
Press Release



ProSiebenSat.1 continues dynamic revenue and earnings growth in the third quarter

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- Revenues grow by 12.0 percent to EUR 626.9 million
- Recurring EBITDA increases by 64.3 percent to EUR 154.9 million
- Consolidated net profit after non-controlling interests increases by EUR 44.7 million to EUR 32.0 million, consolidated net profit for the first nine months quadruples to EUR 127.7 million

Munich, November 11, 2010. In the third quarter 2010, the ProSiebenSat.1 Group continued the good performance of the first two quarters of 2010 by generating further revenue and earnings growth: Compared to the third quarter of last year, the Group increased its revenues by 12.0 percent to EUR 626.9 million in the third quarter of 2010. Recurring EBITDA increased by 64.3 percent to EUR 154.9 million. Compared to the third quarter of last year, the EBITDA more than doubled to EUR 144.1 million (previous year: EUR 62.3 million). The consolidated net profit after non-controlling interests rose to plus EUR 32.0 million, compared to minus EUR 12.7 million in the third quarter of last year. In the third quarter, higher advertising revenues in the German core market, in particular, led to a significant earnings growth.

Contact:

Julian Geist
Corporate Communications
ProSiebenSat.1 Media
AGMedienallee 7
D-85774 Unterföhring
Tel. +49 [89] 95 07-11 51
Fax +49 [89] 95 07-911 51

E-mail:
Julian.Geist@ProSiebenSat1.com

“Television is the winner”

Thomas Ebeling, CEO of ProSiebenSat.1 Media AG: “The media industry in general benefits strongly from the economic recovery in Western Europe. But mainly television is the winner of this development. Our customers are relying on the emotional power and reach of television with millions of people every day to place their brand messages and reliably support their sales. All major sectors, from fast-moving consumer goods to retailers, have increased their television advertising spending. Television is and will continue to be the leading medium. In 2009 and 2010, we laid the groundwork that will enable us to participate in the economic recovery to the greatest degree possible.”

Katrin Schneider
Corporate Communications
ProSiebenSat.1 Media AG
Medienallee 7
D-85774 Unterföhring
Tel. +49 [89] 95 07-11 64
Fax +49 [89] 95 07-911 64

E-mail: Katrin.Schneider@
ProSiebenSat1.com

Press release online:
www.ProSiebenSat1.com

Dynamic growth at constant operating costs

At EUR 626.9 million, the Group’s consolidated revenues in 2010 were higher than the comparable prior-year figure by 12.0 percent or EUR 67.4 million; thus, revenue growth has accelerated further (Q2 2010: +9.6% compared to prior-year).

The Group achieved this substantial revenue increase while recurring costs remained almost flat. In the third quarter of 2010, they amounted to EUR 475.0 million, adjusted for non-recurring costs in the amount of EUR 10.6 million (previous year: EUR 32.3 million) and depreciation, amortization and impairments in the amount of EUR 32.8 million (previous year: EUR 32.5 million). Thus, the ProSiebenSat.1 Group held its operating cost basis nearly



on the prior-year level of EUR 469.3 million (+1.2% compared to the prior-year period). In that respect, the Group benefited not only from its strict cost management, but also from the successfully implemented efficiency enhancement measures. The Group improved its cost structure in particular by having relocated large parts of its Berlin facilities to Munich last year. With the sale of the news channel N24 and the production company MAZ&More in June 2010, the ProSiebenSat.1 Group took another important step to permanently enhance its efficiency.

The increased revenues, combined with effective cost management, led to a further earnings improvement in the third quarter of 2010. Recurring EBITDA rose by 64.3 percent to EUR 154.9 million (previous year: EUR 94.3 million), while EBITDA – earnings before interest, taxes, depreciation and amortization, including non-recurring items – reached EUR 144.1 million (previous year: EUR 62.3 million). The consolidated net profit for the period after non-controlling interests also showed a significant increase, rising to EUR 32.0 million (previous year: EUR -12.7 million).

Profitable growth in all segments

Benefiting from the higher spending of the advertising industry, the ProSiebenSat.1 Group substantially increased its TV advertising revenues in the German core market. Compared to the third quarter of last year, the Free TV segment in Germany, Austria and Switzerland reached strong revenue growth of 14.8 percent, with total revenues rising to EUR 387.1 million (previous year: EUR 337.3 million). Aside from the general market recovery, this positive development was additionally supported by the Group's successes in the audience market. Thus, the Group was able to capitalize on audience ratings with its advertising customers, thanks to award-winning series like "Danni Lowinski" (SAT.1), shows like "Schlag den Raab" (ProSieben) and successful magazines like "Galileo" (ProSieben) and "Abenteuer Leben täglich Wissen" (kabel eins). At EUR 104.0 million, the recurring EBITDA of the segment was twice as high as the comparable prior-year figure of EUR 51.8 million.

The revenue contribution of the International Free TV segment rose by 5.0 percent compared to the third quarter of last year to reach EUR 156.7 million (previous year: EUR 149.2 million). The revenue increase mainly resulted from higher distribution revenues. Recurring EBITDA improved by 20.0 percent to EUR 32.4 million (previous year: EUR 27.0 million).

The Diversification segment, which includes all business activities outside the core business of advertising-financed free TV, generated revenues of EUR 83.1 million, representing an increase of 13.8 percent or EUR 10.1 million. The revenue growth was generated especially by the online business, which complements the core business of TV. In addition to the online business, the commerce and music business areas, among others, also continued their growth. Compared to the third quarter of last year, the segment's recurring EBITDA rose by 19.4 percent to EUR 18.5 million (previous year: EUR 15.5 million).



