



ProSiebenSat.1 Group Still Encumbered by Advertising Crisis

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The continuing recession in the television advertising market had a substantial impact on the business performance of the ProSiebenSat.1 Group again in the third quarter of 2002. Nevertheless, the Group was able to improve its total third-quarter pre-tax earnings by EUR 0.9 million, to EUR –53.6 million. Yet revenues, at EUR 351.1 million between July and September, were down EUR 40.0 million against the same period of 2001. This amounts to a 10% decline. In the seasonal television business, the three summer months – July, August and September – are traditionally by far the weakest quarter.

The advertising crisis lowered total sales for the ProSiebenSat.1 Group by EUR 82.3 million for the first nine months of this year, to EUR 1.336 billion. This is equivalent to a 6% decline from the year before, even though the company has expanded its gross advertising market share 0.4 percentage points, to 45.9%. The ProSiebenSat.1 Group's EBITDA declined from EUR 113.5 million to EUR 47.9 million. EBIT was EUR 9.4 million, compared to EUR 67.1 million. Pre-tax income for the group amounted to EUR –28.3 million, following on EUR +34.6 million the previous year. DVFA/SG earnings per share were down to EUR –0.35 from the comparable period's EUR 0.06. Cash flow calculated by DVFA/SG methods amounted to EUR 773.7 million, following EUR 844.3 million. Net financial debt was down EUR 50.9 million from the figure for September 30 of last year, to EUR 946.8 million.

The third quarter of this year not only reflects the extreme seasonality of the television business, it also shows that the stubborn recession in the TV advertising market is beginning to have an impact even on profitable and well-positioned companies like the ProSiebenSat.1 Group. There are no signs at present of either an economic recovery in Germany or a revival of the television advertising market. Visibility remains low. For all these reasons, the ProSiebenSat.1 Group is expecting a difficult fourth quarter.

Rigorous cost management has had a positive effect on the Group's nine-month earnings. Despite charges of EUR 54 million for coverage of the World Cup, costs for programming and materials were up only 1% against the same period last year, to EUR 992.2 million. Programming assets, the

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Group's most important asset item, were reported at EUR 1.138 billion as of September 30, 2002, compared to EUR 1.300 billion the previous year. In the first nine months of the current year, the Group invested EUR 720.3 million in new programming rights. The previous year's equivalent figure was EUR 956.1 million. Depreciation of programming assets was EUR 777.7 million, following the previous year's EUR 778.0 million. Equity was EUR 571.8 million, following EUR 602.2 million. The equity ratio, at EUR 29.8%, remained stable after the previous year's 29.7%.

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Personnel expenses rose only slightly compared to the year before – by 1%, to EUR 162.2 million. As of September 30, 2002, the ProSiebenSat.1 Group had 3,175 employees. The figure one year before was 3,050. The increase was solely the result of taking over the 179 employees of Kirch Intermedia as of September 1, 2002. Exclusive of Kirch Intermedia, the ProSiebenSat.1 Group reduced its workforce by 54 positions in comparison to September 30, 2001.

ProSiebenSat.1 Group expands position in TV advertising market

The ProSiebenSat.1 Group's channels held their own strongly against the competing RTL Group in the first nine months of the year. While ProSiebenSat.1 Group gross revenues declined 5.3%, RTL Group stations lost 7.2%. The gross TV advertising market contracted 6.2% between January and September 2002. At the same time, the ProSiebenSat.1 Group boosted its gross share of that market by 0.4 percentage points, to 45.9%. RTL Group broadcasters lost 0.5 percentage points in the same period, achieving a combined gross advertising market share of 41.0%.

Television, the core segment: Total revenues EUR 1.291 billion

In television, its core segment, the ProSiebenSat.1 Group achieved total revenues of EUR 1.291 billion in the first nine months of 2002. This is equivalent to a decline of 6% from the same period last year. Operating income in the Television segment amounted to EUR –63.1 million for the first nine months, compared to EUR +35.1 million last year. While revenues were down EUR 89.2 million, earnings were down EUR 98.2 million – primarily as a consequence of Sat.1's broadcasting the World Cup. Rights and production costs generated charges of EUR 54 million for this major sporting



event, but it brought in revenues of only EUR 29 million because of the weak advertising market.

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The World Cup also adversely affected the business picture at Sat.1 in the first three quarters of 2002. While the receding advertising market inflicted a revenue decline of EUR 42.5 million on the station, yielding EUR 543.3 million, earnings before taxes deteriorated EUR 47.7 million, to EUR –115.6 million. Yet the station's development in the third quarter of the year shows that the measures inaugurated to cut costs at Sat.1 are beginning to take hold. Compared to the same period last year, Sat.1 improved its pre-tax income by EUR 7 million, from EUR –50.1 million to EUR –42.7 million, even though revenues were down by EUR 15.6 million between July and September 2002, to EUR 139.4 million.

