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## Press Release

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### ProSiebenSat.1 Again Significantly Increases Revenues and Earnings in the Second Quarter of 2015

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- Revenues grow by 11.8 % to EUR 772.5 million
- Recurring EBITDA increases by 8.4 % to EUR 237.6 million
- ProSiebenSat.1 confirms positive outlook for the year and updates its revenue target for fiscal year 2015

**Munich, July 30, 2015.** ProSiebenSat.1 remains on course for a successful year. The Group increased its revenues by 11.8 % to EUR 772.5 million in the second quarter of 2015 (previous year: EUR 691.1 million). Recurring EBITDA rose by a similarly dynamic 8.4 % to EUR 237.6 million (previous year: EUR 219.1 million). Underlying net income grew by 9.3 % to EUR 118.2 million (previous year: EUR 108.1 million). In addition, the Group made further progress in the implementation of its diversification strategy: In the second quarter of 2015, ProSiebenSat.1 already generated 36.2 % of its revenues outside the TV advertising business (previous year: 30.5 %).

On a half-year basis, ProSiebenSat.1 also increased its consolidated revenues by double digits: The Company gained 12.2 % to EUR 1.427 billion (previous year: EUR 1.272 billion), while recurring EBITDA rose by 8.6 % to EUR 390.3 million (previous year: EUR 359.3 million). Underlying net income grew by 14.8 % to EUR 188.1 million (previous year: EUR 163.8 million).

**Thomas Ebeling, CEO of ProSiebenSat.1 Media SE:** “In the second quarter of 2015, all segments grew profitably and we are pushing full steam ahead with our growth strategy. Our most important goal remains making ProSiebenSat.1 more competitive and tapping into new growth markets via digitalization and internationalization. Free TV is the driving force of our digital business and offers us the opportunity to market products to an audience of millions at little financial cost. We are thus continuously increasing the value of our Company and creating new growth areas that benefit our shareholders in the long term.”

#### **Broadcasting German-speaking: TV advertising revenues increase in all markets, highest audience share in Germany in ten years**

In the Broadcasting German-speaking segment, external revenues grew by 4.6 % to EUR 534.6 million in the second quarter of 2015 (previous year: EUR 511.2 million). Recurring EBITDA increased by 4.5 % to EUR 196.9 million (previous year: EUR 188.4 million). The station group also closed the first half of 2015 strongly: External revenues rose by 4.7 % to EUR 1.005 billion (previous year: EUR 960.4 million), while recurring EBITDA grew by 4.7 % to EUR 322.8 million (previous year: EUR 308.2 million).

Contacts:

Julian Geist  
Corporate Spokesman  
ProSiebenSat.1 Media SE  
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](mailto:Julian.Geist@ProSiebenSat1.com)

Stefanie Prinz  
Corporate Communications  
ProSiebenSat.1 Media SE  
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](mailto:Stefanie.Prinz@ProSiebenSat1.com)

Press release online:

[www.ProSiebenSat1.com](http://www.ProSiebenSat1.com)



In the second quarter, ProSiebenSat.1 Group continued to increase its audience shares in Germany, Austria and Switzerland. In Germany, the Group achieved the highest figure in ten years at 29.8 % (previous year: 27.5%). At the same time, the Group increased its TV advertising revenues in all German-speaking markets.

The Company also continued its good performance in the distribution business. The revenue contribution from the distribution of the free TV stations in HD quality again rose considerably in the second quarter of 2015. The number of ProSiebenSat.1 HD users increased by 19 % to 5.7 million (previous year: 4.8 million). ProSiebenSat.1 expects this figure to rise to over nine million by 2018. ProSiebenSat.1 is thus growing increasingly independent of the more economically sensitive TV advertising business.

### **Digital & Adjacent: Revenues and earnings grow by double digits again**

In the Digital & Adjacent segment, the revenue and earnings figures grew by double digits in both periods under review. In the second quarter of 2015, external revenues rose by 23.0 % to EUR 183.5 million (previous year: EUR 149.2 million). Recurring EBITDA went up by 21.8 % to EUR 37.5 million despite higher costs as a result of growth (previous year: EUR 30.8 million). On a half-year basis, external revenues also increased significantly by 26.1 % to EUR 321.7 million (previous year: EUR 255.1 million). The substantial revenue growth led recurring EBITDA to rise by 17.8 % to EUR 64.3 million (previous year: EUR 54.6 million). Once again, all three segment areas (Digital Entertainment, Digital Commerce, and Adjacent) contributed to this.

