ProSiebenSat.1 Media AG

Interim Report for the First Half and
Second Quarter of 2004

Successful First Half for ProSiebenSat.1 Media AG

Interim Report for the First Half and Second Quarter of 2004

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Key Figures for the ProSiebenSat.1 Group (IFRS) for the second quarter of 2004

		June 30, 2004	June 30, 2003	Change
Key balance sheet figures for the ProSiebenSat.1 Group				
Total assets	(EUR m)	1,997.4	1,929.2	4%
Shareholders´equity	(EUR m)	959.7	582.7	65%
Liabilities	(EUR m)	949.3	1,301.7	-27%
Equity ratio		48%	30%	60%
Pre-tax return on equity		8%	6%	33%
Programming assets	(EUR m)	1,176.8	1,178.8	0%
Programming assets/Total assets		59%	61%	-3%
Programming investments	(EUR m)	530.8	648.0	-18%
Net financial debt incl. bond	(Euro m)	423.3	802.0	-47%

		Q2 2004	Q2 2003	Change
Key cash flow figures for the ProSiebenSat.1 Group				
Cash flow	(EUR m)	320.6	293.0	9%
Cash flow from operating activities	(EUR m)	311.9	280.2	11%
Cash flow from investing activities	(EUR m)	-211.9	-214.2	1%
Cash flow from financing activities	(EUR m)	50.7	-118.7	143%

		Q2 2004	Q2 2003	Change
Key figures for the ProSiebenSat.1 Group				
Revenues	(EUR m)	496.0	466.9	6%
Gross profit	(EUR m)	178.4	130.9	36%
Operating profit	(EUR m)	109.3	53.8	103%
Financial loss	(EUR m)	-35.5	-19.1	-86%
Pre-tax profit	(EUR m)	73.8	34.7	113%
Consolidated profit	(EUR m)	47.6	22.1	115%
EBITDA	(EUR m)	118.3	64.3	84%
EBIT	(EUR m)	109.3	53.5	104%
Pre-tax profit margin		14.9%	7.4%	101%
Depreciation and amortization of intangible assets and property, plant and equipment	(EUR m)	9.1	10.5	-13%
Personnel expenses	(EUR m)	52.0	52.7	-1%
Employees*		2,698	2,897	-7%
Key figures by stations				
Sat.1				
Total revenues	(EUR m)	204.2	196.1	4%
Pre-tax profit	(EUR m)	38.7	8.0	384%
EBITDA	(EUR m)	40.5	11.8	243%
Employees*		223	229	-3%
ProSieben				
Total revenues	(EUR m)	205.2	186.1	10%
Pre-tax profit	(EUR m)	63.1	47.5	33%
EBITDA	(EUR m)	63.2	47.2	34%
Employees*		254	283	-10%
Kabel 1				
Total revenues	(EUR m)	48.5	47.9	1%
Pre-tax profit	(EUR m)	9.6	4.0	140%
EBITDA	(EUR m)	9.4	3.9	141%
Employees*		46	48	-4%
N24				
Total revenues	(EUR m)	17.4	17.7	-2%
Pre-tax profit/loss	(EUR m)	0.1	-5.5	102%
EBITDA	(EUR m)	0.4	-5.0	108%
Employees*		156	174	-10%
Key figures for SevenOne Intermedia				
Total revenues	(EUR m)	14.1	13.1	8%
Pre-tax profit	(EUR m)	2.5	1.1	127%
EBITDA	(EUR m)	3.0	2.2	36%
Employees*		106	103	3%
Key figures for Merchandising				
Total revenues	(EUR m)	12.6	13.3	-5%
Operating profit/loss	(EUR m)	1.8	-0.9	300%
EBITDA	(EUR m)	1.9	-0.8	338%
Employees*		95	112	-15%

* Full-time equivalent jobs as of June 30

Interim Report for the First Half and Second Quarter of 2004

Key Figures for the ProSiebenSat.1 Group (IFRS) for the first half of 2004

		June 30, 2004	June 30, 2003	Change
Key balance sheet figures for the ProSiebenSat.1 Group				
Total assets	(EUR m)	1,997.4	1,929.2	4%
Shareholders´equity	(EUR m)	959.7	582.7	65%
Liabilities	(EUR m)	949.3	1,301.7	-27%
Equity ratio		48%	30%	60%
Pre-tax return on equity		12%	1%	1100%
Programming assets	(EUR m)	1,176.8	1,178.8	0%
Programming assets/Total assets		59%	61%	-3%
Programming investments	(EUR m)	530.8	648.0	-18%
Net financial debt incl. bond	(Euro m)	423.3	802.0	-47%
		H1 2004	H1 2003	Change
Key cash flow figures for the ProSiebenSat.1 Group				
Cash flow	(EUR m)	601.1	550.3	9%
Cash flow from operating activities	(EUR m)	490.0	587.1	-17%
Cash flow from investing activities	(EUR m)	-515.7	-642.8	20%
Cash flow from financing activities	(EUR m)	121.3	24.2	401%
		H1 2004	H1 2003	Change
Key figures for the ProSiebenSat.1 Group				
Revenues	(EUR m)	932.3	878.2	6%
Gross profit	(EUR m)	311.9	205.0	52%
Operating profit	(EUR m)	169.7	43.2	293%
Financial loss	(EUR m)	-52.4	-37.7	-39%
Pre-tax profit	(EUR m)	117.3	5.5	2033%
Consolidated profit	(EUR m)	72.7	4.1	1673%
EBITDA	(EUR m)	187.4	64.6	190%
EBIT	(EUR m)	169.7	42.7	297%
Pre-tax profit margin		13%	1%	1200%
Depreciation and amortization of intangible assets and property, plant and equipment	(EUR m)	17.8	21.4	-17%
Personnel expenses	(EUR m)	101.9	106.3	-4%
Employees*		2,698	2,897	-7%
Key figures by stations				
Sat.1				
Total revenues	(EUR m)	396.9	373.2	6%
Pre-tax profit/loss	(EUR m)	62.4	-5.0	1348%
EBITDA	(EUR m)	65.2	2.3	2735%
Employees*		223	229	-3%
ProSieben				
Total revenues	(EUR m)	379.7	341.3	11%
Pre-tax profit	(EUR m)	97.9	62.6	56%
EBITDA	(EUR m)	98.0	61.0	61%
Employees*		254	283	-10%
Kabel 1				
Total revenues	(EUR m)	95.0	94.3	1%
Pre-tax profit	(EUR m)	12.4	6.3	97%
EBITDA	(EUR m)	12.0	6.0	100%
Employees*		46	48	-4%
N24				
Total revenues	(EUR m)	34.8	33.0	5%
Pre-tax profit/loss	(EUR m)	0.2	-13.2	102%
EBITDA	(EUR m)	0.9	-12.1	107%
Employees*		156	174	-10%
Key figures for SevenOne Intermedia				
Total revenues	(EUR m)	27.5	27.1	1%
Pre-tax profit	(EUR m)	4.8	3.4	41%
EBITDA	(EUR m)	5.8	4.9	18%
Employees*		106	103	3%
Key figures for Merchandising				
Total revenues	(EUR m)	25.0	27.3	-8%
Operating profit	(EUR m)	4.0	1.7	135%
EBITDA	(EUR m)	4.1	1.8	128%
Employees*		95	112	-15%

* Full-time equivalent jobs as of June 30

The ProSiebenSat.1 Group achieved a significant improvement in earnings

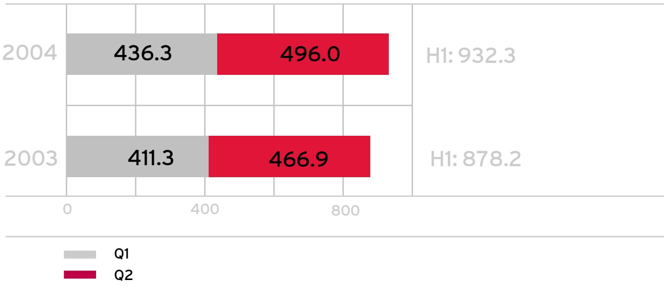
ProSiebenSat.1 Group revenues grow, earnings improve

The ProSiebenSat.1 Group performed extremely well in the first half of 2004. All significant key figures improved substantially. The year's first quarter had already been a success, and the media firm's good figures for the second quarter built further on that achievement. The ProSiebenSat.1 Group further expanded its share of both the audience and the advertising market. The Company enjoyed not only substantial revenue growth but a significant improvement in profits.

