
Press Release



Q3 2009: ProSiebenSat.1 improves profitability in a challenging market environment / Audience share in Germany above 30 percent

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Q3 / 9M 2009 at a glance (all prior year figures adjusted for CMore):

- **Revenues:** "German-speaking TV" segment showed a slight decline of 2.0 percent or EUR 6.9 million (9M 2009: -5.2 percent / EUR -62.9 million year on year). Consolidated revenues declined by 7.9 percent or EUR 48.2 million (9M 2009: -8.6 percent / EUR -177.2 million year on year).
- **Profitability strengthened:** Operating profit excluding non-recurring effects increased by 1.8 percent, to EUR 94.4 million (9M 2009: up 4.1 percent / EUR 15.4 million year on year). Recurring EBITDA margin improved by 1.6 percentage points, to 16.9 percent (9M 2009: 20.7 percent; 9M 2008: 18.2 percent).
- **Efficient cost management:** Lower revenues offset by consistent cost management. Operating costs decreased by EUR 49.6 million (down 9.6 percent) for the quarter, and by 193.2 million (down 11.4 percent) for the first nine months.
- **Market share up:** German family of TV stations increased its viewer share by 0.8 percentage points, to 30.5 percent in Q3 (9M 2009: 29.9 percent; 9M 2008: 29.2 percent).
- **Outlook:** Market visibility remains low

Munich, November 5, 2009 – Consolidated revenues of ProSiebenSat.1 Group declined by 7.9 percent during the third quarter of 2009, to EUR 559.4 million (Q3 2008, adjusted for CMore: EUR 607.6 million). The Group was able to offset the decline in revenues by consistent cost management, allowing it to strengthen profitability in an overall challenging market environment. The operating margin thus improved by 1.6 percentage points, to 16.9 percent. At EUR 94.4 million, recurring EBITDA was 1.8 percent higher than the prior year figure of EUR 92.7 million (adjusted for CMore).

Ebeling: "Even a challenging market environment offer opportunities."

"We were able to strengthen our competitive position during the third quarter because we reacted to the market environment in a timely and appropriate manner. In the future, an appropriate investment policy and consistent cost control will continue to be our priority", said Thomas Ebeling, CEO of ProSiebenSat.1 Media AG, adding: "Even a challenging market environment offers opportunities to generate additional revenues. Essentially, we need to focus on two aspects. Firstly, we will have to further improve the way we exploit our programming assets, across all platforms. This includes free-to-air TV, but also additional subscription based models, video-on-demand or

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mobile services. The refinancing of programs through distribution and usage-based fees will play an increasingly important part. Secondly, we will have to adequately market advertising slots that we have not capitalised to date. We have made a good start with ten projects where we already allocate media volume in exchange for a share of revenues. But we also have to develop stronger growth drivers in the classic Diversification segment in order to reduce our dependency on the cyclical fluctuations of the advertising market. One positive example from the last months is the successful expansion of our music business."

Weakness in TV advertising impacts on consolidated revenues – prior year figures strongly influenced by deconsolidation of CMore

During the third quarter of 2009, the impact of the global economic crisis continued to influence advertisers' willingness to spend in all our markets we operate in, albeit to a varying degree. While external revenues of the advertising-financed Free TV in German-speaking Europe segment – the most important revenue region - were down by only 2.0 percent (EUR 6.9 million), revenues in the Free TV International segment declined by 14.4 percent (EUR 25.2 million). Besides lower TV advertising revenues in Europe – reflecting the difficult macroeconomic environment – the ProSiebenSat.1 Group's consolidated revenues were influenced by the sale of CMore in particular. Adjusted for the effects of the CMore deconsolidation (revenue contribution in Q3 2008: EUR 38.9 million), Group revenues for the third quarter of 2009 were down by 7.9 percent (EUR 48.2 million).

Significant cost reductions

Already in the fourth quarter of 2008, the ProSiebenSat.1 Group had launched an extensive package of Group-wide cost management measures to counter the anticipated revenue decline resulting from the economic downturn. Due to additional measures initiated during the current financial year, the Group already exceeded its original efficiency goal of 100 million Euros. For the year 2009, the ProSiebenSat.1 Group plans the reduction of operating costs totalling approx. EUR 200 million.

In the third quarter 2009, operating costs fell by 9.6 percent or EUR 49.6 million year on year, to EUR 469.2 million. For the first nine months of 2009 they decreased by 11.4 percent or EUR 193.2 million (adjusted for CMore).

