)		<ul style="list-style-type: none"><li>• Sharp increase of public broadcasters' investments in local programs; weaker investments in local production for SBS Belgium</li><li>• Ratings growth in March mainly driven by "Temptation Island" (VT4) and "Come Dine with Me" (Vijf TV)</li></ul>
<b>Hungary</b>	<b>23.4%</b> (Q1 2008: 24.7%)		<ul style="list-style-type: none"><li>• Share of viewing performance under pressure as terrestrial channels lost audience shares due to fragmentation: TV2's viewing shares dropped 5%, while total terrestrial viewing shares dropped 9% and cable/satellite viewing shares grew 13%</li></ul>
<b>Romania</b>	<b>7.6%</b> (Q1 2008: 7.0%)		<ul style="list-style-type: none"><li>• Reinforcement of programming skills showed positive effects</li></ul>

Figures refer to extended prime time audience shares. Netherlands: SBS6, Net5, Veronica; target demographic 20-49 years (18-24h) / Belgium: VT4, vijfTV; target demographic 15-44 years; Belgian figures refer to the region of Flanders (17-24h) / Hungary: TV2; target demographic 18-49 years (17-24h) / Romania: Prima TV, Kiss TV; target demographic 15-44 years; Romanian figures are based on the urban population (18-24h).



## Ratings performance

	<b>Audience shares</b> Q1 2009		
<b>Norway</b>	<b>12.1%</b> (Q1 2008: 13.0%)		<ul style="list-style-type: none"><li>• Postponed launch of local productions</li><li>• Competitors: MTG's TV3 significantly increased distribution; penetration of niche channels</li></ul>
<b>Sweden</b>	<b>14.1%</b> (Q1 2008: 14.9%)		<ul style="list-style-type: none"><li>• Audience shares of Kanal 9 increased by 40%</li><li>• Voice TV closed down in Sep 08</li></ul>
<b>Denmark</b>	<b>15.3%</b> (Q1 2008: 13.3%)		<ul style="list-style-type: none"><li>• New station 6'eren performed steadily above expectations</li><li>• Launch of key local productions on Kanal 4 in Feb and March: "Young Mothers", "Single life and Everyday Heroes", "Model in a day" etc.</li><li>• Kanal 5: later launch of strong spring programming</li></ul>
<b>Finland</b>	<b>1.9%</b> (Q1 2008: 1.1%)		<ul style="list-style-type: none"><li>• Positive development of new entertainment window TV Viisi launched in Sep 08: TV Viisi is sharing license with The Voice from 18-24hrs</li><li>• TV Viisi broadcasts all World Cup 2010 qualifying matches of the Finnish national soccer A-team</li></ul>

Figures refer to extended prime time audience shares. Norway: TV Norge, FEM, The Voice; target demographic 12-44 years (17-24h) / Sweden: Kan 5, Kanal 9, The Voice; target demographic 15-44 years (17-24h) / Denmark: Kanal 4, Kanal 5, 6eren, The Voice; target demographic 15-50 years in commercial universe (17-24h) / Finland: The Voice/TV Viisi; target demographic 15-44 years (18-24h) .



## Advertising market in Q1 2009: share gains in German-speaking markets and the Netherlands

	Q1 2009 total TV advertising spendings	Change from Q1 2008	Q1 2009 ad share ProSiebenSat.1		Q1 2008 ad share ProSiebenSat.1
Germany	EUR 2,027.4m	-2.7%	43.6%	+3.3	40.3%
Austria	EUR 132.6m	-3.7%	23.7%	+4.5	19.2%
Switzerland	EUR 137.6m	-6.5%	27.2%	+4.0	23.2%
Netherlands	EUR 154.2m	-9.8%	35.6%	+2.2	33.4%

Germany: gross, Nielsen Media Research. Austria: gross, Media Focus. Switzerland: gross, Media Focus / ex rate 1,50 CHF. Netherlands: net (after discount, before agency commission), SPOT organisation. All figures reported to SevenOne Media, Market Intelligence, finalized May 2009.



