



ProSiebenSat.1 Group reports record earnings in fiscal 2006

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- EBITDA grows 16 percent to EUR 484 million
- Pre-tax income increases 10 percent to EUR 387 million
- Consolidated revenues climb 5.8 percent to EUR 2.105 billion
- EBITDA margin hits new high of 23.0 percent
- Consolidated profit up 9.0 percent to EUR 240.7 million
- New lines of business accelerate Group growth
- Outlook: Group revenue and earnings to increase again in 2007

Munich, February 22, 2007. The ProSiebenSat.1 Group closed out fiscal 2006 with yet another record performance. EBITDA for the year grew 15.7 percent, to EUR 484.3 million. Pre-tax profit rose 10.3 percent against the prior year, to EUR 386.7 million, the highest profit in corporate history. Based on preliminary figures, the Group generated revenues of EUR 2.105 billion, outperforming the prior year by 5.8 percent and pushing the EBITDA margin up to 23.0 percent (2005: 21.0%), while return on revenues climbed to 18.4 percent (2005: 17.6%). The Group's consolidated profit for the year was up 9.0 percent, to EUR 240.7 million. Earnings per preferred share improved to EUR 1.11, compared to EUR 1.02 for 2005.

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"The ProSiebenSat.1 Group had a very successful fiscal 2006. We increased our TV advertising revenues and enhanced our stations' profitability even further. Our new lines of business sped up the Group's growth even more," said Guillaume de Posch, CEO of ProSiebenSat.1 Media AG. "Strategically, we accomplished a great deal during the year. We ensured digital distribution of our programming, and we put new services on the market, like our two Pay TV channels. In Call TV, Mobile TV and video-on-demand, we are already the largest provider in Germany. We've positioned the Group successfully for the digital future."

The Free TV segment's revenues for fiscal 2006 increased more than had been expected at the beginning of the year. At the same time, the Diversification unit grew stronger, by expanding existing activities, by tapping new revenue potential, and through strategic investments. External revenues in the advertising-financed TV segment grew EUR 55.4 million, or 3.1 percent, to EUR 1.866 billion. The contributions to revenues from the Transaction TV and Other Diversification segments totaled EUR 238.1 million for 2006. This is equivalent to an 11.3 percent share of Group revenues. The contribution for fiscal 2005 was 9.0 percent, or EUR 178.5 million.



Slight increase in total costs

The ProSiebenSat.1 Group's operating costs rose EUR 52.1 million in fiscal 2006, to EUR 1.672 billion. This moderate 3.2 percent cost increase is largely the result of the consolidation of 9Live for the full year. The Group acquired the station on June 1, 2005, and consolidated it only from that date onward. The station contributed EUR 24.6 million to operating costs in the first five months of fiscal 2006. Apart from these consolidation effects, higher expenses for personnel and materials also contributed to an increase of total costs. Personnel expenses grew in part because of new hires in fiscal 2006, and because of the second cycle of the stock option plan approved by the shareholders' meeting in August 2006.

Financial result dominated by one-off charges

In fiscal 2006, ProSiebenSat.1 Media AG redeemed a EUR 200 million bond issue at 105.625 percent of the principal amount. In combination with the early retirement of the bond, the former EUR 325 million revolving credit facility was replaced with a new EUR 500 million revolving credit facility. Both of these changes had a significant impact on the financial result for the period. These one-off charges lead to an increase of other financial expenses for the year by EUR 16.1 million, to EUR 18.8 million. Consequently the financial result changed by minus EUR 33.0 million, to minus EUR 57.5 million.

Net financial debt down significantly

Net financial debt as of December 31, 2006, was EUR 121.8 million, compared to EUR 227.2 million a year earlier – a decrease of 46.4 percent. This significant reduction in net financial debt is due to the positive development of the cash-flows in 2006.

Expenditures for programming assets remain high

Most of the ProSiebenSat.1 Group's capital expenditures are for programming assets. In 2006, the Group invested EUR 955.0 million in programming rights, compared to EUR 907.3 million in 2005.

With a share of 54.7 percent of total assets, programming assets are the ProSiebenSat.1 Group's most important asset item. As of December 31, 2006, programming assets amounted to EUR 1.056 billion, following on EUR 1.057 billion the year before.

