ProSiebenSat.1 Media AG

Press Release

ProSiebenSat.1 continues revenue and earnings growth in Q1 2011

- **Consolidated revenues up 3.7% to EUR 682.8 million**
- **Recurring EBITDA increases by 10.9% to EUR 142.6 million**
- **Net income up 76.5% to EUR 38.3 million**
- **Positive outlook for 2011 confirmed**
- **Significant growth of net profit expected in 2011**

Munich, May 5, 2011. In the first quarter of 2011, the ProSiebenSat.1 Group increased its revenues and improved all key earnings figures compared to the prior year quarter. Total consolidated revenues grew by 3.7% to 682.8 million (Q1 2010: EUR 658.4 million). At EUR 142.6 million, recurring EBITDA (EBITDA before non-recurring items) was 10.9% higher than last years' corresponding figure of EUR 128.6 million. The operating margin rose to 20.9% (Q1 2010: 19.5%) reflecting the high profitability of the company. The net income (consolidated profit after taxes and non-controlling interests) almost doubled to EUR 38.3 million (Q1 2010: EUR 21.7 million).

Thomas Ebeling, CEO at ProSiebenSat.1 Media AG: "Due to the good growth momentum in many business units, the ProSiebenSat.1 Group again considerably increased its profits in the first quarter of 2011 compared to the previous year. With the disposal of the companies in the Netherlands and Belgium, we also optimized our international portfolio, at the same time improving our financial strength."

Revenues in the Free TV German-speaking segment on the prior year level

In the Free TV German-speaking segment, at EUR 413.3 million the Group maintained its external revenues at the high level of the previous year (-0.8% or minus EUR 3.4 million). In the whole German TV market, TV advertising investments declined – partly driven by the late date for Easter. In this environment, the ProSiebenSat.1 Group successfully maintained its leading competitive position with a gross TV advertising market share of 43.1% (Q1 2010: 43.1%). Advertising revenues of the stations in Austria and Switzerland as well as revenues from program production and program sales grew dynamically.

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Northern Europe is a growth driver

External revenues of the Free TV International segment rose by 12.6% to EUR 181.1 million in the first quarter of 2011 (Q1 2010: EUR 160.8 million). The growth was primarily driven by the very good performance achieved by the Northern European stations, which increased their TV revenues considerably by 27.3% to EUR 90.1 million (Q1 2010: EUR 70.8 million). The stations in Northern Europe finance themselves on the basis of advertising as well as through distribution revenues. The revenue contribution of the Belgian and Dutch TV activities rose by 6.7% to EUR 73.3 million (Q1 2010: EUR 68.7 million), while the revenues of the Eastern European TV activities in Hungary and Romania declined year-on-year due to the difficult macroeconomic situation.

Considerable revenue growth in the Diversification segment

External revenues in the Diversification segment increased year-on-year by a total of 9.3% or EUR 7.5 million to EUR 88.4 million. Key factors partly driving this trend were the successful business models in Germany in the area of Music, Commerce & Ventures. Also the video advertising unit doubled its revenues. In addition to organic growth, the first-time consolidation of maxdome in January 2011, had a positive impact on revenues.

9Live revenue declines considerably, live programming to be discontinued

Revenues of the quiz channel 9Live, financed by charges on telephone calls, continued its sharp decline, posting a minus of 34.3% to EUR 9.2 million (Q1 2010: EUR 14.0 million). As a result of the ongoing and strong decline in call TV revenues over recent months, live programming on the station will be discontinued as of May 31, 2011. After this, the station will show fictional programs until further notice. The discontinuation of the live broadcast means the termination of all call TV productions for other Group stations. The viewer game and audiotex activities of the ProSiebenSat.1 Group, also produced by 9Live, are to be continued.

Moderate cost increase

Adjusted for depreciation, amortization and impairment of EUR 44.0 million (Q1 2010: EUR 32.6 million) and non-recurring items of EUR 7.8 million (Q1 2010: EUR 9.4 million), operating costs totaled EUR 541.3 million. Thus at EUR 532.2 million the Group maintained its operating costs almost at the same level as the previous year (+1.7%).

Total costs of the Group – comprising cost of sales, selling expenses and administrative expenses – were up by 3.3% or EUR 18.9 million to EUR 593.1 million in the first quarter of 2011. This includes an impairment on intangible assets of EUR 11.2 million taken on the 9Live station brand.

All key earnings figures above the previous year

The ongoing revenue growth and efficient operating processes resulted in a further profitability improvement in the first quarter of 2011. Compared to the first quarter of last year, Group recurring EBITDA rose by 10.9% to EUR 142.6 million (Q1 2010: EUR 128.6 million). All three segments made a contribution here. Consequently, the recurring EBITDA margin improved from 19.5% to 20.9%. EBITDA rose by 13.1% to EUR 134.8 million (Q1 2010: EUR 119.2 million). The Group increased its consolidated result after taxes and non-controlling interests for the period to EUR 38.3 million (Q1 2010: EUR 21.7 million).

Considerable reduction of leverage expected

In April 2011, the Group sold its business activities in the Netherlands and Belgium, achieving an attractive valuation multiple of 10.6. The enterprise value on which the transaction is based totals EUR 1.225 billion. The sale will result in a considerable reduction of net financial debt and also leverage. The short to medium-term target is to reduce leverage to a factor between 1.5 and 2.5.

