ProSiebenSat.1 Media SE

Press Release

ProSiebenSat.1 Continues Revenue and Earnings Growth in the Second Quarter of 2017

- **Revenues increase by 9 % to EUR 962 million**
- **Adjusted EBITDA rises by 6 % to EUR 270 million**
- **Adjusted net income grows by 9 % to EUR 144 million**
- **ProSiebenSat.1 successfully continues its active portfolio management and further expands the ad-tech and data business**
- **Group confirms positive revenue and earnings outlook**

Munich, August 3, 2017. ProSiebenSat.1 Group closed the second quarter of 2017 with revenues of EUR 962 million (previous year: EUR 886 million). This corresponds to a growth of 9 %. At the same time, the Group further increased its relevant earnings figures: Adjusted EBITDA rose by 6 % to EUR 270 million (previous year: EUR 254 million) while adjusted net income grew by 9 % to EUR 144 million (previous year: EUR 133 million). The commerce portfolio was again the most significant growth driver with a rise in revenues of 50 %.

In the first half of 2017, ProSiebenSat.1 increased its revenues by 11 % to EUR 1,872 million (previous year: EUR 1,688 million). Adjusted EBITDA grew by 8 % to EUR 458 million (previous year: EUR 424 million) and adjusted net income rose by 9 % to EUR 233 million (previous year: EUR 213 million). In the first half of the year, the Group generated 50 % of its revenues outside the TV advertising business (previous year: 44 %), organic growth of the two digital segments at ProSiebenSat.1 totaled 12 %.

Thomas Ebeling, CEO of ProSiebenSat.1 Media SE: "We continued our profitable growth despite the weaker development of the advertising market in the second quarter and anticipate an again positive environment within the TV advertising market for the second half of the year. We are further dynamically growing in the digital areas that are strategically important to us. The investments in our commerce business are paying off. Furthermore, we are driving the expansion of addressable TV, ad-tech and data, which are strategic growth areas for us."

Segment results in Q2 2017:

Revenues in the Broadcasting German-speaking segment slightly below the previous year's level

In the second quarter of 2017, external revenues in the Broadcasting German-speaking segment amounted to EUR 529 million (previous year: EUR 541 million), which corresponds to a 2 % decrease. This reflects the development of TV advertising revenues, which fell behind the previous year by

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4 % in the second quarter. However, adjusted EBITDA increased by 4 % to EUR 208 million (previous year: EUR 201 million), reflecting lower operating costs.

Digital Entertainment segment declines due to deconsolidation of the Games business
External revenues in the Digital Entertainment segment declined by 2 % to EUR 108 million in the second quarter of 2017 (previous year: EUR 110 million), driven by the deconsolidation of the Games business at the end of the second quarter of 2016. In addition, the continued decline in revenues in the music and event business also had an impact. Adjusted for this deconsolidation effect, segment revenues would have risen by 8 % in the second quarter. The adjusted EBITDA amounted to EUR 7 million (previous year: EUR 16 million).

Digital Ventures & Commerce segment further grows dynamically
External revenues in the Digital Ventures & Commerce segment continued to increase significantly and amounted to EUR 227 million in the second quarter of 2017 (previous year: EUR 152 million), equaling a rise of 50 %. This dynamic revenue growth led to a 58 % increase in adjusted EBITDA to EUR 45 million (previous year: EUR 29 million). The online dating vertical with the PARSHIP ELITE Group made the largest contribution to growth. In addition, particularly the Lifestyle Commerce business, which includes companies like Flaconi and Amorelie, also developed positively.

Content Production & Global Sales segment continues strong growth in the US
In the Content Production & Global Sales segment, external revenues increased by 15 % to EUR 89 million (previous year: EUR 77 million) while adjusted EBITDA rose to EUR 12 million in the second quarter of 2017 (previous year: EUR 11 million). In particular, the production business in the US continued to develop positively.

ProSiebenSat.1 successfully continues its active portfolio management and further expands the ad-tech and data business
In the second quarter of 2017, ProSiebenSat.1 conducted multiple portfolio measures: The Group acquired a majority stake in Jochen Schweizer GmbH, a leading provider of experience gifts, for a valuation of EUR 108 million. Furthermore, ProSiebenSat.1 sold its shares in Etraveli, an online travel agency, for an enterprise value of EUR 508 million and has thus more than doubled this valuation since the company has been acquired in November 2015. The transactions are set to be closed in the second half of the year. In addition, SevenVentures sold a majority of its media-for-equity portfolio for an amount in the mid double-digit million euro range.

Moreover, ProSiebenSat.1 further increased its activities in the areas of ad-tech and data. For instance, the Group established the European Broadcaster Exchange (EBX) together with TF1 Group and Mediaset. This joint venture is aimed at driving forward the technological development of online advertising and addressing the demand for brand-safe environments and high-quality pan-

European video campaigns. ProSiebenSat.1 also founded a joint registration and data initiative with RTL Deutschland as well as United Internet AG, which will launch with Zalando SE as first partner.