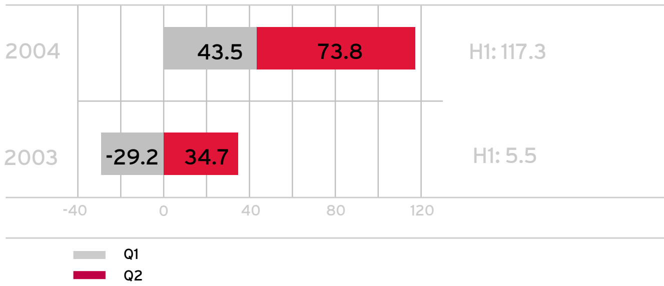
The most important key figures for the first half of 2004 – in each case in comparison to the same period last year – are as follows:

- Revenues were up 6 percent, reaching EUR 932.3 million (vs. EUR 878.2 million).
- EBITDA nearly tripled to EUR 187.4 million (vs. EUR 64.6 million).
- The EBITDA margin (20 %) and pre-tax profit margin (13 %) were well above expectations.
- EBIT quadrupled to EUR 169.7 million (vs. EUR 42.7 million).
- The consolidated pre-tax profit grew from EUR 5.5 million to EUR 117.3 million.
- The consolidated profit improved from EUR 4.1 million to EUR 72.7 million.
- Earnings per preferred share, both basic and diluted, grew from EUR 0.03 to EUR 0.37.
- The Group's net financial debt was cut 47 percent, from EUR 802.0 million (EUR 423.3 million in the first half of 2004).
- Its share of the target audience from 14 to 49 gained 0.6 percentage points to reach 29.5 percent.

ProSiebenSat.1 Group: Revenue development
(EUR m)



ProSiebenSat.1 Group: Consolidated pre-tax profit
(EUR m)



Economic conditions and the advertising market
Economic recovery still sluggish in first half

The German economy recovered slighly in the first half of 2004, thus continuing its upward trend that began at the end of 2003. However, both businesses' and consumers' ongoing reluctance to spend has kept dom estic demand from reviving. The June figures from the Ifo research institute reflected this situation: surprisingly, the Ifo Business Climate Index for June 2004 dropped to its lowest level since September 2003, slipping to 94.6 points from May's 96.1 points.

Gains in audience share and advertising market

Gross advertising expenditures above previous year

Nevertheless, the advertising market did show signs of recovery in the first half. According to the Nielsen Media Research market research institute, gross advertising expenditures gained 6.5 percent against the first half of 2003, to reach EUR 8.8 billion. Television, as the most important advertising medium, generated EUR 3.7 billion, picking up 4.4 percent against the same period last year. But the gross figures from Nielsen Media Research offer no real foothold for direct conclusions about broadcasters' actual advertising revenues, since the values include not only bulk discounts and self-promotion but agency commissions.

ProSiebenSat.1 Group's gross advertising revenues rise

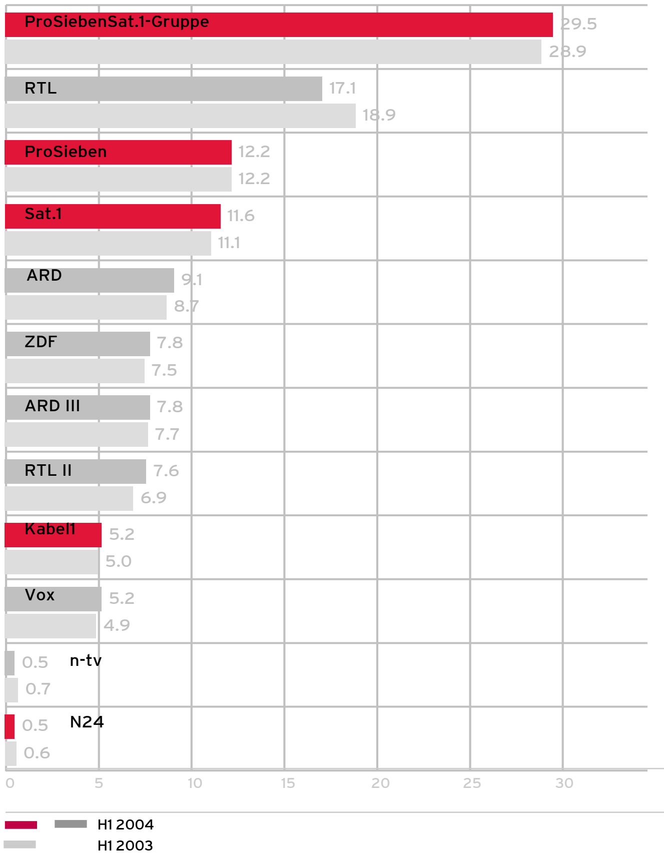
With gross advertising revenues up 5.7 percent to EUR 1.6 billion, the ProSiebenSat.1 Group is the strongest-selling broadcasting corporation in the German TV market. Its share of the advertising market in the first half was 42.9 percent. The RTL Group (RTL, Vox, Super RTL, n-tv) earned 37.7 percent. Station RTL II, which is marketed independently, earned 6.0 percent.

Sat.1 gross advertising revenues gained 7.5 percent, to EUR 706 million. Advertising revenues at ProSieben were up 5 percent, to EUR 677 million. Kabel 1's gross revenues, at EUR 183 million, were slightly below the equivalent period (by 1.2 %). N24 boosted revenues 49 percent to EUR 19 million. Over the same time, the stations marketed by IP Deutschland – RTL, Vox, Super RTL and n-tv – saw an aggregate decline of 1.1 percent. The critical factor here was a 3.4 percent drop in gross revenues at RTL, to EUR 1.1 billion. RTL II gained 7.6 percent.

ProSiebenSat.1 Group's audience share grows

ProSiebenSat.1 Group stations built their audience share substantially in the first half of 2004. With a joint share of 29.5 percent in the commercially decisive target group of viewers age 14 to 49, the Group picked up 0.6 percentage points from the same period last year, making it Germany's largest television corporation in terms of audience share as well.

Market shares viewers 14 - 49
(in percent)



Sat.1 made the Group's greatest gains during the half. Adding 0.5 percentage points from the same period last year, the station earned an 11.6 percent share of the age group from 14 to 49. The UEFA Champions League proved to be a ratings gold mine for Sat.1. Among the station's major successes were its broadcast of the first knockout round between Real Madrid and Bayern München, which attracted an average share of 37.5 percent among the 14-to-49 audience. At its peak, more than 15 million viewers tuned into the game.

