



Q2 2008: ProSiebenSat.1 Group's Performance Adversely Affected by Weakness of German Free TV, as Anticipated

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- **Revenues and earnings:** Revenues and earnings grow due to consolidation of SBS from July 2007; but weak performance of German free TV business leads to decline on pro forma basis
- **Free TV in Germany:** As anticipated, business performance affected by difficulties with ad sales model and by European Soccer Championship in June; German TV stations maintain audience share at high level
- **Costs:** One-time expenses for reorganization in Q2 2008 increase total costs
- **Portfolio rationalisation:** Contract for sale of Nordic pay TV unit C More signed in June 2008; enterprise value of EUR 320m

Munich, August 6, 2008. The ProSiebenSat.1 Group's consolidated revenues for Q2 2008 were up EUR 250.3 million, or 45.4 percent, to EUR 801.9 million. Recurring EBITDA, at EUR 203.7 million, outperformed the prior-year figure by 28.0 percent (Q2 2007: EUR 159.1 million). Reduced revenues in German TV were compensated by the consolidation of the SBS Broadcasting Group from July 2007. Based on pro forma figures for the combined Group, Group revenues were down 4.0 percent, to EUR 801.9 million (Q2 2007 pro forma: EUR 835.6 million). Recurring EBITDA decreased 16.6 percent to EUR 203.7 million (Q2 2007 pro forma: EUR 244.3 million). As announced in April, the Group's business performance was adversely affected in the second quarter by a lack of acceptance of the new German ad sales model. This led to a loss of revenues in Germany. The European Soccer Championship also reduced ad bookings in the second quarter across the ProSiebenSat.1 footprint.

Guillaume de Posch, CEO of ProSiebenSat.1 Media AG: "The first half of the year was not an easy time for the ProSiebenSat.1 Group. The reasons are clear: part of the market did not accept the German ad sales model. With the model as revised in May, we are confident we will begin to regain market share in the second half. Strategically, we are on track following last year's takeover of the SBS Broadcasting Group. We are systematically investing in our core business free TV across Europe, and developing and purchasing attractive content. We have not only diversified our revenue sources geographically, we are also using all electronic distribution channels. Here our portfolio is constantly expanding. Building up a fully digital technological platform is a further important step in making ProSiebenSat.1 Europe's leading TV group."

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**Business performance in Q2 2008: SBS consolidated since July 2007**

The ProSiebenSat.1 Group's consolidated revenues rose by 45.4 percent in Q2 2008, to EUR 801.9 million. The first consolidation of SBS, with a contribution of EUR 293.0 million, contributed a significant part of the total revenue increase of EUR 250.3 million. Recurring EBITDA was EUR 203.7 million, outperforming the previous year's figure by EUR 44.6 million, or 28.0 percent. The first consolidation of SBS contributed EUR 76.5 million to earnings. EBITDA increased by 19.2 percent, to EUR 189.3 million (Q2 2007: EUR 158.8 million).

Earnings in Q2 2008: Pro forma figures for 2007

Based on a pro forma calculation for the second quarter, recurring EBITDA was down 16.6 percent to EUR 203.7 million (Q2 2007 pro forma: EUR 244.3 million). EBITDA, at EUR 189.3 million, was 17.7 percent below the previous year's equivalent (Q2 2007 pro forma: EUR 229.9 million). Lower revenues reduced the consolidated operating profit. Higher costs also affected the figure. Total costs rose by EUR 15.7 million overall, to reach EUR 657.2 million. This figure includes non-recurring costs of EUR 18.8 million (Q2 2007 pro forma: EUR 15.5 million) that mainly arose in the second quarter because of reorganization measures and portfolio adjustments.