## Key milestones and events

<b>German TV</b>		<ul style="list-style-type: none"><li>• New organizational set-up on track</li><li>• Sat.1 moves to Munich</li><li>• Integrated channel organization</li><li>• Central editorial office of Sat.1 was outsourced to the maz &amp; more GmbH</li></ul>
<b>International TV</b>		<ul style="list-style-type: none"><li>• New launch of channel 6'eren in Denmark</li></ul>
<b>Diversification</b>		<ul style="list-style-type: none"><li>• Sale of solute GmbH (German web portal billiger.de) closed</li><li>• SevenOne Interactive is No.2 online marketer in Germany with 18.8m unique users</li><li>• Acquisition of Swedish radio</li><li>• Reorganization of radio operations in Denmark</li></ul>
<b>Production</b>		<ul style="list-style-type: none"><li>• New European playout-center started operations</li><li>• ProSiebenSat.1 Produktion signs contract to outsource Berlin subsidiary</li><li>• As of July 1, 2009, Fernsehwerft GmbH will take over the services of ProSiebenSat.1 Produktion Berlin GmbH</li></ul>



# Financials Q1 2009

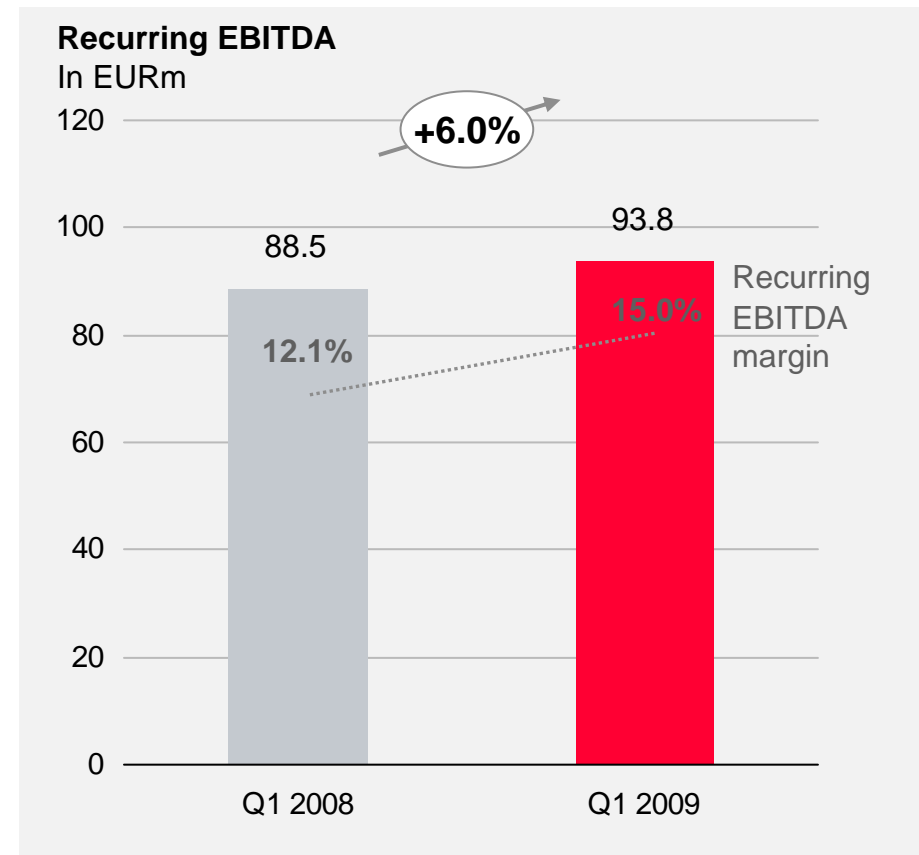
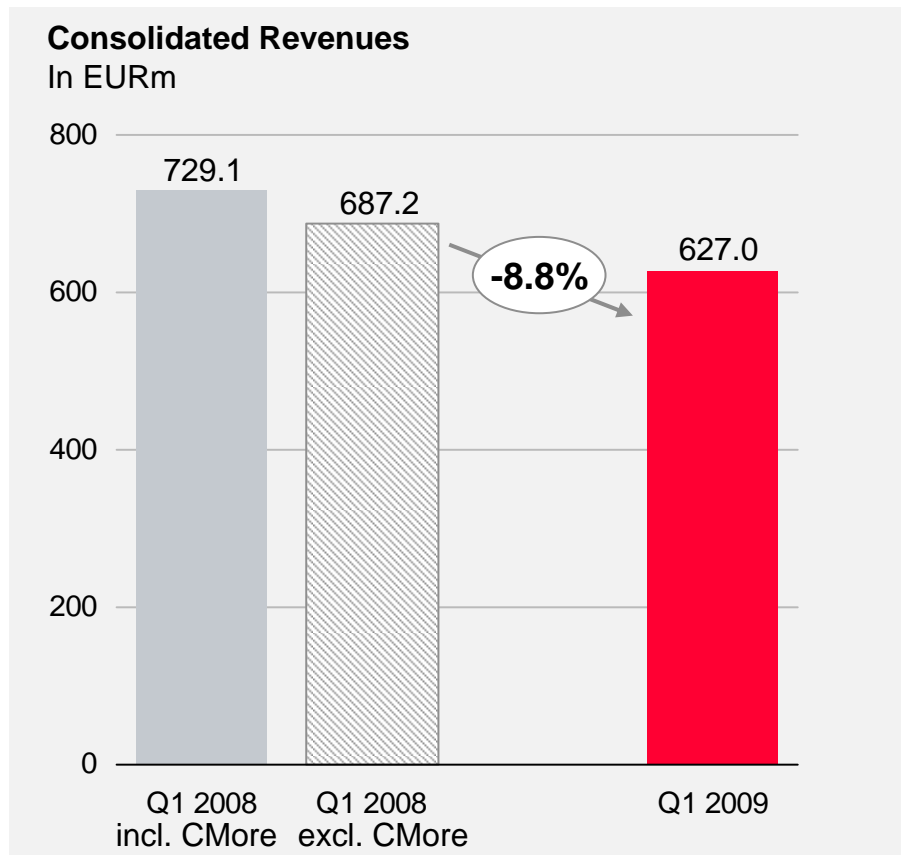
Axel Salzmann, CFO





