Press Release

ProSiebenSat.1 continues profitable growth in Q1 2014

- **Consolidated revenues up 3.3 % to EUR 581.1 million**
- **Recurring EBITDA up strongly by 9.5 % to EUR 140.1 million**
- **Underlying net income increases by 9.4 % to EUR 55.7 million**
- **Group confirms positive full-year guidance**

Munich, May 8, 2014. The ProSiebenSat.1 Group made a positive start to 2014. The Group continued its profitable growth in the first quarter of 2014 and increased total revenues by 3.3 % to EUR 581.1 million. Again, all segments contributed to this. Consolidated recurring EBITDA developed dynamically, climbing 9.5 % on the same period of the previous year to EUR 140.1 million (previous year: EUR 128.0 million). Underlying net income also increased considerably, by 9.4 % to EUR 55.7 million (previous year: EUR 50.9 million).

Thomas Ebeling, CEO of ProSiebenSat.1 Media AG: “We had a good start to the year: All segments continued to grow in Q1 2014. In our core TV business, we not only further increased advertising revenues, but were also able to significantly improve distribution income. In the Digital business, our core areas continued to develop dynamically. In total, we are benefiting across all business segments from the continuing positive macro-economic climate. That makes us optimistic for full year.”

Broadcasting German-speaking: result considerably improved
In the first quarter, external revenues in the Broadcasting German-speaking segment increased by 1.8 % or EUR 8.1 million to EUR 449.2 million (previous year: EUR 441.1 million). Contributing factors were the positive trend in the audience and advertising market combined with the ongoing dynamic growth of distribution revenues. Against this backdrop, recurring EBITDA increased by 7.9 % or EUR 8.8 million to EUR 119.8 million.

ProSiebenSat.1 considerably expands leadership in audience market – distribution revenues continue to increase strongly
Despite the Winter Olympics, the combined market share of the German ProSiebenSat.1 stations grew significantly: SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold and ProSieben MAXX expanded their combined market share by 1.8 percentage points to 28.4 % (previous year: 26.6 %, viewers aged 14-49).

In the relevant target group of viewers aged 14 to 39, ProSieben closed the first quarter at 15.3 % (previous year: 15.0 %; Q1 2014, 14-49 year olds: 11.0 %). SAT.1 increased its market share by 0.3 percentage points to 9.6 % (previous year: 9.3 %, 14-59 year olds; Q1 2014, 14-49 year olds: 9.1 %). kabel eins

Contact:

Julian Geist
Corporate Spokesperson
ProSiebenSat.1 Media AG
Medienallee 7
D-85774 Unterföhring
Tel. +49 [89] 95 07-11 51
Fax +49 [89] 95 07-911 51

E-mail:
Julian.Geist@ProSiebenSat1.com

Stefanie Prinz
Corporate Communications
ProSiebenSat.1 Media AG
Medienallee 7
D-85774 Unterföhring
Tel. +49 [89] 95 07-11 99
Fax +49 [89] 95 07-911 99

E-mail:
Stefanie.Prinz@ProSiebenSat1.com

Press Release online:
www.ProSiebenSat1.com

increased its market share to 5.6 % in the relevant target group of viewers aged 14 to 49 (previous year: 5.5 %). Especially the young ProSiebenSat.1 stations again grew significantly. The women's channel sixx increased its market share by 0.9 percentage points to 2.6 % (previous year: 1.7 %, women aged 14 to 39; Q1 2014, 14-49 year olds: 1.4 %). SAT.1 Gold improved by 0.5 percentage points to 0.8 % (previous year: 0.3 %, women aged 40 to 64; Q1 2014, 14-49 year olds: 0.5 %). Six months after its launch, the men's channel ProSieben MAXX already achieved a market share of 0.8 % (men aged 30 to 59; Q1 2014, 14-49 year olds: 0.8 %).

Also on the German TV advertising market, the ProSiebenSat.1 Group was again the market leader with a gross market share of 44.4 % (previous year: 44.4 % gross). As advertising budgets were shifted into April due to the late Easter date, the ProSiebenSat.1 Group anticipates a considerably stronger second quarter of 2014 in TV advertising revenues. ProSiebenSat.1 also benefits from a sound industry environment: Between January and March 2014, television further consolidated its strong position as an advertising medium in comparison to the previous year. With an increase of 6.5 %, TV again posted the largest growth rates on a gross basis. At the same time, its share in the gross media mix rose by 1.5 percentage points to 45.3 %. Online media gained 0.1 percentage points to 11.3 % gross, while print media declined by 1.3 percentage points to 31.7 % gross.

