
Press Release



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ProSiebenSat.1 continues its profitable growth in the third quarter of 2011

- Consolidated revenues grow by 8.9% to EUR 594.5 million
- Recurring EBITDA increases by 19.5% to EUR 163.6 million
- Consolidated net profit after taxes and non-controlling interests rises to EUR 340.3 million in total
- Positive outlook for the full year 2011 confirmed

[Note: Unless stated otherwise, all information and figures relate to the continuing operations of the ProSiebenSat.1 Group. In accordance with IFRS 5, the companies disposed of in Belgium and the Netherlands are reported separately as “discontinued operations” until their deconsolidation in June and July respectively. The income statement for the previous year has been restated accordingly.]

Munich, November 3, 2011. The ProSiebenSat.1 Group continues its profitable growth in the third quarter of 2011. Revenues increased by 8.9% to EUR 594.5 million. Recurring EBITDA was up 19.5% at EUR 163.6 million year-on-year. Including the gain on the disposal of the Group’s activities in the Netherlands, consolidated net profit after taxes and non-controlling interests increased by EUR 307.8 million to EUR 340.3 million.

“All set for another record year”

Thomas Ebeling, CEO of ProSiebenSat.1 Media AG: “We are on the home stretch for another record year. In the third quarter, we again made significant progress towards our aim of becoming a powerhouse for TV and digital entertainment, generating revenues growth across all segments. Our positive business development can be attributed to our strong positioning in our core television business. In future, our growth initiatives will focus to an even greater extent on the attractive opportunities offered by the digital world and activities outside Germany. I am confident that this will allow us to continue our profitable growth.”

Further revenues growth across all segments

In the third quarter of 2011, the ProSiebenSat.1 Group recorded revenues growth of 6.6% to EUR 413.9 million (previous year: EUR 388.2 million) in the German-speaking TV segment – its largest revenues segment, which covers Germany, Austria and Switzerland. The Group increased its revenues from TV advertising in all three markets. In addition to higher revenues from classical TV advertising, the international expansion of Red Arrow was another growth impulse. The company, which bundles the production and development of programming formats and their global distribution under one roof, has marketed an increasing volume of English-language content over recent months. In early

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September, for example, the US station ABC ordered six episodes of the TV show “You Deserve It”. Recurring EBITDA in the Free TV German-speaking segment increased by 27.1% to EUR 132.2 million in the third quarter (previous year: EUR 104.0 million).

Revenues growth in the International Free TV segment was driven by the Scandinavian stations. At EUR 102.3 million, segment revenues were up significantly compared to the previous year figure (+14.9% or EUR 13.3 million), with Norway and Denmark making a particularly significant contribution through higher TV advertising revenues. Distribution revenues also increased. However, revenues in the Eastern European TV markets were down compared to the previous year due to the recessionary economic environment. In light of this development, recurring EBITDA declined by 13.4% to EUR 15.5 million (previous year: EUR 17.9 million).

The Diversification segment recorded revenues growth of 13.8% to EUR 78.3 million in the third quarter of 2011 (previous year: EUR 68.8 million). This was in part attributable to the dynamic development of the Ventures business and the “media-for-revenue-share” and “media-for-equity” business models. Here six additional deals were concluded in the third quarter. The ProSiebenSat.1 Group launched this innovative marketing model – exchanging advertising time for a share of revenues or equity – in 2010 and now has a portfolio of 24 companies. The successful expansion in the areas of video advertising and online games also contributed to the segment’s revenues growth. With the acquisition of burda:ic and the majority interest in Covus Games – transactions that were completed in July and May respectively – the ProSiebenSat.1 Group has significantly extended its market position in the online games area. Revenues growth was also driven by radio networks in Northern Europe. Recurring EBITDA in the Diversification segment increased by 13.9% to EUR 15.6 million in the third quarter (previous year: EUR 13.7 million).

Revenues development based on the four-pillar strategy

The further growth of the ProSiebenSat.1 Group is based on a four-pillar strategy aimed at diversifying the Group’s activities even more systematically in the future and becoming less dependent on advertising-financed TV business. The company has identified additional revenues potential of more than EUR 750 million by 2015 in total compared to 2010 and intends to generate almost half of its revenues outside the traditional German TV advertising market by this date.