In the first nine months of 2002, channel ProSieben generated revenues of EUR 559.3 million, compared to EUR 610.7 million for the same period last year. With pre-tax income of EUR 135.9 million, compared to EUR 174.0 million last year, ProSieben has again proved its exceptional position in the German television market. Despite a reduction of EUR 51.4 million in revenues, the station's rigorous cost management has kept the decline in earnings – EUR 38.1 million – far smaller than the revenue drop.

Business at Kabel 1 also suffered from the ongoing advertising crisis. Additionally, higher programming costs – the consequence of programming purchases from the past three years, intended to strengthen the station's competitive position among second-generation broadcasters – also represent a burden for the station's income statement. In the first three quarters of 2002, the channel generated revenues of EUR 138.8 million, a reduction of EUR 10.8 million. Pre-tax income deteriorated from EUR 18.4 million for the comparable period of 2001 to EUR –1 million this year. But on December 31, 2002, Kabel 1 will still show a substantial pre-tax profit for the year as a whole.

Revenues at news channel N24 totaled EUR 70.2 million for the first nine months. The previous year's equivalent figure was EUR 42.2 million. Pre-tax income improved from EUR –33.3 million to EUR –22.6 million. The revenue gain and the station's improved earnings picture are the result of N24's rising importance as the central news service provider for all ProSiebenSat.1 Group stations.



Transaction television: Euvía Media breaks even at operations level

The ProSiebenSat.1 Group's involvement in transaction television has proved quite satisfactory. Euvía Media AG & Co. KG, which operates the viewer-participation channel Neun Live and the travel shopping channel sonnenklar TV, achieved break-even in the third quarter of 2002, more than a year earlier than planned. ProSiebenSat.1 Media AG holds 48.4% of Euvía Media AG & Co. KG.

Neun Live, the audience-participation channel, made an especially strong showing. Its revenues for the first nine months of 2002 climbed from EUR 20.4 million to EUR 38.0 million – a gain of 86%. After the first three quarters of 2002, the channel is showing its first positive EBITDA, EUR 2 million, compared to the previous year's EUR –14.8 million. Pre-tax loss for the same period improved 98%, from EUR –19.7 million to EUR –0.4 million. For 2002 as a whole, Neun Live expects a positive EBITDA of around EUR 8 million on revenues of more than EUR 58 million.

Merchandising: Double-digit growth continues in revenues and earnings

The Merchandising segment of the ProSiebenSat.1 Group combines the activities of the MM Merchandising München GmbH merchandising agency, ArtMerchandising & Media AG, which specializes in the international marketing of ancillary rights in works of art, and SevenOne Club & Shop GmbH. In the first nine months of fiscal 2002, the Group's merchandising business maintained its double-digit growth rates in revenues and earnings. The segment's total revenues climbed 19%, to EUR 51.2 million. Operating profit rose 45%, to EUR 14.9 million. Aside from the growth of merchandising activities, the expansion of viewer clubs and communities promoted by SevenOne Club & Shop GmbH also had a positive impact on performance.

Services: Cost cuts affect revenues

The Services segment comprises subsidiaries SevenSenses and SZM Studios, and the IT company ProSieben Information Service. Over 90% of this segment's business derives from in-Group orders. As a consequence, cost cutting – especially by the Group's television stations – had an impact



on revenues. In the first nine months of 2002, total revenues here declined 5%, to EUR 123 million. Operating income amounted to EUR 2.8 million, following on EUR 7.9 million for the equivalent period last year.

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Outlook: No sign of a turnaround in the advertising market

The ProSiebenSat.1 Group foresees no improvement of the situation in the television advertising market for the fourth quarter of 2002, and assumes the market will contract 8% for 2002 as a whole. If - contrary to expectations - the impetus of the Christmas season in November and December also fails to materialize, the figure might be even farther into negative territory. As a commercial television company financed by advertising, the ProSiebenSat.1 Group is bearing the full brunt of the negative performance of the German economy. So the company continues to be faced with the task of further adjusting its cost structures to its altered revenue situation.

