ProSiebenSat.1 Group revenues up again in Q3 2006

- **Revenues rise 3.7 percent to EUR 431.3 million**
- **Core business benefits from rising advertising revenues**
- **New digital services contribute significantly to organic growth in Diversification**
- **Net profit affected by one-off financial charges**
- **Outlook raised for current year**

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Munich, November 9, 2006. The ProSiebenSat.1 Group has further strengthened its position as Germany's leading commercial TV corporation, increasing revenues once again in the third quarter of 2006. The Group's revenues rose to EUR 431.3 million between July and September, and were thus up 3.7 percent from the previous year's equivalent of EUR 415.9 million. Group revenues on the nine-month period were up 6.9 percent to EUR 1.447 billion, compared to the previous year's EUR 1.354 billion. In addition to higher advertising revenues in the TV core business, the expansion of Diversification activities also contributed to the Group's growth. The Diversification division's success is founded on organic growth and the full consolidation of 9Live for the full fiscal year 2006. Selective acquisitions have strengthened the division further. In August, the Company acquired an equity interest in MyVideo, thus expanding its services with a platform for user-generated content.

"The Diversification division's vigorous growth confirms our strategy. Our new digital Pay TV services and the maxdome video-on-demand portal, launched in July, made a particularly strong contribution to our success in the third quarter," said Guillaume de Posch, CEO of ProSiebenSat.1 Media AG. "At the same time, growth in the TV advertising market gave us a helpful tailwind: after a good first half, the Group lent further profile to its strong Free TV stations. We were able to increase our advertising revenues even in what is seasonally the weakest quarter of the year."

Net profit for period dominated by one-off financial charges

On July 31, 2006, ProSiebenSat.1 Media AG redeemed its EUR 200 million notes in whole, prior to their maturity. The bond repayment, at 105.625 percent of the principal amount, along with the replacement of the former EUR 325 million revolving credit facility by a new EUR 500 million revolving credit facility, had a significant impact on the financial result for the period. In this context, other financial expenses rose by EUR 16.6 million to EUR 17.3 million against Q3 2005, to. Consequently, the financial result changed from EUR -12.0 million to EUR -27.2 million. The development of pre-tax profits and the consolidated net profit for the third quarter must also be viewed in the light of these one-off charges. The financial restructuring and the associated decrease in the financial result between July and September caused pre-tax profits to decline 43.6 percent, to EUR 21.7 million (Q3 2005: EUR 38.5 million). The consolidated net profit for the period came to EUR 13.1 million (Q3 2005: EUR 23.7 million).

Operating profit was down slightly to EUR 48.9 million, compared to EUR 50.5 million in Q3 2005, primarily because of higher operating costs. EBITDA was likewise down slightly, to EUR 58.7 million, following EUR 59.9 million the year before. The EBITDA margin was 13.6 percent (Q3 2005: 14.4 percent).

In January through September 2006, the ProSiebenSat.1 Group's revenues grew to EUR 1.447 billion, a gain of 6.9 percent, or EUR 93.8 million. The rise in revenues also caused an improvement in the Group's operating result for January through September. Net operating profit climbed 12.8 percent to EUR 254.9 million, while the profit before taxes grew EUR 5.5 million to EUR 208.3 million. EBITDA gained 13.3 percent, to reach EUR 284.1 million. The Group's increase in profitability against the prior year is also reflected in the EBITDA margin, which rose from EUR 18.5 percent to 19.6 percent in the first nine months of 2006. The consolidated net profit grew 2.6 percent, to EUR 127.3 million. Earnings per share of preferred stock thus came to EUR 0.59 (Q1-Q3 2005: EUR 0.58).

The financial result for the first nine months was also affected by the Group's early redemption of the notes. It changed from the prior year's EUR -23.1 million to EUR -46.6 million. Most of the change was due to the rise in other financing expenses during the third quarter. Additionally, the prior-year financial result was unusually low because of positive one-off effects from the full takeover of Euvia during the second quarter of 2005.

Performance of operating costs

The ProSiebenSat.1 Group's operating costs rose to EUR 385.1 million in Q3 2006. Most of the 4.1 percent increase in total costs resulted from higher marketing and personnel expenses. Personnel expenses rose to EUR 62.1 million for July through September, and were thus up EUR 7.2 million, or 13.1 percent, from the previous year's equivalent. Much of the increase in personnel expenses came from the second cycle of the stock option plan approved at the shareholders' meeting in August 2006.

Total operating costs for the nine-month period came to EUR 1.201 billion, equivalent to a moderate rise of 5.4 percent. Apart from the higher personnel expenses for Q3 2006, most of the remaining increase came from the consolidation of 9Live and from a slight increase in consumption of programming assets.

Solid balance-sheet ratios and financial position

During the period, the Group repaid its EUR 200 million notes in whole, and further improved its net financial position. The early redemption of the notes, together with the new syndicated credit facility, has reduced the Group's financing costs on outstanding financial debt for the long term, and optimizes its overall balance-sheet ratios still further.

