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## Press release

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### ProSiebenSat.1 sets new revenue and earnings record in 2012

Page 1

- **2012 including discontinued operations:**  
Consolidated revenues: up by 7.7% to EUR 2.969 billion  
Recurring EBITDA: up by EUR 21.7 million to EUR 871.7 million  
Underlying net income: up by 34.2% to EUR 415.1 million
- **2012 based on continuing operations:**  
Consolidated revenues: up by 7.1% to EUR 2.356 billion  
Recurring EBITDA: up by EUR 19.3 million to EUR 744.8 million  
Underlying net income: up by 30.5% to EUR 355.5 million
- **“Digital & Adjacent” segment increases revenues by 38.1% to EUR 351.2 million and is strongest growth driver**
- **Proposed dividend of EUR 5.65 per preference share and EUR 5.63 per common share**
- **Positive start into 2013**

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[All statements and figures relate to 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 figures have been adjusted accordingly for the Northern and Eastern European activities as well as for the operations disposed of in Belgium and the Netherlands in 2011. The details on the figures including the discontinued operations are explained in the footnotes to the table of key figures.]

**Munich, February 28, 2013.** The ProSiebenSat.1 Group closed the financial year 2012 successfully and made significant progress in implementing its growth strategy. Including the TV and radio activities in Northern and Eastern Europe held for sale or sold in December 2012, the media company increased its consolidated revenues by 7.7% to EUR 2.969 billion. All segments have contributed to this development. Recurring EBITDA grew by EUR 21.7 million to EUR 871.7 million (previous year: EUR 850.0 million). Including discontinued operations, underlying net income increased by 34.2% to EUR 415.1 million. In December 2012, the ProSiebenSat.1 Group sold its Northern European TV and radio activities to Discovery Communications. The transaction is expected to be closed until the end of March 2013.

#### **Growth areas contribute about EUR 150 million to revenue growth**

On the basis of continuing operations, i.e. excluding the parts of the Group sold or held for sale, consolidated revenues rose by 7.1% to EUR 2.356 billion, while recurring EBITDA increased by EUR 19.3 million to EUR 744.8 million.



Underlying net income was up by 30.5% to EUR 355.5 million (previous year: EUR 272.4 million). The Group's growth areas performed very dynamically. The "Digital & Adjacent" and "Content Production & Global Sales" segments contributed approximately EUR 150 million to revenue growth. With respect to consolidated revenues, the share of the two growth areas was 19.0% (previous year: 13.3%).

Thomas Ebeling, CEO of the ProSiebenSat.1 Group: "2012 was another record year for the ProSiebenSat.1 Group. We successfully continued our expansion into the digital world and increased revenues in our 'Digital & Adjacent' segment by almost 40%. We also achieved important targets in our core business Free TV: We significantly increased our distribution revenues and successfully established new Free TV stations in Germany and Austria. This puts us in an excellent position for the future. We will continue to intensify the integration of our core TV business and digital operations and develop ProSiebenSat.1 from a traditional television provider into a digital entertainment & e-commerce powerhouse. The Group is therefore on track for sustainable and long-term growth."

**"Broadcasting German-speaking": Revenues from HD distribution increase considerably**

In the "Broadcasting German-speaking" segment, the ProSiebenSat.1 Group grew its revenues to EUR 1.910 billion (previous year: EUR 1.903 billion). In Germany, the company's net TV advertising revenues increased slightly in 2012, in line with expectations. The ProSiebenSat.1 Group is diversifying its revenue sources, not only by expanding its digital operations but also within its core business. The Group is thus strengthening its independence from TV advertising markets. In 2012, the Group considerably increased its revenues from distribution, mainly driven by the HD stations, and reached breakeven in Germany earlier than expected in the fourth quarter. This meant that the Group's revenues from distribution in Germany exceeded its distribution costs for the first time. The ProSiebenSat.1 Group's TV stations are included in the HD packages of all major cable, satellite, and IPTV operators. The number of HD households in Germany is likely to double from around 5 million at present to around 10 million in 2015.

