ProSiebenSat.1 Media AG

Press Release

Q2 2009: Recurring EBITDA Stable, Difficult Market Environment

- **Revenues down:** Consolidated revenues decrease to EUR 694.0 million in Q2 2009 (by EUR -68.8 million, -9.0 percent)* / to EUR 1.321 billion for H1 2009 (by EUR -129.0 million, -8.9 percent) *
- **Efficient cost management:** Operating costs decrease to EUR 495.8 million for Q2 2009 (by EUR -81.7 million, -14.1 percent)* / to EUR 1.032 billion for H1 2009 (by EUR -143.6 million, -12.2 percent)*
- **Recurring EBITDA stable:** Recurring EBITDA for Q2 2009 on last year's level at EUR 201.1 million (Q2 2008: EUR 203.7 million, Q2 2008 not including CMore: EUR 188.6 million) / H1 2009 recurring EBITDA EUR 295.0 million (H1 2008: EUR 292.2 million; H1 2008 not including CMore: EUR 281.2 million)
- **Good performance in audience market:** German family of stations improves market share
- **Outlook:** Economic environment still difficult

* adjusted for CMore

Munich, August 6, 2009. In a difficult market environment, the ProSiebenSat.1 Group has improved its profitability due to more efficient organizational structures and rigorous cost management in every department. It has achieved its principal targets both strategically and operationally. European TV advertising investments for Q2 2009 remained below the level of the comparable period last year, sometimes substantially so, due to the ongoing recession. Consolidated revenues were down 9.0 percent, to EUR 694.0 million (Q2 2008 adjusted for CMore: EUR 762.8 million). But recurring EBITDA, adjusted for CMore, grew 6.6 percent to EUR 201.1 million (Q2 2008, not including CMore: EUR 188.6 million). Consolidated revenues for the first half of 2009 were down EUR 129.0 million, or 8.9 percent, to EUR 1.321 billion. But recurring EBITDA improved EUR 13.8 million, or 4.9 percent, to EUR 295.0 million (H1 2008 figures all adjusted for CMore).

"Our current results show that our measures were a timely, appropriate response to a difficult economic environment. Our earnings are now benefitting from these steps," said Thomas Ebeling, CEO of ProSiebenSat.1 Media AG. "Combining our stations at the Munich site has turned out to be a farsighted decision for more reasons than just efficiency. Moreover, the combination of TV stations and the integration of TV and online sales activities were an important step from the strategic viewpoint. Because our employees can work more closely together, we can respond better to our advertisers' needs. And the joint development of programming ideas will increase our creative output and sharpen our stations' profiles."

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Q2 2009 revenue and earnings performance

Consolidated revenues for the second quarter of 2009 were EUR 694.0 million (before adjustment for CMore), down EUR 107.9 million or 13.5 percent from the prior-year equivalent. Even though the ProSiebenSat.1 Group's German TV stations booked gains in audience and advertising market shares during the second quarter of 2009, TV advertising revenues have lagged behind last year's equivalent figures in the Group's most important sales region. As a result the Free TV in German-speaking Europe segment contributed EUR 27.7 million less to revenues, at EUR 424.6 million (–6.1 percent). Revenues in the Free TV International segment were down 13.9 percent or EUR 29.8 million in the second quarter – a development that in part reflected the impact of foreign exchange factors. All in all, revenues from the Free TV unit, which includes both the Free TV in German-Speaking Europe and the Free TV International segment, were down EUR 57.4 million, to EUR 609.6 million (–8.6 percent). Apart from lower TV advertising revenues and exchange rate movements, the sale of CMore also affected the Group's revenue performance. The Northern European CMore pay TV unit, which the Group sold in fiscal 2008, contributed revenues of EUR 39.1 million to the comparable figures for last year. Adjusting the Q2 2008 figures for the CMore disposal, consolidated revenues for Q2 2009 were down EUR 68.8 million, or 9.0 percent.