Key drivers of the decline in operating costs were cost reductions and efficiency enhancements through improved processes and organization. The Group optimized operating costs across all areas during the third quarter of 2009, while maintaining programming quality. Cost of sales, the ProSiebenSat.1 Group's largest single cost item, declined by 8.2 percent (EUR 31.4 million) year on year during the third quarter of 2009, to EUR 350.1 million. This figure includes consumption of programming assets in the amount of EUR 238.3 million, up 2.1 percent (EUR 5.0 million). Over recent months, the Group implemented more efficient structures, particularly in Germany, as SAT.1 and a significant part of the Berlin operations moved to Munich. Sharing



resources and know-how allows ProSiebenSat.1 to further improve efficiency, and to better exploit the creative potential of its stations.

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Operating results strengthened – recurring EBITDA margin increased

On a comparable basis, recurring EBITDA came in at EUR 94.4 million, i.e. 1.8 percent above the prior year figure of EUR 92.7 million (adjusted for CMore). Compared to the prior year figure including CMore recurring EBITDA declined by 8.4 percent (EUR 8.7 million). Recurring EBITDA margin rose to 16.9 percent (Q3 2008: 15.9 percent; Q3 2008 adjusted for CMore: 15.3 percent).

The net financial result improved significantly to EUR –48.5 million in the third quarter of 2009 (Q3 2008: EUR –78.9 million). At EUR –18.7 million, the result before taxes improved by 6.5 percent year on year (Q3 2008: EUR –20.0 million). After taxes and minority interests, the net consolidated result for the period was negative, at EUR –12.7 million (Q3 2008: EUR –10.7 million). Accordingly, earnings per preferred share were EUR –0.05 (Q3 2008: EUR –0.04).

German family of TV stations increase viewer shares

SAT.1, ProSieben, kabel eins and N24 increased their aggregate viewer market share by 0.8 percentage points during the third quarter of 2009, to 30.5 percent (9M 2009: 29.9 percent; 9M 2008: 29.2 percent). Programming highlights broadcast by all of the Group's four German free-to-air TV stations contributed to this increase:

- **SAT.1:** SAT.1 grips viewers with event movies made in Germany. The TV highlight "The Night a Village Vanished" reached an audience share of 19.3 percent. With live football the SAT.1 sports show "ran" also achieved top ratings with audience shares up to 24.5 percent.
- **ProSieben:** 4.01 million viewers watched "Lissi und der wilde Kaiser" on ProSieben – the best Q3 prime time performance in the German TV market
- **kabel eins:** With sitcoms such as "Two and a Half Men", kabel eins achieved the best quarterly result in the station's history: an audience share of 6.5 percent.
- **N24:** In July, N24 achieved a market share of 1.6 percent – the highest monthly result in the station's history. Coverage of the events surrounding Michael Jackson contributed to this result in particular.

The basis for achieving good audience shares in Germany is an improved coordination of programs among the Group's stations. Besides the German Free TV stations, on a year-to-date average (January to September 2009) the Group's TV stations in the Netherlands (+ 0.9 percentage points in 9M 2009), Denmark (+ 0.9 percentage points in 9M 2009), and Romania (+ 0.7 percentage points in 9M 2009), also achieved good group market shares with programming highlights such as:

- **The Netherlands:** On SBS 6, the casting show POPSTARS achieved market shares of up to 38.1 percent. Another hit on SBS 6 was the Dutch version of



“The Successor – The next Uri Geller”. 38.5 percent of the viewers watched the finale.

- **Denmark:** Thanks to live football, the station 6’eren achieved the best results in its history. The World Cup qualifying match Denmark vs. Albania reached audience shares up to 45.2 percent.
- **Romania:** Also in Q3 2009, the “Movie Nights” reached hit ratings on Prima TV with market shares up to 21.2 percent.

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Net financial debt

Net financial debt totalled EUR 3.534 billion as at September 30, 2009. Compared to September 30, 2008, this represents a decrease of 7.4 percent (EUR 282.3 million), which results from a EUR 286.9 million year-on-year increase in cash and cash equivalents.

Compared to June 30, 2009, net financial debt has increased by 3.1 percent (EUR 107.0 million). This increase was largely due to the seasonally lower free cash flow generation. Accordingly, cash and cash equivalents declined to EUR 508.4 million, down EUR 90.7 million compared to 30 June 2009.

Outlook

Despite increasing signs of a macroeconomic stabilisation, the market environment remains challenging. Our planning remains conservative, an adequate investment policy and consequent cost control will still be our priority. However, it is also important for the future to tap additional revenue sources.



