
Press Release



ProSiebenSat.1 again significantly increases revenues and earnings in the third quarter of 2013

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- **Q3 2013 consolidated revenues: +13.9 % to EUR 576.9 million**
- **Recurring EBITDA: +7.1 % to EUR 151.0 million**
- **Underlying net income: +29.4 % to EUR 65.6 million**
- **External Digital & Adjacent revenues: +52.9 % to EUR 124.1 million**
- **Positive full-year outlook confirmed**

[Unless otherwise stated, all statements and figures relate to continuing operations. The sale of the Northern European TV and radio activities was completed on April 9, 2013, and the companies deconsolidated. The companies in Eastern Europe are still classified as held for sale. The previous-year figures of the income statement and the cash flow statement have been adjusted accordingly at company and segment level. The comparative balance sheet figures of the previous year were not adjusted.]

Munich, November 7, 2013. The ProSiebenSat.1 Group continued its dynamic course of growth in the third quarter of 2013: The Group increased revenues by 13.9 % to EUR 576.9 million. Despite investments in numerous growth initiatives, recurring EBITDA increased by 7.1 % to EUR 151.0 million. Underlying net income grew by 29.4 % or EUR 15.0 million year-on-year to EUR 65.6 million. In the first nine months of 2013, consolidated revenues increased by 12.6 % to EUR 1.765 billion (previous year: EUR 1.567 billion). Recurring EBITDA went up by 6.3 % to EUR 488.2 million in the nine-month period (previous year: EUR 459.1 million). Underlying net income rose to EUR 221.1 million, 15.4 % up compared to the previous year (EUR 191.6 million).

The ProSiebenSat.1 Group's Digital & Adjacent activities again made the greatest contribution to growth in the third quarter of 2013. The Digital & Adjacent segment's share in consolidated revenues increased to 21.5 % or EUR 124.1 million (previous year: 16.0 % or EUR 81.2 million).

Thomas Ebeling, CEO of ProSiebenSat.1 Media AG: "We significantly increased revenues and earnings also in the third quarter of 2013. We continue to expand dynamically in the Digital & Adjacent segment. Our digital activities already contribute more than 20% to our consolidated revenues. In the years to come, we will extend our leading position as a digital entertainment & e-commerce-powerhouse. By 2018, we want to generate EUR 1 billion extra revenues compared to 2012. With our strong core business and new growth areas, we are in the best position to achieve this."

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Broadcasting German-speaking segment: audience market share in Germany expanded considerably

In the Broadcasting German-speaking segment, external revenues rose by 6.5 % to EUR 421.9 million in the third quarter of 2013 (previous year: EUR 396.0 million). In the first nine months, revenues rose by 4.4 % to EUR 1.350 billion. The ProSiebenSat.1 Group again increased its revenues in all three areas – free TV financed by advertising, pay TV and HD distribution.

The station group's share of the German audience market grew considerably by 1.7 percentage points to 28.5 % (previous year: 26.8 %). Once again, this made SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold and ProSieben MAXX market leaders ahead of the stations marketed by IP (23.9 %). The ProSiebenSat.1 Group's new TV stations continued to perform well: The men's channel ProSieben MAXX achieved a market share of 0.4 % in September 2013 – barely four weeks after its launch. The women's channel sixx closed the third quarter of 2013 with 1.2 % (previous year: 1.0 %). All market shares relate to viewers aged between 14 and 49.

The station family also continued to grow in the TV advertising market in the third quarter of 2013. The ProSiebenSat.1 stations extended their market leadership by 1.3 percentage points to 43.8 % gross in Germany. The station group also grew slightly faster than the rest of the market on a net basis. The station family also benefited in the TV advertising market from the expansion of its TV portfolio: sixx, SAT.1 Gold, and ProSieben MAXX gained more than 40 new advertising customers in the first nine months of the year. The Group also posted increasing TV advertising market shares in Austria and Switzerland on a net basis.

At the same time, revenues from the distribution business continued to grow dynamically due to rising subscriber numbers in Germany: Compared to the previous year, the number of ProSiebenSat.1 HD customers increased by 72 % to 3.9 million (previous year: 2.3 million). In the basic pay TV business, the number of subscribers rose by 12 % to four million (previous year: 3.6 million). The Group anticipates a continuation of this positive trend in the next few years. This will ensure a continuing growth of the Broadcasting German-speaking segment's share in recurring revenues independent on the TV advertising market.