ProSiebenSat.1 confirms positive revenue and earnings outlook

Following the TV advertising market's restraint performance in the first half of the year, ProSiebenSat.1 expects a more dynamic development in the second half of the year. As a result, ProSiebenSat.1 still expects the TV advertising market to achieve net growth of between 1.5 % and 2.5 % for the full year, while growth at the lower end of this range is perceived more likely from ProSiebenSat.1's point of view.

The Group further confirms its positive outlook: ProSiebenSat.1 continues to aim to increase its consolidated revenues by at least a high single-digit percentage for the full year. ProSiebenSat.1 expects all segments to contribute to this, while revenue growth in the Broadcasting German-speaking segment in the second half of 2017 should benefit from the increasing momentum in the TV advertising business. ProSiebenSat.1 also expects adjusted EBITDA and adjusted net income to again exceed the previous year's levels in 2017. At the same time, ProSiebenSat.1 Group also considers itself to be on track to achieve its mid-term financial targets for 2018.

Reporting information

ProSiebenSat.1 Group also uses non-IFRS figures in the form of adjusted EBITDA and adjusted net income. At the beginning of financial year 2017, ProSiebenSat.1 published a full income statement adjusted for certain influencing factors. These changes take into account the development of reporting practices for non-IFRS figures and more stringent regulatory transparency requirements in this area.

Other key figures can be found on our Group's website: www.ProSiebenSat1.com. Here, you will also find a presentation for the second quarter of 2017 and the half-year financial report for 2017.

Key figures of ProSiebenSat.1 Group

EUR m	Q2 2017	Q2 2016	Change in %	H1 2017	H1 2016	Change in %
Revenues	**962**	886	+9	**1,872**	1,688	+11
Total costs	**762**	688	+11	**1,568**	1,371	+14
Operating costs(1)	**696**	638	+9	**1,423**	1,274	+12
Adjusted EBITDA(2)	**270**	254	+6	**458**	424	+8
Adjusted EBITDA margin (in %)	**28.1**	28.7	-0.6 % pts.	**24.5**	25.1	-0.7 % pts.
EBITDA	**258**	258	0	**421**	420	0
Reconciling items	**-12**	4	~	**-37**	-5	~
Operating profit (EBIT)	**205**	211	-3	**314**	333	-6
Financial result	**-26**	-10	~	**-37**	-34	+10
Consolidated net profit from continuing activities after non-controlling interests	**117**	136	-14	**181**	203	-11
Adjusted net income(3)	**144**	133	+9	**233**	213	+9
Basic earnings per share (adjusted; in EUR)(4)	**0.63**	0.62	+2	**1.02**	0.99	+2
Free cash flow from continuing activities(5)	**-20**	0	~	**-37**	-2	~
Free cash flow before M&A from continuing activities(6)	**40**	31	+29	**70**	94	-25
Cash flow from operating activities (continuing activities)	**346**	310	+12	**649**	675	-4
Cash flow from operating activities (discontinued activities)	**-/-**	-40	-100	**-/-**	-42	-100

Key figures of ProSiebenSat.1 Group

EUR m	June 30, 2017	December 31, 2016	June 30, 2016
Equity	**1,068**	1,432	628
Equity ratio (in %)	**17.4**	21.7	11.8
Cash and cash equivalents	**758**	1,271	672
Net financial debt(8)	**2,425**	1,913	2,005
Leverage ratio(7) (8)	**2.3**	1.9	2.1

Segment key figures of ProSiebenSat.1 Group

EUR m	Q2 2017	Q2 2016	Change in %	H1 2017	H1 2016	Change in %
Broadcasting German-speaking						
Total revenues	**562**	564	0	**1,102**	1,079	+2
External revenues	**529**	541	-2	**1,031**	1,034	0
Adjusted EBITDA(2)	**208**	201	+4	**345**	332	+4
Digital Entertainment						
Total revenues	**114**	116	-2	**217**	215	1
External revenues	**108**	110	-2	**205**	205	0
Adjusted EBITDA(2)	**7**	16	-54	**5**	15	-66
Digital Ventures & Commerce						
Total revenues	**229**	158	+45	**459**	313	+47
External revenues	**227**	152	+50	**457**	302	+52
Adjusted EBITDA(2)	**45**	29	+58	**92**	66	+40
Content Production & Global Sales						
Total revenues	**107**	97	+11	**207**	173	+20
External revenues	**89**	77	+15	**168**	141	+19
Adjusted EBITDA(2)	**12**	11	+10	**21**	15	+34

(1) Total costs excl. D&A and expense adjustments. (2) EBITDA before reconciling items (net). (3) Consolidated profit for the period attributable to shareholders of ProSiebenSat.1 Media SE before the effects of purchase price allocations and additional special items. This includes valuation effects on financial investments recognized in the other financial result, put options and earn-out liabilities, inefficiencies from financial derivatives and valuation effects on Group Share Plans. (4) From continuing operations. (5) After M&A; Total cash and cash equivalents generated in operating

business less the balance of cash used and generated in the context of investing activities. (6) Free cash flow adjusted for cash used and generated by M&A transactions (excl. transaction costs) related to majority acquisitions that are carried out and planned and the purchase and sale of investments accounted for using the equity method. (7) Ratio net financial debt to adjusted EBITDA in the last twelve months. (8) After reclassification of cash and cash equivalents of eTRAVELi AB.