
Press Release



ProSiebenSat.1 achieves considerable revenue and earnings increase in the second quarter of 2013

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- **Q2 2013: consolidated revenues: +11.4 % to EUR 624.8 million**
- **Recurring EBITDA: +6.8 % to EUR 209.2 million**
- **Underlying net income: +4.5 % to EUR 104.3 million**
- **Digital & Adjacent revenues: +65.5 % to EUR 112.6 million**
- **Positive outlook for 2013 affirmed**

[Unless otherwise stated, all statements and figures relate to continuing operations. The disposal of the Northern European TV and radio activities was completed on April 9, 2013 and the companies deconsolidated. The companies in Eastern Europe are still classified as held for sale. The previous-year figures of the income statement and the cash flow statement have been adjusted accordingly at group and segment level. The comparative balance sheet figures of the previous year were not adjusted.]

Munich, August 1, 2013. After the successful start to the year, the ProSiebenSat.1 Group continued its dynamic development also in the second quarter of 2013. The Group increased revenues by 11.4 % or EUR 63.7 million to EUR 624.8 million. Recurring EBITDA exceeded the previous year's figure by 6.8 %. Despite higher costs resulting from numerous growth initiatives, it reached EUR 209.2 million (previous year: EUR 195.9 million). The Group increased underlying net income by 4.5 % to EUR 104.3 million (previous year: EUR 99.8 million). From a half-year perspective, ProSiebenSat.1 also continued its profitable growth. Group revenues improved by 12.0 % or EUR 127.1 million to EUR 1.188 billion. Recurring EBITDA increased by 6.0 % to EUR 337.2 million (previous year: EUR 318.1 million). Underlying net income rose by 10.2 % to EUR 155.3 million (previous year: EUR 140.9 million).

All three segments contributed to this positive development. Once again, it was the Digital & Adjacent segment which developed very dynamically, with revenues increasing by 65.5 % in the second quarter of 2013. As a result, the share of the Digital & Adjacent activities in consolidated revenues rose to 18.0 % (previous year: 12.1 %) or EUR 112.6 million (previous year: EUR 68.0 million).

Thomas Ebeling, CEO of ProSiebenSat.1 Media AG, notes: "We again increased revenues and earnings across all segments and are making very rapid progress in expanding our growth business. We are leveraging the synergies between the TV and digital areas and their growth potential in an extremely consistent fashion, which hardly any other media company does. This is also evident in our medium-term targets. By 2015, we want to generate

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an additional growth potential of at least EUR 600 million. We already achieved 72 % of this by the end of the second quarter of 2013. With our strategy we have laid the foundation for sustained growth in the ProSiebenSat.1 Group.”

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ProSiebenSat.1 stations growing in all German-speaking markets

In the Broadcasting German-speaking segment, which includes the free TV stations as well as the basic pay TV and HD distribution business, external revenues rose in the second quarter of 2013 by 2.4 % to EUR 486.7 million (previous year: EUR 475.1 million). In the first half of 2013, external revenues increased by 3.5 % to EUR 927.8 million (previous year: EUR 896.3 million). The ProSiebenSat.1 Group expanded its net TV advertising revenues in all its German-speaking markets in the second quarter of 2013. In its core market of Germany, the Group further expanded its leading position with a 43.6 % share of gross advertising, once again growing more strongly than the market. In Germany, ProSiebenSat.1 also benefited from the positive trend of the sixx and SAT.1 Gold stations, focusing on the core target group of female viewers. In the first half of the year, the two stations gained 38 new advertising clients. At the same time, the relevance of TV as an advertising medium rose further. In the second quarter of 2013, in the media mix on a gross basis, television gained 1.3 percentage points to 43.8 %. Online rose by 0.3 percentage points to 11.4 %.

In the audience market of viewers between 14 and 49, the ProSiebenSat.1 Group was again the market leader on a quarterly and half-year basis, ahead of the RTL Group. SAT.1, ProSieben, kabel eins, sixx and SAT.1 Gold closed the second quarter of 2013 with 27.8 % (previous year: 27.6 %). In the first half of 2013, the station family achieved a market share of 27.3 % (previous year: 28.1 %). Since the beginning of the year, the German station group has grown continuously. In June 2013, the market share was 28.2 %, 2.2 percentage points above the January figure. In order to improve the market share performance of SAT.1, the ProSiebenSat.1 Group launched a comprehensive programming offensive, with 25 new programs currently being developed for SAT.1. In the first half of 2013, with “The Voice Kids” (up to 22.3 %), SAT.1 established another hit format in the German TV market after “The Voice of Germany”. The “Got to Dance” dancing show captured market share of up to 15.7 % for SAT.1. In the audience market, the Group also benefited from expanding its station portfolio. In the first half of 2013, sixx increased its market share to 1.1 % (previous year: 0.9 %), while SAT.1 Gold, which was only launched in January, has already achieved 0.3 %.

Furthermore, the dynamic increase of HD and basic pay TV distribution revenues also contributed to the growth of the Broadcasting German-speaking segment in the second quarter of 2013. In particular, the number of ProSiebenSat.1 HD customers increased considerably in the second quarter of 2013, moving up to 3.7 million HD customers (previous year: 1.8 million). The Group assumes this positive trend to continue and, in comparison to 2010, expects more than EUR 50 million in additional revenues from the HD distribution business by 2015.



