
Press Release



ProSiebenSat.1 Group doubles net profit to EUR 312.7 million in financial year 2010

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- **Recurring EBITDA up 30.1% to EUR 905.9 million**
- **Recurring EBITDA margin moved up from 25.2% to 30.2%**
- **Revenue increase of 8.7% to EUR 3.0 billion**
- **Dividend proposal: EUR 1.14 per preferred share / EUR 1.12 per common share**
- **Positive outlook for 2011**

Munich, March 3, 2011 – The ProSiebenSat.1 Group closed financial year 2010 with a very successful performance. On the basis of unaudited figures, the company increased revenues year on year by 8.7% to EUR 3.0 billion. Recurring EBITDA rose 30.1% to EUR 905.9 million. The net profit (consolidated net profit after taxes and non-controlling interests) doubled to EUR 312.7 million (2009: EUR 146.6 million). After high revenues and earnings growth in the first three quarters of 2010, the ProSiebenSat.1 Group also increased revenues and profitability in its important fourth quarter. Against the fourth quarter of 2009, Group revenues rose by 8.4% to EUR 954.1 million and operating margin increased by 2.7 percentage points to 37.6% (on a recurring EBITDA basis). Net financial debt declined by the year end to EUR 3.021 billion (December 31, 2009: EUR 3.295 billion).

Thomas Ebeling, CEO ProSiebenSat.1 Media AG: “In financial year 2010, the ProSiebenSat.1 Group achieved an outstanding result. Our success results not only from the economic tailwind, but is also due to the efficiency of our processes and the right strategic decisions. As a Group we are excellently positioned to continue to benefit from the new growth opportunities in the entertainment market. Only television has the power and fascination to build really strong brands. They are the basis for our success – on all platforms.”

Strong revenue growth

The economy again recovered considerably in 2010. This also benefited the TV advertising markets. After the recession in 2009, TV posted strong growth as an advertising medium particularly in the German market.

Against the backdrop of the economic recovery, the ProSiebenSat.1 Group increased consolidated revenues by 8.7% to EUR 3.0 billion (2009: EUR 2.761 billion). Parallel to a considerable revenue increase in the TV segments, our growth initiatives in the Diversification segment and the expansion of the content production area proved successful. With Red Arrow the ProSiebenSat.1 Group built and expanded its international creative and producer network for program content in 2010.

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**Revenue growth drives earnings increase**

In 2010, total operating costs amounted to EUR 2.105 billion (2009: EUR 2.078 billion), adjusted for non-recurring expenses totaling EUR 98.4 million (2009: EUR 85.7 million) and depreciation and amortization of EUR 138.1 million (2009: EUR 147.5 million).

Higher revenues combined with efficient cost management impacted positively across all earnings. Compared to the previous year, recurring EBITDA was up 30.1% to EUR 905.9 million (2009: EUR 696.5 million). The corresponding operating margin increased to 30.2% (2009: 25.2%). At EUR 807.6 million, EBITDA came in 29.6% higher than the prior-year figure. Consolidated net profit after taxes and non-controlling interests more than doubled to EUR 312.7 million (2009: EUR 146.6 million).

High net profit, also in the fourth quarter

In the fourth quarter of 2010, consolidated net profit after taxes and non-controlling interests totaled EUR 181.5 million. The earnings surge of 60.1% or EUR 68.1 million was driven primarily by higher TV advertising revenues. At EUR 954.1 million, consolidated revenues were up 8.4% or EUR 73.7 million year-on-year. Recurring EBITDA rose by 16.7% to EUR 358.6 million (2009: EUR 307.2 million), with the recurring EBITDA margin moving up by 2.7 percentage points to 37.6%.

All segments growing profitably

In its most important revenue segment, Free TV German-speaking, the ProSiebenSat.1 Group continued growing. In 2010, the company achieved in this segment revenues of EUR 1.863 billion which were up 9.7% or EUR 164.6 million. Recurring EBITDA rose considerably by 37.9% to EUR 631.3 million (2009: EUR 457.9 million). The Group capitalized its rating in a growing advertising market environment and increased its revenues from TV advertising.

In Germany, the ProSiebenSat.1 stations achieved a combined market share of 28.5% for the audience between 14 and 49 (adjusted for N24 on an annual basis). In 2009, the comparable market share was 28.8%. In a competitive market environment that included the Winter Olympics and the Soccer World Cup, the German TV stations sustained their position quite well. In addition to licensed programming with high reach and Raab events, TV highlights made in Germany such as "Minute to win it", "Danni Lowinski", "The Pillars of the Earth" or "Galileo" and "Abenteuer Leben - täglich Wissen" contributed to this. In the spring season, new episodes of proven ratings successes will be back to the screen. These include "Danni Lowinski", "The last Cop (Der letzte Bulle)", "Minute to win it" and "Germany's Next Top Model".

In our international markets, the ProSiebenSat.1 Group extended its market position in almost all countries in 2010, gaining ground with the audience especially in the fourth quarter. The revenue contribution of the segment Free TV International rose by 8.4% to EUR 764.2 million in 2010 (2009: EUR 705.2 million). In addition to increased advertising revenues in most of its



international TV markets, distribution revenues also grew year-on-year. The segment's positive revenue trend combined with cost control resulted in recurring EBITDA increasing by 15.8% or EUR 25.0 million to EUR 183.2 million.