Digital Commerce delivered the highest proportion of revenues with the media-for-equity and media-for-revenue-share business. In addition, higher revenues also resulted from the new Commerce vertical "Beauty & Accessories" with Amorelie and Flaconi. With effect from the second quarter of 2015, ProSiebenSat.1 increased its stake in both e-commerce portals and consolidated them for the first time. In the upcoming months, non-organic growth will continue to increase: At the end of June, ProSiebenSat.1 acquired 80.0 % of Verivox GmbH, Germany's largest independent consumer energy portal. The Group thus laid the foundation for the new e-commerce vertical "Online Comparison Portals." Using the marketing power of its free TV stations, the Group will also strengthen the Verivox offerings in the fields of insurance and finance into leading services. Verivox will be initially consolidated in the course of the third quarter of 2015. Furthermore, ProSiebenSat.1 also secured majority interests in Virtual Minds and SMARTSTREAM.TV. Both companies belong to the leading European specialists in programmatic advertising, the fully automated sale of real time advertising inventory, which is becoming increasingly important in the field of video and moving images. Approval by the Federal Cartel Office is still pending for both transactions.

In addition, the Group recorded considerable revenue growth in the Digital Entertainment area, which originated primarily from higher revenues from the video-on-demand portal maxdome and increasing online advertising revenues. The Group extended its leading online video marketer position in Germany to



43.2 % (previous year: 41.1 %; basis: gross Nielsen). In order to further increase the attractiveness of its digital entertainment portfolio and its international focus, in early July ProSiebenSat.1 announced the acquisition of a 75 % majority in the US multi-channel network (MCN) Collective Digital Studio (CDS). The merger with the Group's own MCN Studio71 will result in the world's fifth-largest MCN with over 250 million subscribers and 1.7 billion video views every month. CDS will be consolidated during the third quarter of 2015.

### **Content Production & Global Sales: Production business in the USA is strongest source of revenues**

In the Content Production & Global Sales segment, external revenues increased by 77.2 % to EUR 54.4 million in the second quarter of 2015 (previous year: EUR 30.7 million). Recurring EBITDA rose to EUR 4.0 million from EUR 1.3 million in the previous year. On a half-year basis, external revenues grew by 76.5 % to EUR 100.0 million (previous year: EUR 56.7 million). Due to the dynamic revenue growth, recurring EBITDA also increased significantly to EUR 4.7 million (previous year: EUR -1.2 million).

Segment revenue growth was organic in the second quarter, with the production business in the USA making the largest contribution to revenues. In addition to organic growth, the first-time consolidation of the US production firm Half Yard Productions in March 2014 also contributed to the increase in revenues in the first half of 2015.

### **Group invests in sustainable growth of all segments**

The Group is investing in sustainable growth across all segments and is strengthening its market position through strategic acquisitions. The goal is to diversify revenue models and to expand into rapidly growing markets. As a result, total costs increased by 12.8 % to EUR 584.2 million in the second quarter of 2015 (previous year: EUR 518.0 million). Operating costs adjusted for non-recurring expenses, depreciation and amortization amounted to EUR 539.0 million (previous year: EUR 476.1 million). This equates to an increase of 13.2 % compared to the same quarter of the previous year, which also reflects the larger business volume.

### **Financial result improved, net financial debt reduced**

The financial result continued to improve year-on-year and amounted to minus EUR 19.8 million compared to minus EUR 44.2 million in the same quarter of the previous year. The improvement is based, among others, on significantly lower interest expenses and financing costs. ProSiebenSat.1 makes regular use of market opportunities to secure attractive conditions for its borrowings. For example, in April 2015 the Company extended its existing syndicated facilities agreement by one year at favorable interest conditions.

Net financial debt reduced to EUR 1.782 billion as of June 30, 2015 (previous year: EUR 1.824 billion) despite the dividend payment of EUR 341.9 million in May of this year. The leverage ratio, which is the ratio of net financial debt to recurring EBITDA of the last twelve months (LTM recurring EBITDA), was 2.0 as



of June 30, 2015. It was thus within the defined target range of 1.5 to 2.5 (June 30, 2014: 2.2).

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### **ProSiebenSat.1 confirms positive outlook for 2015**

The Group grew successfully in the first half of 2015 and will continue its positive revenue growth in the months to come. All segments are to contribute to the good revenue performance, the Digital & Adjacent and Content Production & Global Sales segments will continue to grow particularly dynamically. Against this backdrop, the Group confirms its positive outlook for the year while updating its revenue forecast for the year as a whole. ProSiebenSat.1 Group expects to increase its consolidated revenues by a high single-digit percentage and thus to reach the upper range of its revenue forecast. Previously, the Group expected revenues to increase by a mid to high single-digit percentage. In addition to the continued good business performance, the recently acquired digital companies will further support growth. Recurring EBITDA and underlying net income are expected to exceed the previous year's level again. All segments will contribute to this performance. At the same time, ProSiebenSat.1 remains within a leverage target range of 1.5 to 2.5.