## Consolidated revenues / recurring EBITDA in Q1 2009

- Group revenues decrease due to market decline as well as CMore deconsolidation, Group revenues ex CMore down 8.8 percent or EUR 60.2m
- Revenue decrease compensated by efficient cost management, profitability improved

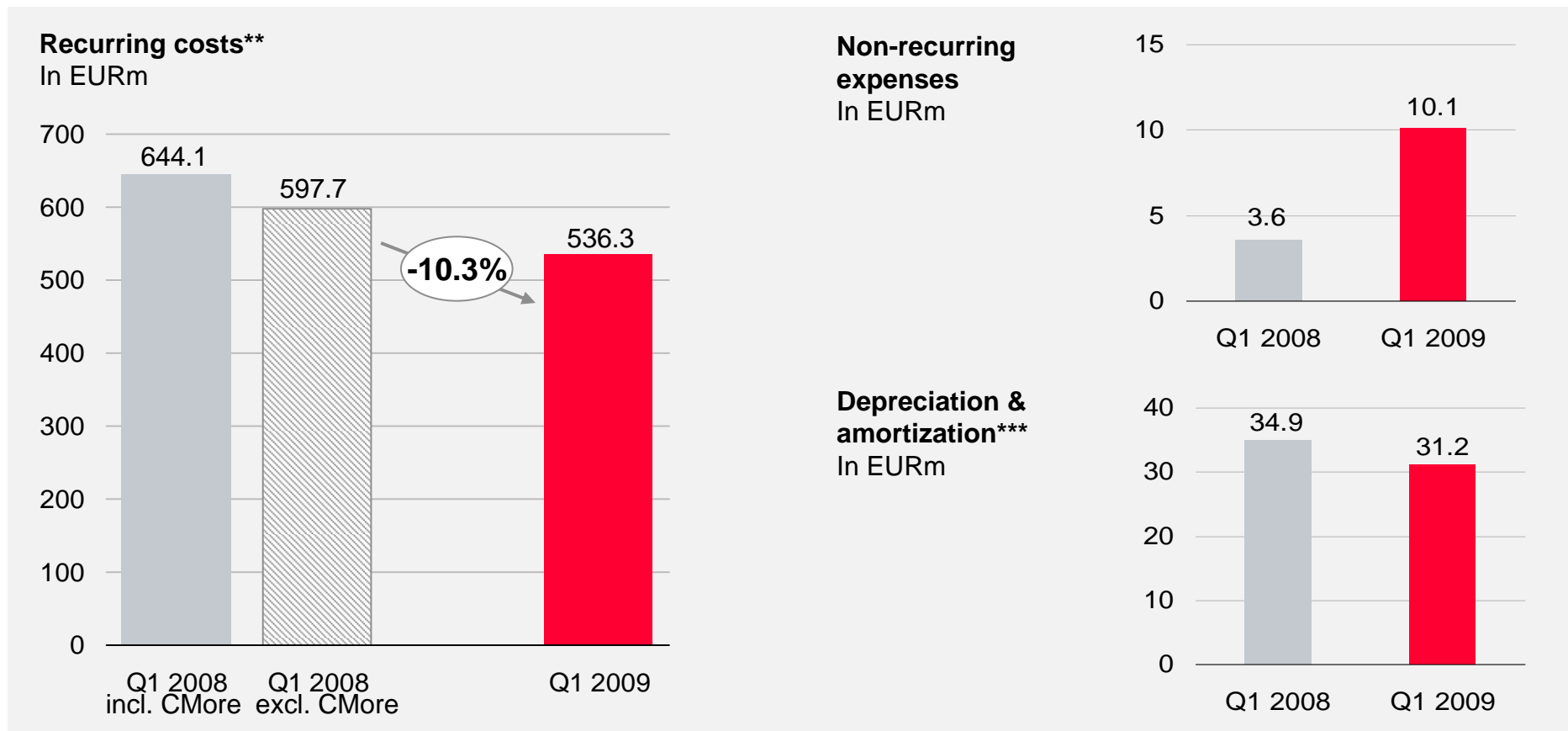


Deconsolidation of CMore in November 2008. Revenue contribution of CMore in Q1 2008: EUR 41.9m, recurring EBITDA contribution of CMore in Q1 2008: -EUR 4.5m. Recurring EBITDA: EBITDA before non-recurring (exceptional) items.



## Group's operating costs in Q1 2009

- Recurring costs ex. CMore reduced by 10.3 percent or EUR 61.4m
- Consumption of programming assets ex. CMore down by EUR 45.3m, to EUR 278.2m\*



Deconsolidation of CMore in November 2008. \* In total, consumption of programming assets down by EUR 75.6m, thereof CMore in Q1 2008: EUR 30.3m.  
\*\* Overall recurring costs excl. D&A. \*\*\* Thereof purchase price allocation: EUR 18.5m in Q1 2008, EUR 15.8m in Q1 2009.