Setting aside the cost of the World Cup in South Korea and Japan, the ProSiebenSat.1 Group has reduced its total expenses by around EUR 120 million in real terms since 2000. It will continue its rigorous cost management next year. At the same time, the Group will strategically focus further on its core business. In its core segment, Television, the ProSiebenSat.1 Group will concentrate primarily on the ongoing restructuring of Sat.1. Despite the difficult advertising market, the station is expected to return to the black at the operations level in 2003. From now on Dr. Ludwig Bauer, the member of the Executive Board of ProSiebenSat.1 Media AG who is in charge of the three full-service stations Sat.1, ProSieben and Kabel 1, will be watching over the broadcasting family, and especially Sat.1, mainly from Berlin. Unless the television advertising market declines further, Sat.1 has all the prerequisites for getting back into the black next year. Aside from the expensive World Cup, the station's cost structures have improved by roughly EUR 64 million in real terms since 2000. This course will be continued. With regard to programming, the Group will concentrate mainly on strengthening the weekend and substantially improving the prime access period at Sat.1. It will also optimize the program mix further in terms of cost-effectiveness. At the same time cost structures will be optimized further at news channel N24. The goal is for N24 to break even by 2005, despite the recession in advertising. At present an across-the-board cost-cutting program is under development for all the ProSiebenSat.1 Group's



news operations. Management expects it to yield further savings in the double-digit millions as early as next year.

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If the television market recedes 8%, the ProSiebenSat.1 Group expects combined revenues for all of 2002 to decline between 3% and 4%. In its core business, Television, the company expects revenue losses of 6%. The Group has set itself the goal of generating an EBITDA of EUR 140 to 160 million, assuming the TV advertising market contracts by the expected 8%. Because visibility in the market continues to be so low, projections can be no more precise than that. The same applies for 2003. At the moment, the most the company can hope for is that the downtrend in the television advertising market will not continue in 2003. After two years in a row in negative territory, even that much would be a welcome signal for the entire industry.



Key figures of the ProSiebenSat.1 Group: 1st to 3rd quarter

ProSiebenSat.1 Group			1st-3rd quarter 2002	1st-3rd quarter 2001	Change
	Revenues	(€ m)	1,336.4	1,418.7	-5.8%
	Pre-tax profit / loss	(€ m)	-28.3	34.6	-181.8%
	Profit / loss for the period	(€ m)	-33.8	22.3	-251.6%
	Employees*		3,175	3,050	4.1%
	Earnings per share in accordance with DVFA/SG	(€)	-0.35	0.06	-683.3%
	Cash flow calculated according to DVFA/SG	(€ m)	773.7	844.3	-8.4%
	EBIT	(€ m)	9.4	67.1	-86.0%
	EBITDA	(€ m)	47.9	113.5	-57.8%
	Net financial debt	(€ m)	946.8	997.7	-5.1%
Business area			1st-3rd quarter 2002**	1st-3rd quarter 2001	Change
TV	External revenues	(€ m)	1,280.7	1,370.1	-6.5%
	Total revenues	(€ m)	1,291.2	1,380.4	-6.5%
	Operating profit / loss	(€ m)	-63.1	35.1	-279.8%
	Employees*		1,951	1,773	10.0%
Sat.1	Total revenues	(€ m)	543.3	585.8	-7.3%
	Pre-tax loss	(€ m)	-115.6	-67.9	-70.3%
	Employees*		178	190	-6.3%
ProSieben	Total revenues	(€ m)	559.3	610.7	-8.4%
	Pre-tax profit	(€ m)	135.9	174.0	-21.9%
	Employees*		304	295	3.1%
Kabel 1	Total revenues	(€ m)	138.8	149.6	-7.2%
	Pre-tax profit / loss	(€ m)	-1.0	18.4	-105.4%
	Employees*		51	48	6.3%
N24	Total revenues	(€ m)	70.2	42.2	66.4%
	Pre-tax loss	(€ m)	-22.6	-33.3	32.1%
	Employees*		276	268	3.0%
Merchandising	External revenues	(€ m)	45.0	39.5	13.9%
	Total revenues	(€ m)	51.2	43.1	18.8%
	Operating profit	(€ m)	14.9	10.3	14.7%
	Employees*		118	112	5.4%
Services	External revenues	(€ m)	10.3	7.8	32.1%
	Total revenues	(€ m)	123.0	129.2	-4.8%
	Operating profit	(€ m)	2.8	7.9	-64.6%
	Employees*		1,106	1,126	-1.8%

*Full-time equivalent jobs as of September 30

**Kirch Intermedia GmbH was consolidated for the first time in the Television business area retroactive to Sept. 01, 2002

