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## Press Release

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### ProSiebenSat.1 Increases Revenues and Earnings Significantly in Q1 2015

Page 1

- Consolidated revenues rise by 12.7 % to EUR 654.6 million
- Recurring EBITDA increases by 9.0 % to EUR 152.7 million
- Underlying net income grows by a substantial 25.4 % to EUR 69.9 million
- Group achieves highest audience share in nine years
- ProSiebenSat.1 confirms positive full-year guidance for 2015

**Munich, May 7, 2015.** After another record year, ProSiebenSat.1 continued its successful growth course in the first quarter of 2015: The Group increased its revenues by 12.7 % to EUR 654.6 million (previous year: EUR 581.1 million). Again, all segments contributed to this result. The Group also grew dynamically in terms of earnings: Recurring EBITDA adjusted for one-off effects rose by 9.0 % to EUR 152.7 million (previous year: EUR 140.1 million). Underlying net income also increased considerably with a growth of 25.4 % to EUR 69.9 million (previous year: EUR 55.7 million).

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**Thomas Ebeling, CEO of ProSiebenSat.1 Media AG:** “We have had a good start to the new financial year. All three segments have developed positively. The digital business is growing dynamically, and also our production pillar has seen significant increase. In the TV business, we are using the favorable economic environment to further augment our TV advertising revenues. We are also making very good progress towards our mid-term targets. By 2018, we want to increase our revenues by EUR 1 billion compared to 2012. We have already achieved 59 %, and thus are a reliable partner for the capital market.”

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#### **Broadcasting German-speaking: TV advertising revenues increase in all German-speaking markets, distribution revenues grow dynamically**

In the Broadcasting German-speaking segment, external revenues rose by 4.8 % to EUR 470.8 million (previous year: EUR 449.2 million) in the first quarter of 2015. Despite additional investments into the strengthening of the station portfolio, recurring EBITDA increased by 5.0 % to EUR 125.8 million (previous year: EUR 119.8 million).

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In the first quarter of 2015, growth was again driven by rising TV advertising revenues and the dynamic development of the HD distribution business. ProSiebenSat.1 benefited from a persistently positive economic and industry environment and the early Easter date, hence the Group further increased its TV advertising revenues in all German-speaking markets. The growth was supported by strong figures in the audience market: With a combined market share of 28.9 % (previous year: 28.4 %, viewers aged 14-49), ProSiebenSat.1 has reached the highest figure in a first quarter in Germany in nine years.



In addition, the Group proceeded on its growth course in the distribution business. Revenues from the distribution of the free TV stations in HD quality continued to develop positively. The number of ProSiebenSat.1 HD users increased by 21 % to 5.6 million. ProSiebenSat.1 expects this figure to grow to more than nine million by 2018.

### **Digital & Adjacent: Digital commerce is again strongest growth driver**

The Digital & Adjacent segment's external revenues grew by 30.4 % to EUR 138.2 million (previous year: EUR 105.9 million) in the first quarter of 2015. All three business areas (Digital Entertainment, Digital Commerce and Adjacent) contributed to the good performance. The share of consolidated revenues therefore increased to 21.1 % (previous year: 18.2 %). Recurring EBITDA once again grew double-digit by 12.5 % to EUR 26.8 million (previous year: EUR 23.8 million) – despite higher costs for the expansion of the video-on-demand portal maxdome, among other things. The growth was largely organic.

Digital Commerce again made the highest contribution to revenues with the media-for-revenue-share and travel businesses. Already in 2014, ProSiebenSat.1 established a Travel vertical with successful investments in travel assets such as weg.de. The aim now is to create further verticals from fast-growing e-commerce sectors. ProSiebenSat.1 set up the Beauty & Accessories vertical in the first quarter of 2015 with investments in Flaconi, Amorelie and Valmano. The three e-commerce platforms will be included in the financial statements from the second quarter of 2015 onwards. In the mid-term, ProSiebenSat.1 expects potential revenues of over EUR 100 million for each e-commerce vertical.

At the same time, the Digital Entertainment business continued to grow dynamically. The most important revenue drivers included the video-on-demand portal maxdome and, as a result of consolidation, the online games business with Aeria Games GmbH. The number of online video views increased to 1.3 billion (previous year: 769 million). This was primarily attributable to the strong growth of Studio71 users, ProSiebenSat.1 Group's multi-channel network. Studio71 was founded in September 2013 and is already one of the largest multi-channel networks in Europe.

### **Content Production & Global Sales: Production business in the USA is strongest revenues source**

In the Content Production & Global Sales segment, external revenues increased by 75.6 % to EUR 45.6 million in the first quarter of 2015 (previous year: EUR 26.0 million). Recurring EBITDA rose to EUR 0.7 million after minus EUR 2.5 million in the previous year.

The segment's revenues grew largely organically. The greatest revenue contribution was again made by the production business of Red Arrow Entertainment Group in the USA. In February 2015, the series "Bosch" launched on Amazon in the USA with such great success that Amazon already ordered the second season from Red Arrow in the first quarter of 2015. In



addition, the consolidation of the US production firm Half Yard Productions also had a positive impact.