## EBITDA reconciliation for Q1 2009

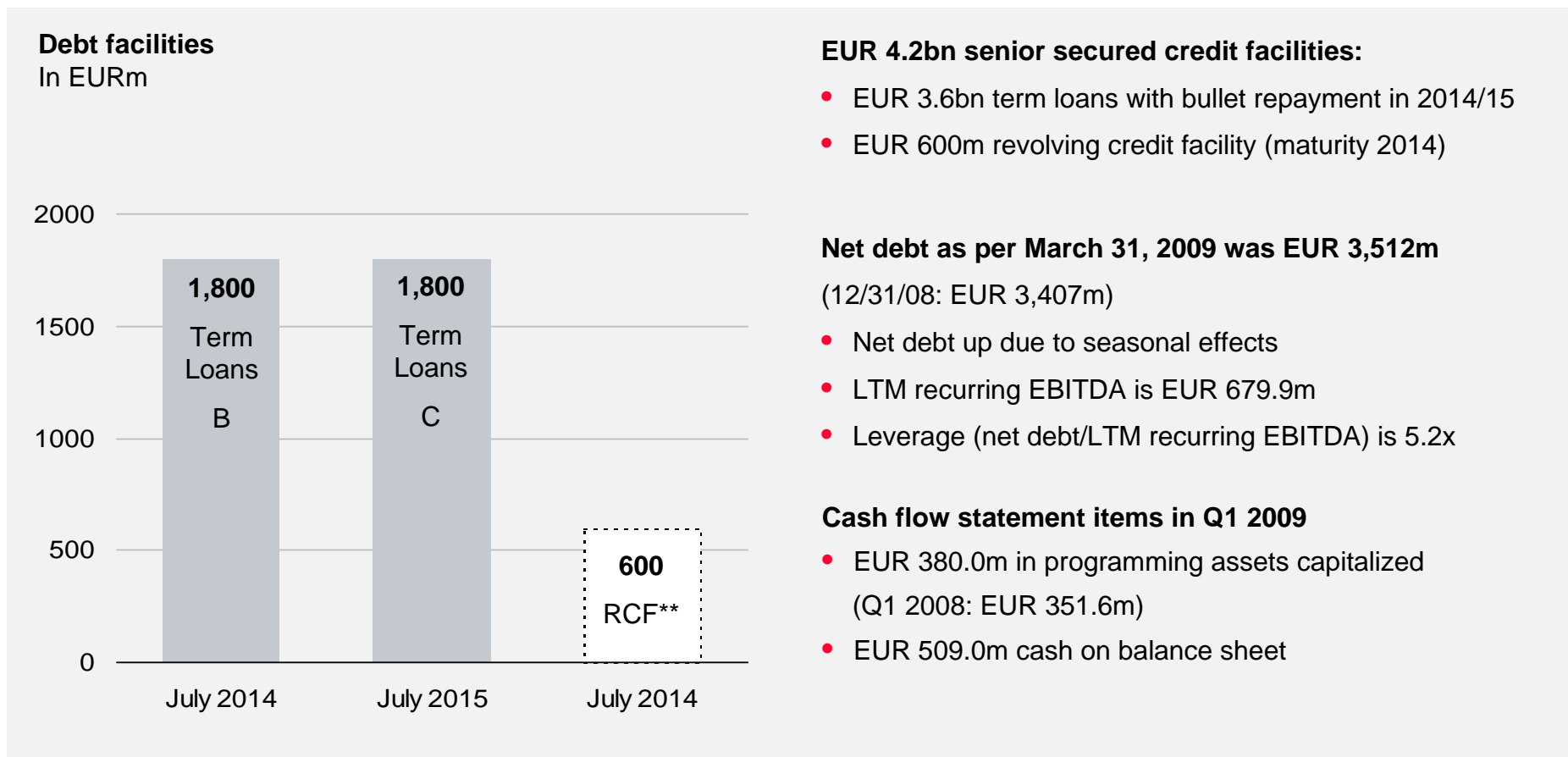
In Euro m	Q1 2009	Q1 2008
<b>Recurring EBITDA</b>	<b>93.8</b>	<b>88.5</b>
Non-recurring items	3.4	3.6
<b>EBITDA</b>	<b>90.4</b>	<b>84.8</b>
Depreciation and amortization	31.2	34.9
<b>Operating profit</b>	<b>59.2</b>	<b>49.9</b>

### Non-recurring items in Q1 2009:

- Non-recurring costs of EUR 10.1m in Q1 2009 resulted mainly from steps to improve Group-wide organizational structures
- Mainly proceeds from the sale of solute added EUR 6.7m income to non-recurring items






## Debt facilities – financing leaves sufficient headroom for further operational and strategic expansion



\*Revolving Credit Facility: Present cash draw-down EUR 497.2m.