On September 30, 2006, in spite of a dividend payment of EUR 181.6 million which was substantially higher than the previous year (2005: EUR 63.5 million), the net financial debt was only EUR 311.6 million, compared to EUR 390.5 million on September 30, 2005. Equity also grew again. The Group's better operating results particularly strengthened the solid equity base, increasing it 4.4 percent to EUR 1.132 billion. The resulting equity ratio is 57.7 percent, compared to 54.5 percent on September 30, 2005.

Core business in Free TV benefits from high advertising revenues

Revenues in the Free TV segment were up for both the third quarter and the nine-month period. Most of the rise came from higher advertising revenues. Total revenues for the third quarter grew EUR 16.1 million, to EUR 392.5 million. The segment's externally generated revenues were up 2.9 percent, to EUR 377.9 million. For the nine-month period, the segment's external revenues even grew a full 4.1 percent, to EUR 1.288 billion. All in all, the Free TV segment booked revenues of EUR 1.328 billion for January through September of this year, equivalent to a 4.8 percent gain against the same period last year.

The picture for the third quarter is somewhat varied. Although segment revenues were up, both net operating income and EBITDA were slightly below the prior-year level. Net operating income decreased EUR 1.8 million, to EUR 41.5 million. The third-quarter EBITDA was down EUR 1.1 million from a year earlier, to EUR 48.2 million. Most of this change resulted from higher selling and administrative costs.

The segment's net operating income and EBITDA were both up for the nine-month period. Net operating income for the period was up 8.4 percent to EUR 223.8 million. EBITDA grew 8.5 percent, to EUR 244.1 million.

Sat.1 revenues and earnings climb again

Business remains solid at Sat.1. The station's revenues were up 4.3 percent on the quarter, to EUR 173.0 million. Both pre-tax income and EBITDA grew even faster. Pre-tax income was up to EUR 28.7 million, a 19.6 percent gain against the comparable quarter last year. EBITDA rose to EUR 29.5 million, outperforming the previous year's figure by 39.2 percent. In addition to vigorous revenue growth, vigilant cost management provided another basis for this very welcome earnings performance. The EBITDA margin of 17.1 percent for Sat.1, compared to 12.8 percent a year earlier, reflects the station's profitable growth.

The station also increased both revenues and net income for the nine-month period as a whole. Revenues rose to EUR 598.2 million, up 6.6 percent above the prior-year figure. Pre-tax income grew 45.7 percent, to EUR 126.6 million. EBITDA rose 47.7 percent, to EUR 127.5 million. The EBITDA margin for the first nine months was 21.3 percent, compared to the prior year period's 15.4 percent.

ProSieben revenues performance stable in Q3

A quarter-on-quarter comparison shows that ProSieben's improved performance and better audience shares this year are beginning to have a positive impact on revenues. The station's revenues in the third quarter rose to EUR 149.1 million from EUR 147.5 million a year earlier. But higher costs kept results below the prior-year figure. The increase in costs in the third quarter was particularly caused by higher consumption of programming assets, mostly in September. Pre-tax income was EUR 18.4 million, compared to EUR 25.7 million a year earlier. EBITDA was down from the prior year's EUR 25.4 million to EUR 18.5 million. The resulting EBITDA margin is 12.4 percent, compared to 17.2 percent in Q3 2005.

Revenues for the first nine months at ProSieben were down 6.6 percent, to EUR 497.2 million. This was caused mainly by lower revenues from internal programming sales, which came to EUR 19.3 million, down EUR 23.5 million from the figure a year earlier. Another cause was the decline in advertising revenues because of the station's weak ratings last fiscal year. There is a time-lag factor in advertising clients' consequent booking behavior, which led to a decline in TV advertising revenues in the first quarter of this year. Pre-tax income declined to EUR 77.2 million from the prior year's EUR 110.5 million. EBITDA decreased EUR 32.4 million, to EUR 77.1 million. The EBITDA margin was down to 15.5 percent from the previous year's high 20.6 percent.

Advertising revenues up significantly at kabel eins

The third quarter saw a significant rise in revenues at kabel eins, as the station continued its profitable growth trend. Revenues came to EUR 52.5 million, up EUR 5.8 million against the same period last year. Higher advertising revenues were the main growth driver. At the same time, both pre-tax income and EBITDA rose 30.3 percent for the third quarter. Both key figures came to EUR 8.6 million. The EBITDA margin climbed from 14.1 percent to 16.4 percent.

Most of the improvement in earnings came from the uptrend in revenues. The change is especially clear in the nine-month comparison. Revenues for this period grew 15.4 percent, to EUR 174.9 million. Pre-tax income gained EUR 39.6 percent, to reach EUR 40.2 million. EBITDA also rose significantly faster than revenues, soaring by 41.8 percent to reach EUR 40.4 million. The station's profitability reflects the EBITDA margin, rising from an already high 18.8 percent to 23.1 percent for January through September.