EBITDA triples

ProSieben ended the first half of 2004 with a share of 12.2 percent, maintaining the same level as last year. With an average share of 51.9 percent of the 14-to-49 audience, the ProSieben co-production „Der Schuh des Manitu“ was the most successful broadcast ProSieben has ever shown. No feature film on German private TV has ever earned higher ratings.

Kabel 1 is also on a growth track. The station picked up another 0.2 percentage points to win a share of 5.2 percent. Among the station's ratings successes for the first half of 2004 were the comedy „Doc Hollywood,“ with a share of 10.9 percent of the commercially decisive target audience, and „Hudson Hawk“ (9.1 %). News channel N24 ended its first half with a share of 0.5 percent, making it even with competitor n-tv.

Substantial growth in revenues and earnings

Growing revenues combined with optimized costs have sharply improved profits. Gross profits for the first half were up 52 percent to EUR 311.9 million (vs. EUR 205.0 million), and operating profits grew from EUR 43.2 million to EUR 169.7 million. The consolidated pre-tax profit shot up from EUR 5.5 million in the first half of 2003 to EUR 117.3 million. And the consolidated net profit also soared, from EUR 4.1 million to EUR 72.7 million.

Business was lively enough to nearly triple EBITDA, to EUR 187.4 million (vs. EUR 64.6 million). EBIT, at EUR 169.7 million, nearly quadrupled (vs. EUR 42.7 million). Earnings per preferred share, both basic and diluted, grew from EUR 0.03 in the first half of 2003 to EUR 0.37.

In calculating earnings per preferred share, the advance distribution (additional dividend) of EUR 0.02 per preferred share was spread proportionally among the quarters of the applicable fiscal year. Earnings per share were not diluted in either the period under review or the equivalent period of last year.

Earnings per share

		H1 2004	H1 2003
Profit for the period	EUR k	72,678	4,075
Common stock			
Profit attributable to common stock	EUR k	36,339	2,038
Weighted average number of outstanding common stock	in thousands	101,517.7	97,243.2
Earnings per share of common stock	EUR	0.36	0.02
Preferred stock			
Profit attributable to preferred stock	EUR k	36,339	2,038
Weighted average number of outstanding preferred stock	in thousands	101,517.7	97,243.2
Earnings per share of preferred stock	EUR	0.37	0.03

Television

For the first time in the history of the ProSiebenSat.1 Group, all four stations turned a profit in the first half of 2004. The positive earnings performance can be attributed in large part to revenue gains, especially at ProSieben, although cost-reduction measures were also instrumental in producing this result. The ProSiebenSat.1 Group encountered healthy demand for TV advertising in the first half of 2004 and consequently the commercial break slots of the broadcast companies were well booked. However, due to the fact that airtime rates have been in a state of general decline in the last few years, which have been years of crisis for the German TV advertising market, the increased demand had only a limited impact on revenues. Already in 2003, the ProSiebenSat.1 Group attained an above-average gross-net ratio.

All four broadcast companies of the ProSiebenSat.1 Group turned a profit in the first half of 2004

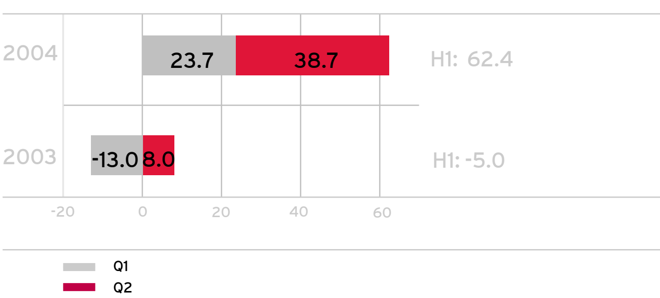
Sat.1 reports a pre-tax profit margin of 16 percent for the first half of 2004

In the period from April to June 2004, Sat.1 continued the positive performance observed in the first quarter of the year. For the second quarter and the first half of the year, Sat.1 reported significant gains over the respective prior-year periods, both in revenue and pre-tax profit. The pre-tax profit for the second quarter of 2004 was EUR 38.7 million, representing an impressive EUR 30.7 million increase over the EUR 8.0 million reported in the second quarter of 2003. Revenues for the second quarter of 2004 amounted to EUR 204.2 million, 4 percent higher than the corresponding prior-year figure. Based on these figures, the pre-tax profit margin came to 19 percent (Q2 2003: 4 %).

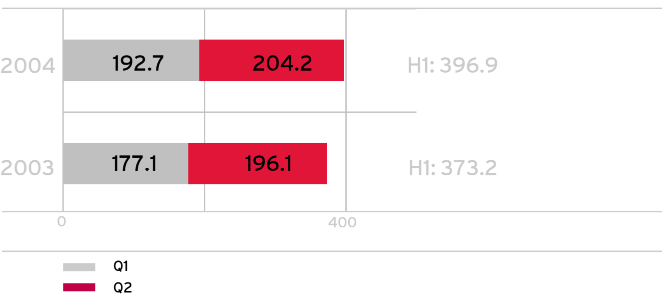
Overall, the pre-tax profit for the first half of 2004 amounted to EUR 62.4 million (first half 2003: pre-tax loss of EUR 5.0 million). The significant improvement in the Group's earnings performance can also be attributed in part to the decision not to pursue the German National Soccer League rights. Total revenue for the first half amounted to EUR 396.9 million, representing a 6 percent increase over the prior-year period. Thus, the pre-tax profit margin was 16 percent (first half 2003: -1 %).

One of the biggest TV events of the coming fall season: The star-studded two-part epic „Die Nibelungen" at Sat.1.

Sat.1: Significantly improved profit
(EUR m)



Sat.1: Revenue growth in the first half 2004
(EUR m)



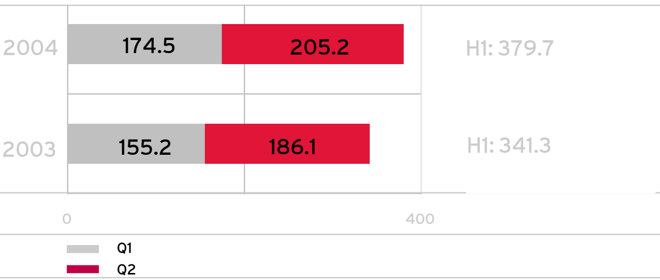
ProSieben increases pre-tax profit by 56 percent in the first half of 2004

In the second quarter of 2004, ProSieben as well continued the positive performance of the first quarter. ProSieben's revenue for the period from April to June rose 10 percent to reach EUR 205.2 million (Q2 2003: EUR 186.1 million). Boosted by an optimized cost structure, the pre-tax profit increased by an even greater margin, hitting EUR 63.1 million in the second quarter of 2004, after EUR 47.5 million in the comparable period of 2003. The pre-tax profit margin rose from 26 percent in the prior-year period to 31 percent in the current period.

