
Press Release



ProSiebenSat.1 Continues High Revenue and Earnings Growth in the Third Quarter of 2015

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- Consolidated revenues grow by 17.2 % to EUR 747.1 million
- Recurring EBITDA increases by 9.1 % to EUR 177.8 million
- Underlying net income rises to EUR 78.3 million
- The Group concludes exclusive agreement with Disney
- ProSiebenSat.1 raises revenue forecast for 2015

Munich, October 29, 2015. ProSiebenSat.1 Group also grew dynamically in the third quarter of 2015. The Group increased its revenues by 17.2 % to EUR 747.1 million (previous year: EUR 637.5 million). The latest acquisitions also contributed to this. Recurring EBITDA also increased considerably with growth of 9.1 %, reaching EUR 177.8 million (previous year: EUR 162.9 million). Despite higher non-recurring expenses of EUR 11.4 million – primarily resulting from higher M&A activity – underlying net income rose to EUR 78.3 million. This corresponds to an increase of 4.8 % or EUR 3.6 million compared to the third quarter of 2014.

Over the first nine months of the year, ProSiebenSat.1 increased Group revenues by 13.8 % to EUR 2.174 billion (previous year: EUR 1.910 billion). The significant revenue growth led recurring EBITDA to rise 8.8 % to EUR 568.1 million (previous year: EUR 522.2 million). Underlying net income grew by 11.7 % to EUR 266.4 million (previous year: EUR 238.5 million). In the first nine months, ProSiebenSat.1 expanded revenues outside the TV business to a share of 32.4 % (previous year: 26.8 %).

Thomas Ebeling, CEO of ProSiebenSat.1 Media SE: “In the third quarter, we again increased revenues and earnings dynamically and have grown profitably in all segments. We are therefore heading for another very good year. At the same time, we will continue on our successful growth course. By 2018, we plan to increase our revenues to EUR 4.2 billion versus 2012 and we are targeting recurring EBITDA of EUR 1.1 billion. We are adhering to our shareholder-friendly dividend policy and will continue to pay out 80 % to 90 % of underlying net income in the future. This will allow us to continue to offer investors significant added value in the future.”

Broadcasting German-speaking: Audience and advertising market share expanded in Germany, Austria and Switzerland

In the Broadcasting German-speaking segment, ProSiebenSat.1 increased its external revenues by 6.3 % to EUR 465.1 million (previous year: EUR 437.6 million). Recurring EBITDA grew proportionally by 6.3 % to EUR 137.1 million (previous year: EUR 129.0 million). The Group also grew significantly on a nine-month basis: External revenues increased by 5.2 % to

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EUR 1.470 billion (previous year: EUR 1.398 billion); recurring EBITDA rose by 5.2 % to EUR 459.9 million (previous year: EUR 437.2 million).

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ProSiebenSat.1 Group increased its TV advertising and audience market shares in all German-speaking markets in the third quarter of 2015. In Germany, ProSiebenSat.1 Group achieved the best third-quarter audience share in 15 years with 30.1 % (previous year: 29.3 %). The Group has a first-class program offering also in the years to come: ProSiebenSat.1 has signed a multi-year agreement with Disney. The agreement secures the Group access to new Hollywood blockbusters und TV series from the production studios Disney, Disney•Pixar, Lucasfilm, Marvel and ABC studios. For the first time, in addition to free TV licenses, the agreement includes selected exclusive rights for pay TV and subscription-video-on-demand (maxdome).

In the TV advertising market, the Group benefited from a positive industry and economic environment and expanded its TV advertising market share in Germany to 45.5 % (previous year: 43.8 %). At the same time, the number of HD users continued to rise dynamically: They increased by 18 % to 6.0 million (previous year: 5.1 million). ProSiebenSat.1 expects this figure to grow to over nine million users by 2018. At the same time, ProSiebenSat.1 is pushing ahead with the distribution of its digital offerings: In mid-October, the Group concluded a distribution agreement for maxdome with TeleColumbus. The content of the video-on-demand portal will thus be available also via the cable network operator from the middle of next year.

Digital & Adjacent: Revenues and earnings continue to grow in double digits

In the Digital & Adjacent segment, the revenue and earnings figures grew by double-digit percentages in the periods under review: In the third quarter of 2015, external revenues increased by 31.0 % to EUR 207.9 million (previous year: EUR 158.7 million); recurring EBITDA rose by 16.7 % to EUR 37.7 million (previous year: EUR 32.3 million).