At the beginning of the financial year 2012, the company will gear its segment reporting more strongly to the four pillars of its growth strategy – “Broadcasting German-speaking”, “Broadcasting International” and the two pillars “Digital & Adjacent” and “Content Production & Global Sales”.

On the basis of this future structure, the segment revenues development in the third quarter of 2011 were as follows:



The pillar “Broadcasting German-speaking” grows against the previous year by 5.0% to EUR 404.4 million (previous year: EUR 385.1 million). This segment contains the advertising-financed TV stations in Germany, Austria and Switzerland, but no longer includes Red Arrow. Revenues in the “Broadcasting International” segment, which will also include radio in the future, increased by 13.5% year-on-year to EUR 123.1 million (previous year: EUR 108.5 million). The growth of the Diversification segment amounts to 27.7%, revenues are at EUR 66.9 million (previous year: EUR 52.4 million). This segment bundles the “Digital & Adjacent” pillar with a revenues contribution of EUR 57.4 million (previous year: EUR 49.3 million) and the “Content Production & Global Sales” pillar with external revenues of EUR 9.5 million (previous year: EUR 3.1 million).

For detailed information on revenues development based on the four strategic pillars, please refer to the presentation as part of today’s conference call.

Audience shares consequently increased due to new stations

The ProSiebenSat.1 Group increased its audience share in almost all markets compared to the same period of the previous year. The company has launched new TV stations in the past months and thus could gain market shares in the individual regions. In Germany, SAT.1, ProSieben, kabel eins and sixx achieved a combined market share of 29.4% in the third quarter, a gain of 0.5% compared to the previous year quarter. The four stations even broke the 30% barrier in September jointly. In the same month, the new station sixx achieved a daily market share of more than 1% for the first time.

Looking at the Group’s international operations, the Scandinavian stations enjoyed particularly high growth rates. In Norway, TVNorge, FEM, MAX and The Voice achieved a market share of 17.0% in the third quarter, 2.2% more than in the same period of the previous year. This strong growth is primarily due to the successful development of MAX, which has steadily increased its ratings since its launch in November 2010 and is now the second-largest Norwegian station aimed at a male target group, with a market share of 2.9%. In Finland, strong performance of TV5 and the second granted 24-hour broadcasting license in the second quarter led to a significant rise in market share. In the third quarter, TV5 and The Voice achieved a combined audience share of 6.2%, up 2.5% percentage points year-on-year.

ProSiebenSat.1 invests in growth areas

The ProSiebenSat.1 Group continued to invest consequently in new growth areas in the third quarter, such as the further expansion of its program production activities, video-on-demand, online games and recently launched stations. As expected, this resulted in increased costs; however, costs in ProSiebenSat.1’s traditional TV business remained stable. All in all, the Company recorded operating costs (recurring costs) of EUR 432.7 million in the third quarter of 2011, up 5.0% or EUR 20.6 million compared to the previous year.

Significant growth of recurring EBITDA and consolidated net profit



On the basis of its dynamic business development, the ProSiebenSat.1 Group increased its recurring EBITDA by a further 19.5% to EUR 163.6 million in the third quarter of 2011 (previous year: EUR 136.9 million). At 27.5%, the operating margin serves to underline the ProSiebenSat.1 Group's profitability (previous year: 25.1%).

Consolidated net profit after taxes and non-controlling interests also rose sharply. Including the gain on the disposal of the companies in the Netherlands, consolidated net profit increased by EUR 307.8 million and all in all amounts to EUR 340.3 million. The ProSiebenSat.1 Group generated a net profit from continuing operations of EUR 13.4 million (previous year: EUR 20.8 million). This figure was impacted by non-recurring expenses in connection with maturity extensions and the repayment of the term loans ahead of schedule in the third quarter of 2011, which are reported in the other financial result.