Despite higher costs in connection with the expansion of the station portfolio, recurring EBITDA moved up by 2.2 % to EUR 182.4 million in the second quarter of 2013. On a half-year basis, recurring EBITDA in the Broadcasting German-speaking segment increased by 2.0 % to EUR 293.4 million.

Revenue increase of 65.5 % in the Digital & Adjacent segment

With a dynamic increase of 65.5 % to EUR 112.6 million in external revenues (previous year: EUR 68.0 million), the ProSiebenSat.1 Group closed the second quarter of 2013 with a significant revenue growth in the Digital & Adjacent segment. On a half-year basis, external revenue growth exceeded the previous year's figure by 54.8 % and reached EUR 209.2 million (previous year: EUR 135.2 million). Once again, all four key business units of the segment contributed to this. The Ventures & Commerce and Music & Live units developed particularly positive.

The Ventures & Commerce business again made the greatest contribution within the segment. In the second quarter, the Group further expanded its portfolio with the event present portal mydays and the price comparison platform billiger-mietwagen.de. The ProSiebenSat.1 Group is driving its Ventures business with strategic acquisitions as well as with its media-for-revenue-share and media-for-equity program. Here the Group provides advertising time to selected start-up companies in return for a share in revenues and/or equity. In this way, ProSiebenSat.1 has already built up a Ventures portfolio with over 60 investments and partnerships.

In the Online Video unit, the ProSiebenSat.1 Group is Germany's leading marketer of video content with a market share of 47 %. With maxdome, the Group operates Germany's largest online video platform and has successfully launched with MyVideo Germany's first web TV station. In the second quarter of 2013, ProSiebenSat.1 also launched AMPYA, the music streaming service. The portal offers over 20 million songs, personalized music recommendations and its own editorial team for news. In addition, AMPYA is the only streaming service which has over 50,000 music videos available on demand. Furthermore, the Group further expanded its Music & Live business in the second quarter. With Starwatch Music, ProSiebenSat.1 operates Germany's largest independent music label with musicians under contract such as Die Fantastischen Vier or Heino. With Passenger, the company is currently marketing one of the world's most successful newcomers. Passenger's album has already been bought over 100,000 times in Germany, while the single "Let her Go" has already gone platinum. In May 2013, Starwatch Music also founded the Starmatch business unit. Since then it has also been offering integrated communication campaigns with stars from the music industry.

Despite costs due to expansion, the dynamic revenue trend in the Digital & Adjacent segment resulted in considerably higher earnings. Recurring EBITDA climbed by 31.8 % to EUR 24.4 million in the second quarter of 2013. In the first six months of 2013, recurring EBITDA exceeded the previous-year figure by 23.4 % and rose to EUR 44.3 million (previous year: EUR 35.9 million).



Red Arrow worldwide on air with successful TV programs

In the second quarter of 2013, the Red Arrow Entertainment Group increased external revenues by 42.2 % to EUR 25.4 million (previous year: EUR 17.9 million). On a half-year basis, external revenues grew by 74.7 % to EUR 50.5 million (previous year: EUR 28.9 million).

The American production company Left/Right, in which Red Arrow acquired a majority interest last year and which was fully consolidated for the first time in the third quarter of 2012, again made an important contribution to revenue growth. Three years after being launched, the Red Arrow Entertainment Group has become already one of the global Top 10 independent production companies. In France, an adaption of the SAT.1 series "Der letzte Bulle" started in June 2013, with market shares of up to 28.0 %. In Great Britain, the TV show "Off Their Rockers" reached almost six million viewers on ITV1, the largest private station.

Due to higher revenues with costs increasing at a lower rate at the same time, the Red Arrow Entertainment Group also considerably improved its result. In the second quarter of 2013, recurring EBIDTA increased to EUR 3.0 million (previous year: EUR 1.1 million). For the first half-year, recurring EBITDA rose by EUR 2.3 million to EUR 1.8 million.

ProSiebenSat.1 further expands growth areas

By expanding strategically relevant group areas, the ProSiebenSat.1 Group is creating long-term growth perspectives. The objective is to gain additional sources of revenues not only in the core TV business, but also in the two other segments. In the second quarter of 2013, the ProSiebenSat.1 Group continued to invest in its station portfolio, acquiring new investments in the Digital & Adjacent segment. As a result, operating costs rose by 14.4 % to EUR 421.1 million (previous year: EUR 368.2 million). In the first six months of 2013, the ProSiebenSat.1 Group invested approximately EUR 60 million for cash acquisitions in the Digital & Adjacent segment. Most of this related to the acquisition of billiger-mietwagen.de.

ProSiebenSat.1 with solid capital structure

In the second quarter of 2013, the ProSiebenSat.1 Group prepaid loans and borrowings totaling EUR 500 million and simultaneously extended the remaining part of its term loans expiring in July 2015 and July 2016 respectively to 2018. As a result, the Group further optimized its capital structure. After the repayment, the nominal volume of the remaining loans is EUR 1.860 billion. Part of the proceeds from the disposal of the Northern European TV and radio activities was used for the repayment.

