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## Press Release

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### ProSiebenSat.1 Continues Profitable Revenue and Earnings Growth in the Second Quarter of 2016

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- Revenues increase by 15 % to EUR 886 million in the second quarter
- Rec. EBITDA rises by 7 % to EUR 254 million
- Underlying net income grows by 8 % to EUR 133 million
- Large acquisitions Verivox and etraveli with strong growth
- Group confirms positive full-year outlook

**Munich, August 4, 2016.** ProSiebenSat.1 Group remains on its growth course. In the second quarter of 2016, the Group again increased its revenues by double digits – by 15 % to EUR 886 million (previous year: EUR 772 million). All segments contributed to this with profitable revenue growth. Recurring EBITDA grew by 7 % to EUR 254 million (previous year: EUR 238 million). Underlying net income increased by 8 % to EUR 133 million (previous year: EUR 122 million).

The Group also performed dynamically over the first half of the year. Revenues rose by 18 % to EUR 1,688 million (previous year: EUR 1,427 million). EBITDA adjusted for non-recurring items (recurring EBITDA) increased by 9 % to EUR 424 million (previous year: EUR 390 million). Underlying net income rose by 7 % to EUR 207 million (previous year: EUR 193 million). Therefore, ProSiebenSat.1 already generated 44 % of its revenues outside the TV advertising business (previous year: 35 %). This share is expected to grow to around 50 % by the end of 2018.

**Thomas Ebeling, CEO of ProSiebenSat.1 Media SE:** “We increased revenues by 15 percent in the second quarter and thus successfully continued our growth course. At the same time, all segments grew profitably. We are also optimistic for the second half of the year. The forecasts for the labor market remain positive; consumer confidence is still strong. We also benefit from the fact that we have consistently expanded our Group’s business via a successful diversification and M&A strategy in recent years. This is increasingly paying off. Especially Verivox and etraveli, our largest acquisitions so far, made an attractive growth contribution in the first half of the year.”

#### Broadcasting German-speaking: Group Remains Leader in the German TV Advertising Market

The Group continued its profitable growth in the Broadcasting German-speaking segment. In the second quarter of 2016, external revenues increased by 1 % to EUR 541 million (previous year: EUR 535 million). Recurring EBITDA grew by 2 % to EUR 201 million (previous year: EUR 197 million). In the first half of the

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year, external revenues rose by 3 % to EUR 1,034 million (previous year: EUR 1,005 million). Recurring EBITDA likewise moved up by 3 % to EUR 332 million (previous year: EUR 323 million).

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The first half of the year was characterized by seasonal effects such as the early Easter date and the European soccer championship. In this environment, ProSiebenSat.1 Group achieved an audience share of 28.0 % with its German stations in the first half of the year (previous year: 29.3 %). With a gross share of 42.4 % (previous year: 44.0 %), the Group also retained its lead in the TV advertising market. At the same time, the distribution business again saw substantial growth: The number of HD subscribers rose to 6.7 million by June 30, 2016 (previous year: 5.7 million). By 2018, the Group expects an increase to around 9 million HD subscribers.

### **Digital & Adjacent: Revenues and Earnings Grow by Double Digits**

The Group continued to post dynamic growth in the Digital & Adjacent segment in both periods. In the second quarter of 2016, external revenues increased by 43 % to EUR 263 million (previous year: EUR 184 million). Recurring EBITDA rose by 15 % to EUR 43 million (previous year: EUR 37 million). Over the first half of the year, revenues grew by 57 % to EUR 504 million (previous year: EUR 322 million). Recurring EBITDA increased by 21 % to EUR 78 million (previous year: EUR 64 million).

The Ventures & Commerce business was the strongest revenue driver both in the second quarter of 2016 and over the first half of the year. The acquisition of the commerce platforms etraveli and Verivox as well as of the multi-channel network CDS (now Studio71), which is part of the Digital Entertainment unit, resulted in large consolidation effects. At the same time, the investments accelerated their growth within the Group after being purchased. etraveli and Verivox have been consolidated since December and August 2015 respectively, CDS since August 2015. The ad-tech business also contributed to the revenue increase. Organic growth was largely driven by the digital entertainment offerings such as the pay-video-on-demand platform maxdome. In contrast, revenues from the Adjacent business and the online games business, which was sold in June 2016, were below the previous year.