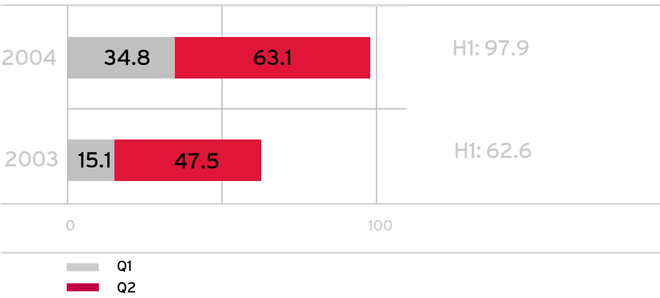
ProSieben increases pre-tax profit margin by 44 percent

ProSieben's total revenue for the first half of 2004 amounted to EUR 379.7 million, after EUR 341.3 million in the first half of 2003, reflecting an increase of 11 percent. At EUR 97.9 million, the pre-tax profit was 56 percent higher than the corresponding prior-year figure. At 26 percent, the pre-tax profit margin was 44 percent higher than last year (H1 2003: 18 %). Thus, ProSieben has reinforced its status as one of the most profitable private-sector TV broadcasters in the German market.

ProSieben: Revenue development
(EUR m)



ProSieben: Significantly improved profit
(EUR m)



Guaranteed ratings-grabber in ProSieben's fall line-up: the final episodes of the hit series „Sex and the City."

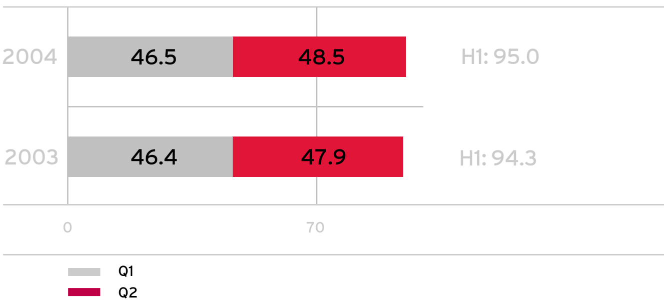
Kabel 1 doubles its pre-tax profit and pre-tax profit margin for the first half of 2004

The station Kabel 1 generated revenue of EUR 48.5 million in the second quarter of 2004, representing an increase of EUR 0.6 million or 1 percent over the prior-year period. The pre-tax profit posted an even bigger gain of 140 percent to reach EUR 9.6 million.

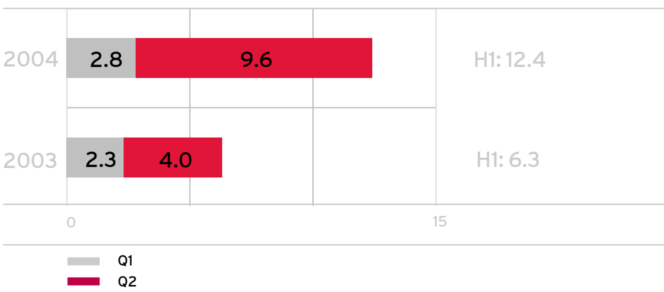
Over the period from January to June 2004, both the pre-tax profit and the pre-tax profit margin were nearly doubled. The pre-tax profit rose 97 percent to reach EUR 12.4 million (H1 2003: EUR 6.3 million), while the pre-tax profit margin rose to 13 percent (H1 2003: 7 %). At EUR 95.0 million, revenue was nearly unchanged from the prior-year period (H1 2003: EUR 94.3 million), indicating that the profit increase was due exclusively to the effective cost management practiced by Kabel 1.

N24 earns a pre-tax profit on the first half

Kabel 1: Revenue development
(EUR m)



Kabel 1: Increased pre-tax profit
(EUR m)



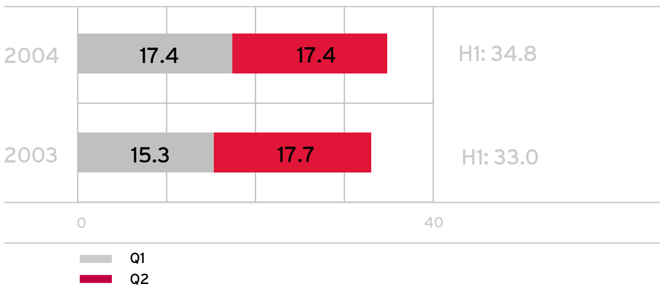
Proud winner of nine Oscars: „The English Patient“ is among the upcoming program highlights of Kabel 1.

In a first for the news channel, N24 earns a profit for the first half of 2004

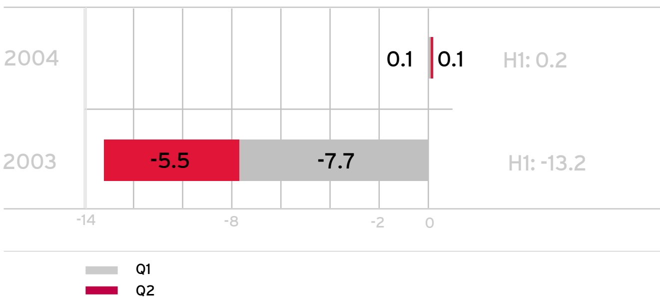
For the first time since it went on the air five years ago, N24 turned a profit on a second-quarter period, posting a pre-tax profit of EUR 0.1 million for the second quarter of 2004. In the second quarter of 2003, N24 had posted a pre-tax loss of EUR 5.5 million. N24‘s second- quarter revenue amounted to EUR 17.4 million, which was 2 percent lower than the prior-year quarter due to lower internal revenues.

The news channel also posted a pre-tax profit for the whole first half of 2004. N24‘s first-half revenue was EUR 34.8 million,

N24: Revenue development
(EUR m)



N24: pre-tax-profit
(EUR m)



after EUR 33.0 million in the first half of 2003. The pre-tax profit for the first half of 2004 rose 102 percent to reach EUR 0.2 million, as compared to the pre-tax loss of EUR 13.2 million incurred on the first six months of 2003. Now, the news channel has been

SevenOne Intermedia and MM MerchandisingMedia improved profits

profitable for three quarters in a row. The company continues to expect that it will end the year 2005 at the breakeven point.

N24 sharpens its profile: Chief presenter Alexander Privitera holds an interview with former U.S. President Bill Clinton

Diversification
SevenOne Intermedia: 41 percent increase in pre-tax profit

As a center of competence for multimedia, the subsidiary SevenOne Intermedia manages a wide range of digital and interactive platforms. It is responsible for all new media formats such as teletext, Internet, mobile services, value-added telephone services and e-commerce applications. The marketing is performed in cooperation with the convergence marketer SevenOne Interactive in the area of media sales and MM MerchandisingMedia in the area of e-commerce.

For the second quarter of 2004, the segment generated revenues of EUR 14.1 million, representing an 8 percent gain over the prior-year period. The pre-tax profit of EUR 2.5 million was EUR 1.4 million higher than the EUR 1.1 million achieved in the second quarter of 2003. For the first half of 2004, the revenues of SevenOne Intermedia were EUR 27.5 million, surpassing the prior-year period, when the company generated revenues of EUR 27.1 million. The pre-tax profit was substantially better. For the period from January to June 2004, SevenOne Intermedia generated a profit of EUR 4.8 million, reflecting a gain of 41 percent over the first half of 2003.

