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## Press release

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### ProSiebenSat.1 increases revenues and earnings in all segments in first quarter 2013

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- **Group revenues increase significantly by 12.7% to EUR 562.8 million**
- **Recurring EBITDA up by 4.7% to EUR 128.0 million**
- **Underlying net income rises by 23.8% to EUR 50.9 million**
- **ProSiebenSat.1 stations in Germany grow stronger than the ad market**
- **Revenues in the Digital & Adjacent segment increase by 43.9% to EUR 96.7 million**
- **Positive outlook for 2013 confirmed**

[All statements and figures are based on continuing operations unless otherwise stated. The Northern and Eastern European TV and radio activities were sold in December 2012 or are held for sale. The previous year's figures have been adjusted accordingly. The Northern European transaction was completed on April 9, 2013.]

**Munich, May 7, 2013.** In the first quarter of 2013, the ProSiebenSat.1 Group continued to grow dynamically. The Group increased its total revenues by 12.7% to EUR 562.8 million (previous year: EUR 499.4 million). Recurring EBITDA exceeded the previous year's figure by 4.7% and reached EUR 128.0 million (previous year: EUR 122.2 million). All three segments contributed to this positive development. The strongest growth driver was again the Digital & Adjacent segment with an increase of 43.9% to EUR 96.7 million (previous year: EUR 67.2 million). Revenues also grew in the Broadcasting German-speaking segment due to increased advertising and distribution revenues. Underlying net income increased by 23.8% to EUR 50.9 million (previous year: EUR 41.1 million).

Thomas Ebeling, CEO of ProSiebenSat.1 Media AG: "We are very pleased with our start into the financial year. All segments grew in the first quarter of 2013, and our Digital & Adjacent business is continuing to develop very dynamically. We are also making very good progress towards our long-term goals. We have already achieved 61% of the additional revenue growth we aim to generate between 2010 and 2015. Against the backdrop of this strong performance, we have identified additional revenue growth potential of more than EUR 150 million by 2015 for our Digital & Adjacent segment. We are further strengthening the integration of our TV and digital areas at full speed, offering huge potential for success to us. As the number one in the German-speaking free TV market, we reach millions of people every day through our television stations. We are using this reach consistently to establish new business areas and products, and we therefore have very good prospects for long-term growth.

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### **German ProSiebenSat.1 stations growing stronger than the market**

In the first quarter of 2013, the ProSiebenSat.1 Group's revenues in the Broadcasting German-speaking segment increased by 4.7% to EUR 441.1 million (previous year: EUR 421.2 million). In Germany, the Group continued to increase its revenues from selling TV advertising time after a positive previous year quarter, and it extended its leading position in the TV advertising market to 44.3% gross (previous year: 42.7%). In addition, the German TV stations grew stronger than the market. At the same time, the relevance of television as an advertising medium continued to increase; the gross share in the overall advertising market rose by 1.6 percentage points year-on-year to 44.2% (previous year: 42.6% gross). The Austrian ProSiebenSat.1 stations increased their share in the gross TV advertising market to 35.6% (previous year: 32.3%) and thus became the market leader.

In the first quarter of 2013, the combined audience market share of the German TV stations SAT.1, ProSieben, kabel eins, sixx and SAT.1 Gold was 26.6% (previous year: 28.5%). In the course of the first quarter the Group has made substantial gains. Compared to January 2013, the German-speaking station portfolio's market share increased by 1.2 percentage points to 27.2% in March 2013. SAT.1 exceeded the result for January by 0.7 percentage points in March 2013. In the coming weeks, the ProSiebenSat.1 Group will launch a comprehensive programming offensive. For example, it has secured the comedy star "Cindy aus Marzahn" for an exclusive collaboration. Moreover, shows like "Der letzte Bulle" (up to 17.3%), "Homeland" (up to 18.3%) and "The Biggest Loser" (up to 14.3%) continuously generate above-average viewing figures. With the new hit show "The Voice Kids" and an average market share of 20.6%, SAT.1 has secured the highest daily ratings several times in recent weeks.

The continued dynamic rise in distribution revenues – primarily from the distribution of HD stations – again contributed to the growth of the Broadcasting German-speaking segment in the first quarter of 2013. Revenues from basic pay TV business, which were reported within distribution revenues in the Broadcasting German-speaking segment for the first time in the first quarter of 2013, also developed positively. With this reclassification, the Group is combining its free and pay TV activities consistently in one segment. With growing distribution revenues from the distribution of HD and basic pay TV stations the ProSiebenSat.1 Group is diversifying its revenue sources within the core business of TV.