Segment performance in Q2 2008

- **Free TV in German-Speaking Europe segment:** External revenues decreased by EUR 43.5 million, or 8.8 percent, to EUR 452.3 million. As anticipated, difficulties in the German TV business had an impact on profits for the quarter. In Austria, the ProSiebenSat.1 Group saw TV advertising revenues grow. In Switzerland, despite negative effects on Group TV advertising revenues due to Euro 2008, the figure held steady at last year's level. Part of the decline in revenues in the German market was compensated by savings on operating costs. Recurring EBITDA was down 22.3 percent, to EUR 115.8 million (Q2 2007: EUR 149.1 million). Despite the European Soccer Championship, the German stations maintained a high audience share of 29.0 percent (Q2 2007: 29.5 percent).
- **Free TV International segment:** Based on a pro forma calculation, external revenues in the international free TV business rose by 2.8 percent, to EUR 214.7 million (Q2 2007 pro forma: EUR 208.9 million). Most of the increase came from higher advertising revenues. Additionally, higher distribution proceeds and the new stations launched last year also sped up revenue growth. But an increase in operating costs caused recurring EBITDA to decline 11.4 percent to EUR 54.4 million (Q2 2007 pro forma: EUR 61.4 million). Particular factors were higher programming costs and startup costs for new stations. EBITDA, at EUR 53.6 million, was up 16.8 percent from the previous year's figure (Q2 2007 pro forma: EUR 45.9 million). The prior-year figure includes one-time expenses from the integration of ProSiebenSat.1 and SBS.
- **Diversification segment:** Based on a pro forma comparison, external revenues rose by EUR 4.0 million, or 3.1 percent, to EUR 134.9 million. Recurring EBITDA was down EUR 1.1 million, to EUR 32.5 million (-3.3 percent). EBITDA decreased EUR 0.3 million, to EUR 35.7 million (-0.8 percent).



percent). The decline in profits was caused in part by lower call TV revenues from 9Live in Germany.

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Outlook for 2008

ProSiebenSat.1 continues to target a recurring EBITDA for 2008 at a similar level to the reported pro forma figures for 2007, despite difficulties in the German market. Efficiency enhancements and synergies from the integration of SBS and ProSiebenSat.1 will contribute here. CEO Guillaume de Posch says "Any long-term forecast for the TV advertising market must be tentative. We would like to emphasise that our profit target depends on trading conditions which are more than usually uncertain. This is partly due to low visibility in the advertising market, and partly to the overall economic development of the countries in which we operate." Nevertheless, CEO Guillaume de Posch sees the Group on the right track in terms of both operations and strategy. "We have taken decisive action to streamline our portfolio and improve our competitiveness in the German market. Through Group-wide efficiency enhancement programs, we plan to save EUR 70 million on costs this year against the originally budgeted figures. We expect to realize our efficiency targets in the second half, and generate significant savings, without jeopardizing our long-term growth objectives."

The Group is aiming to reduce its financial debt both out of growing profits and out of the proceeds from divestments. Subject to approval by the antitrust authorities, the sale of C More, at an enterprise value of about EUR 320 million, is expected to close in the second half of the year.



Key figures from the Consolidated Income Statement (SBS consolidated since July 2007)

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	Q2 2008	Q2 2007	H1 2008	H1 2007
Revenues	801.9	551.6	1,530.9	1,052.8
Operating costs	657.2	407.1	1,340.0	839.4
Recurring EBITDA [*]	203.7	159.1	292.2	241.2
EBITDA	189.3	158.8	274.1	240.8
Consolidated net profit ^{****}	59.5	87.2	51.6	127.8
Underlying net income ^{**}	73.6	88.2	79.6	129.9

Other key figures (SBS consolidated since July 2007)

	Q2 2008	Q2 2007	H1 2008	H1 2007
Cash flow from operating activities	379.4	337.7	634.5	630.7
Cash flow from investing activities	-386.2	-219.9	-714.4	-480.3
Free cash flow	-6.7	117.8	-79.9	150.3
Net financial position ^{***}	3,689.1	-26.9	3,689.1	-26.9

Key figures from the Consolidated Income Statement (pro forma)

	Q2 2008	Q2 2007	H1 2008	H1 2007
Revenues	801.9	835.6	1,530.9	1,579.6
Operating costs	657.2	641.5	1,340.0	1,301.3
Recurring EBITDA [*]	203.7	244.3	292.2	362.4
EBITDA	189.3	229.9	274.1	346.8
Consolidated net profit ^{****}	59.5	51.3	51.6	74.1

Pro forma figures for 2007: SBS consolidated as of January 2007; Q2 2007 figures not audited.

External revenues by segment (pro forma)

	Q2 2008	Q2 2007	H1 2008	H1 2007
Free TV in German-Speaking Europe	452.3	495.8	869.4	934.4
Free TV International	214.7	208.9	390.7	382.6
Diversification	134.9	130.9	270.8	262.6

Pro forma figures for 2007: SBS consolidated as of January 2007; Q2 2007 figures not audited.

* Recurring EBITDA = EBITDA before non-recurring items.

** Underlying net income = Consolidated net profit before effects of purchase price allocation.

Incl. C More/BT1. *After minorities.

Note:

You can find the financial report on the second quarter of 2008, together with the key figures from the income statement, balance sheet, cash flow statement, and statement of changes in equity, as well as the segment report, online on our Web site at

http://www.prosiebensat1.com/investor_relations/finanzberichte/.