
Press Release



ProSiebenSat.1 continues profitable growth in the third quarter of 2014

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- Consolidated revenues grow by 10.5 % to EUR 637.5 million
- Recurring EBITDA increases by 7.9 % to EUR 162.9 million
- Underlying net income rises by 13.9 % to EUR 74.7 million
- Group confirms positive outlook for the current year
- 2015 revenue target will already be achieved by the end of 2014

Munich, November 6, 2014. ProSiebenSat.1 remains on track for success: In the third quarter of 2014, the Group increased its revenues by 10.5 % to EUR 637.5 million (previous year: EUR 576.9 million). All three segments grew profitably; recurring EBITDA accordingly increased by 7.9 % to EUR 162.9 million (previous year: EUR 151.0 million) compared to the same quarter of the previous year. Underlying net income considerably increased by 13.9 % to EUR 74.7 million (previous year: EUR 65.6 million).

ProSiebenSat.1 also performed positively over the first nine months of the year: The Company increased its revenues by 8.2 % and generated EUR 1.910 billion (previous year: EUR 1.765 billion). Recurring EBITDA rose by 7.0 % to EUR 522.2 million (previous year: EUR 488.2 million); underlying net income improved by 7.9 % to EUR 238.5 million (previous year: EUR 221.1 million).

In both periods, the growth was significantly driven by the Group's digital activities. At the same time, the Content Production & Global Sales segment developed dynamically. Revenues outside the traditional TV advertising business therefore continued to increase. In the third quarter of 2014, their share in consolidated revenues rose to 31.4 % (previous year: 26.9 %).

Thomas Ebeling, CEO: "ProSiebenSat.1 is on a very good track financially and strategically. In the third quarter of 2014, we grew profitably in all segments and are aiming for another record year. At the same time, we are developing all areas of our group in a future-oriented way. Thanks to continuous expansion and the linking of our TV business to the digital segment, we have laid an excellent foundation for further growth."

Broadcasting German-speaking: TV audience market shares clearly expanded, distribution revenues increased further

In the Broadcasting German-speaking segment, external revenues grew by 3.7 % to EUR 437.6 million (previous year: EUR 421.9 million) in the third quarter of 2014. On a nine-month basis, they rose by 3.6 % to EUR 1.398 billion (previous year: EUR 1.350 billion). The positive revenue

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development resulted from higher TV advertising revenues as well as a continued increase in distribution revenues. Despite higher growth-related costs in connection with the expansion of the station portfolio, recurring EBITDA increased by 1.9 % to EUR 129.0 million (previous year: EUR 126.6 million) in the third quarter of 2014. Over the first nine months of the year, recurring EBITDA increased by 4.1 % to EUR 437.2 million (previous year: EUR 420.0 million).

The ProSiebenSat.1 Group's audience ratings increased considerably in both reporting periods: In the third quarter of 2014, the Group achieved a combined market share of 29.3 % (previous year: 28.5 %, viewers aged 14-49). In the first nine months of the year, the market share increased to 28.4 % (previous year: 27.6 %) despite the Winter Olympics and the Soccer World Cup. This was in particular due to higher market shares at SAT.1 during the daytime, strong show formats on SAT.1 and ProSieben and continuing growth of the newer stations sixx, SAT.1 Gold and ProSieben MAXX.

Also in the TV advertising market, ProSiebenSat.1 has retained its lead with a gross market share of 43.8 % (source: Nielsen Media Research). In the third quarter of 2014, the station group benefited both from a positive market environment as well as from structural changes in the advertising business: TV again saw the strongest growth with 7.0 % and simultaneously increased its gross share in the media mix by 1.7 percentage points to 44.2 %.

In addition, distribution revenues rose again. Compared to the same quarter of the previous year, the Group increased its distribution revenues by 27.9 %. This is primarily attributable to higher user numbers: The number of HD free TV users increased by 1.2 million to a total of 5.1 million (previous year: 3.9 million) in the third quarter of 2014.