Page 3 of 5

### **Group invests in the sustainable growth of all segments**

The Group is investing in sustainable growth in all segments and strengthening its market position with strategic acquisitions. The objective is to diversify revenue models and expand into rapidly growing markets. Against this backdrop, cost increase in the Digital & Adjacent segment was primarily growth related; in the core business of TV, higher costs in connection with the strengthening of the station portfolio made an impact. As a result, total costs increased by 13.5 % to EUR 541.3 million (previous year: EUR 476.8 million). Operating costs adjusted for depreciation, amortization and non-recurring expenses amounted to EUR 505.6 million (previous year: EUR 446.5 million). This equates to an increase of 13.2 % compared to the same quarter of the previous year.

### **Financial result significantly improved, leverage ratio in target range**

The financial result continued to improve year-on-year and amounted to minus EUR 28.4 million compared to minus EUR 38.3 million in the same quarter of the previous year. The improvement was primarily based on significantly lower interest expenses. ProSiebenSat.1 placed its financing on a broader basis by issuing notes and securing a new syndicated facilities agreement in April 2014, thus diversifying and extending its maturity profile. Since then, the Group has benefited from more favorable conditions.

The Group's leverage ratio, i.e. the ratio of net financial debt to recurring EBITDA of the last twelve months (LTM recurring EBITDA), amounted to 1.7 as of March 31, 2015, and thus remained at the lower end of the defined target range of 1.5 to 2.5 (December 31, 2014: 1.8).

### **ProSiebenSat.1 confirms positive full-year guidance for 2015**

For fiscal 2015, the Group confirms its targets and continues to expect an increase in Group revenues in the mid to high single-digit percentage range. Recurring EBITDA and underlying net income are again expected to exceed the prior year level. At the same time, ProSiebenSat.1 is abiding by a leverage factor of 1.5 to 2.5. In the TV advertising market, the Group anticipates growth of 2 % to 3 % (based on net figures) for 2015. The Company continues to be ahead of plan compared to its growth targets for 2018: By the end of 2018, the Group aims to increase its revenues by EUR 1 billion compared to 2012. As of March 31, 2015, ProSiebenSat.1 had already achieved 59 % of this target.

All statements and figures relate to continuing operations unless indicated otherwise. ProSiebenSat.1 announced the sale of the Eastern European portfolio at the end of 2012. Until its deconsolidation, the Eastern European companies constituted discontinued operations as defined by IFRS 5. The sale of the Hungarian activities was completed on February 25, 2014, and the companies were deconsolidated as of this date. The sale of the Romanian activities was formally and legally completed on April 2, 2014 (TV) and August 4, 2014 (radio).



## ProSiebenSat.1 Group key figures from continuing operations

Page 4 of 5

EUR m	Q1 2015	Q1 2014	Change %
Revenues	654.6	581.1	12.7%
Total costs	541.3	476.8	13.5%
Operating costs <sup>(1)</sup>	505.6	446.5	13.2%
Recurring EBITDA <sup>(2)</sup>	152.7	140.1	9.0%
Recurring EBITDA margin (%)	23.3	24.1	-0.8 %age points
EBITDA	145.9	135.9	7.4%
Non-recurring items	-6.8	-4.3	59.6%
EBIT	117.2	109.9	6.6%
Financial result	-28.4	-38.3	-25.9%
Consolidated net profit (after non-controlling interests)	61.1	49.0	24.6%
Underlying net income <sup>(3)</sup>	69.9	55.7	25.4%
Basic earnings per share (underlying) (EUR)	0.33	0.26	25.1%
Free cash flow	0.2	-146.3	-/-
Cash flow from operating activities	349.8	229.0	52.7%

EUR m	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2014
Equity	935.1	753.9	633.2
Equity ratio (in %)	22.2	19.3	17.9
Cash and cash equivalents	474.6	470.6	250.5
Net financial debt	1,499.9	1,502.5	1,592.3 <sup>(5)</sup>
Leverage <sup>(4)</sup>	1.7	1.8	2.0 <sup>(6)</sup>



## Key figures share by segment from continuing operations

Page 5 of 5

EUR m	Q1 2015	Q1 2014	Change %
<b>Broadcasting German-speaking</b>			
Revenues (external)	470.8	449.2	4.8%
Recurring EBITDA <sup>(2)</sup>	125.8	119.8	5.0%
<b>Digital &amp; Adjacent</b>			
Revenues (external)	138.2	105.9	30.4%
Recurring EBITDA <sup>(2)</sup>	26.8	23.8	12.5%
<b>Content Production &amp; Global Sales</b>			
Revenues (external)	45.6	26.0	75.6%
Recurring EBITDA <sup>(2)</sup>	0.7	-2.5	-/-

<sup>(1)</sup> Total costs excl. D&A and non-recurring expenses. <sup>(2)</sup> EBITDA before non-recurring (exceptional) items. <sup>(3)</sup> Consolidated profit for the period after non-controlling interests, before the effects of purchase price allocations and other special items. <sup>(4)</sup> Ratio net financial debt to recurring EBITDA in the last twelve months. <sup>(5)</sup> After reclassification of cash and cash equivalents of Eastern European operations. <sup>(6)</sup> After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for LTM recurring EBITDA contribution from the Northern and Eastern European business.

More key figures are available on our Group website [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com), where you will also find the report on the first quarter of 2015.