Cost cuts compensated for the decline in revenues, so that recurring EBITDA (EBITDA adjusted for non-recurring effects) remained at last year's level, at EUR 201.1 million (Q2 2008: EUR 203.7 million). After adjustment for CMore, recurring EBITDA was up EUR 12.5 million, or 6.6 percent, against the prior year. EBITDA decreased EUR 12.1 million, or 6.4 percent, to EUR 177.2 million. CMore contributed EUR 14.3 million to consolidated EBITDA in Q2 of last year. Non-recurring effects of EUR 23.9 million (Q2 2008: EUR 14.4 million) in April through June of 2009 resulted primarily from steps to increase efficiency.

The financial result came to EUR –62.5 million (Q2 2008: EUR –64.3 million). Pre-tax profit decreased to EUR 84.9 million, down EUR 3.2 million, or 3.6 percent, against the prior-year equivalent. After deducting the tax expense of EUR 33.9 million (Q2 2008: EUR 26.0 million) and minority interests of EUR 5.4 million (Q2 2008: EUR 2.6 million), the Group showed a net profit of EUR 45.5 million for the period (Q2 2008: EUR 59.5 million). Earnings per preferred share came to EUR 0.22, compared to EUR 0.28 for Q2 2008.

Cost performance in Q2 and H1 2009

Operating costs – meaning total costs excluding for non-recurring expenses and depreciation and amortization – were down 17.6 percent for the second quarter of 2009, to EUR 495.8 million (Q2 2008: EUR 601.5 million). After adjusting the second quarter of 2008 for the contribution of CMore, Q2 2009 operating costs were down EUR 81.7 million, or 14.1 percent. Total operating costs for the first half of 2009 (after adjustment for CMore) were down EUR 143.6 million, to EUR 1.032 billion (–12.2 percent).

The decrease in costs resulted from cuts on expenses in every area, and from a more efficient setup. The most significant reduction was in programming expenses – the largest cost item. After adjusting for CMore for the months April through June of 2009, consumption of programming assets in the second quarter of 2009 was down EUR 45.1 million, to EUR 261.9 million (H1 2009: EUR –90.4 million against a year ago). Apart from reductions in programming costs, Group-wide efficiency-enhancement measures also contributed the savings. The Berlin site – except for N24 and maz&more – was largely shut down and most of ProSiebenSat.1 Group's TV activities in Germany were moved to Munich.

Programming investments

The ProSiebenSat.1 Group's investment activities concentrate on the programming inventory. The Group safeguards the quality of its stations' content through long-term agreements with programming licensors, in addition to commissioned and in-house productions. Once again in the first half of 2009, the ProSiebenSat.1 Group acquired attractive film packages, while still pursuing a duly adjusted investment policy. The Group's steps included signing multi-year license agreements with Sony Pictures International, and expanding current cooperative arrangements with CBS Paramount and the MGM Studios. In the first half, the ProSiebenSat.1 Group invested EUR 658.0 million in programming rights (H1 2008: EUR 678.8 million; H1 2008, adjusted for CMore: EUR 662.9 million). Of this figure, EUR 470.9 million was for German-speaking Europe (H1 2008: EUR 475.2 million).

The positive trend in German Free TV audience growth continued: in January through June 2009, Sat.1, ProSieben, kabel eins and N24 improved their combined audience share by 0.8 percentage points, to 29.7 percent (Q2 2009: 30.5 percent; Q2 2008: 29.0 percent). The Group's stations in the Netherlands and Denmark also grew audience shares among the key demographic.

Net financial debt and liquidity

Net financial debt came to EUR 3.427 billion at June 30, 2009 – a decline of EUR 261.8 million, or 7.1 percent, against a year earlier. Cash on balance sheet came to EUR 599.1 million at June 30, 2009 (June 30, 2008: EUR 122.8 million). In addition to the sale of CMore at the end of 2008, the lower dividend payment than a year ago had a positive effect on the ProSiebenSat.1 Group's liquidity. In June 2009, the Group paid a dividend of EUR 2.1 million for fiscal 2008, while the total distribution the year before had come to EUR 269.9 million. Net financial debt was down EUR 85.1 million against the prior year's balance sheet date. Net financial debt remained almost unchanged compared to December 31, 2008 (EUR +20.6 million, or 0.6 percent).