Substantial consolidated net income, also in the first nine months of 2010

In the first three quarters of 2010, the ProSiebenSat.1 Group generated consolidated revenues of EUR 2.046 billion, an increase of 8.8 percent or EUR 165.5 million compared to the first nine months of last year. Adjusted for non-recurring costs associated with the sale of N24, in particular, recurring costs remained stable at EUR 1.505 billion (+0.3% or EUR 4.0 million compared to the prior-year period). Compared to the corresponding prior-year period, recurring EBITDA rose by 40.6 percent to EUR 547.3 million (previous year: EUR 389.3 million). After income taxes and non-controlling interests, the consolidated profit for the period amounted to EUR 127.7 million (previous year: EUR 31.1 million). Thus, the consolidated net profit for the first three quarters of 2010 was four times higher than the corresponding prior-year figure.

Further reduction of net financial debt

Compared to the prior-year reporting date, net financial debt – defined as total loans and borrowings minus cash and cash equivalents and current financial assets – declined by EUR 250.6 million to EUR 3.284 billion. The decrease in net financial debt reflects the Group's improved earnings and good liquidity situation.

Therefore, the financial leverage of the Group, i.e. the ratio of net financial debt to recurring EBITDA for the last twelve months improved to 3.8 times as at September 30, 2010. At the prior-year reporting date, this ratio had been 5.3 times the recurring EBITDA.

Outlook

The overall business performance of the ProSiebenSat.1 Group in the first nine months of 2010 has been very positive. The ProSiebenSat.1 Group is also confident about its prospects in the final quarter of the year, although the Group will probably not be able to match the high growth rates achieved in the preceding quarters, due to the more challenging prior-year comparison figures especially in the German core market. In any case, the ProSiebenSat.1 Group will clearly exceed last year's recurring EBITDA on a year-to-year basis.

CEO Thomas Ebeling: "In October, the ProSiebenSat.1 Group had a good start into the fourth quarter, which is typically the most important quarter for the business of our industry. This strengthens our confidence regarding the full year 2010. Our most important strategic task will be to use the power of our TV brands for the purpose of driving growth initiatives in adjacent business areas. There are many opportunities we can take advantage of: in the digital world, in production, music and e-commerce. For us, TV is the key to these markets and will continue to be the lead medium."



Key Figures for the ProSiebenSat.1 Group

In EUR m	Q3 2010	Q3 2009	in %	9M 2010	9M 2009	in %
Revenue	626.9	559.5	+12.0	2,045.9	1,880.4	+8.8
Total costs ⁽¹⁾	518.4	534.1	-2.9	1,687.2	1,658.9	+1.7
Recurring costs ⁽²⁾	475.0	469.3	+1.2	1,505.3	1,501.3	+0.3
Consumption of programming assets	243.0	238.4	+1.9	766.5	778.5	-1.5
Recurring EBITDA ⁽³⁾	154.9	94.3	+64.3	547.3	389.3	+40.6
Recurring EBITDA margin (in %)	24.7	16.9	+7.8 pts	26.8	20.7	+6.1 pts
EBITDA	144.1	62.3	+131.3	468.7	330.0	+42.0
Non-recurring items ⁽⁴⁾	-10.8	-32.0	+66.3	-78.6	-59.3	-32.5
EBIT	111.4	29.8	+273.8	365.4	235.9	+54.9
Financial result	-66.7	-48.5	-37.5	-179.0	-177.2	-1.0
Profit/loss before income taxes	44.6	-18.7	-/-	186.4	59.1	+215.4
Consolidated net profit (after non-controlling interests)	32.0	-12.7	-/-	127.7	31.1	+310.6
Investments in programming assets	308.9	301.4	+2.5	953.9	959.4	-0.6

In EUR m	09/30/2010	12/31/2009	09/30/2009
Programming assets	1,682.5	1,526.5	1,534.6
Equity	762.6	580.8	438.9
Equity ratio (in %)	12.1	9.4	7.3
Cash and cash equivalents	743.4	737.4	508.4
Net financial debt	3,283.8	3,294.6	3,534.4
Employees ⁽⁵⁾	4,726	4,814	4,916

⁽¹⁾ The figure for 9M 2010 contains non-recurring expenses of EUR 50 million and impairments of EUR 4.9 million related to the N24 transaction in June 2010. ⁽²⁾ Total costs minus non-recurring expenses as well as depreciation, amortization and impairments. ⁽³⁾ EBITDA adjusted for non-recurring items. ⁽⁴⁾ Net balance of non-recurring expenses and non-recurring income. ⁽⁵⁾ Full-time equivalents at the reporting date.

Key Figures by segment

In EUR m	Q3 2010	Q3 2009	in %	Q3 2010	Q3 2009	in %
	External Revenues			Recurring EBITDA		
Free TV German-speaking	387.1	337.3	+14.8	104.0	51.8	+100.8
Free TV International	156.7	149.2	+5.0	32.4	27.0	+20.0
Diversification	83.1	73.0	+13.8	18.5	15.5	+19.4

**Key Figures by segment**

In EUR m	9M 2010	9M 2009	in %	9M 2010	9M 2009	in %
	External Revenues			Recurring EBITDA		
Free TV German-speaking	1,263.5	1,150.7	+9.8	371.3	247.2	+50.2
Free TV International	522.3	488.1	+7.0	116.7	95.8	+21.8
Diversification	260.1	241.6	+7.7	59.5	46.2	+28.8

Additional information

The report on the third quarter of 2010 can be downloaded on the ProSiebenSat.1 website at

http://en.prosiebensat1.com/investor_relations/finanzberichte/index_en.php.

There you can also find the company's presentation on the quarterly results.