In addition to its free TV stations, the ProSiebenSat.1 Group has also bundled its distribution activities in the Broadcasting German-speaking segment, thereby strengthening its independence from the traditional TV advertising business. In the first quarter of 2014, distribution revenues continued to develop very positively, increasing by 29.6 % to EUR 19.7 million (previous year: EUR 15.2 million). In particular, the number of HD free TV subscribers rose considerably, increasing by 1.3 million or 41 % to 4.6 million. At the same time, the ProSiebenSat.1 Group significantly strengthened mobile distribution of its services by means of new cooperations in the first quarter and established new partnerships with Deutsche Telekom, Magine and Zattoo. In addition, the Group also announced the launch of a comprehensive app today: 7TV will offer all ProSiebenSat.1 TV stations as a live stream and numerous TV shows on demand. The Group has therefore entered into a distribution partnership with an important mobile provider. 7TV will launch in June 2014.

Digital & Adjacent segment improves result by nearly 20 %
External revenues of the Digital & Adjacent segment rose by 9.6 % to EUR 105.9 million in the first quarter of 2014 (previous year: EUR 96.7 million). Growth was primarily driven by the positive development in the core areas of Digital Entertainment and Travel. Even though revenue momentum was temporarily somewhat lower in the first quarter of 2014 due to the deferral of revenues to subsequent quarters in combination with an unusually strong comparative quarter in the Adjacent and Digital Commerce units, the results of the segment remained strong. Recurring EBITDA increased by 19.4 % to EUR 23.8 million (previous year: EUR 20.0 million). From the second quarter of 2014, revenue growth in the Digital & Adjacent segment is expected to

accelerate considerably again. For the year as a whole, the Group thus continues to anticipate revenues to increase by a double-digit percentage.

Digital Entertainment: The Digital Entertainment offers of the ProSiebenSat.1 Group developed in a particularly strong way in the first quarter of 2014. With a market share as per Nielsen Media Research of 47.3 % (up 0.8 percentage points) and 810 million video views, the Group was again Germany's leading seller of video content in the Internet.

Also the multi-channel network (MCN) Studio71, which was founded in 2013 and which the ProSiebenSat.1 Group uses to produce, aggregate and sell web content, continued to grow dynamically. In comparison to the previous quarter, video views more than tripled to approximately 330 million. This makes Studio71 one of the leading MCNs in German-speaking territories within half a year after its launch. Thanks to a partnership with CDS, one of the largest US multi-channel networks, Studio71 will continue to grow. Via the Red Arrow Entertainment Group, ProSiebenSat.1 acquired a stake in CDS at the end of March. Since then, it has been able to access the US network's content. CDS achieves almost one billion video views a month. Together, the objective is to establish one of the world's leading MCNs.

Furthermore, with the purchase of the games publisher Aeria Games Europe in the first quarter of 2014, the ProSiebenSat.1 Group has further expanded its Games business and is now one of the Top 3 players on the European online games market. Aeria Games Europe has been consolidated since the start of the second quarter of 2014 and will push segment growth further in the following months. As a result of the Aeria Games purchase, the ProSiebenSat.1 games community has grown from 27 million to 77 million players. At the same time, the number of games licenses more than doubled from 19 to 39.

Digital Commerce: In the E-Commerce business, it was the Travel portfolio, which was built up in 2013, and which again made the biggest contribution to the segment's growth. The majority holdings billiger-mietwagen.de and mydays.de (fully consolidated since June and July 2013 respectively) as well as weg.de and ferien.de (the travel portals initially consolidated in the Group financial statements in January 2014) provided relevant revenue contributions.

In addition to traditional acquisitions, the ProSiebenSat.1 Group is also extending its Ventures unit with its media-for-equity and media-for-revenue-share model (M4R/M4E). After establishing it successfully in Germany, the Group is now pushing internationalization of its M4E/M4R portfolio. Since the beginning of the year, it has already concluded two US partnerships with Shopkick and Talenthouse. In Germany, the Group successfully concluded its second media-for-equity exit with Lieferando after Tirendo.

Adjacent: In the Music business, revenues in the first quarter fell short of the previous year. The first quarter of 2013 was unusually successful, so that the strong previous-year level was not achieved in the first quarter of 2014.

However, the Group anticipates that the Music business will again move ahead in the second half of the year with releases by artists such as Peter Maffay, Gary Barlow and Annett Louisan.