As of March 31, 2011, net financial debt declined by EUR 278.4 million or 8.1% to EUR 3.152 billion (March 31, 2010: EUR 3.431 billion). In comparison to the equivalent quarter of the previous year, this results in leverage improving from a factor of 4.7 to 3.4 (ratio of net financial debt to recurring EBITDA of the last twelve months).

Positive outlook for 2011 confirmed

For both the first half-year and for the full-year 2011, the Group is anticipating a revenue growth at least in the low single digit area in percentage terms. While in the Free TV German-speaking segment revenues in the first half year are expected on a prior year level due to the currently restrained development of the German TV advertising market, the Group expects a slight revenue increase for the full year. For the Free TV International segment, the ProSiebenSat.1 Group anticipates a strong increase in terms of revenues on a full year basis, driven particularly by the Northern European markets. The growth areas in the Diversification segment such as Commerce and Ventures or Video Advertising, will also continue to generate dynamic year-on-year increases. The statements made do not take into account future changes in the scope of consolidation resulting from the disposal of the Dutch and Belgian activities.

On a full-year basis, the Group continues to anticipate that there will be a slight increase in operating costs against the comparative figure in 2010. The Group is investing in new growth areas, such as the acquisition of maxdome, the expansion of content production at Red Arrow and the development of recently launched stations. In addition, the Group will continue to strengthen its investments in attractive TV contents, especially in its international markets, so as to further increase its distribution income and to participate in the dynamic market growth. The cost impact of these growth measures will primarily occur in the second quarter of 2011.

In this context, in the first half-year of 2011, recurring EBITDA is likely to be on the prior year level. The net result is expected to increase significantly compared to the first half year 2010. On a full year basis, the Group confirms its positive outlook for 2011 and expects to achieve a record result again.

Thomas Ebeling, CEO: “We have made great progress in optimizing our portfolio and will considerably reduce leverage. We are rigorously pursuing our growth strategy, supported by intelligent cost management. With our 4-pillar strategy, the Group is very well positioned. We continue to see positive growth opportunities in the advertising market, also in the medium term. Thanks to the consistent interlinking of our TV contents with online or pay offerings, we provide our customers with a high-quality advertising environment on all platforms. At the same time, with growth initiatives we are accessing new sources of revenue in the areas of new media, pay TV and distribution, as well as music and the deployment of the media-for-revenue and media-for equity-share models on an ongoing basis, thus expanding our revenue diversification. As a result of the successful production and program sales business, we are a global player in providing content. In 2011, ProSiebenSat.1 will further expand its position as one of the leading and most profitable media companies.”

Key Figures for the ProSiebenSat.1 Group

EUR m	Q1 2011	Q1 2010	in %
Revenue	682.8	658.4	+3.7
Total costs	593.1	574.2	+3.3
Recurring costs[1]	541.3	532.2	+1.7
Recurring EBITDA[2]	142.6	128.6	+10.9
Recurring EBITDA margin (in %)	20.9	19.5	+1.4 % points
EBITDA	134.8	119.2	+13.1
Non-recurring items[3]	-7.8	-9.4	+17.0
EBIT	90.8	86.6	+4.8
Financial result	-35.1	-54.9[5]	+36.1
Profit/loss before income taxes	55.7	31.7[5]	+75.7
Net income (after non-controlling interests)	38.3	21.7[5]	+76.5
Underlying net income [4]	39.2	32.3[5]	+21.4
Free cash flow	-123.3	-139.0	+11.3

EUR m	Mar. 31, 2011	Dec. 31, 2010	Mar. 31, 2010
Cash and cash equivalents	611.1	740.7	604.1
Net financial debt	-3,152.3	-3,021.0	-3,430.7

In the first quarter of 2011, the contribution of the TV activities in Belgium and the Netherlands to revenue was EUR 73.3 million (Q1 2010: EUR 68.7 million) and to recurring EBIDTA was EUR 8.7 million (Q1 2010: EUR 5.4 million). In the first quarter of 2011, the contribution of the Print business in the Netherlands to revenue was EUR 14.6 million (Q1 2010: EUR 14.5 million) and to recurring EBIDTA was EUR 4.9 million (Q1 2010: EUR 5.5 million).

[1] Total costs excl. D&A and non-recurring expenses. [2] EBITDA before non-recurring (exceptional) items. [3] Non-recurring expenses netted against non-recurring income. [4] Consolidated profit for the period, before the effects of purchase price allocations and non-cash currency valuation effects. The 2011 figure has also been adjusted for impairments of EUR 11.2 million on the 9Live brand and effects of EUR 18.2 million from the first-time consolidation of maxdome. [5] After change of accounting policy in line with IAS 8 and corresponding adjustment of the previous-year figures.

Key Figures by Segment

EUR m	Q1 2011	Q1 2010	in%	Q1 2011	Q1 2010	in%
	External revenue			Recurring EBITDA		
Free TV German-speaking	413.3	416.7	-0.8	98.1	95.7	+2.5
Free TV International	181.1	160.8	+12.6	27.8	19.3	+44.0
Diversification	88.4	80.9	+9.3	16.7	13.6	+22.8

Pro Forma Key Figures by Segment (excluding Netherlands and Belgium)

EUR m	Q1 2011	Q1 2010	in%	Q1 2011	Q1 2010	in%
	External revenue			Recurring EBITDA		
Free TV German-speaking	413.3	416.7	-0.8	98.1	95.7	+2.5
Free TV International	107.8	92.1	+17.0	19.2	14.0	+37.1
Diversification	73.9	66.3	+11.5	11.8	8.1	+45.7