ProSiebenSat.1 with significantly improved capital structure

In August 2011, the ProSiebenSat.1 Group prepaid a significant portion of its term loans (EUR 1.2 billion) and for the most part extended its maturities to 2016. The repayment resulted in a considerable reduction of its net financial debt, which was reduced by 36.8% compared to September 30, 2010 to EUR 2.075 billion. Leverage also declined from 3.8x as of September 30, 2010 to 2.5x at the reporting date, putting it within the defined target range. The aim is to keep the ratio of net financial debt and recurring EBITDA on a rolling twelve-month basis between 1.5x and 2.5x.

The improved earnings situation and the term loan repayment have sustainably strengthened the Group's equity base. Compared to September 30, 2010, the equity increased significantly by 60.6% to EUR 1.269 billion (previous year: EUR 790.4 million). As a result, the corresponding equity ratio was 26.5% after 12.5% as of September 30, 2010.

Positive results for the first nine months

The ProSiebenSat.1 Group also recorded revenues and earnings growth in the first nine months of 2011. Consolidated revenues increased by 6.2% year-on-year to EUR 1.883 billion (previous year: EUR 1.772 billion), while recurring EBITDA also rose significantly by 11.1% to EUR 532.3 million (previous year: EUR 479.0 million). This revenues and earnings growth was driven by all segments.

In the first nine months, consolidated net profit after taxes and non-controlling interests increased by EUR 376.3 million year-on-year to EUR 507.6 million. This figure includes the gain on the disposal of the Group's TV and print activities in the Netherlands and the disposal gain of the Belgian TV companies.

Recurring EBITDA set to hit record level

In light of its positive business performance over the past months and the good start in the important fourth quarter, the ProSiebenSat.1 Group is confirming its existing forecast for the full year 2011. The company expects to report



consolidated revenues growth in the mid-single-digit percentage range for 2011 as a whole, with all segments contributing to this development. On this basis, the ProSiebenSat.1 Group expects to outperform last year's record level of recurring EBITDA also this year. Recurring EBITDA from continuing operations amounted to EUR 791.5 million in the previous financial year.

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CEO Thomas Ebeling: "The ProSiebenSat.1 Group is extremely well positioned both operationally and financially. Our TV business is in great shape and the growth potential of related areas is highly attractive. All of this presents superb conditions for our continued business success."



Explanatory notes on the key figures

The disposal of the Group's Belgian TV activities was completed in early June 2011 and the relevant companies were deconsolidated, while the transaction in the Netherlands was completed in late July 2011. In accordance with IFRS 5, the companies disposed of in Belgium and the Netherlands are reported as "discontinued activities" until the date of their deconsolidation. The prior-year figures have been restated accordingly. In accordance with IFRS 5, the key figures for the Group for the third quarter of 2011 including discontinued operations contain the earnings contributions and deconsolidation effects from the Dutch operations, while the key figures for the first nine months of 2011 including discontinued operations contain the earnings contributions and deconsolidation effects from both the Dutch and the Belgian operations.

Key figures for the ProSiebenSat.1 Group for the third quarter

EUR m	ProSiebenSat.1 Group (incl. discontinued operations)		Discontinued operations		Continuing operations	
	Q3 2011	Q3 2010	Q3 2011	Q3 2010	Q3 2011	Q3 2010
Revenue	613.9	628.0	19.4	82.0	594.5	546.0
Total costs	506.2	519.5	10.1	67.3	496.1	452.2
Recurring costs ⁽¹⁾	446.9	476.1	14.2	64.0	432.7	412.1
Recurring EBITDA ⁽²⁾	168.8	154.9	5.2	18.0	163.6	136.9
Recurring EBITDA margin (in %)	27.5	24.7	26.8	22.0	27.5	25.1
EBITDA	463.8	144.1	330.1	17.5	133.7	126.6
Non-recurring items	295.0	-10.8	324.9	-0.5	-29.9	-10.3
EBIT	431.1	111.4	330.1	14.8	101.0	96.6
Financial result	-82.7	-66.2	-0.3	2.5	-82.4	-68.7
Consolidated net profit (after non-controlling interests)	340.3	32.5	328.9	12.8	11.4	19.7
Underlying net income ⁽³⁾	351.8	42.8	328.9	13.7	22.9	29.1
Free cash flow	1.051.2	9.5	1.052.6	7.2	-1.4	2.3