N24 continues successful course

N24 kept up its growth in revenues and profitability, and pre-tax income and EBITDA performed especially well in July through September. In Q3, N24 generated revenues of EUR 21.1 million, following EUR 19.7 million the year before. Pre-tax income grew 177.8 percent, to EUR 2.5 million. EBITDA leaped 150.0 percent, to reach EUR 2.5 million. This significant rise in EBITDA went hand in hand with an improvement in EBITDA margin from 5.1 percent to 11.8 percent. The sharp growth in earnings resulted not only from a nominal EUR 1.4 million increase in revenues, but from cost control during the quarter.

The news station's revenues for January through September came to EUR 63.9 million, a 7.2 percent gain. Pre-tax income grew 56.5 percent, to EUR 7.2 million. EBITDA was up 47.1 percent, to reach EUR 7.5 million. The EBITDA margin was thus 11.7 percent, compared to 8.6 percent a year earlier.

Quiz station 9Live feels impact of World Cup and competition

Germany's leading brand in interactive television, 9Live, felt the impact of the soccer World Cup in June and July during the third quarter. The event pulled down the phone call volume, with a perceptible impact on 9Live's revenues. External revenues for the third quarter were down EUR 1.2 million, to EUR 22.2 million. The segment's total revenues were EUR 22.7 million, following EUR 23.8 million for Q3 2005. Net operating income was down EUR 1.3 million, to EUR 2.9 million. EBITDA was down EUR 1.7 million against the prior year, to EUR 5.0 million.

For the first nine months of the year, the Transaction TV segment generated revenues of EUR 71.6 million. Revenues for June through September 2005 were EUR 32.3 million. The ProSiebenSat.1 Group has fully consolidated 9Live only since June 1 of last year. The station's contribution toward consolidated revenues this year was EUR 70.3 million (June-Sept. 2005: EUR 31.6 million). The segment's net operating income was EUR 13.3 million (June-Sept. 2005: EUR 5.4 million) and EBITDA was EUR 19.7 million (June-Sept. 2005: EUR 9.0 million).

Vigorous growth in Other Diversification segment

Both revenues and earnings grew well in the Other Diversification segment, and the results in the quarter were especially good. The segment's third-quarter revenues were up 27.7 percent, to EUR 36.9 million. The segment's contribution to Group revenues was EUR 31.2 million, up 23.3 percent against the equivalent period last year. Net operating income rose EUR 1.4 million to EUR 4.6 million, and EBITDA rose EUR 1.4 million, to EUR 5.5 million. Major revenue drivers for the third quarter included not only the segment's established multimedia services and its merchandising and licensing business, but also new digital TV services.

In January through September 2006, the segment contributed EUR 89.3 million toward the Group's revenues, compared to EUR 84.8 million a year earlier. All in all, revenues climbed 17.5 percent to EUR 105.6 million. Net operating income gained 29.1 percent, to reach EUR 18.2 million. EBITDA came to EUR 20.9 million, 24.4 percent above last year's level.

Outlook: Towards a solid fiscal year

The German economy will grow more than expected in 2006. The current fall opinion from the German economic research institutes has upgraded their GDP growth projection for 2006 to a rate of 2.3 percent. In such a setting, the ProSiebenSat.1 Group in October increased its growth projection for fiscal 2006 in the TV advertising market. If the uptrend holds, the Group believes a growth rate of the TV advertising market of about 3 percent net will be realistic for 2006 as a whole. Formerly, the Company had been assuming a net growth rate of 2 percent.

The Free TV segment continued to perform well in the fall, although growth rates were less high in the third quarter than in the first half, for purely seasonal reasons. As expected, the Winter Olympics and the World Cup caused a decline in first-half audience shares among the key demographic between the ages of 14 and 49. Nevertheless, the Group as whole will be able to maintain its position of a high level of around 30 percent market share.

In addition to growth in the Free TV core business, further expansion of activities in the Diversification segment will have a positive impact on the Group's revenues and earnings. Activities in Diversification – such as the Internet, teletext, merchandising, and mobile services – can be expected to perform better than average again this year. 9Live will build further on its effective business model as an interactive brand. Additional revenues will come from new services, especially in Pay TV and video-on-demand. Given the rise in the TV advertising market and growth in the Diversification segment, the Group as a whole assumes that it will be able to increase consolidated revenues by 5 to 6 percent in 2006 versus 2005. The Group's cost control will mean that profits will grow at an even higher rate.

The evolution of the digital environment is a substantial growth opportunity for the ProSiebenSat.1 Group. The Company has adopted the goal of distributing its existing content on as many platforms as possible. At the same time, the Group is developing innovative services for new distribution channels, to serve new usage habits and tap new user groups. In January through September of this year, the Diversification segment contributed 11 percent in all toward the Group's total revenues (Q1-Q3 2005: 8.6 percent). By year's end, the Group expects its new business models to generate up to 12 percent of total revenues (fiscal 2005: 9 percent).

You can find the profit and loss statement, balance sheet, cash flow statement, and statement of changes in equity, as well as the segment report, online on our Web site at:

http://www.prosiebensat1.com/investor_relations/finanzberichte/