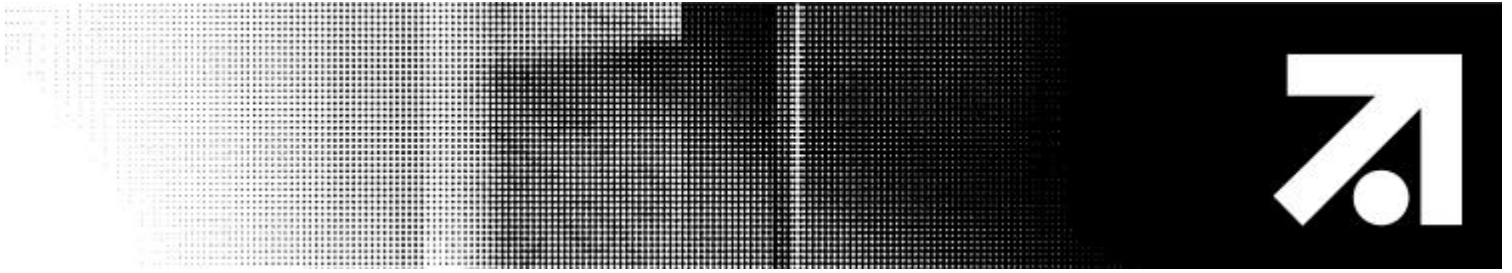


Key figures of the ProSiebenSat.1 Group: 3rd quarter

ProSiebenSat.1 Group			3rd quarter 2002	3rd quarter 2001	Change
	Revenues	(Mio €)	351.1	391.1	-10.2%
	Pre-tax loss	(Mio €)	-53.6	-54.5	1.7%
	Earnings per share in accordance with DVFA/SG	(€)	-0.43	-0.20	-115.0%
	EBIT	(Mio €)	-41.5	-42.5	2.4%
	EBITDA	(Mio €)	-29.2	-29.5	1.0%
	Employees*		3,175	3,050	4.1%
Business areas			3rd quarter 2002**	3rd quarter 2001	Change
TV	External revenues	(€m)	333.8	376.4	-11.3%
	Total revenues	(€m)	338.0	380.1	-11.1%
	Operating loss	(€m)	-78.2	-47.1	-66.0%
	Employees*		1,951	1,773	10.0%
Sat.1	Total revenues	(€m)	139.4	155.0	-10.1%
	Pre-tax loss	(€m)	-42.7	-50.1	14.8%
	Employees*		178	190	-6.3%
ProSieben	Total revenues	(€m)	146.8	171.2	-14.3%
	Pre-tax profit	(€m)	8.4	26.9	-68.8%
	Employees*		304	295	3.1%
Kabel 1	Total revenues	(€m)	36.2	41.2	-12.1%
	Pre-tax profit / loss	(€m)	-7.2	0.6	-/-
	Employees*		51	48	6.3%
N24	Total revenues	(€m)	23.1	22.9	0.9%
	Pre-tax loss	(€m)	-7.8	-13.1	40.5%
	Employees*		276	268	3.0%
Merchandising	External revenues	(€m)	14.3	11.9	20.2%
	Total revenues	(€m)	17.4	13.0	33.8%
	Operating profit	(€m)	4.3	2.2	95.5%
	Employees*		118	112	5.4%
Services	External revenues	(€m)	3.0	2.3	30.4%
	Total revenues	(€m)	40.6	47.0	-13.6%
	Operating profit	(€m)	1.3	1.6	-18.8%
	Employees*		1,106	1,126	-1.8%

*Full-time equivalent jobs as of September 30

**Kirch Intermedia GmbH was consolidated for the first time in the Television business area retroactive to Sept. 01, 2002





Consolidated Balance Sheet of ProSiebenSat.1 Media AG

Assets			
	Sept. 30, 2002 [€m]	Sept. 30, 2001 [€m]	Change [€m]
A. Fixed Assets			
I. Intangible assets	60.2	45.5	14.7
II. Tangible assets	154.0	170.2	-16.2
III. Financial assets	184.0	186.7	-2.7
	398.2	402.4	-4.2
B. Current assets			
I. Programming assets	1,138.3	1,299.5	-161.2
II. Inventories	4.8	3.3	1.5
III. Receivables and other current assets	268.6	277.7	-9.1
IV. Securities	0.2	-/-	0.2
V. Cash, credit balances at bank	65.1	16.6	48.5
	1,477.0	1,597.1	-120.1
C. Prepaid and deferred items	32.8	16.4	16.4
D. Deferred taxes	11.5	12.5	-1.0
Total assets	1,919.5	2,028.4	-108.9

