ProSiebenSat.1 Media SE

Press Release

ProSiebenSat.1 Continues Significant Revenue and Earnings Growth in Q3 2016

- **Revenues rise by 15 % to EUR 857 million**
- **Recurring EBITDA increases by 13 % to EUR 202 million**
- **Underlying net income grows by 11 % to EUR 87 million**
- **Acquisitions contribute significant amount to growth**
- **ProSiebenSat.1 confirms positive full-year outlook**

Munich, November 3, 2016. ProSiebenSat.1 Group also grew dynamically in the third quarter of 2016. The Group increased its revenues by 15 % to EUR 857 million (previous year: EUR 747 million). Recurring EBITDA grew by 13 % to EUR 202 million (previous year: EUR 178 million). Underlying net income also increased significantly by 11 % to EUR 87 million (previous year: EUR 79 million).

In the nine-month period, ProSiebenSat.1 increased its revenues by 17 % to EUR 2,545 million (previous year: EUR 2,174 million). At the same time, recurring EBITDA grew by 10 % to EUR 626 million (previous year: EUR 568 million) and underlying net income rose by 8 % to EUR 294 million (previous year: EUR 271 million). The e-commerce portfolio was still the most significant growth driver. The Red Arrow Entertainment production network also developed dynamically. In both business areas, successful acquisitions accelerated growth.

Thomas Ebeling, CEO of ProSiebenSat.1 Media SE: "We are making very good progress with the transformation of our Company from a TV house to a digital player. In the first nine months, we already generated 46 % of our revenues outside the traditional TV advertising business. We consistently forge ahead with this development. With the strong TV business as the basis and the digital entertainment, commerce and production activities, we are well positioned to achieve our goals. By 2018, we aim to achieve revenues of EUR 1.7 billion with our digital business."

From the third quarter of 2016, ProSiebenSat.1 Group splits its former Digital & Adjacent segment into two separate segments: Digital Entertainment and Digital Ventures & Commerce. As a result, the Group now reports on its operating business in four segments: Broadcasting German-speaking, Digital Entertainment, Digital Ventures & Commerce and Content Production & Global Sales.

Contacts:

Julian Geist
Corporate Spokesman
ProSiebenSat.1 Media SE
Medienallee 7
85774 Unterföhring, Germany
Tel.+49 [89] 95 07-11 51
Fax+49 [89] 95 07-911 51

E-mail:
Julian.Geist@ProSiebenSat1.com

Stefanie Prinz
Corporate Communications
ProSiebenSat.1 Media SE
Medienallee 7
85774 Unterföhring, Germany
Tel.+49 [89] 95 07-11 99
Fax+49 [89] 95 07-911 99

E-mail:
Stefanie.Prinz@ProSiebenSat1.com

Press release online:
www.ProSiebenSat1.com

Broadcasting German-speaking: solid growth in revenues and earnings
In the Broadcasting German-speaking segment, external revenues increased by 2 % to EUR 472 million in the third quarter of 2016 (previous year: EUR 465 million). Recurring EBITDA grew by 7 % to EUR 147 million (previous year: EUR 137 million). In the nine-month period, the Broadcasting German-speaking segment also saw extremely profitable growth. External revenues rose by 2 % to EUR 1,506 million (previous year: EUR 1,470 million) and recurring EBITDA grew by 4 % to EUR 479 million (previous year: EUR 460 million). Particularly in the third quarter of 2016, distribution revenues further developed dynamically.

Digital Entertainment: multi-channel network Studio71 is the strongest revenue growth driver
In the Digital Entertainment segment, revenues increased dynamically in both periods. Despite the deconsolidation of the online games business, external revenues grew by 23 % to EUR 99 million in the third quarter of 2016 (previous year: EUR 80 million). In the first nine months of the year, external revenues rose by 33 % to EUR 304 million (previous year: EUR 228 million). Growth was primarily driven by the ad-video-on-demand business with the multi-channel network Studio71 and the ad-tech area. The online video portal maxdome, for which the Group has announced a multi-annual contract extension with Unitymedia today, is still developing positively as well.

At EUR 4 million, recurring EBITDA was at the level of the previous year in the third quarter of 2016 (previous year: EUR 4 million). This was due to growth-related investments and a decline in revenues in adjacent activities. For the same reasons, recurring EBITDA fell by 15 % to EUR 19 million in the nine-month period (previous year: EUR 23 million).

Digital Ventures & Commerce: commerce business continues to grow strongly and profitably
In the third quarter of 2016, external revenues in the Digital Ventures & Commerce segment rose to EUR 181 million (previous year: EUR 125 million). This is an increase of 44 %. At the same time, earnings grew significantly: recurring EBITDA went up by 14 % to EUR 40 million (previous year: EUR 35 million). In the first nine months of the year, external revenues rose by 65 % to EUR 483 million (previous year: EUR 293 million). Recurring EBITDA recorded an increase of 30 % and thus went up to EUR 105 million (previous year: EUR 81 million). The online travel portal etraveli and the price comparison portal Verivox made the largest contributions to revenue growth.

Content Production & Global Sales: US business drives growth in revenues and earnings
The Content Production & Global Sales segment continues to grow strongly. In the third quarter of 2016, external revenues rose by 34 % to EUR 100 million (previous year: EUR 74 million) and recurring EBITDA increased to EUR 11 million (previous year: EUR 5 million). In the first nine months of the year, external revenues increased by 38 % to EUR 240 million (previous year: EUR 174 million). At the same time, recurring EBITDA more than doubled to

EUR 27 million (previous year: EUR 10 million). Growth was mainly driven by the successful US business.