On a nine-month basis, external revenues also increased considerably with growth of 28.0 % to EUR 529.6 million (previous year: EUR 413.9 million). The high revenue growth led recurring EBITDA to rise by 17.4 % to EUR 102.0 million (previous year: EUR 86.9 million).

The positive development of revenues and earnings was driven by both organic growth and first-time consolidations. The Ventures & Commerce portfolio again made the greatest growth contribution in both periods under review. At the same time, the Group recorded significant revenue growth in the Digital Entertainment business with its video-on-demand portal maxdome and primarily advertising-financed online portals. In addition, the first-time consolidation of the comparison portal Verivox and the US multi-channel network Collective Digital Studio also contributed to the growth of the segment.

At the beginning of October, the Group also ensured further growth potential for its Travel vertical with the announced acquisition of the pan-European online



travel agent for flights Etraveli: Etraveli is represented in 40 countries and has currently already sold 1.6 million journeys per year. ProSiebenSat.1 will now accelerate the travel agency's growth with advertising on its free TV stations. The purchase of Etraveli is still subject to approval by the antitrust authorities; consolidation is expected in the fourth quarter of 2015.

Content Production & Global Sales: Production business in the USA is strongest revenue driver

In the Content Production & Global Sales segment, external revenues increased by 79.9 % to EUR 74.1 million in the third quarter of 2015 (previous year: EUR 41.2 million). Recurring EBITDA rose to EUR 5.3 million (previous year: EUR 2.2 million), and has more than doubled. On a nine-month basis, external revenues grew by 77.9 % to EUR 174.1 million (previous year: EUR 97.8 million). Recurring EBITDA increased to EUR 10.1 million (previous year: EUR 1.0 million).

Segment revenue growth was primarily organic, with the production business in the USA again making the greatest contribution to revenues. Globally, the USA is the most important production and distribution market for Red Arrow Entertainment Group. It already operates four TV production companies in North America and is now further strengthening its presence in the digital business, too: In mid-October, Red Arrow founded Ripple Entertainment, LLC in Los Angeles. Ripple will develop its own digital media brands while exploiting the existing Red Arrow program portfolio digitally to maximize its value.

Investments in profitable and dynamic revenue growth

The Group is investing in sustainable growth across all segments and is strengthening its market position with strategic acquisitions. The aim is to diversify revenue models and to expand into rapidly growing markets. Against this backdrop, total costs rose to EUR 621.0 million in the third quarter of 2015 (previous year: EUR 520.0 million). The increase by 19.4 % is particularly attributable to the higher business volume in the Content Production & Global Sales segment and the expansion of the Ventures & Commerce portfolio. The development is also reflected by the increase in operating costs adjusted for non-recurring expenses and depreciation and amortization to EUR 574.5 million (previous year: EUR 478.8 million).

Financial result significantly improved, leverage ratio unchanged and in the target range

In the third quarter of 2015, the financial result improved significantly compared to the previous year and amounted to minus EUR 1.5 million (previous year: EUR -22.9 million). In particular, the reassessment of the equity participations in SMARTSTREAM.TV and Collective Digital Studio (CDS) in the context of the first-time consolidation had a positive impact. The interest result was nearly unchanged year-on-year and amounted to minus EUR 22.7 million (previous year: EUR -22.2 million).

The leverage ratio was 2.2 as of September 30, 2015, and thus remained unchanged in the defined target range of 1.5 to 2.5 (September 30, 2014: 2.2).



The leverage ratio shows the ratio of net financial debt to recurring EBITDA of the last twelve months (LTM recurring EBITDA) and is a key financial planning figure for ProSiebenSat.1. As of the same date, net financial debt amounted to EUR 1.953 billion after EUR 1.795 billion in the previous year. This was due to purchase price payments for the entities acquired in the last months and the dividend paid out in June 2015. In total, this amounted to EUR 648.3 million.

ProSiebenSat.1 raises revenue forecast for 2015

ProSiebenSat.1 Group also made a positive start to the fourth quarter of 2015 and confirms its positive outlook for the year. At the same time, the Group is raising its revenue forecast: ProSiebenSat.1 now expects to increase revenues by a low double-digit percentage for the current financial year. All segments will contribute to this. Midyear, the Group still expected an increase by a high single-digit percentage rate. Alongside the continued good business performance, the recently acquired digital companies will also promote growth. Recurring EBITDA and underlying net income are expected to exceed the previous year again. At the same time, ProSiebenSat.1 remains within a leverage target range of 1.5 to 2.5.