The Company is still ahead of schedule in terms of implementing the 2018 growth targets: By the end of 2018, the Group aims to increase its revenues by EUR 1 billion compared to 2012. As of June 30, 2015, ProSiebenSat.1 had already achieved 67.4 % of this target. At the Capital Markets Day on October 15, 2015, the Group will provide a detailed overview on the 2018 financial targets and its successful growth strategy.

All statements and figures relate to continuing operations unless indicated otherwise. At the end of 2012, ProSiebenSat.1 announced the sale of its Eastern European portfolio. Until their deconsolidation, the Eastern European companies constituted discontinued operations as defined by IFRS 5. The sale of the Hungarian activities was completed on February 25, 2014, and the companies were deconsolidated as of this date. The sale of the Romanian activities was formally and legally closed on April 2, 2014 (TV) and August 4, 2014 (radio).



**ProSiebenSat.1 Group key figures from continuing operations**

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EUR m	Q2 2015	Q2 2014	Change %	H1 2015	H1 2014	Change %
Revenues	772.5	691.1	11.8%	1,427.1	1,272.2	12.2%
Total costs	584.2	518.0	12.8%	1,125.4	994.7	13.1%
Operating costs <sup>(1)</sup>	539.0	476.1	13.2%	1,044.6	922.6	13.2%
Recurring EBITDA <sup>(2)</sup>	237.6	219.1	8.4%	390.3	359.3	8.6%
Recurring EBITDA margin (in %)	30.8	31.7	-0.9 % points	27.3	28.2	-0.9 % points
EBITDA	225.5	208.7	8.0%	371.4	344.6	7.8%
Non-recurring items	-12.1	-10.4	16.0%	-18.9	-14.7	28.7%
EBIT	192.7	177.5	8.6%	309.9	287.3	7.8%
Financial result	-19.8	-44.2	-55.1%	-48.2	-82.5	-41.5%
Consolidated net profit (after non-controlling interests)	118.0	89.4	32.0%	179.0	138.4	29.4%
Underlying net income <sup>(3)</sup>	118.2	108.1	9.3%	188.1	163.8	14.8%
Basic earnings per share (underlying) (in EUR)	0.55	0.51	9.1%	0.88	0.77	14.6%
Free cash flow	75.7	99.4	-23.8%	75.9	-46.9	-/-
Cash flow from operating activities	335.1	371.0	-9.7%	684.9	600.0	14.1%

EUR m	June 30, 2015	Dec 31, 2014	June 30, 2014
Equity	675.1	753.9	425.6
Equity ratio (in %)	17.4	19.3	12.5
Cash and cash equivalents	192.5	470.6	146.4
Net financial debt	1,781.7	1,502.5	1,823.7 <sup>(5)</sup>
Leverage <sup>(4)</sup>	2.0	1.8	2.2 <sup>(6)</sup>



**ProSiebenSat.1 Group key figures from continuing operations**

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EUR m	Q2 2015	Q2 2014	Change %	H1 2015	H1 2014	Change %
<b>Broadcasting German-speaking</b>						
Revenues (external)	534.6	511.2	4.6%	1,005.4	960.4	4.7%
Recurring EBITDA <sup>(2)</sup>	196.9	188.4	4.5%	322.8	308.2	4.7%
<b>Digital &amp; Adjacent</b>						
Revenues (external)	183.5	149.2	23.0%	321.7	255.1	26.1%
Recurring EBITDA <sup>(2)</sup>	37.5	30.8	21.8%	64.3	54.6	17.8%
<b>Content Production &amp; Global Sales</b>						
Revenues (external)	54.4	30.7	77.2%	100.0	56.7	76.5%
Recurring EBITDA <sup>(2)</sup>	4.0	1.3	-/-	4.7	-1.2	-/-

<sup>(1)</sup> Total costs excl. D&A and non-recurring expenses. <sup>(2)</sup> EBITDA before non-recurring (exceptional) items. <sup>(3)</sup> Consolidated profit for the period after non-controlling interests, before the effects of purchase price allocations and other special items. <sup>(4)</sup> Ratio net financial debt to recurring EBITDA in the last twelve months. <sup>(5)</sup> After reclassification of cash and cash equivalents of Eastern European operations. <sup>(6)</sup> After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for recurring EBITDA contribution from the Northern and Eastern European business in the last twelve months.

More key figures can be downloaded on our Group website: [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com). The Interim Report for the Second Quarter and First Half-Year of 2015 is also available there.