Improved profits for MerchandisingMedia

Since 2003, the merchandising activities of the ProSiebenSat.1 Group have been consolidated in the subsidiary MM Merchandising Media GmbH. MM MerchandisingMedia is the second subsidiary, after SevenOne Intermedia, to be included in the Diversification segment. The pre-tax profit improved substantially by 135 percent to reach EUR 4.0 million. The pre-tax profit for the first six months of 2003 had been EUR 1.7 million. Total revenues for the first half of 2004 amounted to EUR 25.0 million, after 27.3 million in the prior-year period. The 8 percent decrease in revenue from the first half of 2003 was completely due to a change in the accounting system used for posting media purchases, in a way that all such entries will now be neutral with respect to income and/or expenses (allocation of intra-Group TV advertising revenues). Barring this effect, MM MerchandisingMedia would have posted a revenue increase of 4 percent. As a further result of this change, the revenue for the second quarter of 2004 amounted to EUR 12.6 million, less than the EUR 13.3 million generated in the prior-year quarter. Quarter-on-quarter, the pre-tax profit of EUR 1.8 million was higher by EUR 2.7 million.

Financial position, net assets, and results of operations
Most significant expense items in income statement decrease substantially

All three major expense items in the income statement were reduced significantly. Cost of sales dropped 8 percent, or EUR 52.8 million, in the first half of 2004 compared to the previous first half, to EUR 620.4 million (H1 2003: EUR 673.2 million). Administrative expenses were down 19 percent, or EUR 15.5 million, to EUR 65.7 million (H1 2003: EUR 81.2 million). And selling expenses were down 14 percent, or EUR 14.5 million, to EUR 86.9 million (H1 2003: EUR 101.4 million).

Refinancing concept has positive impact

The key factor behind the lower cost of sales was the shrinkage of consumption of programming assets. This consumption is the largest component of the cost of sales. Scheduled consumption of programming assets was down 7 percent, to EUR 453.0 million. Unscheduled consumption was reduced 26 percent, to EUR 21.5 million. Broad-based savings were also achieved in administrative expenses. The shrinkage of selling expenses is mostly the consequence of lower expenditures for marketing and advertising.

Refinancing concept has positive impact

Primarily because net financial debt has been cut significantly by implementing the refinancing concept, the net interest expense improved 13 percent to EUR 31.7 million. In the second quarter of 2004, ProSiebenSat.1 Media AG carried out comprehensive refinancing to improve its maturity profile for debt, and to optimize balance-sheet ratios. Apart from EUR 282 million gross in cash generated by a cash capital increase in April 2004, the major components of the refinancing concept were a new syndicated loan in an amount of EUR 325 million, the tender of a bond due in 2006 in a total of EUR 298 million (total par value EUR 338 million), and a new EUR 150 million bond issue that will be due in 2009.

Credit ratings upgraded

The new optimized financing structure has convinced the ratings agencies to upgrade their ratings of the Company's creditworthiness. Moody's Investor Services raised its rating from Ba3 to Ba2 on May 12, 2004. Fitch Ratings upgraded the Company from BB to BB+ on May 10, 2004.

Restructuring financial debt increased other financial expenses for the first half of 2004 from EUR 3.8 million to EUR 25.1 million, primarily as a consequence of the buy-back of the bond payable in 2006, and the associated tender premium of EUR 15.3 million. Half-on-half, this also increased the net financial loss from EUR –37.7 million to EUR –52.4 million.

Cash and cash equivalents, and cash flow

As of June 30, 2004, the ProSiebenSat.1 Group's cash and cash equivalents amounted to EUR 157.5 million (H1 2003: EUR 35.8 million). The main reason for the increase was larger positive bank balances resulting from the capital increase.

Cash flow from operating activities, at EUR 490.0 million, was down from the comparable figure (H1 2003: EUR 587.1 million) despite higher revenues. The chief reason for the decline was a decrease in non-interest-bearing liabilities.

Cash flow from investing activities for the first six months was EUR 515.7 million (H1 2003: EUR 642.8 million). Most of this change was a consequence of lower programming investments. In the first half of last year, the ProSiebenSat.1 Group signed major film agreements to acquire a secure supply of programming for the long term.

Cash flow from financing activities grew from EUR 24.2 million in the first half of 2003 to EUR 121.3 million in the first half of 2004, mainly because of the net gain from the capital increase.

Balance-sheet ratios: Equity grows 65 percent

Total assets were up 4 percent from June 30, 2003, to EUR 1,997 billion.The refinancing achieved by the capital increase and by restructuring bond obligations has had a positive impact on the Company´s balance-sheet ratios.

The capital increase and cash proceeds of around EUR 282 million gross, together with good profitability, boosted equity 65 percent, to EUR 959.7 million. The equity ratio had improved significantly as of June 30, 2004, from 30 percent to 48 percent. The return on equity rose to 12 percent (vs. 1 percent a year earlier).

Cash proceeds from the capital increase are significantly reflected in the capital reserves, which climbed 80 percent from June 30, 2003, to EUR 578.6 million (vs. EUR 322.3 million). The costs of the capital increase were charged to the capital reserves. Subscribed capital grew 12 percent, to EUR 218.8 million.

Net financial debt cut in half

General authorization for Authorized Capital and stock buy-back

The shareholders' meeting of May 7, 2004, cancelled the former Authorized Capital and replaced it with new Authorized Capital. Subject to the approval of the Supervisory Board, the Executive Board is now authorized to increase share capital on one or more occasions by as much as EUR 97,243,000, by issuing new stock in exchange for contributions in cash and/or in kind. This authorization also includes the authorization to issue new preferred shares that take precedence over or have the same priority as previously issued preferred shares in the distribution of profits or the Company's assets. The authorization is good for five years – in other words, until May 6, 2009. In contrast to last year, in certain cases the authorization allows shareholders' preemptive rights to be excluded, for example so as to allow the sale of fractional amounts, or in connection with options, convertible bonds and convertible profit-sharing rights, or for up to 10 percent of the share capital, if the issue price of the new stock is not materially lower than the trading price on the market. The Executive Board is also authorized to exclude the shareholders' preemptive rights for capital increases in return for contributions in kind. Creating the new Authorized Capital is intended to enable the Executive Board to respond quickly and flexibly to the future needs of the Company or the capital market. Such precautionary authorizations are common practice among stock companies both in Germany and internationally.

The authorization to buy back the Company's own stock is likewise a precautionary resolution. The shareholders' meeting of May 7, 2004, authorized ProSiebenSat.1 Media AG to acquire its own common and/or preferred stock having a notional value of up to 10 percent of the share capital. Here again, the shareholders' preemptive rights may be excluded under certain circumstances. The authorization is to be good for a year and a half, or in other words until November 6, 2005.

Net financial debt cut in half

Optimizing financing structures has cut net financial debt nearly in half from the comparable figure last year, by 47 percent, to EUR 423.3 million. Total liabilities were down 27 percent, to EUR 949.3 million. Provisions grew from EUR 45.3 million to EUR 87.7 million as a consequence of larger provisioning for tax liabilities.

The most significant factor on the assets side was a gain of 7 percent in current assets, to EUR 1.507 billion (vs. EUR 1.415 billion). The change is most evident in cash and cash equivalents. The proceeds from the capital increase propelled this item on the balance sheet up 340 percent, to EUR 157.5 million (vs. EUR 35.8 million).

Best programming supply in the Company's history

The ProSiebenSat.1 Group's reported programming assets are the most significant item in current assets. At EUR 1.177 billion, this figure remained at the same level as last year (EUR 1.179 billion). Programming investments were down from the previous half, when several film contracts were signed simultaneously. In all, the Company spent EUR 530.8 million on new programming (vs. EUR 648.0 million).