In 2012, the German TV audience market was influenced by the European Football Championship and the Olympic Games, which were exclusively broadcast by public-service stations. Nevertheless, SAT.1, ProSieben, kabel eins and sixx were again market leaders among 14 to 49 year olds with a combined audience share of 27.8% (previous year: 28.9%). sixx, the women's station launched in 2010, doubled its annual market share to 1.0% in 2012. In July 2012, sixx also successfully went on air in Austria and established itself quickly in its first six months with an audience share of 1.1%.

The launch of new TV stations gives the ProSiebenSat.1 Group attractive opportunities to grow further in its core business. The station family launched a new TV channel in Germany in early 2013, SAT.1 Gold. Its core target group are female viewers aged between 49 and 64. Since its launch on January 17,



SAT.1 Gold has already achieved an audience share of 0.4% in its core target group. Over the course of the year, ProSiebenSat.1 will begin airing another free TV channel, ProSieben MAXX.

Page 3 of 8

Recurring EBITDA for the segment totaled EUR 660.3 million after EUR 657.7 million in the previous year.

#### **“Digital & Adjacent”:** Revenues up almost by 40%

The “Digital & Adjacent” segment was the ProSiebenSat.1 Group’s strongest growth driver in the financial year 2012. External revenues increased by 38.1% or EUR 96.9 million to EUR 351.2 million (previous year: EUR 254.4 million). Adjusted for the contribution of 9Live in the previous year, revenues increased by 47.7%. All four of the segment’s business areas contributed to this dynamic development with double-digit growth rates:

- **Online Video:** The ProSiebenSat.1 Group is also Germany’s leading seller of video content on the internet and reaches more than 25 million unique users per month with its online network. Moreover, the Group operates maxdome, Germany’s largest video-on-demand portal, and offers users more than 50,000 titles on demand. To strengthen its online video business, in 2012 the ProSiebenSat.1 Group developed the internet platform MyVideo into an online TV station with numerous live shows and exclusive series premieres. In 2012, the number of video views rose to 490 million (previous year: 340 million).
- **Online Games:** In 2012, ProSiebenSat.1 Games acquired exclusive Europe-wide rights to attractive blockbuster games from Sony Online Entertainment. “DC Universe Online” and “PlanetSide 2”, two blockbuster titles from the Sony portfolio, have already been launched successfully. In 2012, the Group agreed partnerships with TF1 in France, the Turkish Dogan Media Group and others for the international marketing of online games. In the last financial year, registrations on the ProSiebenSat.1 gaming platforms almost doubled to 16.0 million (previous year: 8.2 million).
- **Ventures & Commerce:** The ventures business made the greatest contribution to the growth of the “Digital & Adjacent” segment in 2012. The ProSiebenSat.1 Group provides selected start-up companies with advertising time on its high-reach TV stations in return for a revenue and/or equity share. Since 2010, the ProSiebenSat.1 Group has built up a ventures portfolio with more than 50 partnerships including strategic investments in this way.
- **Music:** Revenues also performed extremely well in the Music division. The ProSiebenSat.1 Group operates Starwatch Entertainment, its own music label, which has successful artists such as Lenny Kravitz, Die Fantastischen Vier and Heino under contract. In addition, Starwatch Entertainment markets and produces music and live events and operates TICKETHALL, an online ticketing platform, since February.



Due to the dynamic revenue growth, the ProSiebenSat.1 Group generated a significant increase in earnings in the “Digital & Adjacent” segment: Recurring EBITDA climbed by 34.1% to EUR 89.7 million (previous year: EUR 66.9 million).

**“Content Production & Global Sales”: Red Arrow established as an international production house**

The ProSiebenSat.1 Group also grew strongly in the “Content Production & Global Sales” segment in the financial year 2012. External revenues rose to EUR 95.4 million after EUR 37.7 million in the previous year. In 2012, the Red Arrow Entertainment Group continued to expand its international investment portfolio in the key English-speaking markets of the USA and Great Britain with four new majority investments. In August, Red Arrow made its largest acquisition so far with the New York production company Left/Right. This means the Group holds a portfolio of 18 majority investments in nine countries. Three years after it started, Red Arrow Entertainment is already among the top 10 most successful independent production companies in the world. In addition, the program distribution company Red Arrow International opened a permanent sales office in Hong Kong in 2012. Overall in 2012, Red Arrow International sold TV formats in 150 countries. In the USA, the Group placed the innovative cooking show “The Taste” with ABC. The format launched there in early 2013 as the most successful American non-fiction show in two years.