ProSiebenSat.1 is likewise aiming for dynamic growth in the medium term: At its Capital Markets Day in mid-October, the Group significantly raised its revenue growth target for 2018: The Company now intends to increase its revenues by EUR 1.85 billion compared to 2012 to around EUR 4.2 billion. Previously, an increase of EUR 1 billion to almost EUR 3.4 billion was planned. Recurring EBITDA is expected to rise by EUR 350 million to EUR 1.1 billion compared to the base year 2012.

Unless otherwise stated, all statements and figures relate to continuing operations. At the end of 2012, ProSiebenSat.1 announced its intention to sell its Eastern European portfolio. Until their deconsolidation, the Eastern European companies were recognized as discontinued operations as defined by IFRS 5. The sale of the Hungarian activities was completed on February 25, 2014, and the companies deconsolidated as of this date. The sale of the Romanian operations was formally and legally closed on April 2, 2014 (TV) and August 4, 2014 (radio).



ProSiebenSat.1 Group key figures on the basis of continuing operations

EUR m	Q3 2015	Q3 2014	Change %	Q1-Q3 2015	Q1-Q3 2014	Change %
Revenues	747.1	637.5	+17.2%	2,174.2	1,909.7	+13.8%
Total costs	621.0	520.0	+19.4%	1,746.4	1,514.8	+15.3%
Operating costs ⁽¹⁾	574.5	478.8	+20.0%	1,619.1	1,401.4	+15.5%
Recurring EBITDA ⁽²⁾	177.8	162.9	+9.1%	568.1	522.2	+8.8%
Recurring EBITDA (in %)	23.8	25.6	-1.8 pts.	26.1	27.3	-1.2 pts.
EBITDA	166.4	156.9	+6.0%	537.8	501.5	+7.2%
Non-recurring items	-11.4	-6.0	+89.4%	-30.3	-20.7	+46.3%
EBIT	131.4	125.4	+4.8%	441.3	412.7	+6.9%
Financial result	-1.5	-22.9	-93.7%	-49.7	-105.3	-52.8%
Consolidated net result (after non-controlling interests)	73.1	67.3	+8.6%	252.1	205.7	+22.6%
Underlying net income ⁽³⁾	78.3	74.7	+4.8%	266.4	238.5	+11.7%
Basic earnings per share (underlying) (EUR)	0.37	0.35	+4.6%	1.25	1.12	+11.5%
Free cash flow	-154.0	26.0	>-100.0%	-78.1	-20.8	>+100.0%
Cash flow from operating activities	339.9	299.6	+13.5%	1024.8	899.6	+13.9%

EUR m	Sep. 30, 2015	Dec. 31, 2014	Sep. 30, 2014
Equity	750.3	753.9	551.7
Equity ratio (in percent)	16.5	19.3	15.3
Cash and cash equivalents	223.5	470.6	176.8
Net financial debt	1,952.6	1,502.5	1,794.9
Leverage ⁽⁴⁾	2.2	1.8	2.2 ⁽⁵⁾



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EUR m	Q3 2015	Q3 2014	Change %	Q1-Q3 2015	Q1-Q3 2014	Change %
Broadcasting German-speaking						
Revenues (external)	465.1	437.6	+6.3%	1,470.5	1,398.0	+5.2%
Recurring EBITDA ⁽²⁾	137.1	129.0	+6.3%	459.9	437.2	+5.2%
Digital & Adjacent						
Revenues (external)	207.9	158.7	+31.0%	529.6	413.9	+28.0%
Recurring EBITDA ⁽²⁾	37.7	32.3	+16.7%	102.0	86.9	+17.4%
Content Production & Global Sales						
Revenues (external)	74.1	41.2	+79.9%	174.1	97.8	+77.9%
Recurring EBITDA ⁽²⁾	5.3	2.2	>+100.0%	10.1	1.0	>+100.0%

⁽¹⁾ Total costs excl. D&A and non-recurring expenses. ⁽²⁾ EBITDA before non-recurring (exceptional) items. ⁽³⁾ Consolidated profit for the period after non-controlling interests, before the effects of purchase price allocations and other special items. ⁽⁴⁾ Ratio of net financial debt to recurring EBITDA of the last twelve months. ⁽⁵⁾ Adjusted for the recurring EBITDA contribution of Northern and Eastern European operations in the last twelve months.

More key figures can be downloaded on our Group website: www.ProSiebenSat1.com. The Interim Report of the Third Quarter and the First Nine Months of 2015 is also available there.