Red Arrow strengthens US presence: acquisition of Half Yard and CDS
The Content Production & Global Sales segment increased external revenues in the first quarter of 2014 by 3.6 % or EUR 0.9 million to EUR 26.0 million. Due to higher costs than in the first quarter of the previous year, recurring EBITDA amounted to minus EUR 2.5 million (previous year: minus EUR 1.2 million). Moreover, the decline in earnings was due to the deferral of commissioned productions to subsequent quarters, which will be offset over the year as a whole.

In the first quarter of 2014, the program production and sales subsidiary Red Arrow Entertainment expanded its US portfolio in particular with new acquisitions. In February, Red Arrow acquired a majority interest in Half Yard Productions LLC. Half Yard is one of the leading US production firms in the reality, factual entertainment and documentary segment. Furthermore, Red Arrow acquired a minority stake of 20.0 % in CDS, the American multi-channel network, in March. This is strategically relevant for both Red Arrow and the ProSiebenSat.1 Digital unit. Red Arrow will market content from the CDS network internationally, produce online formats and develop new internet and TV talent.

In addition, positive consolidation effects from the acquisition of Half Yard will drive revenue and profit growth at Red Arrow for the whole year, as will attractive production orders: With “100 Code”, Red Arrow is creating the first in-house production for Sky Deutschland. For Amazon, the company is producing the crime series “Bosch.” In March, Amazon ordered ten episodes from the US-based Red Arrow subsidiary Fabrik Entertainment.

Group invests in sustainable growth across all segments
The Group is investing in sustainable growth across all segments, and is strengthening its market position via strategic acquisitions. The objective is to diversify revenue models and to expand into rapidly growing markets that are independent of the traditional TV advertising business. In this context, total costs rose due to growth by 3.3 % or EUR 15.2 million to EUR 476.8 million.

Operating costs, adjusted for non-recurring expenses, depreciation and amortization, rose by 1.9 % to EUR 446.5 million (previous year: EUR 438.3 million). Recurring EBITDA thus increased strongly by 9.5 % or EUR 12.1 million to EUR 140.1 million. With an operating margin of 24.1 % (previous year: 22.7 %) in the first quarter, the ProSiebenSat.1 Group is one of the most profitable independent media companies in Europe.

While the operating result posted a high growth rate, the financial result declined in the first quarter of 2014. It amounted to minus EUR 38.3 million after minus EUR 33.0 million in the previous year (-16.1 %). This was primarily due to the value adjustments on financial assets recorded in the other financial result. By contrast, the interest result had a positive impact on the financial result also in the first quarter of 2014 and amounted to minus EUR 30.8 million (previous year: EUR -33.4 million). In this context, consolidated profit from continuing operations for the period was at the same level as in the previous year at EUR 50.1 million (previous year: EUR 50.2 million). Underlying net income increased by 9.4 % to EUR 55.7 million in the first quarter of 2014 after EUR 50.9 million in the previous year.

Improvement of financing costs as a result of attractive refinancing
In mid-April, the ProSiebenSat.1 Group concluded the placement of seven-year notes in an amount of EUR 600 million. At the same time, the Company entered into new facilities comprising an unsecured term loan of EUR 1.4 billion and an also unsecured revolving credit facility (RCF) with an amount of EUR 600 million. Both have a tenor of five years. The proceeds from the issuance of the notes and inflows from the new term loan were used for the prepayment and refinancing of existing financial liabilities. In addition, the syndicated facilities agreement is being used for general operating purposes.

Axel Salzmann, CFO of the ProSiebenSat.1 Group: “As a result of the bond placement and the new syndicated facilities agreement, we further optimized our financing. We broadened our financing basis at very attractive terms and at the same time extended and diversified our maturity profile. As such, we will improve our financing costs and our cash flow before taxes over the next four years by approximately EUR 50 million in total.”

As of March 31, 2014, net financial debt from continuing operations – defined as total loans and borrowings minus cash and cash equivalents and current financial assets – amounted to EUR 1.592 billion. This equates to an increase of 10.1 % or EUR 146.1 million compared to December 31, 2013. The increase is the result of negative free cash flow in the first quarter of 2014 due to acquisitions and seasonal factors. Generally, the ProSiebenSat.1 Group generates the major part of its free cash flow in the fourth quarter. However, as of March 31, the figure improved year on year by 12.9 % or EUR 236.7 million. The Group’s leverage factor, defined as the ratio of net financial debt to recurring EBITDA of the last twelve months, was 2.0x, within the defined target range of 1.5x to 2.5x (December 31, 2013: 1.8x; March 31, 2013: 2.1x).

