
Press Release



ProSiebenSat.1 Achieves New Revenue and Earnings Record in 2014

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- Revenues rise by 10.4 % to EUR 2.876 billion
- Recurring EBITDA grows by 7.2 % to EUR 847.3 million
- Underlying net income increases by 10.3 % to EUR 418.9 million
- Digital & Adjacent again strongest revenue driver
- Dividend proposal of EUR 1.60 per common share
- Group achieves 2015 growth targets early and has a positive start into the new year in all segments
- ProSiebenSat.1 and Unitymedia KabelBW expand cooperation regarding maxdome

Munich, February 26, 2015. 2014 was another record year for ProSiebenSat.1. The Group grew profitably in all segments and increased its revenues by 10.4 % to EUR 2.876 billion (previous year: EUR 2.605 billion). Recurring EBITDA increased by 7.2 % to EUR 847.3 million (previous year: EUR 790.3 million). Underlying net income also developed dynamically and rose by 10.3 % to EUR 418.9 million (previous year: EUR 379.7 million). At the same time, ProSiebenSat.1 already generated 33.6 % of its revenues outside the TV advertising business (previous year: 28.6 %) and successfully implemented its growth strategy: The Group achieved its 2015 revenue targets already one year ahead of plan.

Thomas Ebeling, CEO of the ProSiebenSat.1 Group: “2014 was a very successful year for ProSiebenSat.1. Once again, we set a new revenue and earnings record and achieved our 2015 targets early. The new stations and the HD distribution business are driving our growth in the TV segment. Our digital business continues to develop dynamically. In 2015, we will further expand and internationalize our Digital Entertainment and Digital Commerce business.”

Broadcasting German-speaking: Leadership in the TV advertising market expanded, distribution revenues increased dynamically

In the Broadcasting German-speaking segment, external revenues rose by 3.2 % to EUR 2.063 billion (previous year: EUR 1.998 billion). The positive development resulted from higher TV advertising revenues and dynamically growing distribution revenues. Recurring EBITDA increased by 3.6 % to EUR 702.8 million (previous year: EUR 678.6 million) despite investments in new programs and stations.

The ProSiebenSat.1 Group continued to improve its audience ratings in a competitive environment: The Group increased its combined market share considerably to 28.7 % (previous year: 28.1 %) despite the Winter Olympics

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and the soccer World Cup. The growth in the audience market was especially driven by the young stations sixx, SAT.1 Gold and ProSieben MAXX. ProSiebenSat.1 extended its leading position also in the German TV advertising market: The gross market share increased to 44.0 % (previous year: 43.6 %). Furthermore, significant growth impetus came from the new customer business: In total, the station family gained over 100 new customers in 2014, that had never before booked TV advertising.

Also in the distribution business, the Group continued its growth course. Revenues from the distribution of the free TV stations in HD quality again developed very positively. The number of ProSiebenSat.1 HD users increased by 25 % to 5.3 million. ProSiebenSat.1 expects this figure to rise to up to nine million by 2018. At the same time, the Group is strengthening its video-on-demand distribution: ProSiebenSat.1 today announced a new cooperation with Unitymedia KabelBW regarding maxdome. maxdome becomes an integral part of the new TV and 3Play rates (TV, Internet, telephony services). Thus, Unitymedia KabelBW customers will be able to subscribe to maxdome directly (see own press release).

Digital & Adjacent: Double digit revenue and earnings growth

In the Digital & Adjacent segment, ProSiebenSat.1 again posted significant growth in the 2014 financial year: External revenues rose by 26.3 % to EUR 610.7 million (previous year: EUR 483.7 million). At the same time, recurring EBITDA rose considerably despite additional investments with a 22.7 % increase to EUR 129.3 million (previous year: EUR 105.4 million). The segment's revenue performance was nearly equally driven by organic and inorganic growth.

The digital commerce business again delivered the largest contribution to revenues. This was among others due to the first-time consolidation of the tourism company COMVEL GmbH with the travel sites weg.de and ferien.de. At present, the ProSiebenSat.1 Group's ventures portfolio contains 59 investments and partnerships. In 2015, the Group will expand this business both with media-for-equity and media-for-revenue-share investments and with traditional acquisitions. In addition, the Group will push the internationalization of the ventures portfolio. In 2014, the Group began building up a portfolio of international minority participations, including Jawbone (USA), Talenhouse (USA), Deezer (France) and Dynamic Yield (Israel).

In the Digital Entertainment business, the Company also developed dynamically: The video-on-demand portal maxdome and the online advertising business made a large organic contribution to revenues. The Group improved its position as leading online video marketing company in Germany to 48.6 % (previous year: 47.5 %). Over the course of the year, ProSiebenSat.1 increased the number of online video views to 4.2 billion (previous year: 1.8 billion), which was mainly attributable to the strong growth in user numbers at Studio71, the ProSiebenSat.1 Group's multi-channel network. Studio71 was founded in September 2013 and is already one of Europe's leading multi-channel networks.



Content Production & Global Sales: Red Arrow increases revenues and earnings considerably

In the Content Production & Global Sales segment, external revenues increased by 63.4 % to EUR 202.2 million (previous year: EUR 123.8 million). Recurring EBITDA rose by EUR 8.5 million to EUR 19.1 million (previous year: EUR 10.6 million).