The Broadcasting German-speaking segment's recurring EBITDA rose to EUR 111.0 million in the first quarter of 2013. This is an increase of 1.7% or EUR 1.9 million compared to the previous year's figure. Earnings performance was affected by the further expansion of the Group's channel portfolio as well as higher programming costs.



### **Digital & Adjacent grows by more than 40 percent**

The Digital & Adjacent segment continued its strong growth course in the first quarter of 2013. External revenues increased by 43.9% or EUR 29.5 million to EUR 96.7 million. ProSiebenSat.1 thus again posted an increase in revenues of over 40% in this segment. All four key business units of the segment contributed to this development with growth rates of at least double-digit. Revenues in the Ventures & Commerce area increased at an even greater rate.

- **Online Video:** With a market share of 48%, the ProSiebenSat.1 Group is Germany's leading marketer of video content on the internet, too. In the first quarter, the Group pushed forward with the conversion of the internet portal MyVideo into an online TV station. With "Last Man Standing", an eight-hour live poker event in March, MyVideo generated more than four million video views. In addition, the video-on-demand platform maxdome made a significant contribution to the growth in revenues. With 50,000 titles, a market share of 40% and one million active users, the portal is Germany's largest online video library. Furthermore, maxdome is pre-installed on 70% of all smart TVs.
- **Online Games:** In the first quarter of 2013, the Games unit continued to grow dynamically. With "Gunz2" and "Creatures", the Group secured two more attractive titles for international sale. It also successfully launched a Europe-wide games app. Around 16 million gamers are registered on the ProSiebenSat.1 Group's gaming platforms.
- **Ventures & Commerce:** In the first quarter, the Ventures & Commerce business made the largest growth contribution in this segment. The ProSiebenSat.1 Group provides selected start-up companies with TV advertising time on its high-reach stations in return for a share in revenues and/or equity. In this way, the ProSiebenSat.1 Group has built up a Ventures portfolio with 61 partnerships including strategic investments since 2010. In the first quarter, the Group extended its portfolio with strategic investments in the fashion community Stylight and the e-commerce provider Outstore. In addition, the Group founded the incubator Epic Companies, which builds up start-up companies from their foundation onward.
- **Music:** Revenues from music and live entertainment business also developed well. The Group has operated its own online-ticketing platform TICKETHALL since February 2013, where it has successful artists such as Lenny Kravitz, Die Fantastischen Vier and Heino under contract.

The Digital & Adjacent segment's recurring EBITDA rose to EUR 20.0 million in the first quarter of 2013. This is an increase of 14.6%, which was impacted by investments in the Group's growth initiatives.



### **Red Arrow formats successfully on air worldwide**

At EUR 25.1 million, external revenues in the Content Production & Global Sales segment considerably exceeded the previous year's figure of EUR 11.0 million. Red Arrow Entertainment benefits from a broad-based portfolio with 17 production companies in nine countries around the world. Three years after it was founded, the ProSiebenSat.1 subsidiary is already one of the top ten independent production companies internationally. In the first quarter of 2013, successful Red Arrow formats were on air around the world: The innovative cooking show "The Taste" started on the US station ABC as the strongest non-fiction program in two years. In Great Britain, the TV show "Off Their Rockers" reached nearly six million viewers on the country's largest private station ITV1.

Due to higher revenues and at the same time costs rising at a lower rate, recurring EBITDA in the segment improved by EUR 0.4 million to minus EUR 1.2 million (previous year: minus EUR 1.5 million) in the first quarter of 2013.

### **ProSiebenSat.1 invests continuously in growth areas**

The ProSiebenSat.1 Group generates long-term growth prospects by expanding strategically relevant parts of the Group. The goal is to diversify business activities even further and to tap into other sources of revenues in addition to the traditional TV advertising business. As expected, additional investments in growth segments, alongside the acquisitions of recent months, led to an increase of costs in the first quarter of 2013. Operating costs rose by 15.7% or EUR 59.4 million year-on-year to EUR 438.3 million.

### **Solid balance sheet structure**

Compared to March 31, 2012, net financial debt improved by 4.9% or EUR 93.8 million to EUR 1.829 billion. Leverage improved slightly year-on-year. As of March 31, 2013, the ratio of net financial debt before reclassification of cash and cash equivalents from the Northern and Eastern European business to recurring EBITDA of the last twelve months (LTM recurring EBITDA) was 2.1 times. Thus, the leverage ratio is within the defined target range of 1.5 to 2.5 times. As of March 31, 2012, the figure was 2.2 times recurring EBITDA.

