



## ProSiebenSat.1 Group boosts revenues and earnings in third quarter of 2005

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- Revenues up 15 percent to EUR 415.9 million
- EBITDA up 176 percent to EUR 59.9 million
- Earnings before taxes up nine-fold to EUR 38.5 million
- Improved stations performance yields increased advertising revenues

**Munich, November 10, 2005.** The third quarter of 2005 was a very successful quarter for the ProSiebenSat.1 Group. The TV corporation increased revenues and earnings considerably despite the difficult TV advertising market. Revenues were up 15 percent to EUR 415.9 million, following EUR 362.1 million for the same quarter last year. EBITDA improved from EUR 21.7 million to EUR 59.9 million, for an increase of 176 percent. Earnings before taxes were EUR 38.5 million, compared to EUR 4.3 million for the same quarter of the prior year – a leap of 795 percent. Thus, the EBITDA margin increased to 14.4 percent in what is traditionally the weakest quarter, following a margin of 6.0 percent for the same period of the previous year.

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"The positive result for the quarter is based primarily on the Group's increased advertising revenues. The fact that Sat.1, ProSieben, kabel eins and N24 have considerably increased their audience shares is paying off. Our new business models in our Diversification segment, particularly our new subsidiary 9Live, have also made a significant contribution," said Guillaume de Posch, CEO of the ProSiebenSat.1 Group. "This positive trend confirms our corporate strategy."

Press release online:  
[www.ProSiebenSat1.com](http://www.ProSiebenSat1.com)

The increase in revenues and earnings in the third quarter of 2005 has also improved the ProSiebenSat.1 Group's balance sheet for the nine-month period. ProSiebenSat.1 Group revenues between January and September 2005 were EUR 1.354 billion, up 4.6 percent from the EUR 1.294 billion achieved in the same period of 2004. At EUR 250.8 million, EBITDA was up 19.9 percent from the prior-year period. Earnings before taxes were up 66.8 percent, to EUR 202.8 million. This more than proportionate increase is thanks to the increase in revenues in the third quarter and lower net financial expense in the first half. Lower interest expense, one-time income from the acquisition of the Euvia Group and significantly lower other financing expenses in the first half all had a positive impact. Consolidated net profit for the first nine months was EUR 124.1 million, compared to EUR 75.3 million for the prior-year period.



### **Earnings per share, expenses and net financial debt**

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Earnings per preferred share in the first nine months of 2005 came to EUR 0.58, compared to the prior-year's EUR 0.37. The third quarter alone contributed EUR 0.11 of this figure (Q3 2004: EUR 0.00).

Despite the takeover of Euvia Media, operating costs in the nine-month period were up only EUR 10 million, or 1 percent, compared with the prior-year period. The figure was EUR 1.140 billion. Net financial debt also decreased further, despite the Euvia Media acquisition and a considerably higher dividend payment in 2005. At September 30, 2005, the figure was EUR 390.5 million compared with the prior-year figure of EUR 444.1 million.

### **Stations**

The ProSiebenSat.1 Group's stations improved their audience market share considerably in the third quarter of 2005. In the 14-to-49 demographic, which is important for advertising, Sat.1, ProSieben, kabel eins and N24 added 1.9 percentage points against the comparable period's 28.3 percent to earn 30.2 percent. From January through September 2005, the Group's performance gained 1.2 percentage points from 29.1 percent to total 30.3 percent.

Sat.1 increased its revenues 9 percent in the third quarter of 2005, to EUR 165.8 million from EUR 152.0 million in the same quarter of the prior year. EBITDA improved from EUR 0.6 million to EUR 21.2 million. Earnings before taxes jumped from EUR -2.1 million to EUR 24.0 million. In the first nine months of the year, Sat.1 generated revenues of EUR 561.2 million, outperforming its prior-year equivalent of EUR 548.9 million by 2.2 percent. EBITDA was EUR 86.3 million, compared to EUR 65.8 million for the equivalent period – an increase of 31 percent. Earnings before taxes grew 44.1 percent, from EUR 60.3 million to EUR 86.9 million.

ProSieben held its revenues steady in the third quarter, at EUR 147.5 million. Earnings before taxes improved by 46 percent from EUR 17.6 million to EUR 25.7 million, EBITDA were up 39 percent from EUR 18.3 million to EUR 25.4 million. ProSieben's revenues for the first nine months increased from EUR 527.1 million to EUR 532.2 million, a 1 percent gain. But the increase resulted almost entirely from larger programming sales. Lower revenues, combined with a rise in expenses, left the station with an EBITDA decline from EUR 116.3 million to EUR 109.5 million. Earnings before taxes from January through September amounted to EUR 110.5 million, following the previous year's equivalent of EUR 115.5 million. Thus, ProSieben is still one of the most profitable stations on the German TV market.



kabel eins generated a 20 percent increase in revenues from EUR 39.0 million to EUR 46.7 million in the third quarter. EBITDA was up 408 percent from EUR 1.3 million to EUR 6.6 million. Earnings before taxes improved 340 percent from EUR 1.5 million to EUR 6.6 million. Revenues from January through September came to EUR 151.5 million (Q1-Q3 2004: EUR 134.0 million). Most of the rise in revenues came from better programming performance that let the station also gain new groups of advertising clients. Both EBITDA and earnings before taxes more than doubled. EBITDA was EUR 28.5 million (vs. EUR 13.3 million in Q1-Q3 2004) and earnings before taxes were EUR 28.8 million (vs. EUR 13.9 million in Q1-Q3 2004).