In recent weeks, the Group has continued to successfully expand its digital portfolio. ProSiebenSat.1 increased its share in Stylight GmbH to 100 % as of July 1, 2016, strengthening its commerce vertical “Beauty & Accessories”. For maxdome, the Group has agreed a cooperation with Deutsche Bahn. At the end of the year, the video-on-demand portal will be integrated into Deutsche Bahn’s ICE portal as exclusive partner, offering travelers attractive entertainment with series and films. This will significantly increase maxdome’s reach as around 80 million people in Germany travel with the ICE trains every year.

### **Content Production & Global Sales: US Business Drives Red Arrow’s Strong Revenue and Earnings Performance**

The Group is also continuing its extraordinarily positive development in the Content Production & Global Sales segment. In the second quarter of 2016,



external revenues increased by 42 % to EUR 77 million (previous year: EUR 54 million). Recurring EBITDA rose to EUR 10 million (previous year: EUR 4 million). The segment also posted high growth rates over the first half of the year. External revenues grew by 40 % to EUR 140 million (previous year: EUR 100 million). Recurring EBITDA increased to EUR 16 million (previous year: EUR 5 million). Red Arrow thus also made a contribution to the Group's positive earnings performance.

The organic growth continues to be based on Red Arrow Entertainment Group's successful US production business and international program sales such as "Kiss Bang Love", "Married at First Sight" and "Cleverman". At the same time, the Group benefited from further acquisitions. In addition to the initial consolidation of the US company Karga Seven Pictures in November 2015, Dorsey Pictures, an entity acquired in January 2016, also contributed to the revenue increase. In July 2016, Red Arrow continued its US expansion with a majority investment in 44 Blue Productions. Red Arrow therefore now holds nine investments in the USA in total.

#### **Financial Result and Adjusted Net Profit for the Period Further Improved**

In the second quarter of 2016, the financial result improved significantly and amounted to minus EUR 10 million (previous year: EUR -20 million). This is due to the development of the other financial result, which amounted to EUR 9 million (previous year: EUR -3 million) and benefited substantially from a positive change in the valuation of financial investments. In contrast, the interest result remained virtually stable in the second quarter of 2016 and amounted to minus EUR 20 million (previous year: EUR -19 million). The net result after taxes and non-controlling interests therefore increased by 16 % to EUR 136 million (previous year: EUR 118 million).

The result from discontinued operations came to minus EUR 42 million (previous year: EUR -1 million) and included tax expenses of EUR 40 million. This is due to an additional tax claim of a former branch in Sweden that the Group settled in the second quarter of 2016. In contrast, underlying net income (consolidated net profit after non-recurring items from continuing operations) grew by 8 % to EUR 133 million (previous year: EUR 122 million). Underlying net income is the relevant figure for calculating the dividend.

#### **Leverage Ratio Remains within Target Range**

Net financial debt amounted to EUR 2,005 million as of June 30, 2016. The year-on-year increase of 13 % or EUR 223 million also reflects the higher investment volume. In the second half of 2015 in particular, ProSiebenSat.1 Group concluded numerous M&A projects and thus successfully expanded its portfolio. The leverage ratio – which is the ratio of net financial debt to recurring EBITDA of the last twelve months – was therefore 2.1 as of June 30, 2016, and thus within the target range of 1.5 to 2.5 (previous year: 2.0).

#### **ProSiebenSat.1 Confirms Positive Full-Year Outlook for 2016**

ProSiebenSat.1 Group is benefiting from a positive macroeconomic environment in its German-speaking markets. The Group is therefore confirming its full-year forecast even after Great Britain's referendum on leaving the EU: The Group



emphasizes its targets for 2016 and expects revenues to increase by more than 10 %. Recurring EBITDA and underlying net income are expected to exceed the previous year's level. The Company anticipates net growth of 2 % to 3 % for the TV advertising market.