Digital & Adjacent: Revenues and earnings continue double-digit growth

The ProSiebenSat.1 Group continued its dynamic growth in the Digital & Adjacent segment in the third quarter of 2014: External revenues increased by 27.8 % to EUR 158.7 million (previous year: EUR 124.1 million). The share of Digital & Adjacent activities in consolidated revenues thus increased to 24.9 % (previous year: 21.5 %). On a nine-month basis, external revenues rose by 24.1 % to EUR 413.9 million (previous year: EUR 333.4 million). All three business units contributed to this. Given the high revenue growth, earnings also grew double-digit: Recurring EBITDA rose by 18.6 % to EUR 32.3 million (previous year: EUR 27.2 million) in the third quarter of 2014. In the nine-month period, recurring EBITDA amounted to EUR 86.9 million (previous year: EUR 71.6 million), representing a growth of 21.4 %.

The strongest revenue driver was the digital commerce business. In particular the travel cluster with the websites weg.de and ferien.de, which were included in the consolidated financial statements for the first time in January 2014, continued to develop very positively. Currently, the ProSiebenSat.1 Group's ventures portfolio comprises 57 participations and partnerships.



The Company also continued to grow in the digital entertainment business. With an increase of 23.6 %, ProSiebenSat.1 expanded its position as leading online video marketing company to 50.4 % (previous year: 47.4 %), growing stronger than the market (+16.3 %). The Group's number of online video views rose in the third quarter of 2014 to 1.14 billion (previous year: 495 million), which is largely attributable to the continually increasing user number of Studio71, the ProSiebenSat.1 Group's multi-channel network.

Content Production & Global Sales: US business driving growth

In the Content Production & Global Sales segment, external revenues increased by 33.4 % to EUR 41.2 million (previous year: EUR 30.9 million) in the third quarter of 2014. In the first nine months of the year, external revenues rose by 20.2 % to EUR 97.8 million (previous year: EUR 81.4 million). Against this backdrop, recurring EBITDA grew by EUR 4.3 million to EUR 2.2 million in the third quarter of 2014 (previous year: EUR -2.1 million). On a nine-month basis, recurring EBITDA reached EUR 1.0 million (previous year: EUR -0.3 million).

The largest contribution in the third quarter of 2014 was made by the production business in the USA. In addition to organic growth, the consolidation of the US production company Half Yard Productions from March 2014 onwards also had a positive impact. At the same time, the Red Arrow Entertainment Group achieved new production and sales successes in the US TV market: The show "Married at First Sight" produced by the US subsidiary Kinetic Content is the most successful format that has ever been shown on the station FYI. FYI already ordered a second season. In total, the successful Red Arrow format has already been sold to over 15 countries.

Group invests in sustainable growth of all segments

The Group is investing in sustainable growth in all segments and strengthening its market position with strategic acquisitions. The objective is to diversify revenue models and to expand into rapidly growing markets. In the Digital & Adjacent segment in particular, growth increased costs in the third quarter of 2014. In the TV core business, higher costs connected to the expansion of the station portfolio also had an effect. Against this backdrop, total costs increased by 13.8 % or EUR 63.1 million to EUR 520.0 million. Operating costs adjusted for non-recurring expenses and depreciation and amortization amounted to EUR 478.8 million. This equates to an increase of 11.6 % or EUR 49.7 million compared to the same quarter of the previous year.

Financial result clearly improved, leverage factor within the target range

In the third quarter of 2014, the financial result improved significantly and amounted to minus EUR 22.9 million after minus EUR 35.2 million in the previous year. In April 2014, ProSiebenSat.1 broadened the basis of its financing by issuing notes and entering into a new syndicated facilities agreement, thus extending and diversifying the maturity profile. Since then, the Group has benefited from more favorable conditions.



The Group's leverage factor, which is the ratio of net financial debt to recurring EBITDA of the last twelve months (LTM recurring EBITDA), was 2.2 times as of September 30, 2014, and was thus within the defined target range of 1.5 to 2.5 times (September 30, 2013: 2.2 times).