N24 generated revenues of EUR 19.7 million in the third quarter, 15 percent more than the comparable period's EUR 17.2 million. Earnings before taxes were up 156 percent from EUR -1.6 million to EUR 0.9 million. EBITDA was up 171 percent from EUR -1.4 million to EUR 1.0 million. At EUR 59.6 million, the news station's revenues for the nine-month period were up 14.6 percent over the comparable period last year. EBITDA for January through September 2005 came to EUR 5.1 million (Q1-Q3 2004: EUR -0.5 million). The station's earnings before taxes were EUR 4.6 million (Q1-Q3 2004: EUR -1.4 million).

#### **Diversification**

SevenOne Intermedia, the ProSiebenSat.1 Group's multimedia subsidiary, increased both its revenues and its earnings in the first nine months of 2005. Revenues climbed from EUR 43.4 million to EUR 68.4 million. Part of the growth came from higher revenues from online advertising, mobile services and added-value telephone services. Another part came from Club/CRM operations. EBITDA grew from the prior-year period's EUR 9.5 million to EUR 11.0 million. Earnings before taxes for the nine-month period came to EUR 9.3 million, compared to the equivalent period's EUR 7.4 million in 2004.

Revenues at this merchandising subsidiary came to EUR 19.7 million in the first nine months of 2005 (Q1-Q3 2005: EUR 34.9 million). Conventional licensing held steady, and the music business and the licensing business for the Group's TV content expanded. The revenue decline resulted from the transfer of the Club/CRM unit to SevenOne Intermedia and slow business in the Sports & Brands Commerce business. EBITDA reached EUR 5.6 million, following EUR 5.4 million in the same period of 2004. Earnings before taxes came to EUR 4.9 million, compared to EUR 5.3 million.



During the first nine months of 2005, 9Live generated revenues of EUR 76.0 million, compared to EUR 66.3 million for the same period last year. This represents a 14.6 percent growth rate, which was achieved primarily by increasing the number of commissioned productions and through the successful launch of the "9Live Gold" bonus program. EBITDA for the nine-month period climbed from EUR 22.0 million to EUR 23.8 million. A one-time interest expense of EUR 49.5 million caused earnings before taxes to drop to EUR -34.6 million, compared to EUR 11.7 million for January through September of 2004. It has no impact whatsoever on the Group's net earnings. 9Live has been fully consolidated by the ProSiebenSat.1 Group since June 1, 2005.

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#### **Outlook**

Due to the short-term booking behavior of advertising customers, it is not yet possible to conclusively estimate the development of the German TV advertising market in the fourth quarter of 2005. However, the ProSiebenSat.1 Group does see reason to believe that its forecast of a more dynamic second half of the year than the first half will be confirmed. The Group expects that the German net TV advertising market will decline slightly in 2005, with a reduction in net TV ad spendings between -2 percent and 0 percent.

Overall, the ProSiebenSat.1 Group expects that it will perform better than the market in fiscal 2005, both increasing its revenues and improving its profits. This will be driven in particular by the stations' increased performance and by growth in the Diversification segment.

"Due to the positive development of revenues and profits in the third quarter of 2005, we will reduce the operating cost savings measures planned for the second half from EUR 30 million by EUR 10 million, in order to increase our investments in programs and further enhance the performance of our family of stations," said Guillaume de Posch, CEO of ProSiebenSat.1 Media AG.

The major economic research institute's projection for GDP growth for the year 2006 is 1.2 percent. This means that in their fall survey, the institutes reduced their expectations by 0.3 percentage points compared to the report released in spring. According to the fall survey private consumption will be -0.2 percent and will therefore show a negative development.

Due to the short term booking behavior of the advertising customers, it is not yet possible to develop precise forecasts for the TV advertising market in 2006. The ProSiebenSat.1 Group expects that the German TV advertising market will show growth in the coming year. Despite the difficult consumer climate the



Company expects that the market will recover at least slightly and that momentum in the advertising segment will lead to an increase in TV advertising after the decrease in fiscal 2005.

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The Group has maintained its path to success once again in October. With an audience share of 30.8 percent in the 14-to-49 demographic, the stations have exceeded their high performance from the previous month (September 2005: 30.6 percent). The Group is well positioned with a variety of exciting programs for the coming TV season. For example, Sat.1 will be airing "Bunte Liga" (working title) from the successful producer Sönke Wortmann. The TV event for November, "Die Luftbrücke," follows the tradition of programs like "Das Wunder von Lengede" and "Der Tunnel." ProSieben has a great lineup of feature films like "Matrix Reloaded" and "Pirates of the Caribbean," the second seasons of "Desperate Housewives" and "Lost" and new hit series from Hollywood like "Las Vegas" and "Grey's Anatomy." kabel eins will be airing new seasons of the series "Cold Case," "Without a Trace" and "Missing" as well as new shows like "Tribute to Elvis." N24 is expanding its magazine-style offerings with its launch of "Cinemataalk" and has signed Arabella Kiesbauer on for a new talk show.

A conference call for journalists with Guillaume de Posch (CEO) and Lothar Lanz (CFO) will take place at 10:30 am (CET) today regarding the publication of the nine-month figures. For more information contact: Isabel Milojevic +49 (89) 9507 1165. We will also broadcast the conference call live on our home page [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com).

The income statement, cash flow statement, balance sheet and statement of changes in shareholders' equity are available on our home page at [http://www.prosiebensat1.com/investor\\_relations/finanzberichte/](http://www.prosiebensat1.com/investor_relations/finanzberichte/).