Positive full-year outlook for 2014 confirmed
After the positive start to the year, the ProSiebenSat.1 Group also started successfully to the current quarter. For the second quarter, the Group expects in particular considerably higher revenue growth momentum. For fiscal 2014 as a whole, the Group confirms its growth target and continues to expect an increase in Group revenues by a mid to high single-digit percentage. It is also expected that, on a full-year basis, both recurring EBITDA and underlying net income will exceed the level of the previous year. In addition, the Group confirms its long-term growth targets and by 2018 anticipates additional revenues of EUR 1 billion compared to 2012.

Unless otherwise stated, all statements and figures relate to continuing operations. At the end of 2012, ProSiebenSat.1 announced its intention to sell its Eastern European portfolio. The sale of the Hungarian activities was completed on February 25, 2014, and the companies deconsolidated as of this date. Until their deconsolidation, the Hungarian companies were recognized as discontinued operations as defined by IFRS 5. The companies in Romania were posted as discontinued operations for the whole of the first quarter. The sale of the Romanian TV holdings was partly formally and legally closed on April 1, 2014, and thus at the start of the second quarter of 2014. The result from discontinued operations for the first quarter of 2014 thus includes both the net profit generated by the companies sold or held for sale and the deconsolidation result of the Hungarian subsidiaries and is presented after taxes. The previous-year figures of the income statement and the cash flow statement are presented at company and segment level on a comparable basis. The comparative balance sheet figures of the previous year were not adjusted.

ProSiebenSat.1 Group key figures on the basis of continuing operations

In EUR m	Q1 2014	Q1 2013	Change in %
Revenues	581.1	562.8	+3.3 %
Total costs	476.8	461.5	-3.3 %
Operating costs[1]	446.5	438.3	-1.9 %
Recurring EBITDA[2]	140.1	128.0	+9.5 %
Recurring EBITDA margin (in percent)	24.1	22.7	+1.4 %-pts.
EBITDA	135.9	123.1	+10.4 %
Non-recurring effects	-4.3	-4.9	+13.2 %
EBIT	109.9	104.8	+4.9 %
Financial result	-38.3	-33.0	-16.1 %
Net result (consolidated net profit after non-controlling interests)	49.0	50.0	-2.1 %
Underlying net income[3]	55.7	50.9	+9.4 %
Basic earnings per share (underlying)	0.26	0.24	9.1 %
Free cash flow	-146.3	-22.4	>-100.0 %
Cash flow from operating activities	229.0	276.7	-17.2 %

In EUR m	Mar. 31, 2014	Dec. 31, 2013	Mar. 31, 2013
Equity	633.2	584.1	1,594.1
Equity ratio (in percent)	17.9	16.4	28.8
Cash and cash equivalents	250.5	395.7	655.4
Net financial debt	1,592.3[5]	1,446.3[5]	1,829.0[7]
Leverage[4]	2.0[6]	1.8[6]	2.1[7]

Key figures by segment on the basis of continuing operations

In EUR m	Q1 2014	Q1 2013	Change in %
Broadcasting German-speaking			
Revenues (external)	449.2	441.1	+1.8 %
Recurring EBITDA[2]	119.8	111.0	+7.9 %
Digital & Adjacent			
Revenues (external)	105.9	96.7	+9.6 %
Recurring EBITDA[2]	23.8	20.0	+19.4 %
Content Production & Global Sales			
Revenues (external)	26.0	25.1	+3.6%
Recurring EBITDA[2]	-2.5	-1.2	>-100.0 %

(1) Total costs excluding D&A and non-recurring expenses. (2) EBITDA before non-recurring (exceptional) items. (3) Consolidated profit for the period (after non-controlling interests) before the effects of purchase price allocations and other special effects. (4) Ratio of net financial debt to recurring EBITDA of the last twelve months. (5) After reclassification of the cash and cash equivalents of the Eastern European activities. (6) After reclassification of the cash and cash equivalents of the Eastern European activities. Adjusted for the LTM recurring EBITDA amount of the Northern and Eastern European activities. (7) Before reclassification of the cash and cash equivalents from the Northern and Eastern European activities.

Change rates in the indexes are presented using a business perspective: improvements are shown with a plus (+), declines with a minus (–).

More key figures can be downloaded on our Group website www.ProSiebenSat1.com. There you can also find the report on the first quarter of 2014.