Thereby, Red Arrow benefited from the organic growth of its subsidiaries in the USA and Great Britain. The Group generated more than 70 % of revenues in English-speaking markets in 2014 (USA: 55 %, GB: 18 %). In addition, the consolidation of the US production firm Half Yard Productions since March 2014 also had a positive revenue impact. The most important programs in 2014 were also US formats: Red Arrow produced the ten-episode crime series “Bosch” for Amazon. Furthermore, the Group achieved well above-average market shares with its show “Married at First Sight” on the US channel FYI.

ProSiebenSat.1 invests in the 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 expand into rapidly growing markets. In the Digital & Adjacent segment, costs increased primarily due to growth; in the core business of TV, higher costs in connection with the expansion of the station portfolio had an impact. In 2014, total costs therefore rose by 12.6 % to EUR 2.209 billion (previous year: EUR 1.962 billion). Operating costs adjusted for depreciation, amortization and non-recurring expenses amounted to EUR 2.047 billion. This corresponds to a rise of 11.5 % or EUR 211.1 million compared to the previous year.

Financial result improved, leverage factor in target range

The financial result improved in the 2014 financial year and amounted to minus EUR 134.4 million (previous year: EUR -142.0 million). ProSiebenSat.1 placed its financing on a broader basis by issuing notes and securing a new syndicated facilities agreement in April 2014, thus extending and diversifying its maturity profile. As a result, net interest expenses fell by EUR 33.5 million to EUR 101.5 million in the 2014 financial year. The leverage factor, i.e. the ratio of net financial debt to recurring EBITDA of the last twelve months (LTM recurring EBITDA), amounted to 1.8 as of December 31, 2014, and thus remained at the lower end of the defined target range of 1.5 to 2.5 times (December 31, 2013: 1.8).

ProSiebenSat.1 to propose an attractive dividend to shareholders

The Group strives to give its shareholders an appropriate share in the Company’s success. The Executive Board will therefore propose a dividend of EUR 1.60 (previous year: EUR 1.47) per common share for 2014 to the Supervisory Board. This equates to a payout ratio of 81.6 % – in relation to underlying net income from continuing operations – and is therefore in line with the ProSiebenSat.1 dividend policy.



Outlook 2015: Further revenue and earnings growth planned

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The ProSiebenSat.1 Group had a successful start into the first quarter of 2015 in all segments and continues to benefit from a positive economic environment. At the same time, the Group aims to continue the dynamic development in the growth areas. Against this backdrop, the ProSiebenSat.1 Group plans to increase revenues by mid- to high-single-digit percentage. Recurring EBITDA and underlying net income are similarly expected to exceed the previous year's level again.

The ProSiebenSat.1 Group achieved its 2015 growth targets early: Originally, an increase in revenues of EUR 800 million compared to the 2010 financial year was planned at the year-end 2015. The Group already achieved this target at the end of 2014. The Company is also ahead of plan in implementing its growth targets for 2018. By the end of 2018, the Group wants to increase its revenues by EUR 1 billion compared to 2012. At the end of 2014, ProSiebenSat.1 had already achieved 52 % of this target, whilst a degree of one third had been planned until this date.



ProSiebenSat.1 Group key figures from continuing operations

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EUR m	Q4 2014	Q4 2013	2014	2013
Revenues	965.9	840.8	2,875.6	2,605.3
Total costs	694.2	587.9	2,209.0	1,961.9
Operating costs ⁽¹⁾	645.6	547.3	2,046.9	1,835.8
Recurring EBITDA ⁽²⁾	325.1	302.1	847.3	790.3
Recurring EBITDA margin (%)	33.7	35.9	29.5	30.3
EBITDA	316.9	288.7	818.4	757.8
Non-recurring items	-8.2	-13.4	-28.9	-32.6
EBIT	281.8	262.1	694.5	668.9
Financial result	-29.1	-32.3	-134.4	-142.0
Consolidated net profit (after non-controlling interests)	167.8	155.0	373.5	359.5
Underlying net income ⁽³⁾	180.4	158.9	418.9	379.7
Basic earnings per share (underlying)	0.84	0.75	1.96	1.78
Cash flow from operating activities	525.2	529.8	1,424.8	1,348.3

EUR m	December 31, 2014	December 31, 2013
Equity	753.9	584.1
Equity ratio (%)	19.3	16.4
Cash and cash equivalents	470.6	395.7
Net financial debt	1,502.5	1,446.3 ⁽⁵⁾
Leverage ⁽⁴⁾	1.8 ⁽⁶⁾	1.8 ⁽⁷⁾



Key figures share by segment from continuing operations

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EUR m	Q4 2014	Q4 2013	2014	2013
Broadcasting German-speaking				
Revenues (external)	664.7	648.1	2,062.7	1,997.8
Recurring EBITDA ⁽²⁾	265.6	258.6	702.8	678.6
Digital & Adjacent				
Revenues (external)	196.9	150.3	610.7	483.7
Recurring EBITDA ⁽²⁾	42.4	33.9	129.3	105.4
Content Production & Global Sales				
Revenues (external)	104.3	42.4	202.2	123.8
Recurring EBITDA ⁽²⁾	18.1	10.9	19.1	10.6

Audited figures. All information relates to continuing operations. (1) Total costs excl. D&A and non-recurring expenses. (2) EBITDA before non-recurring (exceptional) items. (3) Consolidated profit for the period attributable to shareholders of ProSiebenSat.1 Media AG 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) Adjusted for LTM recurring EBITDA contribution from the Eastern European operations. (7) After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for the LTM recurring EBITDA contribution of Northern and Eastern European operations for the last twelve months.

More key figures are available on our Group website www.ProSiebenSat1.com, where you will also find the full year 2014 presentation.