## German-speaking Free TV segment

	Q1 2008 EURm	Q1 2009 EURm	Change In percent
External revenues	417.1	388.8	-6.8 
Recurring EBITDA	57.6	68.1	18.2 
EBITDA	54.8	60.9	11.1 

- **Difficult market situation in Germany causes cut in TV advertising investments**
  - Sales model for Germany well accepted, ad share recovery mitigates revenue decline
  - Stable revenue performance in Austria and Switzerland
- **Lower costs due to**
  - New organizational set-up of German Free TV stations
  - Organizational improvements of German sales activities
  - More efficient use of programming inventory



## International Free TV segment




	Q1 2008 EURm	Q1 2009 EURm	Change In percent
External revenues	176.0	153.9	-12.6 
Recurring EBITDA	27.5	13.1	-52.4 
EBITDA	27.2	12.3	-54.8 

- **Ad revenue decline in international TV markets due to market conditions**
- **In addition revenue performance in Nordic and CEE affected by currency translation effects**
- **Multi-channel development strategy on track:**
  - Denmark reported revenue growth, with the support of the successful launch of the Free TV station 6'eren



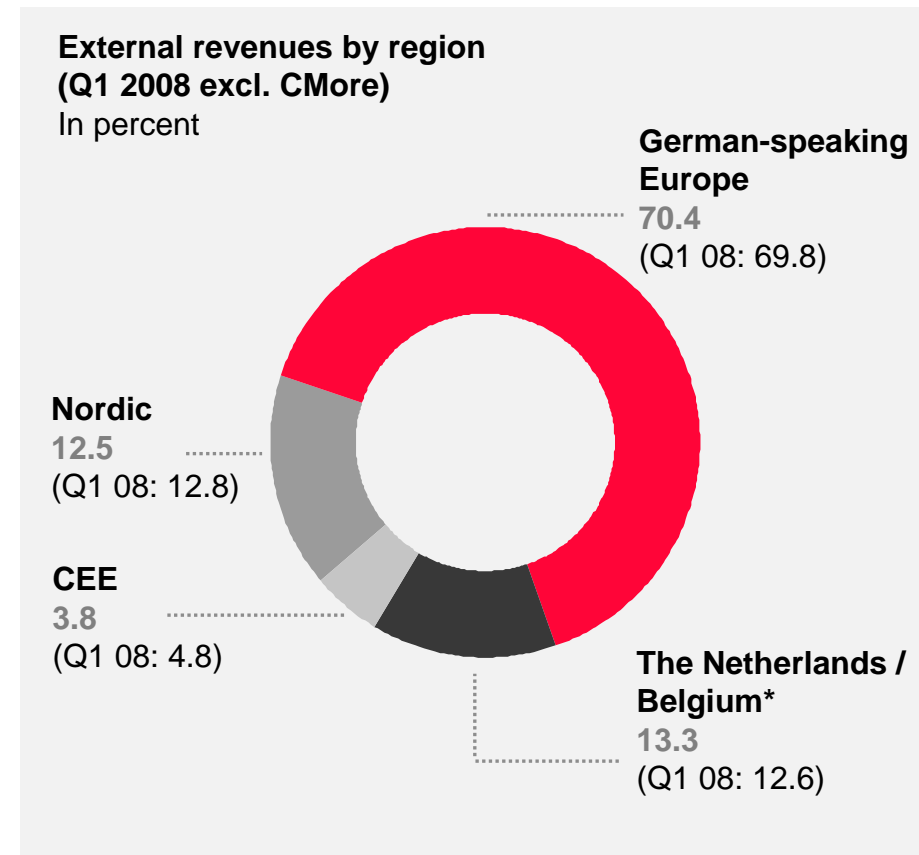
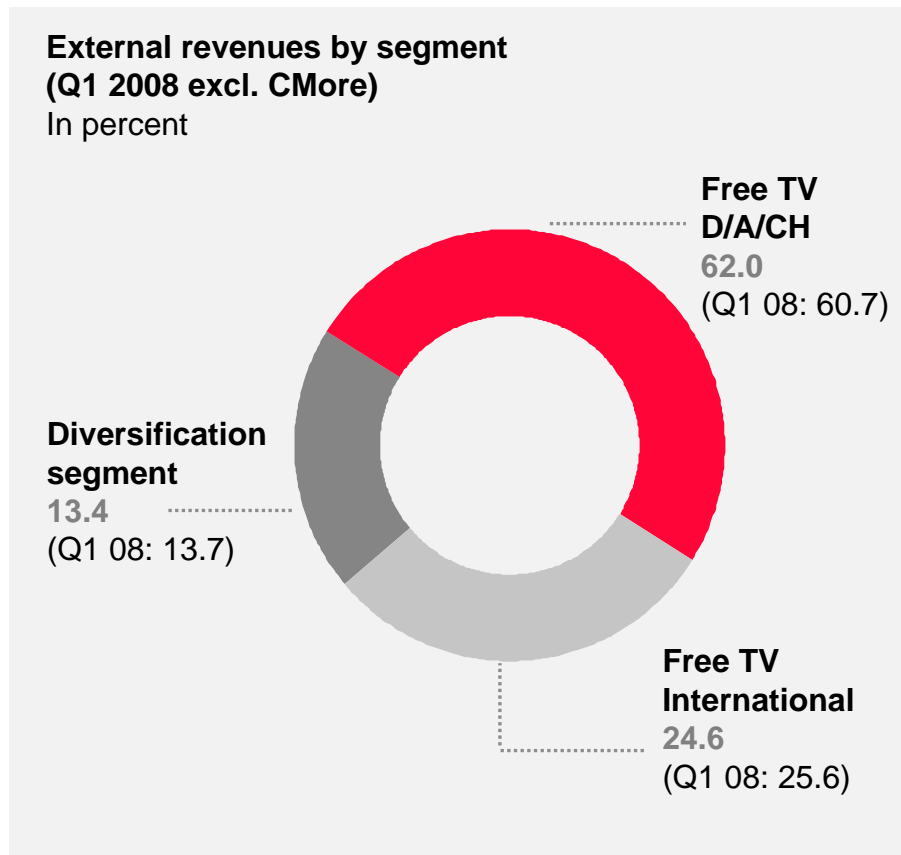
## Diversification segment