The ProSiebenSat.1 Group has the best supply of high-quality Hollywood feature films and series in its history, and has contracts with almost every US major studio. The list of suppliers includes virtually every big name, from Warner Bros. to Lucasfilm, Disney, Columbia, Miramax and Paramount. In June 2004, the Company signed a licensing agreement with Telepool, a rights trading company, under which the ProSiebenSat.1 Group has acquired free TV first broadcast rights for future productions of the US studio DreamWorks. The contract covers German free TV rights for all the renowned studio's film productions and selected TV series from 2006 through 2010. Among the films to appear on the Group's stations in the next few years will be not only the current theatrical hit „Shrek 2," but the new Spielberg film „Terminal," with Tom Hanks and Catherine Zeta-Jones.

Personnel expenses down 4 percent

The number of ProSiebenSat.1 Group employees was 2,698 as of the end of the first half. Staff was down 199 employees, or 7 percent, from the comparable period last year. The decline was due in part to restructuring measures and savings throug-

ProSiebenSat.1 stock performing well

hout the Group, especially at ProSiebenSat.1 Produktion. Other contributing factors were restructuring at the holding company, and cancellations and outsourcing of programming and productions at ProSieben.

First-half personnel expenses were EUR 101.9 million, down 4 percent from the 2003 first-half figure of EUR 106.3 million.

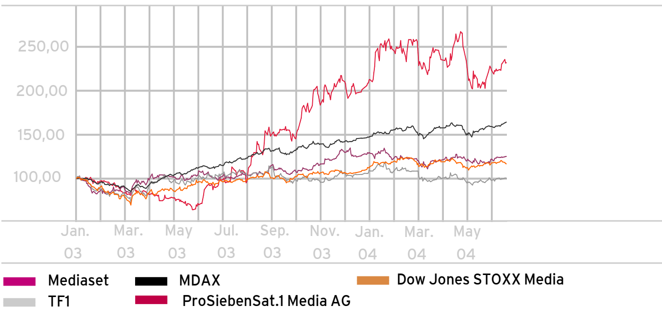
ProSiebenSat.1 stock performing well

After vigorous gains in 2003, the international capital markets showed little movement in the first half of 2004, with only a few exceptions. The mood on the US markets in particular was darkened by expectations of rising interest rates, fears of new terrorist attacks, and concerns about inflation. The German DAX index also closed out the half only slightly higher than at the beginning of the year, at 4,058 points. But the MDAX bucked the trend, rising about 70 percent in the first half of 2004 to close at 5,110.93 points on June 30.

ProSiebenSat.1 stock also held its ground in the second quarter of 2004, after first-quarter gains. On the last trading day of the first half, the stock closed at EUR 14.85, up approximately 14 percent from the beginning of the year.

ProSiebenSat.1 stock again outperformed other European media stocks. Comparable stocks performed significantly less well from January to June. TF1 stock lost about 5 percent; Mediaset was trading down just less than 2 percent.

ProSiebenSat.1 shares:
Share price performance Jan. 1, 2003 – June 30, 2004



Events subsequent to the end of the first half

ProSiebenSat.1 Group audience share grows significantly in July

In July 2004 the ProSiebenSat.1 Group's four stations made significant strides in audience share. With a gain of 1.6 percentage points versus June, Sat.1, ProSieben, Kabel 1 and N24 earned a combined share of 28.6 percent of the 14-to-49 audience. The Group was up 0.7 percentage points from the same month last year (July 2003: 27.9 %). In July, this placed the Group's four stations well ahead of the stations marketed by IP: RTL, Vox, Super RTL and n-tv achieved a combined share of 24.0 percent (July 2003: 24.1%). RTL II had 8.0 percent (July 2003: 7.7 %). RTL Group holds a minority interest in RTL II. The stations figures are neither consolidated nor is the station's program marketed by the group's marketing company IP Deutschland.

In the prime time slot from 8:15 p.m. to 10:15 p.m., ProSieben was the most successful station in the German television market in July 2004. In the highest-reach time slot ProSieben pulled ahead of the market leader RTL (13.3 %) to earn a 13.8 percent share of the target audience. The most important contributor to this success was the real-life documentary „Die Alm," which pulled shares of up to 21.6 percent of the commercially decisive target audience. An average of 18.7 percent of the 14-to-49 audience tuned in during the three-week broadcast period. In all, ProSieben's share gained 0.9 percentage points in July versus the month before, to reach 12.1 percent (June 2004: 11.2 %). Sat.1 stood out again in July for its strong comedy brands. „Genial daneben – Die Comedy Arena," with Hugo Egon Balder, earned shares of up to 29.1 percent, and the multicultural comedy „Was guckst Du?," with Kaya Yanar, earned up to 20.8 percent. In the 14-to-49 target audience, Sat.1 gained 0.4 percentage points to earn a share of 11.0 percent (June 2004: 10.6 %). Kabel 1 boosted its showing 0.3 percentage points to 5.0 percent in July (June 2004: 4.7 %), while news channel N24 came in at 0.5 percent (June 2004: 0.5 %).

RTL earned 15.7 percent among 14 to 49-year-olds in July (June 2004: 14.7 %), Vox came to 5.4 percent (June 2004: 5.2 %) and n-tv had 0.6 percent (June 2004: 0.5 %).

New claim for Sat.1

Upcoming program highlights: „Sat.1 – We'll show you…"

In September, Sat.1 will kick off the economically important fourth quarter with a new claim and a new design. The new slogan „Sat.1 – We'll show you…" replaces the previous slogan „powered by emotion." The makeover is indicative of the confident attitude and capacity for innovation of Sat.1, as well as the proven ability of the brand to transform television into a multidimensional experience. Concurrently with the new claim, the new design will be showcased through an on-air and off-air publicity campaign. One of the innovative new programs to be aired in the fall season is the one-of-a-kind social-tainment show „Kämpf um deine Frau!". Also starting in September, Sat.1 will be the only free TV channel to broadcast the ratings hit „UEFA Champions League". The most exciting events of the European Champions League on all 13 days of the championship will be broadcast live on Sat.1.

Another highlight of the upcoming TV season is the Sat.1 epic production „Die Nibelungen," directed by Uli Edel and starring an international cast. This ambitious production comes on the heels of earlier successes like „Der Tunnel" and „Das Wunder von Lengede." In 2005, Sat.1 will air an epic historical drama that currently bears the working title of „Die Luftbrücke". Furthermore, Sat.1 has added two promising TV series to its programming lineup: „Typisch Sophie" and the premium-quality telenovella „Alles nur aus Liebe". Sat.1 is also reinforcing its successful comedy lineup, particularly with the new show „Schillerstraße – Die Impro-Comedy," developed by the makers of „Genial daneben – Die Comedy Arena," which will air in the fall.

ProSieben adds more prime-time events

In the fall of 2004, ProSieben profits from the Company's best feature film supply ever. In the coming months, Germany's No. 1 movie channel will be airing blockbusters such as „Spider-Man," the Oscar award-winning „A Beautiful Mind," „Star Wars II," „Men in Black II," „Signs," „My Big Fat Greek Wedding," „Vanilla Sky" and „XXX-Triple X". ProSieben will also be presenting highlights from international hit series, including the final episodes of „Sex and the City," „Friends," „O.C., California" and „NIP/Tuck".

Building on the success of prime-time event shows like „Wok WM," „Die 100 nervigsten …" and „Die Alm," ProSieben plans to expand its event programming. Beginning in the 2004 fall season, ProSieben intends to broadcast at least one trendsetting, hot-topic TV event every month. Planned events include the „Wok-Drei-Bahnen-Tournee," a „Spring-Championat" with celebrities and the „Bundesvision Song Contest" with Stefan Raab, a new set of „Popstars" episodes, „The Swan – Endlich schön" and „Hire or Fire – Der beste Job der Welt."