Personnel

In fiscal 2006 the ProSiebenSat.1 Group averaged a total of 2,976 employees (2005: 2,788, as full-time equivalents). Most of the 6.7 percent increase came



from larger staffing for the Free TV segment, especially at subsidiaries Producers at Work and ProSiebenSat.1 Produktion. The larger number of employees also reflects the expansion of the Diversification unit.

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Personnel expenses came to EUR 235.5 million, up EUR 22.9 million, or 10.8 percent, against the prior-year equivalent.

Free TV segment benefits from high advertising revenues

Revenues and operating results were both up at the ProSiebenSat.1 Group's Free TV segment. Higher advertising revenues were the main growth driver. The year's total revenues for the segment climbed to EUR 1.932 billion, a gain of EUR 72.2 million, or 3.9 percent, against the same period last year. External revenues gained 3.1 percent, to reach EUR 1.866 billion. The operating profit came to EUR 401.3 million, 13.5 percent above the prior year's level. EBITDA grew even faster in 2006, to reach EUR 429.1 million – up 13.2 percent from the year before. As a consequence, the EBITDA margin rose from 20.4 percent to 22.2 percent.

Sports events affect audience shares

In 2006 Sat.1, ProSieben, kabel eins and N24 earned a combined audience share of 29.4 percent (2005: 30.3%). TV ratings in 2006 were dominated by major sports events – the Winter Olympics in February and the Soccer World Cup in the summer. Since the broadcast rights for these events were held by ARD, ZDF and RTL, the ProSiebenSat.1 Group's ratings felt the impact, as expected.

Sat.1: Joins the ranks of the most profitable TV stations

Revenues and earnings were both up again at Sat.1 for fiscal 2006. Revenues rose to EUR 855.5 million, up 3.0 percent from the prior-year figure. Pre-tax profit was EUR 204.6 million, up 27.1 percent from the previous year's figure. The rise in EBITDA was comparable, to EUR 205.4 million, a 27.3 percent gain. This vigorous rise in earnings results not only from positive revenue performance, but especially also from improved cost management. The increase in the station's EBITDA yielded a rise in EBITDA margin from 19.4 percent to 24.0 percent. This now makes Sat.1 one of the most profitable TV stations in the German market.

ProSieben also among the most profitable in 2006

Revenues at ProSieben for fiscal 2006 were down slightly from the high level of the year before. Most of the 2.0 percent decrease to EUR 736.8 million resulted from lower advertising revenues. At the beginning of the year, especially in the first quarter, advertising revenues were still down as a consequence of the



station's weak ratings in fiscal 2005. But as its audience share grew, by the fourth quarter the station was able to generate substantially higher TV advertising revenues than in the comparable quarter a year earlier. Another reason for the decrease in revenues was lower internal programming sales. This figure was down EUR 9.5 million against the year before, to EUR 37.6 million. The slight decline in revenues for fiscal 2006 also kept pre-tax profit and EBITDA below the prior-year figures. Pre-tax profit was EUR 147.9 million (2005: EUR 167.1 million) and EBITDA was EUR 147.6 million (2005: 165.6 million). Although the EBITDA margin changed accordingly, it still maintained the prior year's high quality. At an EBITDA margin of 20.0 percent (2005: 22.0%), ProSieben was also in fiscal 2006 one of Germany's most profitable TV stations.

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TV advertising revenues up substantially at kabel eins

Revenue and profitability continued to rise at kabel eins during 2006. The station's increasingly strong programming performance, along with its quality image, yielded a substantial increase in advertising revenues in fiscal 2006. Revenues were up 14.3 percent from a year earlier, totaling EUR 255.2 million. Pre-tax profit was up to EUR 69.7 million, a 48.3 percent gain against the year before. Although costs increased so as to improve programming quality, EBITDA grew more than proportionately, rising to EUR 69.7 million – an outperformance of 49.6 percent beyond the previous year's figure. The profitable growth of kabel eins is reflected in the EBITDA margin, which rose from an already high 20.9 percent to 27.3 percent.

N24 still on successful course

N24, Germany's leading news station, closed 2006 very successfully. The station's revenues reached EUR 89.4 million, up 7.7 percent above the prior-year figure. Higher advertising revenues provided the main impetus for growth. The earnings situation also improved at the same time. Pre-tax profit grew a vigorous 39.4 percent, to EUR 13.1 million. EBITDA increased 33.0 percent, to EUR 13.3 million. The EBITDA margin increased from 12.0 percent to 14.9 percent.

