
Press Release



Q3 2008 Results Affected by Ongoing Problems in German Free TV segment

Page 1

- Consolidated revenues down 3.3 percent to EUR 646.5 million
- Recurring EBITDA down 17.4 percent to EUR 103.1 million
- Business outlook deteriorates significantly: 2009 budget to be revised in response to difficult market environment

Munich, November 6, 2008. Consolidated revenues decreased 3.3 percent in the third quarter of 2008, to reach EUR 646.5 million (Q3 2007: EUR 668.4 million). This was mainly due to the poor revenue performance of German Free TV. Despite a satisfactory start into the third quarter and a very good audience share, revenues here were again well below last year's levels. Bookings continued to feel the impact of difficulties caused by the introduction of the ad sales model. The problem was further exacerbated by growing signs of an economic slowdown at the end of the quarter. Lower revenues in the German free TV market were partly offset by higher revenues in the international free TV business.

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Recurring EBITDA (EBITDA adjusted for one-time effects) decreased by EUR 21.7 million, or 17.4 percent, to EUR 103.1 million. EBITDA came to EUR 92.5 million, compared to EUR 0.4 million in the same period of 2007. Total costs, consisting of cost of sales, selling expenses and administrative expenses, were down EUR 135.0 million, to EUR 595.2 million. Last year's figure was dominated by non-recurring items of EUR 124.4 million, primarily the EUR 120.0 million antitrust fine. One-time expenses for the third quarter of 2008 totaled EUR 14.4 million. These went primarily for portfolio changes. Adjusted for one-time expenses, total costs were down EUR 25.1 million compared to Q3 2007, to EUR 580.8 million.

Said Guillaume de Posch, CEO of ProSiebenSat.1 Media AG: "In the German market we have so far been unable to capitalize our viewer ratings success in the ad market. That is now our top priority. Additionally, we have adapt to an adverse market environment. In the third quarter revenues in international Free TV showed a solid growth. Although single markets with high growth rates still exist, on the basis of current market data, we expect an overall weakening for the fourth quarter. We will be reviewing the profitability and efficiency of all processes in our company, and concentrate on the 'must haves' which are essential to our Company in these very challenging market conditions."

Segments' performance in Q3 2008

- **Free TV in German-Speaking Europe:**

External revenues for Q3 2008, at EUR 344.2 million, were down EUR 34.1 million. The revenue decrease of 9.0 percent was the result of lower advertising



revenues in Germany. Part of the decline was compensated by savings on operating costs. As planned, programming expenses were reduced by optimizing the use of programming assets – while at the same time increasing the group's audience share (Q3 2008: 29.7%; Q3 2007: 29.1%). The segment's recurring EBITDA was down EUR 17.9 million against the third quarter of 2007, to EUR 41.8 million (-30.1 percent). EBITDA, by contrast, grew disproportionately compared to last year, by EUR 91.2 million, to reach EUR 27.9 million. Last year's EUR -63.3 million was the result of one-time expenses of EUR 123.0 million, mainly for a Federal Cartel Office fine (EUR 120.0 million). Non-recurring effects for Q3 2008 came to EUR 13.9 million.

- **Free TV International:**

Free TV International performed well. The segment's external revenues grew by 10.9 percent, to EUR 174.4 million (Q3 2007: EUR 157.3 million). Countries with the fastest growth were Denmark (+25 percent), Romania (+20 percent), Hungary (+13 percent) and Norway (+12 percent). Most of the increase came from higher advertising revenues. Higher distribution revenues and the good performance of new stations launched in 2007 also helped revenue growth. Recurring EBITDA grew EUR 5.5 million, or 15.6 percent, to reach EUR 40.8 million. EBITDA gained EUR 11.5 million, or 33.5 percent, to reach EUR 45.6 million. Third-quarter EBITDA for 2008 includes one-time income effects of EUR 4.8 million, most of which result from the sale of the Scandinavian subtitling service BTI.

- **Diversification:**

External revenues decreased by EUR 4.9 million, or 3.7 percent, to EUR 127.9 million, mainly because of lower call TV revenues at 9Live in Germany. International operations in radio and premium pay TV (C More) remained robust. The revenue driver in the German-speaking market was the online business. The segment's recurring EBITDA was down EUR 10.6 million, to EUR 19.3 million (-35.4 percent); EBITDA decreased EUR 10.8 million, to EUR 18.9 million (-36.5 percent).

Outlook

Difficulties following the introduction of the ad sales model in Germany will continue to make themselves felt in the fourth quarter, especially since the outlook for the German advertising market has markedly deteriorated. It's hard to tell what impact the crisis in the financial markets will have on the advertising industry internationally. But negative factors are likely to prevail, with differing impact on the regions in which the Group is active.

The ProSiebenSat.1 Group will adapt its 2009 budget to the changing environment, and move decisively to counteract a difficult market situation. Though cost management is already rigorous, additional savings will be made. "Like many other players, we too must gear up for the winter. Only rigorous cost management will safeguard the ProSiebenSat.1 Group's future. Such steps will pay off as soon as the economy picks up," explained de Posch.



**Key figures from the Consolidated Income Statement
(SBS consolidated since July 2007)**

Page 3 of 3

	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007
Revenues	646.5	668.4	2,177.4	1,721.2
Total expenses	595.2	730.3	1,935.2	1,569.6
Recurring EBITDA*	103.1	124.8	395.3	366.0
EBITDA	92.5	0.4	366.6	241.2
Consolidated loss/profit**	-10.7	-77.9	40.9	49.9
Underlying net income***	0.6	68.4	80.4	197.5

Key figures from the Consolidated Income Statement (pro forma)

	Q1-Q3 2008	Q1-Q3 2007
Revenues	2,177.4	2,248.0
Total expenses	1,935.2	2,031.5
Recurring EBITDA*	395.3	487.2
EBITDA	366.6	347.1
Consolidated loss/profit**	40.9	-3.7

Pro forma figures for 2007: SBS consolidated as of January 2007.

* Recurring EBITDA = EBITDA before non-recurring items. ** After minority interests.

*** Underlying net income: Consolidated profit before effects of purchase price allocation and (only in 2007) FCO fine of EUR 120.0m.

**Other key figures for the ProSiebenSat.1 Group
(SBS consolidated since July 2007)**

	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007
Cash flow from operating activities	283.6	319.8	918.1	950.5
Cash flow from investing activities	-410.5	-2,359.5	-1,124.8	-2,839.8
Free cash flow	-126.9	-2,039.6	-206.7	-1,889.3
Net financial position*	-3,816.7	-3,541.5	-3,816.7	-3,541.5

* Including C More.

External revenues by segment (pro forma)

	Q3 2008	Q3 2007	Q1-Q3 2008	Q1-Q3 2007
Free TV in German-Speaking Europe	344.2	378.3	1,213.6	1,312.6
Free TV International*	174.4	157.3	565.1	539.9
Diversification*	127.9	132.8	398.7	395.5

* Pro forma figures for 2007: SBS consolidated as of January 2007.

Note:

You can find the full report on the third quarter of 2008, together with the key figures from the income statement, balance sheet, cash flow statement, and statement of changes in equity, as well as the segment report, online on our Web site at http://www.prosiebensat1.com/investor_relations/finanzberichte/.