Due to higher costs related to the expansion of the station portfolio, recurring EBITDA increased by 1.9 % to EUR 126.6 million in the third quarter of 2013 (previous year: EUR 124.3 million). Over the nine-month period, recurring EBITDA in the Broadcasting German-speaking segment increased by 2.0 % to EUR 420.0 million (previous year: EUR 411.8 million).

Revenues and earnings in Digital & Adjacent segment continue to grow strongly

The Group considerably increased its external revenues in the Digital & Adjacent segment also in the third quarter of 2013: They rose 52.9 % to EUR 124.1 million (previous year: EUR 81.2 million). The share of Digital & Adjacent



activities in consolidated revenues increased to 21.5 % in the third quarter. Over the first nine months of the year, revenue growth exceeded the previous year's figure by 54.1 % and climbed to EUR 333.4 million.

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Segment growth was again driven most strongly by the Digital-Commerce business: Alongside the online travel business Tropo, the majority holdings fully consolidated for the first time this year, billiger-mietwagen.de (second quarter) and mydays.de (third quarter), made major contributions to revenues.

The ProSiebenSat.1 Group's Digital Entertainment offers again developed successfully in the third quarter of 2013: With a market share of 48% and 464 million video views, the Group was again Germany's leading sales house of video content online. With maxdome, the Group operates the largest online video library in Germany. It offers users over 56,000 titles on demand and is the market leader in the video-on-demand business with a share of 35 %. In the third quarter of 2013, ProSiebenSat.1 launched maxdome in Austria. Moreover, the Group continued to develop its new online music service AMPYA: The streaming portal is significantly increasing its reach through partnerships with Bild.de and Vodafone. Over 220,000 users registered with AMPYA in the third quarter.

Despite costs rising due to expansion, the Digital & Adjacent segment's dynamic revenue trend led to significantly higher earnings: Recurring EBITDA increased by 36.5 % to EUR 27.2 million in the third quarter of 2013 (previous year: EUR 20.0 million). Between January and September 2013, recurring EBITDA climbed 28.1 % to EUR 71.6 million.

Red Arrow Entertainment Group remains on expansion course

In the third quarter of 2013, the Red Arrow Entertainment Group increased its external revenues by 5.6 % to EUR 30.9 million (previous year: EUR 29.2 million). Between January and September 2013, external revenues moved up by 40.0 % to EUR 81.4 million (previous year: EUR 58.2 million). This was impacted by the initial consolidation of the US production company Left/Right in the third quarter of 2012. Red Arrow acquired a majority interest in the production company in the middle of last year. Since then, Left/Right has been contributing significantly to the Group's revenue growth.

With 16 holdings in nine countries, Red Arrow is one of the top ten independent production companies in the world. In the last three years, the ProSiebenSat.1 subsidiary has established itself with successful programs in the USA and Great Britain, the world's most important TV markets. Since the program distribution company Red Arrow International opened an office in Hong Kong in summer 2012, the format distributor has been one of the top 3 suppliers of programs for the dynamically growing Chinese TV market. In October 2013, Red Arrow International sold the TV show "The Taste" to China's second largest television station CCTV2. At the same time, the Red Arrow Entertainment Group is expanding its production business for platform operators and thus gaining access to a new order market: Red Arrow is currently producing the crime series "Harry Bosch" for Amazon.



Recurring EBITDA amounted to minus EUR 2.1 million in the third quarter of 2013 compared to minus EUR 1.4 million in the previous year. Over the nine-month period, recurring EBITDA in the Content Production & Global Sales segment improved by EUR 1.5 million to minus EUR 0.3 million (previous year: minus EUR 1.9 million).

ProSiebenSat.1 further investing in strategic growth areas

The ProSiebenSat.1 Group is securing long-term growth prospects by developing strategically relevant parts of the Group. The objective is to tap into additional revenue sources both in the TV core business and the other two segments. In the third quarter of 2013, the ProSiebenSat.1 Group invested further in its station portfolio, for example, by launching the men's station ProSieben MAXX, and also acquired new participations in the Digital & Adjacent segment. Against this backdrop, operating costs increased by 16.6 % to EUR 429.1 million in the third quarter of 2013 (previous year: EUR 368.0 million). In the first nine months of 2013, the ProSiebenSat.1 Group invested around 60 million in cash acquisitions. The majority went on the acquisition of billiger-mietwagen.de. In the third quarter of 2013, the volume of cash acquisitions was EUR 1.5 million.