On April 9, 2013, the sale of the Northern European TV and radio activities to Discovery Communications was concluded. As announced, the ProSiebenSat.1 Group will use EUR 500 million of the sale proceeds to reduce its financial liabilities and thus further strengthen its capital structure. At the end of April this year, the Group further already prepaid EUR 113 million. An additional EUR 387 million will follow within the second quarter of 2013. The Group's term loans will then amount to EUR 1.860 billion (nominal value). As the Group manages its capital structure proactively it is considering extending part of the term loans due in July 2015/2016 to July 2018 in order to optimize the financing structure further. The ProSiebenSat.1 Group has submitted a corresponding proposal to its lenders.



### **Proposed dividend of EUR 5.65 per preference share and EUR 5.63 per common share**

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In addition to the above mentioned loan repayments of EUR 500 million, the ProSiebenSat.1 Group will also invest the proceeds from the sale of the Northern European TV and radio portfolio in current business operations. Hence, the operating cash flow will be available for other purposes in a greater extent. The Executive Board will propose a dividend of EUR 5.65 per preference share (previous year: EUR 1.17) for 2012 and EUR 5.63 per common share (previous year: EUR 1.15) to the Annual General Meeting taking place on July 23, 2013. This represents a total payout of approximately EUR 1.2 billion (previous year: EUR 245.7 million). After the payment, the ProSiebenSat.1 Group's leverage factor will remain in the target range of 1.5 to 2.5 times communicated previously, based on the Group's ratio of net financial debt to recurring EBITDA (LTM).

Furthermore, the company intends to propose to the coming shareholders' meeting a conversion of its non-voting preference shares into voting common shares. In connection with the conversion, which shall be effected without requirement for the preference shareholders to pay any premium, all common shares would be admitted to trading at the stock exchange.

### **ProSiebenSat.1 confirms positive full-year outlook**

The ProSiebenSat.1 Group has had a positive start to 2013 in all segments and confirms its outlook for the year as a whole. As before, the Group expects revenues to grow by a mid-single-digit percentage. The Group is aiming for recurring EBITDA above the previous year's figure of EUR 744.8 million (continuing operations). All segments will make a contribution here. Furthermore, the Group is also re-emphasizing its long-term growth targets. At the close of the first quarter of 2013, the Group has already achieved 61% of the potential additional revenues to be generated by 2015 in comparison to 2010. After the sale of the Northern European TV and radio activities, the total growth target by 2015 is more than EUR 600 million. This figure does not include the additional potential revenues of EUR 150 million from the Digital & Adjacent segment.



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

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EUR m	Q1 2013	Q1 2012
Revenues	562.8	499.4
Total costs	461.5	399.3
Operating costs <sup>(1)</sup>	438.3	378.9
Recurring EBITDA <sup>(2)</sup>	128.0	122.2
Recurring EBITDA margin (in percent)	22.7	24.5
EBITDA	123.1	117.8
Non-recurring items	-4.9	-4.4
EBIT	104.8	101.8
Financial result	-33.0	-37.2
Net result (consolidated net profit after non-controlling interests)	50.0	40.4
Underlying net income <sup>(3)</sup>	50.9	41.1
Basic earnings per preference share (underlying)	0.24	0.20
Free cash flow	-22.4	-92.8

EUR m	Mar. 31, 2013	Dec. 31, 2012	Mar. 31, 2012
Shareholders' equity	1,594.1	1,500.9	1,476.4
Equity ratio (in %)	28.8	27.7	29.3
Cash & cash equivalents	655.4	702.3	414.2
Net financial debt <sup>(5)</sup>	1,829.0	1,780.4	1,922.9
Leverage <sup>(4) (5)</sup>	2.1	2.0	2.2



## Key figures by segment on the basis of continuing operations

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EUR m	Q1 2013	Q1 2012
<b>Broadcasting German-speaking</b>		
Revenues (external)	441.1	421.2
Recurring EBITDA <sup>(2)</sup>	111.0	109.1
<b>Digital &amp; Adjacent</b>		
Revenues (external)	96.7	67.2
Recurring EBITDA <sup>(2)</sup>	20.0	17.4
<b>Content Production &amp; Global Sales</b>		
Revenues (external)	25.1	11.0
Recurring EBITDA <sup>(2)</sup>	-1.2	-1.5

<sup>(1)</sup> Operating costs: Total costs excluding D&A and non-recurring expenses. <sup>(2)</sup> Recurring EBITDA: EBITDA before non-recurring (exceptional) items. <sup>(3)</sup> Underlying net income after non-controlling interests: Consolidated profit for the period, before the effects of purchase price allocations and non-cash currency valuation effects. <sup>(4)</sup> Ratio of net financial debt to recurring EBITDA in the last twelve months <sup>(5)</sup> Before reclassification of cash and cash equivalents from the Northern and Eastern European business.

Additional key figures are available on our Group website [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com), where you can also find the report on the first quarter of 2013.