Outlook

In March 2009, the ProSiebenSat.1 Group announced that it would cut EUR 100 million in operating costs for the current fiscal year. Additional steps taken during the current year will help the Group outperform the cost cuts it had originally planned. Beyond that point, however, the low visibility in the market makes any projections impossible.

"The environment will remain very difficult in the second half, while the fourth quarter of 2009 is particularly important to our performance for the year," said CEO Thomas Ebeling. "As the recession in Europe persists, forecasts remain difficult. We will continue to take all necessary steps to safeguard the ProSiebenSat.1 Group's profitability. We will also continue to invest appropriately in programming so as to strengthen our competitive position in the audience market. Additionally, we intend to keep capitalizing on our stations' performance at appropriate prices."

Key figures for the ProSiebenSat.1 Group

(in EUR m)	Q2 2009	Q2 2008	H1 2009	H1 2008
Revenues	694.0	801.9	1,320.9	1,530.9
Total expenses	547.2	657.2	1,124.8	1,340.0
Operating costs	495.8	601.5	1,032.1	1,245.7
Consumption of programming assets	261.9	318.5	540.1	672.3
Recurring EBITDA(1)	201.1	203.7	295.0	292.2
Recurring EBITDA margin	29.0%	25.4%	22.3%	19.1%
EBITDA	177.2	189.3	267.7	274.1
EBIT	147.1	151.6	206.2	201.5
Financial result	-62.5	-64.3	-128.7	-122.8
Profit before taxes	84.9	88.1	77.8	79.5
Result for period after minority interests	45.5	59.5	43.8	51.6

(in EUR m)	June 30, 2009	June 30, 2008	December 31, 2008	March 31, 2009
Programming assets	1,472.9	1,282.3	1,380.0	1,460.0
Shareholders' equity	465.0	893.9	478.9	415.7
Equity ratio	7.8%	15.0%	8.1%	7.0%
Cash funds	599.1	122.8	632.9	509.0
Net financial debt	3,427.3	3,689.1(3)	3,406.7	3,512.4
Employees(2)	5,299	5,915	5,847	5,460

(1) Recurring EBITDA = EBITDA adjusted for non-recurring effects. (2) Average full-time equivalent positions.
(3) Including cash and cash equivalents from CMore.

Key figures for the ProSiebenSat.1 Group after adjustment for CMore in 2008

(in EUR m)	Q2 2009	Q2 2008	H1 2009	H1 2008
Revenues	694.0	762.8	1,320.9	1,449.9
Operating costs	495.8	577.5	1,032.1	1,175.7
Consumption of programming assets	261.9	307.0	540.1	630.5
Recurring EBITDA	201.1	188.6	295.0	281.2
Recurring EBITDA margin	29.0%	24.7%	22.3%	19.4%
EBITDA	177.2	175.0	267.7	264.3

Key figures by segment

(in EUR m)	Q2 2009	Q2 2008	Q2 2009	Q2 2008
	External revenues		Recurring EBITDA	
Free TV in German-Speaking Europe	424.6	452.3	127.3	115.8
Free TV International	184.9	214.7	55.7	54.4
Diversification	84.4	134.9(1)	18.3	32.5(2)

(1) The figure for Q2 2008 includes CMore at EUR 39.1 million. (2) The figure for Q2 2008 includes CMore at EUR 15.1 million.

(in EUR m)	H1 2009	H1 2008	H1 2009	H1 2008
	External revenues		Recurring EBITDA	
Free TV in German-Speaking Europe	813.4	869.4	195.4	173.4
Free TV International	338.9	390.7	68.8	81.9
Diversification	168.7	270.8(1)	30.7	36.5(2)

(1) The figure for H1 2008 includes CMore at EUR 81.0 million. (2) The figure for H1 2008 includes CMore at EUR 11.0 million.