In the “Content Production & Global Sales” segment, due to start-up costs in the course of the international expansion, recurring EBITDA was at EUR 4.3 million in 2012 (previous year: EUR 9.6 million).

**ProSiebenSat.1 consistently invested in growth areas in 2012**

In 2012, the ProSiebenSat.1 Group continued to invest consistently in establishing new stations, developing the digital business and expanding the global production portfolio. As a result, total costs increased by 8.6% or EUR 140.8 million to EUR 1.769 billion. Total costs include non-recurring expenses, which primarily result from expenses connected to antitrust proceedings concluded in the fourth quarter. Due to the growth initiatives described, the ProSiebenSat.1 Group posted operating costs of EUR 1.625 billion (previous year: EUR 1.483 billion). In the core business, operating costs remained almost on the previous year level (+1.1%).

**Solid balance sheet structure**

Compared to December 31, 2011, shareholders’ equity increased to EUR 1.501 billion due to earnings growth (previous year: EUR 1.441 billion). Equity ratio reached 27.7% (previous year: 28.6%). As of December 31, 2012, net financial debt before reclassification of cash and cash equivalents from the Northern and Eastern European business had improved to EUR 1.780 billion (previous year: EUR 1.818 billion). Financial leverage – the ratio of net financial debt to recurring EBITDA of the last twelve months – was 2.0 times (previous year: 2.1 times). As a result, the leverage ratio was within the defined target range of 1.5 to 2.5 times.



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

Page 5 of 8

Following successful consummation of the sale of the Northern European TV and radio activities, the Group intends to use a partial amount of EUR 500 million of the proceeds for partial prepayment of term debt and the remainder for reinvestments in the business of the Group. Hence, a significant portion of the operating cash flow will be available for other purposes. Therefore, in coordination with the company's main shareholder Lavena and provided the disposal is successfully consummated, the Executive Board intends to propose to the Annual General Meeting a dividend for 2012 of EUR 5.65 per preference share (previous year: EUR 1.17) and EUR 5.63 per common share (previous year: EUR 1.15). In total, the company would thus make a total dividend distribution of circa EUR 1.2 billion (previous year: EUR 245.7 million). After such dividend distribution the leverage ratio of the ProSiebenSat.1 Group will remain within the previously communicated target range of 1.5 to 2.5 times net debt to recurring EBITDA.

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.

### **Outlook for 2013: ProSiebenSat.1 plans further growth**

ProSiebenSat.1 Group (continuing operations) has made a positive start into the first quarter of 2013 in all segments and expects another increase in revenues and earnings for the year as a whole. In terms of revenues, the Group is aiming at a mid-single-digit percentage growth rate. Our growth areas beyond the traditional TV advertising business will make a particular contribution to this with dynamic growth rates. In 2013, by founding new TV stations the ProSiebenSat.1 Group will also set the basis for further growth in its core TV business. In the "Digital & Adjacent" segment, the Group will grow both organically and through strategic acquisitions. With regard to recurring EBITDA, the Group is aiming for a figure above the prior year. Based on continuing operations, recurring EBITDA was EUR 744.8 million in 2012. In view of this, Group net income is also expected to increase again.