The Diversification segment increased revenues by 4.4% against the previous year to EUR 373.2 million (2009: EUR 357.6 million). The revenue growth was partly generated by online advertising and new initiatives such as our business model "media for revenue share". In the future, these new revenue streams are to be developed further. Against the previous year, recurring EBITDA in the Diversification segment advanced 13.8% to EUR 91.5 million (2009: EUR 80.4 million).

Leverage improved from 4.7x to 3.3x

Against December 31, 2009, net financial debt was reduced by 8.3% or EUR 273.6 million to EUR 3.021 billion. The Group's leverage (ratio of net financial debt to recurring EBITDA for the last twelve months) improved to the end of financial year 2010 to 3.3x (December 31, 2009: 4.7x).

As a result, the ProSiebenSat.1 Group already reached the lower end of the target leverage range (3x to 4x of net financial debt to recurring EBITDA). The leverage in comparison to the previous-year figures was positively impacted not only by a reduction in net financial debt, but also by high earnings growth. As one of the most important indicators for the Group's profitability and financial strength, free cash flow also increased significantly in the reporting period, by 72.5% to EUR 282.2 million (2009: EUR 163.6 million).

Strategic review of the international portfolio

In December 2010, the ProSiebenSat.1 Group initiated a strategic review of its business activities in the Nordic countries as well as the Netherlands and Belgium. The outcome of the review of these international assets is entirely open at this point. From today's perspective decisions from this review can be expected in the second quarter of 2011.

Dividend proposal of EUR 1.14 per preferred share and EUR 1.12 per common share

In view of the very successful fiscal year 2010, the Executive Board will present to the Supervisory Board as proposal for a resolution by the Annual General Meeting a dividend payment for 2010 of EUR 1.14 per preferred share and EUR 1.12 per common share (2009: EUR 0.02 and EUR 0.00). Taking into account preference shares currently held as treasury stock, this represents a total payout of EUR 240.8 million (2009: EUR 2.1 million) and a payout ratio of 67.4% in relation to underlying net income (2009: 1.1%).

Axel Salzmann (CFO): "After having paid only the minimum dividend to preference shareholders in the last two years, this year we intend to resume our earnings-related dividend distribution policy – also in view of our outlook for the current financial year. At the same time, we are committed to reduce our debt levels further."



Positive outlook for fiscal 2011

On the basis of data currently available the ProSiebenSat.1 Group anticipates a positive macroeconomic environment in fiscal 2011 in Germany and its main international markets. Against this background, the Group expects a positive business development in the current year. In the first quarter 2011 the TV advertising business in Germany will likely be affected by the late Easter holidays. For the year 2011 overall ProSiebenSat.1 anticipates a further increase of consolidated revenues and earnings (recurring EBITDA). All segments are expected to contribute to this.



Key figures for the ProSiebenSat.1 Group

In EUR million	FY 2010	FY 2009	in %	Q4 2010	Q4 2009	in %
Revenues	3,000.0	2,760.8	+8.7	954.1	880.4	+8.4
Total costs	2,341.7	2,310.7	+1.3	654.5	651.8	+0.4
Recurring costs ⁽¹⁾	2,105.2	2,077.5	+1.3	599.9	576.2	+4.1
Recurring EBITDA ⁽²⁾	905.9	696.5	+30.1	358.6	307.2	+16.7
Recurring EBITDA-margin (in %)	30.2	25.2	+5.0% pts	37.6	34.9	+2.7 % pts
EBITDA	807.6	623.0	+29.6	338.9	293.0	+15.7
Non-recurring items ⁽³⁾	-98.3	-73.5	-33.7	-19.7	-14.2	-38.7
EBIT	669.6	475.1	+40.9	304.2	239.2	+27.2
Financial result	-240.5	-242.4 ⁽⁵⁾	+0.8	-65.1	-67.3	+3.3
Earnings before tax	429.0	233.1 ⁽⁵⁾	+84.0	239.0	171.9	+39.0
Consolidated net profit after non-controlling interests	312.7	146.6 ⁽⁵⁾	+113.3	181.5	113.4	+60.1
Underlying net income ⁽⁴⁾	357.2	186.8 ⁽⁵⁾	+91.2	194.3	137.1	+41.7

In EUR million	Dec. 31, 2010	Dec. 31, 2009
Free cash flow	282.2	163.6
Cash and cash equivalents	740.7	737.4
Net financial debt	3,021.0	3,294.6

Unaudited 2010 figures. ⁽¹⁾ Total costs excluding D&A and non-recurring expenses. ⁽²⁾ EBITDA adjusted for non-recurring items. ⁽³⁾ Net balance of non-recurring expenses and non-recurring income. ⁽⁴⁾ Consolidated profit for the period, before the effects of purchase price allocations and noncash currency valuation effects. ⁽⁵⁾ After changes in accounting policies according to IAS 8 and corresponding adjustment of previous-year figures.

Key figures by segment

In EUR million	FY 2010	FY 2009	in %	FY 2010	FY 2009	in %
	External revenues			Recurring EBITDA		
Free TV German-speaking	1,862.6	1,698.0	+9.7	631.3	457.9	+37.9
Free TV International	764.2	705.2	+8.4	183.2	158.2	+15.8
Diversification	373.2	357.6	+4.4	91.5	80.4	+13.8

In EUR million	Q4 2010	Q4 2009	in %	Q4 2010	Q4 2009	in %
	External revenues			Recurring EBITDA		
Free TV German-speaking	599.1	547.3	+9.5	260.0	210.7	+23.4
Free TV International	241.9	217.1	+11.4	66.5	62.4	+6.6
Diversification	113.1	116.0	-2.5	32.0	34.2	-6.4

Unaudited 2010 figures.