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ProSiebenSat.1 confirms positive full-year outlook

The ProSiebenSat.1 Group is confirming its positive outlook for the full year. The Group updated its revenue forecast at its Capital Markets Day in mid-October. ProSiebenSat.1 is now forecasting a revenue increase in the high single-digit percentage rate for the full year. Previously, the Company expected revenues to increase by a mid to high single-digit percentage rate. With regard to recurring EBITDA and underlying net income, the Group similarly expects earnings to be higher than in the previous year. In addition, ProSiebenSat.1 plans to achieve the revenue growth target for 2015 – a EUR 800 million increase in consolidated revenues compared to 2010 – already by the end of this year.

All statements and values relate to continuing operations unless stated otherwise. ProSiebenSat.1 announced the sale of its Eastern European portfolio at the end of 2012. Until their deconsolidation, the Eastern European companies were recognized as discontinued operations according to 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 operations was formally and legally completed on April 2, 2014 (TV) and August 4, 2014 (radio). The result from discontinued operations for the third quarter of 2014 therefore only includes the net profit generated by the Romanian radio companies until their deconsolidation and their deconsolidation result and is presented after taxes. The figures for the previous year in the income statement and cash flow statement are presented on a comparable basis at company and segment level. The comparative figures in the statement of financial position were not restated.



Key figures of the ProSiebenSat.1 Group on the basis of continuing operations

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EUR m	Q3 2014	Q3 2013	9M 2014	9M 2013
Consolidated revenues	637.5	576.9	1,909.7	1,764.5
Total costs	520.0	456.9	1,514.8	1,373.9
Operating costs ⁽¹⁾	478.8	429.1	1,401.4	1,288.5
Recurring EBITDA ⁽²⁾	162.9	151.0	522.2	488.2
Recurring EBITDA margin (in %)	25.6	26.2	27.3	27.7
EBITDA	156.9	148.4	501.5	469.0
Non-recurring effects	-6.0	-2.7	-20.7	-19.1
EBIT	125.4	125.7	412.7	406.7
Financial result	-22.9	-35.2	-105.3	-109.7
Net earnings (Consolidated net profit after non-controlling interests)	67.3	63.8	205.7	204.5
Underlying net income ⁽³⁾	74.7	65.6	238.5	221.1
Basic earnings per share (underlying)	0.35	0.31	1.12	1.04
Free cash flow	26.0	36.4	-20.8	23.7
Cash flow from operating activities	299.6	248.4	899.6	818.5

EUR m	September 30, 2014	December 31, 2013	September 30, 2013
Equity	551.7	584.1	527.9
Equity ratio (in %)	15.3	16.4	15.2
Cash and cash equivalents	176.8	395.7	204.5
Net financial debt	1,794.9	1,446.3 ⁽⁵⁾	1,737.5 ⁽⁵⁾
Leverage ⁽⁴⁾	2.2 ⁽⁷⁾	1.8 ⁽⁶⁾	2.2 ⁽⁶⁾



Key figures by segment on the basis of continuing operations

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EUR m	Q3 2014	Q3 2013	9M 2014	9M 2013
Broadcasting German-speaking				
Revenues (external)	437.6	421.9	1,398.0	1,349.7
Recurring EBITDA ⁽²⁾	129.0	126.6	437.2	420.0
Digital & Adjacent				
Revenues (external)	158.7	124.1	413.9	333.4
Recurring EBITDA ⁽²⁾	32.3	27.2	86.9	71.6
Content Production & Global Sales				
Revenues (external)	41.2	30.9	97.8	81.4
Recurring EBITDA ⁽²⁾	2.2	-2.1	1.0	-0.3

(1) Total costs excl. non-recurring expenses and D&A. (2) EBITDA before non-recurring (exceptional) items. (3) Consolidated profit for the period after non-controlling interests, before the effects of purchase price allocations and other special items. (4) Ratio net financial debt to recurring EBITDA in the last twelve months. (5) After reclassification of cash and cash equivalents of Eastern European operations. (6) After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for LTM recurring EBITDA contribution from the Northern and Eastern European business. (7) Adjusted for LTM recurring EBITDA contribution from the Eastern European business.

More key figures are available on our Group website at www.ProSiebenSat1.com, where you can also find the report on the third quarter of 2014.