Solid financing structure

In the third quarter of 2013, the Group's net financial debt on the basis of continuing operations fell significantly by 15.9 % or EUR 328.0 million compared to September 30, 2012, to EUR 1.738 billion. The decline is due primarily to the net proceeds from the sale of the Northern European business. Against this backdrop, the leverage factor continued to improve year-on-year. As of September 30, 2013, the ratio of net financial debt to recurring EBITDA of the last twelve months (LTM recurring EBITDA) was 2.2. The leverage factor is thus within the target range of 1.5 to 2.5. As of the previous year's reporting date on September 30, 2012, it was 2.4 times recurring EBITDA.

Outlook

ProSiebenSat.1 Group confirms positive outlook for fiscal 2013

The ProSiebenSat.1 Group continued its positive business performance in the third quarter of 2013 and again developed dynamically in its growth areas. At the same time, the Group posted high growth in its TV advertising revenues compared to the TV advertising market as a whole. This is primarily attributable to very low comparative figures from the previous year.

Based on current knowledge, in the fourth quarter of 2013 the Group's German TV advertising business will perform more strongly than the market and be around the level of the same quarter of the previous year, which was one of the strongest final quarters in the history of ProSiebenSat.1. At the same time, the Group will continue to invest considerably in its growth areas such as its recently launched TV stations and its digital entertainment and ventures activities.



Overall, the Group expects another good result in the current fourth quarter, albeit, due to the investments, the earnings growth rate in the current fourth quarter will likely be lower than in the first nine months.

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Therefore, the Group will once again achieve a record result in 2013 and confirms its positive full year outlook for the current financial year.

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

EUR m	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012
Revenues	576.9	506.5	1,764.5	1,566.9
Total costs	456.9	394.1	1,373.9	1,214.7
Operating costs ⁽¹⁾	429.1	368.0	1,288.5	1,115.1
Recurring EBITDA ⁽²⁾	151.0	141.0	488.2	459.1
Recurring EBITDA margin (in percent)	26.2	27.8	27.7	29.3
EBITDA	148.4	133.1	469.0	411.1
Non-recurring items	-2.7	-7.9	-19.1	-48.0
EBIT	125.7	114.8	406.7	359.5
Financial result	-35.2	-40.9	-109.7	-118.5
Net result (consolidated net profit after non-controlling interests)	63.8	50.0	204.5	162.1
Underlying net income ⁽³⁾	65.6	50.7	221.1	191.6
Basic earnings per share (underlying)	0.31	0.24	1.04	0.91
Free cash flow	36.4	-27.1	23.7	-6.5
Cash flow from operating activities	248.4	214.6	818.5	731.8

EUR m	Sep. 30, 2013	Dec. 31, 2012	Sep. 30, 2012
Equity	527.9	1,500.9	1,416.6
Equity ratio (in percent)	15.2	27.7	26.8
Cash and cash equivalents	204.5	702.3	506.3
Net-financial debt	1,737.5 ⁵	1,780.4 ⁷	2,065.5
Leverage ⁽⁴⁾	2.2 ⁶	2.0 ⁷	2.4





Key Figures by Segment on the Basis of Continuing Operations

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EUR m	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012
Broadcasting German-speaking				
Revenues (external)	421.9	396.0	1,349.7	1,292.3
Recurring EBITDA ⁽²⁾	126.6	124.3	420.0	411.8
Digital & Adjacent				
Revenues (external)	124.1	81.2	333.4	216.4
Recurring EBITDA ⁽²⁾	27.2	20.0	71.6	55.9
Content Production & Global Sales				
Revenues (external)	30.9	29.2	81.4	58.2
Recurring EBITDA ⁽²⁾	-2.1	-1.4	-0.3	-1.9

⁽¹⁾ Total costs excl. D&A and non-recurring expenses. ⁽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 non-cash 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 the recurring EBITDA contribution of Northern and Eastern European operations for the last twelve months. ⁽⁷⁾ Before reclassification of cash and cash equivalents from the Northern and Eastern European operations.

More key figures can be downloaded on our Group website: www.prosiebensat1.com. There you can also find the report on the third quarter and the first nine months of 2013.