Key figures for the ProSiebenSat.1 Group for the first three quarters (cumulated)

EUR m	ProSiebenSat.1 Group (incl. discontinued operations)		Discontinued operations		Continuing operations	
	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010
Revenue	2,097.5	2,048.6	215.0	276.5	1,882.5	1,772.1
Total costs	1,692.2	1,689.9	166.7	217.1	1,525.5	1,472.8
Recurring costs ⁽¹⁾	1,519.4	1,508.0	164.1	208.2	1,355.3	1,299.8
Recurring EBITDA ⁽²⁾	583.4	547.3	51.1	68.3	532.3	479.0
Recurring EBITDA margin (in %)	27.8	26.7	23.8	24.7	28.3	27.0
EBITDA	864.4	468.7	392.8	67.8	471.6	400.9
Non-recurring items	281.0	-78.6	341.7	-0.5	-60.7	-78.1
EBIT	753.0	365.4	390.1	59.4	362.9	306.0
Financial result	-174.0	-175.4	3.0	-0.2	-177.0	-175.2
Consolidated net profit (after non-controlling interests)	507.6	131.3	380.6	43.7	127.0	87.6
Underlying net income ⁽³⁾	533.6	162.9	381.5	46.5	152.1	116.4
Free cash flow	1,246.2	24.8	1,241.7	49.3	4.5	-24.5

EUR m	Sep. 30, 2011	Dec. 31, 2010	Sep. 30, 2010
Equity	1,269.1	1,025.9	790.4
Equity ratio (in %)	26.5	16.2	12.5
Cash and cash equivalents	257.3	740.7	743.4
Net financial debt	2,075.0	3,021.0	3,283.8
Leverage	2.5	3.3	3.8

⁽¹⁾ Recurring costs: Total costs excl. D&A and non-recurring expenses. ⁽²⁾ Recurring EBITDA: EBITDA before non-recurring (exceptional) items. ⁽³⁾ Adjusted consolidated net profit after non-controlling interests: Consolidated profit for the period before the effects of purchase price allocations. The figure for the first nine months of 2011 has also been adjusted for impairment of EUR 11.2 million relating to the 9Live brand and effects of EUR 18.2 million from the initial consolidation of maxdome.



Key figures by segment for the third quarter

EUR m	ProSiebenSat.1 Group (incl. discontinued operations)		Discontinued operations		Continuing operations	
	Q3 2011	Q3 2010	Q3 2011	Q3 2010	Q3 2011	Q3 2010
Free TV German-speaking						
Revenue (external)	413.9	388.2	-/-	-/-	413.9	388.2
Recurring EBITDA ⁽²⁾	132.2	104.0	-/-	-/-	132.2	104.0
Free TV International						
Revenue (external)	116.6	156.7	14.3	67.7	102.3	89.0
Recurring EBITDA ⁽²⁾	18.5	32.4	3.0	14.5	15.5	17.9
Diversification						
Revenue (external)	83.4	83.1	5.1	14.3	78.3	68.8
Recurring EBITDA ⁽²⁾	17.8	18.5	2.2	4.8	15.6	13.7

Key figures by segment for the first three quarters (cumulated)

EUR m	ProSiebenSat.1 Group (incl. discontinued operations)		Discontinued operations		Continuing operations	
	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010
Free TV German-speaking						
Revenue (external)	1,305.6	1,266.2	-/-	-/-	1,305.6	1,266.2
Recurring EBITDA ⁽²⁾	407.1	371.3	-/-	-/-	407.1	371.3
Free TV International						
Revenue (external)	516.4	522.3	180.1	232.2	336.3	290.1
Recurring EBITDA ⁽²⁾	109.0	116.7	41.6	54.6	67.4	62.1
Diversification						
Revenue (external)	275.5	260.1	34.9	44.3	240.6	215.8
Recurring EBITDA ⁽²⁾	67.3	59.5	13.1	16.5	54.2	43.0