Group net financial debt (on the basis of continuing operations) declined considerably compared to June 30, 2012 from EUR 2.034 billion to EUR 553.8 million. This is largely due to the disposal proceeds from the Northern European activities which is included in cash and cash equivalents on June 30, 2013. As of June 30, 2013, on the basis of continuing operations the ratio of net financial debt to recurring EBITDA of the last twelve months was 0.7 (June



30, 2012: 2.3). Had dividend payment been made before the June 30, 2013 reporting date, the leverage factor would have been 2.3 on the due date. For the whole of 2013, the Group expects a ratio of net financial debt to recurring EBITDA within the defined target range of 1.5 to 2.5.

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Mainly due to earnings, equity improved and increased by 23.9 % to 1.682 billion on June 30, 2013 (June 30, 2012: EUR 1.358 billion). The corresponding equity ratio was 37.2 % after 27.4 % on June 30, 2012. The dividend for the 2012 financial year totaling approximately EUR 1.2 billion was paid on July 24, 2013, i.e. after the reporting date. At year-end 2013, it is anticipated that the equity ratio will be approximately 20 %.

ProSiebenSat.1 affirms positive full-year outlook

Against the backdrop of the positive business trend, the ProSiebenSat.1 Group affirms its outlook for 2013 and updates its revenue projection. The Group now expects revenues to increase by a mid to high-single-digit percentage for the year as a whole. In the second half of 2013, ProSiebenSat.1 will also further extend its core business as well as its new business areas, investing in further growth. The earnings contributions from the portfolio additions are to be largely reinvested. In the context of further increasing revenues, the Group also expects further increasing operating costs in the second half of 2013. For recurring EBITDA and underlying net income, in the full year the Group continues to expect to extend the prior year earnings. As such, the ProSiebenSat.1 Group started well into the third quarter of 2013, continuing its course of growth.



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

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In EUR m	Q2 2013	Q2 2012	H1 2013	H1 2012
Revenues	624.8	561.0	1,187.6	1,060.4
Total costs	455.5	421.3	917.0	820.5
Operating costs ⁽¹⁾	421.1	368.2	859.4	747.1
Recurring EBITDA ⁽²⁾	209.2	195.9	337.2	318.1
Recurring EBITDA margin (in percent)	33.5	34.9	28.4	30.0
EBITDA	197.6	160.2	320.7	278.0
Non-recurring effects	-11.6	-35.7	-16.5	-40.1
EBIT	176.3	142.9	281.0	244.7
Financial result	-41.4	-40.4	-74.4	-77.6
Net result (consolidated net profit after non-controlling interests)	90.7	71.7	140.7	112.2
Underlying net income ⁽³⁾	104.3	99.8	155.3	140.9
Basic earnings per share of preferred stock (underlying)	0.49	0.47	0.73	0.67
Free cash flow	9.7	113.4	-12.7	20.5
Cash flow from operating activities	293.5	311.8	570.2	517.2

In EUR m	Jun. 30, 2013	Dec. 31, 2012	Jun. 30, 2012
Equity	1,682.1	1,500.9	1,358.0
Equity ratio (in percent)	37.2	27.7	27.4
Cash and cash equivalents	1,287.2	702.3	304.1
Net financial debt	553.8 ⁽⁵⁾	1,780.4 ⁽⁷⁾	2,034.4
Leverage ⁽⁴⁾	0.7 ⁽⁶⁾	2.0 ⁽⁷⁾	2.3



Key data by segment on the basis of continuing operations

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In EUR m	Q2 2013	Q2 2012	H1 2013	H1 2012
Broadcasting German-speaking				
Revenues (external)	486.7	475.1	927.8	896.3
Recurring EBITDA ⁽²⁾	182.4	178.4	293.4	287.6
Digital & Adjacent				
Revenues (external)	112.6	68.0	209.2	135.2
Recurring EBITDA ⁽²⁾	24.4	18.5	44.3	35.9
Content Production & Global Sales				
Revenues (external)	25.4	17.9	50.5	28.9
Recurring EBITDA ⁽²⁾	3.0	1.1	1.8	-0.5

⁽¹⁾ Total costs excl. D&A and non-recurring expenses. ⁽²⁾ EBITDA before non-recurring (exceptional) items. ⁽³⁾ Consolidated profit for the period (after non-controlling interests) before the effects of purchase price allocations and noncash special items. ⁽⁴⁾ Ratio of net financial debt to recurring EBITDA of the last twelve months. ⁽⁵⁾ After reclassification of the cash and cash equivalents of the Eastern European activities. ⁽⁶⁾ After reclassification of the cash and cash equivalents of the Eastern European activities. Adjusted for the LTM recurring EBITDA contribution of the Northern and Eastern European activities. ⁽⁷⁾ Before reclassification of the cash and cash equivalents of the Northern and Eastern European activities.

More key figures can be downloaded on our Group website: www.ProSiebenSat1.com. There you can also find the report on the second quarter and first half of 2013.