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

Page 6 of 8

EUR m	Q4 2012	Q4 2011	FY 2012	FY 2011
Revenues	789.3	712.4	2,356.2	2,199.2
Total costs	554.1	466.7	1,768.8	1,628.0
Operating costs <sup>(1)</sup>	509.5	434.7	1,624.6	1,482.9
Recurring EBITDA <sup>(2)</sup>	285.7	281.9	744.8	725.5
Recurring EBITDA margin (in percent)	36.2	39.6	31.6	33.0
EBITDA	269.3	266.5	680.4	652.5
Non-recurring items	-16.5	-15.4	-64.4	-73.0
EBIT	241.3	249.3	600.9	580.5
Financial result	-25.9	-58.9	-144.4	-232.7
Net earnings (consolidated net profit after non-controlling interests)	177.6	166.2	324.7	264.2
Underlying net income <sup>(3)</sup>	178.9	175.9	355.5	272.4
Basic earnings per share of preferred stock (underlying)	0.84	0.83	1.67	1.28
Free cash flow	262.8	237.5	256.3	201.2

EUR m	December 31, 2012	December 31, 2011
Shareholders' equity	1,500.9	1,441.4
Equity ratio (in percent)	27.7	28.6
Cash & cash equivalents	702.3	517.9
Net financial debt	1,870.8	1,817.8
Net financial debt (before reclassification of cash and cash equivalents from the Northern and Eastern European business)	1,780.4	1,818.8
Leverage <sup>(4)</sup>	2.0	2.1



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

Page 7 of 8

EUR m	Q4 2012	Q4 2011	FY 2012	FY 2011
<b>Broadcasting German-speaking</b>				
Revenues (external)	629.3	615.7	1,909.5	1,903.0
Recurring EBITDA <sup>(2)</sup>	252.0	254.4	660.3	657.7
<b>Digital &amp; Adjacent</b>				
Revenues (external)	122.8	80.7	351.2	254.4
Recurring EBITDA <sup>(2)</sup>	30.3	23.7	89.7	66.9
<b>Content Production &amp; Global Sales</b>				
Revenues (external)	37.3	15.8	95.4	37.7
Recurring EBITDA <sup>(2)</sup>	6.2	5.0	4.3	9.6



## Key figures of the ProSiebenSat.1 Group including discontinued operations

Page 8 of 8

EUT m	2012 <sup>(5)</sup>	2011 <sup>(6)</sup>	Change absolute	Change relative
Revenues	2,969.1	2,756.2	+212.9	+7.7%
Operating costs <sup>(1)</sup>	2,111.0	1,915.7	-195.3	-10.2%
Total costs	2,389.3	2,159.2	-230.1	-10.7%
Cost of sales	1,607.3	1,503.5	-103.8	-6.9%
Selling expenses	354.3	345.6	-8.7	-2.5%
Administrative expenses	316.0	281.1	-34.9	-12.4%
Other operating expenses	111.7	-29.0	-82.7	>-100%
EBIT	593.7	606.7	-13.0	-2.1%
Recurring EBITDA <sup>(2)</sup>	871.7	850.0	+21.7	+2.6%
Non-recurring items (net)	-78.3	-97.6	+19.3	+19.8%
EBITDA	793.4	752.4	+41.0	+5.5%
Net earnings (consolidated net profit after non-controlling interests)	295.0	262.5	+32.5	+12.4%
Underlying net income	415.1	309.4	+105.7	+34.2%
Basic earnings per share of preferred stock	1.40	1.24	+0.16	+12.9%
Basic earnings per share of preferred stock (underlying)	1.97	1.46	+0.51	+34.9%

<sup>(1)</sup> Operating costs: Total costs excl. depreciation and amortization and non-recurring expenses <sup>(2)</sup> Recurring EBITDA: EBITDA before non-recurring (exceptional) items <sup>(3)</sup> Underlying net income from continuing operations after non-controlling interests: Consolidated profit for the period, before the effects of purchase price allocations and non-cash currency valuation effects, expenses incurred for the antitrust proceedings in 2012 as well as goodwill impairment associated with discontinued operations in 2012. <sup>(4)</sup> Ratio of net financial debt to recurring EBITDA in the last twelve months. <sup>(5)</sup> Including discontinued operations in Northern and Eastern Europe. <sup>(6)</sup> Including Northern and Eastern Europe operations; excluding operations disposed of in Belgium and the Netherlands in 2011.

Additional key figures can be downloaded from [www.ProSiebenSat1.com](http://www.ProSiebenSat1.com). There you can also access the presentation regarding the financial figures for 2012.