- **Revenue decline mainly due to deconsolidation of Pay TV business CMore**
  - Lower Call TV revenues of 9Live in Germany
  - International radio activities remained robust, music business successfully expanded
- **Efficient cost management compensated for the revenue decrease, in addition earnings growth driven by CMore factor**

	Q1 2008 EURm	Q1 2009 EURm	Change In percent
External revenues	135.9	84.3	-38.0 
thereof CMore	41.9	-/-	-/-
Recurring EBITDA	4.0	12.4	+210.0 
thereof CMore	-4.1	-/-	-/-
EBITDA	3.4	17.0	+400.0 
thereof CMore	-4.5	-/-	-/-



## Revenue split by segment and region



Deconsolidation of CMore in November 2008. \*Flanders.



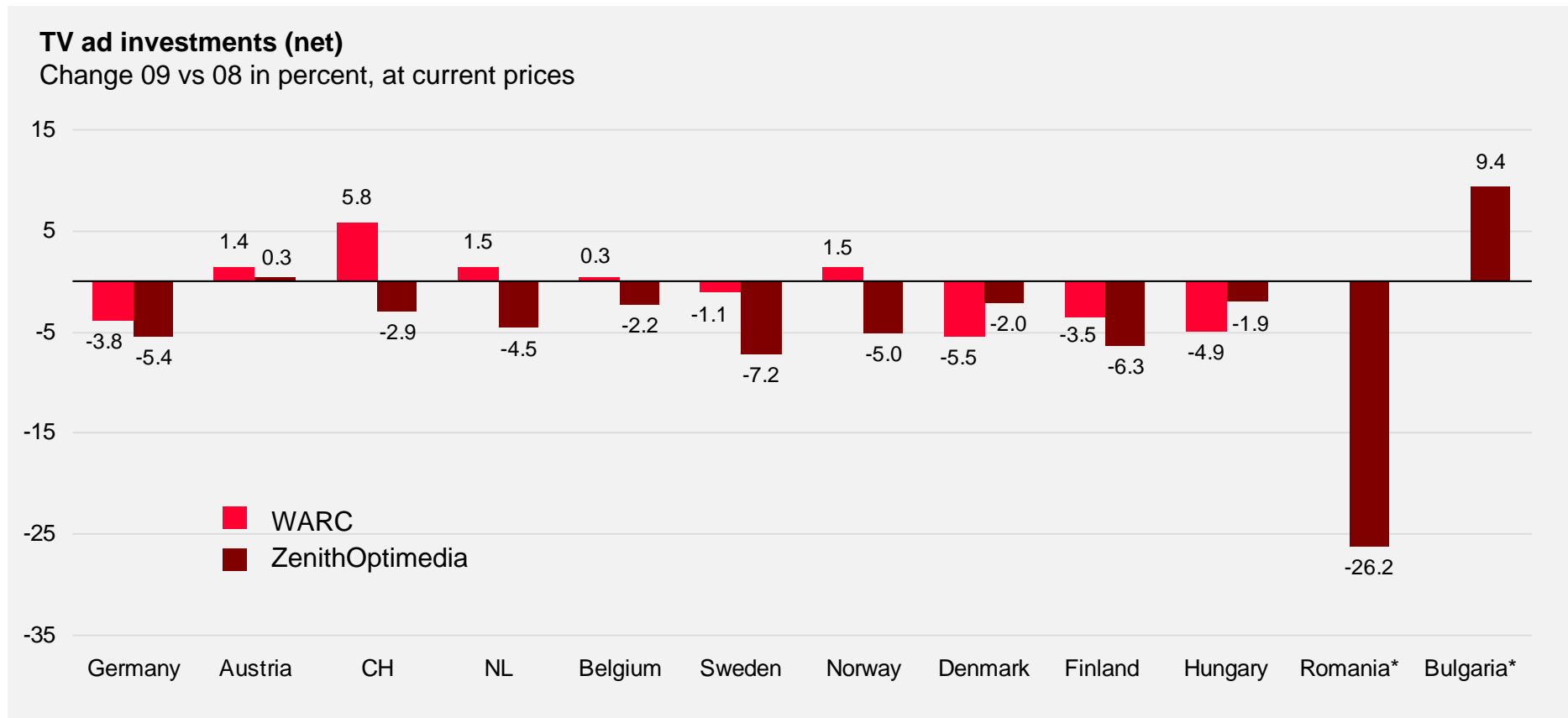
# Outlook

Thomas Ebeling, CEO





## Research institutes' forecasts for European TV advertising markets in 2009



\*WARC forecast not available for Romania and Bulgaria.

Sources: WARC 03/2009, ZenithOptimedia 03/2009, figures extensively harmonized on a net base, but still several methodical differences between countries and sources.



## Our strategic priorities

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1.

### **Achieve financial targets**

- Proactive cost and cash-flow management
- Delivering competitive revenue performance
- Ensure to capitalize our stations' good viewer performance at adequate prices

2.

### **Strengthen performance of core TV business**

- Better content output and ratings at appropriate and smart program investments
- Selling and price management excellence
- Synergies and operational excellence to further reduce costs
- Increase profitable reach of our programs

3.

### **Identify new growth opportunities and re-focus existing portfolio**

- Drive new platforms (online, mobile)
  - Accelerate growth in Pay TV, maxdome, AdVOD (branded stations, MyVideo)
  - Explore vertical integration
  - Optimize geographic and diversification portfolio
  - Expand into growing / profitable adjacent businesses
-

**We believe that we are on track to master the challenges in 2009**



- 1. New German sales model accepted and delivered ad share gains.**
- 2. Cost measures on track.**
- 3. Viewer market share performance in line with our expectations.**
- 4. Attractive content pipeline secured with studio deals and acquisition of key entertainers in Germany.**

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