ProSiebenSat.1 Group – key financials

Key financial figures for ProSiebenSat.1 Group (2008 adj. for CMore disposal)

EUR m	Q3 2009	Q3 2008	%	9M 2009	9M 2008	%
Consolidated revenues	559.4	607.6	-7.9	1,880.4	2,057.6	-8.6
Operating costs ⁽¹⁾	469.2	518.8	-9.6	1,501.2	1,694.4	-11.4
Consumption of programming assets	238.3	233.3	2.1	778.5	863.8	-9.9
Recurring EBITDA ⁽²⁾	94.4	92.7	1.8	389.3	373.9	4.1
Recurring EBITDA margin	16.9%	15.3%	-/-	20.7%	18.2%	-/-
EBITDA	62.4	82.2	-24.1	330.0	346.5	-4.8
Non-recurring effects ⁽³⁾	32.0	10.6	201.9	59.3	27.5	115.6
Investments in programming assets	301.4	300.4	0.3	959.4	963.4	-0.4

Key financial figures for ProSiebenSat.1 Group (including CMore in 2008)

EUR m	Q3 2009	Q3 2008	%	9M 2009	9M 2008	%
Consolidated revenues	559.4	646.5	-13.5	1,880.4	2,177.4	-13.6
Total costs	534.1	595.2	-10.3	1,658.9	1,935.2	-14.3
Operating costs ⁽¹⁾	469.2	547.3	-14.3	1,501.2	1,792.9	-16.3
Consumption of programming assets	238.3	247.3	-3.6	778.5	919.6	-15.3
Recurring EBITDA ⁽²⁾	94.4	103.1	-8.4	389.3	395.3	-1.5
Recurring EBITDA margin	16.9%	15.9%	-/-	20.7%	18.2%	-/-
EBITDA	62.4	92.5	-32.5	330.0	366.6	-10.0
Non-recurring effects ⁽³⁾	32.0	10.6	201.9	59.3	28.6	107.3
EBIT	29.7	58.6	-49.3	235.9	260.1	-9.3
Net financial result	-48.5	-78.9	38.5	-177.2	-201.6	12.1
Profit/loss before taxes	-18.7	-20.0	6.5	59.1	59.6	-0.8
Net result for the period after minority interests	-12.7	-10.7	-18.7	31.1	40.9	-24.0
Investments in programming assets	301.4	388.9	-22.5	959.4	1,067.7	-10.1

ProSiebenSat.1 Group – key balance sheet and other items

EUR m	30 September 2009	30 September 2008	31 December 2008	30 June 2009
Programming assets	1,534.6	1,360.7	1,380.0	1472.9
Equity	438.9	844.0	478.9	465.0
Equity ratio	7.3%	13.8%	8.1%	7.8%
Cash and cash equivalents	508.4	221.5	632.9	599.1
Net financial debt ⁽⁴⁾	3,534.4	3,816.7	3,406.7	3,427.3
Employees ⁽⁵⁾	5,026	6,012	5,847	5,299

(1) Total costs less non-recurring effects and amortization and depreciation (2) Recurring EBITDA = EBITDA adjusted for non-recurring effects. (3) Non-recurring effects: non-recurring expenses net of non-recurring income. (4) 2008 includes CMore cash equivalents. (5) Average full-time equivalent positions

**Key financial figures by segment**

EUR m	Q3 2009	Q3 2008	%	Q3 2009	Q3 2008	%
	External revenues			Recurring EBITDA		
Free TV in German-speaking Europe	337.3	344.2	-2.0	51.8	41.8	23.9
Free TV International	149.2	174.4	-14.4	27.0	40.8	-33.8
Diversification	72.9	127.9 ⁽¹⁾	-43.0	15.5	19.3 ⁽²⁾	-19.7

(1) The Q3 2008 figure includes EUR 38.9 million attributable to CMore. (2) The Q3 2008 figure includes EUR 10.3 million attributable to CMore.

EUR m	9M 2009	9M 2008	%	9M 2009	9M 2008	%
	External revenues			Recurring EBITDA		
Free TV in German-speaking Europe	1,150.7	1,213.6	-5.2	247.2	215.2	14.9
Free TV International	488.1	565.1	-13.6	95.8	122.7	-21.9
Diversification	241.5	398.7 ⁽¹⁾	-39.4	46.2	55.9 ⁽²⁾	-17.4

(1) The 9M figure includes EUR 119.8 million attributable to CMore. (2) The 9M 2008 figure includes EUR 21.3 million attributable to CMore.

Additional information

The interim report for the third quarter of 2009 is available for download from the ProSiebenSat.1 website: www.prosiebensat1.com/investor_relations/finanzberichte/, where you will also find the Company presentation on the quarterly results.