9Live: The leading brand for interactive TV

The Transaction TV segment consists of quiz station 9Live, which generates its revenues mainly through telephone calls. The station also earns revenues by producing Call TV programming on contract, and by providing services in organizing game shows.

The ProSiebenSat.1 Group took over full ownership of 9Live on June 1, 2005, when the station was consolidated into the Group. In 2006, the station moved



to Unterföhring, where the Group is headquartered. This direct presence makes it possible to take even greater advantage of the potential to use resources Group-wide more efficiently.

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The Transaction TV segment generated total revenues of EUR 95.8 million in fiscal 2006, compared to EUR 54.9 million a year earlier. Most of the substantial rise in revenues resulted from effects of the full consolidation of 9Live for the full year. In 2005, the station was consolidated only for June through December. In fiscal 2006, 9Live's contribution to external Group revenues was EUR 94.1 million, compared to EUR 54.0 million the year before (June through December). The consolidation of 9Live for the full fiscal year 2006 is also the major factor in the development of earnings. The segment's operating profit grew to EUR 17.9 million in 2006 (June through December 2005: EUR 8.0 million). EBITDA increased to EUR 26.5 million (June-December 2005: EUR 14.0 million). The EBITDA margin was 27.7 percent, compared to 25.5 percent a year earlier.

Other Diversification, a growth field

Both revenues and earnings grew very well in the Other Diversification segment in fiscal 2006. The segment's total revenues were up 22.7 percent, to EUR 165.7 million. External revenues also registered a significant increase. In fiscal 2006 the segment contributed EUR 144.0 million to Group revenues, up 15.7 percent against the prior-year figure. The rapid increase in revenues had a positive effect on earnings. The operating profit increased 17.2 percent to EUR 25.2 million. EBITDA was up 15.9 percent against the prior year, to EUR 29.1 million, while the EBITDA margin, at 17.6 percent, was slightly below the prior year (2005: 18.6%).

Most of the growth in the Other Diversification segment was driven by the established multimedia services of SevenOne Intermedia. Other major contributors to the positive revenue development were the international programming marketer SevenOne International and, in the second half, the new digital services offered by SevenSenses. These include the Pay TV stations kabel eins classics and Sat.1 Comedy, which went on the air in June 2006, as well as the maxdome video-on-demand portal, which was successfully launched in June 2006. Alongside organic growth, strong external growth through acquisitions and equity investments strengthened the segment. During the year the ProSiebenSat.1 Group increased its stake in wetter.com AG, and expanded its Internet services with investments in the online portals MyVideo and lokalisten.de. MyVideo and lokalisten.de are Internet portals for user-generated content, and are among the most heavily visited interactive platforms on the German-speaking Internet.



Outlook

The German economic research institutes assume that the upswing in the German economy will continue during the year. They project that gross domestic product will gain between 1.4 and 2.1 percent in 2007. The economic experts cite rising domestic demand as one reason for growth. The ProSiebenSat.1 Group assumes that this expansion will have a positive impact on the TV advertising market, and currently views 2 to 3 percent as a realistic expectation for net growth in the German TV advertising market for 2007. Given advertising clients' habit of booking on short notice, long-term projections for the TV advertising market are always subject to reservations. The ProSiebenSat.1 Group projects that it can achieve above-average growth in TV advertising revenues, and can thus expand its lead in the German TV market, given that the family of stations will achieve the planned ratings. In the future, profitable growth at the ProSiebenSat.1 Group will continue to be supported primarily by the main line of business, advertising-financed television.

"The ProSiebenSat.1 Group will continue emphatically pursuing its strategic goals in the current year. We will strengthen our core business in Free TV with a whole line of new programming. Our stations have many new programs that will debut in the spring. At the same time, we will expand our new lines of business," said CEO Guillaume de Posch. "Our Diversification revenues will grow both organically and through acquisitions. With our investment in Solute we have just acquired another innovative Internet company. We are thus further expanding our position as one of the largest providers on the Internet."

Against this background, the ProSiebenSat.1 Group assumes that it will achieve further gains in both revenues and earnings this fiscal year. In so doing, the Group will systematically further pursue its programs to enhance efficiency in all areas. During the current fiscal year, including further acquisitions, the Diversification unit is expected to contribute up to 15 percent of Group revenues.

You can find the preliminary 2006 financial statements on the Internet at www.prosiebensat1.com.

A separate press release on the acquisition of Solute GmbH has also been published today, and will be available on www.prosiebensat1.com.