Leverage ratio remains within target range

As of September 30, 2016, net financial debt increased to EUR 2,419 million year-on-year (previous year: EUR 1,953 million). As a result, the leverage ratio – which is the ratio of net financial debt to recurring EBITDA of the last twelve months – was 2.5 (previous year: 2.2). The increase compared to the reporting date of the previous year in September reflects the seasonality of operational cash flow within the year as well as the Group's investment activities.

ProSiebenSat.1 confirms higher revenue forecast for 2016

As announced at the Capital Markets Day in mid-October, ProSiebenSat.1 Group anticipates revenue growth of at least 15 % for the full year (previously: at least 10 %). For the year as a whole, the Group anticipates growth of just over 2 % for the net TV advertising market in Germany (at the beginning of 2016: between 2 % and 3 %). Growth in the TV advertising revenues of ProSiebenSat.1 is expected to be slightly below market growth. The Group will continue to grow dynamically in the digital and production business. Recurring EBITDA and underlying net income are set to exceed the previous year's level.

ProSiebenSat.1 Group once again increased its financial targets for 2018 in October 2016. The revenue growth target increased by EUR 300 million from EUR 1.85 billion to EUR 2.15 billion compared to 2012. By 2018, Group revenues are thus expected to amount to EUR 4.5 billion (previously: EUR 4.2 billion). The digital business is then expected to contribute EUR 1.7 billion to revenues. ProSiebenSat.1 increased its recurring EBITDA growth target by EUR 50 million to EUR 400 million compared to 2012. The Company thus aims to achieve recurring EBITDA of EUR 1.15 billion in 2018.

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

EUR m	**Q3 2016**	**Q3 2015**	**Change in %**	**9M 2016**	**9M 2015**	**Change in %**
Consolidated revenues	857	747	+15 %	2,545	2,174	+17 %
Total costs	727	621	+17 %	2,098	1,746	+20 %
Operating costs(1)	658	575	+15 %	1,932	1,619	+19 %
Recurring EBITDA(2)	202	178	+13 %	626	568	+10 %
Recurring EBITDA margin (in %)	23.5	23.8	-0.3 % points	24.6	26.1	-1.5 % points
EBITDA	188	166	+13 %	608	538	+13 %
Special items	-13	-11	+15 %	-18	-30	-40 %
EBIT	137	131	+4 %	470	441	+6 %
Financial result	-35	-1	>+100 %	-69	-50	+38 %
Consolidated net profit (after non-controlling interests)	68	73	-7 %	271	252	+7 %
Underlying net income(3)	87	79(5)	+11 %	294	271(5)	+8 %
Basic earnings per share (underlying) (in EUR)	0.41	0.37(5)	+10 %	1.37	1.27(5)	+8 %
Cash flow from operating activities	326	340	-4 %	1,001	1,025	-2 %
Free cash flow	-18	-154	-88 %	-21	-78	-74%

EUR m	**Sep 30, 2016**	**Dec 31, 2015**	**Sep 30, 2015**
Equity	658	943	750
Equity ratio (in %)	12.9	17.8	16.5
Cash and cash equivalents	309	734	224
Net financial debt	2,419	1,940	1,953
Leverage(4)	2.5	2.1	2.2

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

EUR m	Q3 2016	Q3 2015	Change in %	9M 2016	9M 2015	Change in %
Broadcasting German-speaking						
Revenues (external)	472	465	+2 %	1,506	1,470	+2 %
Recurring EBITDA(2)	147	137	+7 %	479	460	+4 %
Digital Entertainment						
Revenues (external)	99	80	+23 %	304	228	+33 %
Recurring EBITDA(2)	4	4	+0 %	19	23	-15 %
Digital Ventures & Commerce						
Revenues (external)	181	125	+44 %	483	293	+65 %
Recurring EBITDA(2)	40	35	+14 %	105	81	+30 %
Content Production & Global Sales						
Revenues (external)	100	74	+34 %	240	174	+38 %
Recurring EBITDA(2)	11	5	>+100 %	27	10	>+100 %

(1) Total costs excl. depreciation and amortization and non-recurring expenses. (2) EBITDA adjusted for special items. (3) Consolidated net profit after non-controlling interests before the effects of purchase price allocations and additional special items. These include remeasurement effects on financial investments, put options and earn-out liabilities, ineffective portions of financial derivatives and remeasurement effects on the Group Share Plans recognized in the other financial result. (4) Ratio of net financial debt to recurring EBITDA in the last twelve months. (5) Adjustment due to the retroactive adjustment of changes in the fair value of put options and earn-out liabilities in the second quarter of 2016.

Explanation of reporting principles: ProSiebenSat.1 Group also uses "non-IFRS figures" in its reports, such as recurring EBITDA and underlying net income. For their reconciliation and definition, please refer to the explanations in the management report of the semi-annual financial report 2016, p. 5. In the reporting year, changes in the fair value of the share-based remuneration plans and the liabilities from put options and earn-outs were adjusted for the first time.

More key figures can be found on our Group website www.ProSiebenSat1.com, where you will also find the Interim Report on the third quarter and the first nine months of 2016.