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Liabilities and shareholders' equity			
	Sept. 30, 2002 [€m]	Sept. 30, 2001 [€m]	Change [€m]
A. Shareholders' equity			
I. Subscribed capital	194.5	194.5	-/-
II. Capital reserves	322.3	322.3	-/-
III. Revenue reserves	84.2	58.8	25.4
IV. Retained earnings	3.4	7.7	-4.3
V. Consolidated net profit / loss for the period	-33.8	22.3	-56.1
VI. Minority interests	1.2	-3.4	4.6
	571.8	602.2	-30.4
B. Accruals	136.3	179.2	-42.9
C. Liabilities	1,209.7	1,245.9	-36.2
D. Deferred liabilities	1.7	1.1	0.6
Total liabilities and equity	1,919.5	2,028.4	-108.9



Consolidated Statement of Income for ProSiebenSat.1 Media AG

January - September 2002

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	Jan. - Sept. 02 [€m]	Jan. - Sept. 01 [€m]	Change [€m]	Change [%]
1. Revenues	1,336.4	1,418.7	-82.3	-5.8%
2. Other operating income	77.3	37.6	39.7	105.6%
3. Total	1,413.7	1,456.3	-42.6	-2.9%
4. Programming and material costs	992.2	981.8	10.4	1.1%
5. Personnel expenses	162.2	160.2	2.0	1.2%
6. Depreciation and amortization	37.6	40.4	-2.8	-6.9%
7. Other operating expenses	211.4	200.8	10.6	5.3%
8. Net operating profit / loss	10.3	73.1	-62.8	-85.9%
9. Profit / loss from equity interests	0.1	0.7	-0.6	-85.7%
10. Profit from marketable securities and loans of fixed financial assets	3.3	1.8	1.5	83.3%
11. Profit / loss from equity interests in associated companies	-2.8	-0.6	-2.2	-366.7%
12. Depreciation of financial assets and marketable securities	0.9	6.0	-5.1	-85.0%
13. Interest expense	-38.3	-34.4	-3.9	-11.3%
14. Net financial loss	-38.6	-38.5	-0.1	-0.3%
15. Profit from ordinary business activities	-28.3	34.6	-62.9	-181.8%
16. Income taxes	5.2	14.4	-9.2	-63.9%
17. Other taxes	0.1	0.5	-0.4	-80.0%
18. Consolidated net profit / loss for the period	-33.6	19.7	-53.3	-270.6%
19. Minority interests	-0.2	2.6	-2.8	-107.7%
20. Consolidated net profit / loss for the period	-33.8	22.3	-56.1	-251.6%



Group Cash Flow Statement as of September 30, 2002

	1st-3rd quarter 2002 [€ m]	1st-3rd quarter 2001 [€ m]
Income for the period	-33.8	22.3
Depreciation and amortization / Appreciation of fixed assets	38.0	47.0
Depreciation of programming assets, including appreciation	771.2	775.6
Change in accruals for anticipated losses on programming assets	-1.8	-0.6
Cash flow calculated according to DVFA / SG	773.6	844.3
Profit on disposal of fixed assets	-0.5	- / -
Profit on disposal of programming assets	- / -	-2.9
Loss on disposal of fixed assets	0.8	- / -
Loss on disposal of programming assets	0.9	1.6
Change in other accruals	33.1	24.8
Increase / decrease in inventories, accounts receivable and other assets not associated with investing or financing activities	6.3	-53.7
Increase / decrease in accounts payable and other liabilities not associated with investing or financing activities	-68.4	-57.8
Effects of changes in scope of consolidation	-49.0	-10.9
Cash flow from operating activities	696.8	745.3
Proceeds from disposal of intangible assets	0.5	3.9
Proceeds from disposal of tangible assets	0.5	4.7
Proceeds from disposal of financial assets	5.8	3.4
Proceeds from disposal of programming assets	12.4	28.5
Expenditures for intangible assets	-2.2	-3.8
Expenditures for tangible assets	-9.6	-32.6
Expenditures for programming assets	-720.3	-956.1
Expenditures for purchase of equity interest	-3.3	-185.2
Cash flow from investing activities	-716.1	-1,137.2
Proceeds from bond issue	138.1	400.0
Proceeds from loans taken out and repayments of financial debt [net]	-131.5	38.0
Dividend	-29.2	-56.4
Cash flow from financing activities	-22.6	381.6
Change in cash and cash equivalents not affecting payment	-42.0	-10.2
Cash and cash equivalents at beginning of year	107.1	26.8
Cash and cash equivalents as of September 30, 2002	65.1	16.6