Other programming highlights for the second half of the year include the BBC docu-events „Pride" and „Space Odyssee," the Thursday Movie series „made by ProSieben," including „Ratten 2" and the self-produced two-part event movie „Blut der Templer." And, of course, there will be new comedy formats like „Bully & Rick" with „(T)Raumschiff" stars Michael ‚Bully' Herbig and Rick Kavanian, and the series „Stromberg" with „Ladykracher" comedian Christoph Maria Herbst.

Kabel 1 bolsters its core competence

Kabel 1 plans to launch the new TV season with a seasoned mix of proven formats (endowed with new twists) and innovative new programs. Entertainment formats include new productions such as „Die große Edgar Wallace Show" and „Kenn ich' – Die witzigste Serienshow," both hosted by Guido Cantz („Genial daneben"). Successful game show formats include „Was bin ich?", „Reklame! Die Klassiker der Werbung" and „Best of Formel Eins". Besides airing new episodes of „Unser Bauernhof – Hilfe, die Großstädter kommen!", Kabel 1 will also come out with new docu-soaps, including „Schatz, mach' Du mal meinen Job!," „Familie hin – Familie her. Wir tauschen unser Leben" and „Wir suchen einen Papi." Kabel 1 viewers will also see more information formats, which have been a veritable growth engine for Kabel 1. In addition to self-produced event documentaries about Winnetou and the Titanic, Kabel 1 will also launch its first hosted news magazine, „Wolks Welt."

Kabel 1 also has recourse to an excellent stock of licensed programs and will therefore bolster its core competence with numerous classic movies and TV series. In the coming months, Kabel 1

Outlook: TV market to grow approximately 2 percent

will be presenting, under the label „The Best Films of All Time," cinema legends such as „Gone With the Wind," „The Godfather," the „Star Trek" movies series, „Top Gun" and „The English Patient." As for TV series, Kabel 1 will bank on classics like „The Waltons" and „Baywatch," but will also present the classics of tomorrow, such as Jerry Bruckenheimer's hit series „Cold Case 2" and „Without a Trace," both premiering in Germany.

N24 sharpens programming profile

N24 will go on the offensive in the next few months, with new programs and high-quality documentaries. The additions to the schedule focus on strong opinions, analysis and political relevance, and will sharpen the station's news profile. In October, N24 will launch a news program with Michel Friedman. In this weekly talk show, with the working title „Studio 1," Friedman will discuss topics of current interest with a succession of various guests for 45 minutes, also setting out his own political views. On August 22, N24 will launch a weekly talk show „Im Zweifel für... Friedmans Talk," which has hitherto been available only on pay TV's „13th Street."

The station is also going on the offensive with documentaries. N24 has obtained a large number of attractive documentaries from domestic and international suppliers, and is thus expanding its programming capabilities in this genre. Starting at 8:15, each evening in August Dieter Kronzucker will moderate „Kronzuckers Welt" on N24 and will thus lend the program a journalistic stamp of quality.

Outlook

Expectations for the economy as a whole show a slight positive trend. In July, the German government's council of economic experts upgraded its projection. According to newspapers, the „Five Wise Men" now expect gross domestic product to grow 1.8 percent this year, instead of only 1.6 percent. Some of the economic research institutes have also revised their projections upward, and are now predicting GDP growth of as much as 2.0 percent.

The results of the Ifo business climate index survey of German businesses likewise indicate that the economic pickup will continue in the second half of 2004. After two downswings, this most important of the growth indicators for the German economy rose faster than expected in July. The Ifo indicates that the mood has improved in almost every sector, especially in retail which had been particularly hampered by slow domestic demand.

Visibility in the advertising market remains as low as ever, but this segment of the economy as well can be expected to have a positive second half. The ZAW – the German advertising association – expects a gain of 2 percent from 2003. This is likely to raise the media's net advertising revenues by EUR 400 million, to EUR 19.7 billion. In June 2004, the World Advertising Research Center (WARC) projected that net advertising revenues in the German television market would pick up 1.9 percent this year. ProSiebenSat.1 Media AG has likewise raised its projections for the advertising market after the first half, and now expects net revenues to gain about 2 percent in 2004, unless something unforeseen happens in the fourth quarter. Until now, the Group had based its projections on a stagnant market.

TV advertisers continue to book on very short notice. For that reason, longer-term business projections must be viewed with caution. At the moment, the ProSiebenSat.1 Group assumes that its stations' revenues will be above last year's levels again in the second half. In all, the Company expects this year's revenue to grow faster than for the rest of the market. Rising revenue and savings on costs within the Group will significantly improve profitability this year.

Better performance by the stations in the audience market should also help improve revenues and earnings. The ProSiebenSat.1 Group assumes its stations' audience share will grow significantly, compared to last year, in the 14-to-49 group. The programming campaign in the second half will help here.

Note

Reporting per IFRS

The interim report for the first half and second quarter of 2004 has been prepared in accordance with International Accounting Standard IAS 34, in conjunction with IFRS 1.

The financial statements for the first quarter of 2004 were the first that the ProSiebenSat.1 Group has presented under International Financial Reporting Standards (IFRS). On June 6, 2002, the Council of the European Union issued a decision that requires all com panies oriented on the capital markets to prepare their consolidated financial statements under IFRS for fiscal years beginning after December 31, 2004. The ProSiebenSat.1 Group already began the transition last year. This report for the first half and second quarter of 2004 employs the same reporting and valuation methods as were used in the ProSiebenSat.1 Group's IFRS annual financial statements as of December 31, 2003.

German accounting principles differ in a number of regards from IFRS. In the case of the ProSiebenSat.1 Group, for example, differences appear in the reporting of leased assets and deferred taxes.

Reconciliation under IFRS 1

The following reconciliations of equity and profit or loss for the reporting period reflect all changes that result from the differences in accounting principles between IFRS and the German Commercial Code (HGB). The major items are explained below.

Business combinations

Reconciliation

Shareholders´ equity as of June 30, 2003	EUR m
Equity per German Commercial Code (HGB)	613.7
Discount on Euvia loan	-51.3
Valuation of provisions and liabilities	-15.3
Reporting/Valuation of bonds	7.0
Leases	-6.3
Valuation at equity Euvia	-4.7
Reporting/Valuation of derivatives	-1.7
Lower goodwill amortization for Kabel 1	1.4
Deferred taxes (incl. adjustment to tax rate for full year)	37.5
Miscellaneous	2.4
Equity per IFRS	582.7

Reconciliation

Shareholders´ equity as of Dec 31, 2002	EUR m
Equity per German Commercial Code (HGB)	617.4
Discount on Euvia loan	-51.8
Valuation of provisions and liabilities	-16.8
Reporting/Valuation of bonds	7.8
Leases	-6.1
Valuation at equity Euvia	-4.7
Reporting/Valuation of derivatives	-1.7
Deferred taxes	35.9
Miscellaneous	0.8
Equity per IFRS	580.8

Reconciliation

Shareholders´ equity as of Dec 31, 2003	EUR m
Equity per German Commercial Code (HGB)	656.7
Discount on Euvia loan	-50.6
Reporting/Valuation of derivatives	-29.8
Valuation of provisions and liabilities	-14.6
Reporting/Valuation of bonds	6.1
Leases	-5.9
Lower goodwill amortization for Kabel 1	2.9
Deferred taxes	36.3
Miscellaneous	0.1
Equity per IFRS	601.2