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At the same time, ProSiebenSat.1 Group expects its growth areas to further develop dynamically as a result of its high TV reach and the consistent integration within the Group. The Company also remains on schedule for realizing its medium-term growth targets. By the end of 2018, ProSiebenSat.1 intends to increase revenues by EUR 1.85 billion compared to 2012 to a total of EUR 4.2 billion. As of June 30, 2016, the Group had already achieved 63 % of this target.



## Key Figures of ProSiebenSat.1 Group on the Basis of Continuing Operations

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EUR m	Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
Consolidated revenues	886	772	+15 %	1,688	1,427	+18 %
Total costs	688	584	+18 %	1,371	1,125	+22 %
Recurring costs <sup>(1)</sup>	638	539	+18 %	1,274	1,045	+22 %
Recurring EBITDA <sup>(2)</sup>	254	238	+7 %	424	390	+9 %
Recurring EBITDA margin (in %)	28.7	30.8	-2.1 pts	25.1	27.3	-2.2 pts
EBITDA	258	226	+14 %	420	371	+13 %
Non-recurring items	4	-12	~	-5	-19	-74 %
EBIT	211	193	+9 %	333	310	+8 %
Financial result	-10	-20	-48 %	-34	-48	-30 %
Consolidated net profit (after non-controlling interests)	136	118	+16 %	203	179	+13 %
Underlying net income <sup>(3)</sup>	133	122 <sup>(5)</sup>	+8 %	207	193 <sup>(5)</sup>	+7 %
Basic earnings per share (underlying) (in EUR)	0.62	0.57 <sup>(5)</sup>	+8 %	0.97	0.90 <sup>(5)</sup>	+7 %
Cash flow from operating activities	310	335	-8 %	675	685	-2 %
Free cash flow	0	76	-100 %	-2	76	~

EUR m	Jun. 30, 16	Dec. 31, 15	Jun. 30, 15
Equity	628	943	675
Equity ratio (in %)	11.8	17.8	17.4
Cash and cash equivalents	672	734	193
Net financial debt	2,005	1,940	1,782
Leverage <sup>(4)</sup>	2.1	2.1	2.0



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EUR m	Q2 2016	Q2 2015	Change in %	H1 2016	H1 2015	Change in %
<b>Broadcasting German-speaking</b>						
Revenues (external)	541	535	+1 %	1,034	1,005	+3 %
Recurring EBITDA <sup>(2)</sup>	201	197	+2 %	332	323	+3 %
<b>Digital &amp; Adjacent</b>						
Revenues (external)	263	184	+43 %	504	322	+57 %
Recurring EBITDA <sup>(2)</sup>	43	37	+15 %	78	64	+21 %
<b>Content Production &amp; Global Sales</b>						
Revenues (external)	77	54	+42 %	140	100	+40 %
Recurring EBITDA <sup>(2)</sup>	10	4	~	16	5	~

(1) Total costs excl. depreciation and amortization and non-recurring expenses. (2) EBITDA adjusted for non-recurring items. (3) Consolidated net profit after non-controlling interests before the effects of purchase price allocations and additional non-recurring items. These include valuation effects on financial investments, put options and earn-outs, ineffective portions of financial derivatives shown in the other financial result and valuation effects on the Group Share Plans. (4) Ratio net financial debt to recurring EBITDA in the last twelve months. (5) Adjustment due to the retroactive adjustment of changes in the fair value of put options and earn-out liabilities in the second quarter of 2016.

Explanation of reporting principles: ProSiebenSat.1 Group also uses "non-IFRS figures" in its reports such as recurring EBITDA and underlying net income. For their reconciliation and definition, please refer to the explanations in the management report of the half-year financial report 2016, p. 5. In the reporting year, changes in the fair value of the share-based payment plans and the liabilities from put options and earn-outs were adjusted for the first time.

Due to the expansion of the Executive Board, ProSiebenSat.1 will change the segment structure and divide the former Digital & Adjacent segment into the separate segments Digital Ventures & Commerce and Digital Entertainment as of the third quarter of 2016. We will report internally and externally according to this structure in the future.

More key figures can be downloaded on our Group website [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com), where you will also find the Interim Report on the second quarter and first half of 2016.