Reporting per IFRS

Reconciliation Group net profit for 2003	EUR m
Group net profit per German Commercial Code (HGB)	45.0
Reporting/Valuation of derivatives	-5.9
Valuation at equity Euvia	4.5
Lower goodwill amortization for Kabel 1	2.9
Reporting/Valuation of bonds	-1.7
Addition to Euvia loan	1.2
Deferred taxes	-7.5
Miscellaneous	0.9
Group net profit per IFRS	39.4

Reconciliation Group net profit for first half of 2003	EUR m
Group net profit per German Commercial Code (HGB)	-0.8
Valuation Receivables	1.5
Lower goodwill amortization for Kabel 1	1.4
Reporting/Valuation of bonds	-0.8
Valuation at equity Euvia	0.6
Addition to Euvia loan	0.5
Leases	-0.2
Deferred taxes [inc. adjustment to tax rate for full year]	1.6
Miscellaneous	0.3
Group net profit per IFRS	4.1

Reconciliation Group net profit for Q2 of 2003	EUR m
Group net profit per German Commercial Code (HGB)	32.0
Valuation Receivables	1.5
Lower goodwill amortization for Kabel 1	0.7
Reporting/Valuation of bonds	-0.4
Addition to Euvia loan	0.2
Leases	0.1
Deferred taxes (incl. adjustment to tax rate for full year)	-11.5
Miscellaneous	-0.5
Group net profit per IFRS	22.1

Under IFRS 3, goodwill and separable intangible assets with an indeterminate useful life expectancy are not to be amortized, but instead must be reviewed annually for impairment, which is known as the impairment-only approach. The ProSiebenSat.1 Group has already applied IFRS 3 retroactively for fiscal 2003. By contrast, under the German Commercial Code, goodwill undergoes scheduled depreciation over either its useful life expectancy or four years.

Leases

IFRS defines a finance lease as a lease under which substantially all risks and benefits deriving from title to an asset are transferred to the lessee. An operating lease is defined as any lease that is not a finance lease. Under IFRS, lessees must report finance leases, in equal amounts, as both an asset and a liability. The amount to be employed is either the fair value of the leased property as of the commencement of the lease, or the net present value of minimum lease payments, if the latter value is lower. Finance leases give rise to a depreciation expense for depreciable assets, and a financial expense. The lease payments for an operating lease are reported as an expense in the income statement.

In the treatment of leases under the German Commercial Code, leased property was not capitalized, in accordance with the requirements of German tax regulations. But in adherence to IFRS,

Reporting per IFRS

a number of existing leases have now been classified as finance leases. Accordingly, the ProSiebenSat.1 Group has reported its leased assets and lease liabilities for the most part under „property, plant and equipment“ or „other liabilities.“

This treatment of finance leases under IFRS has also caused a difference in the way the rent expenses resulting from these leases are treated and reported in the income statement.

Long-term loans

Under IFRS, at the time they are first reported, financial assets bearing low or no interest are to be discounted at the market interest rate for comparable assets if the discounting effect is material. Economic advantages that counteract low or nil interest rates can be shown as assets in the balance sheet only if they comply with the recognition criteria for an asset.

In 2001, the Company granted a low-interest loan for the original amount of EUR 112 million to Euvia Media AG & Co. KG. Under IFRS, in contrast to the German Commercial Code, the associated advantages cannot be taken into account in determining the value of the low-interest loan to Euvia Media. Hence the loan to Euvia Media has been discounted under IFRS.

Borrowing costs

Under German accounting standards, costs incurred in direct connection with borrowings (for example, through bonds) represent an immediate expense for the period in question. Under IFRS, borrowing costs are charged as expenses spread over the life of the loan.

Other provisions

German accounting principles require provisions to be set aside for doubtful debts and potential losses on pending transactions. Such provisions may also be formed for internal costs – for example maintenance costs incurred during the first three months of the subsequent year, or for other defined expenses. Provisions are to be accrued under IFRS if a present external obligation exists; if it is probable that an outflow of resources will be necessary in order to fulfill that obligation; and if a reliable estimate can be made of the amount of the obligation. Provisions are formed according to the best-estimate method, and discounted to present value if they are maintained for the long term and if the discounting effect is material. The terms under which the present external obligation may be reduced by income directly or indirectly associated with that obligation may differ under IFRS from the terms under the German Commercial Code.

Deferred taxes

Under German accounting principles, a deferred tax item must be formed for differences between the consolidated income statement and income as calculated for tax purposes, if those differences are likely to net out against one another in the future. Under IFRS, deferred tax assets and liabilities are to be recognized for temporary differences between the value of an asset or liability as carried in the balance sheet, and the assessment basis on which that item will be taxed, except for goodwill (unless amortization of goodwill is tax-deductible) and certain transactions that do not affect either the taxable profit or the accounting profit. Additionally, IFRS requires deferred tax assets to be reported for tax loss carry-forwards, if there is an adequate probability that these tax loss carry-forwards will be applied against taxable profit in the future.

The differences in carrying values for deferred taxes at the ProSiebenSat.1 Group are largely the consequence of capitalizing deferred taxes that result in part from differences between IFRS and German tax reporting principles, and in part from tax loss carry-forwards.

Derivative financial instruments

Under German accounting standards, derivative financial instruments are reported as anticipated transactions in the balance sheet only if their valuation as of the reporting date indicates a potential loss, and if they cannot be allocated to a compensatory valuation unit that combines both the derivative and the underlying transaction, in a procedure that is roughly equivalent to hedge accounting under IAS. Unrealized gains do not appear in the income statement because of the principle that gains are not

Reporting per IFRS

to be shown until they have been realized through a sale.

Under IFRS, reporting for financial instruments is governed by IAS 32 and IAS 39, which require derivatives to be reported in the balance sheet at their fair value. Changes in fair value are normally applied to the income statement. Hedge accounting may be applied under certain narrowly defined conditions. In those cases, there are regular subsequent revaluations of the derivative with no impact on the income statement.

The ProSiebenSat.1 Group has hedges against interest-rate risks and foreign-currency risks. Interest-rate risks arise from liabilities with variable interest rates. The Company uses interest-rate swaps to hedge these risks. Some financial statements have included euro-denominated interest-rate swaps for which hedge accounting could not be applied under IFRS. Accordingly, these swaps were reported at fair value as „other liabilities." Consequently, subsequent changes in the current market value of these interest-rate swaps will be entered without effect on income or expense.

The ProSiebenSat.1 Group incurs foreign-currency risks primarily through license payments denominated in US dollars. The Company hedges these risks by entering into forward exchange deals and currency options. Its expectation is that most of the derivative financial instruments used for foreign-exchange management will meet the requirements for hedge accounting under IFRS. Under IFRS those forward-exchange transactions that meet the requirements for hedging are reported at fair value under equity and under „other liabilities," with no net impact on profits. Forward-exchange transactions that do not qualify for hedging are reported at fair value in the balance sheet, with an impact on profits. Under IFRS, currency options are capitalized as „other assets" for the amount of their option premium. In subsequent valuations, any changes in fair value are charged to the income statement.

Second Quarter 2004: Consolidated Statement of Income

Consolidated Income Statement for ProSiebenSat.1 Media AG for the 2nd quarter of 2004 (IFRS)

	Q2 2004 EUR k	Q2 2003 EUR k	Change EUR k	Change in percent
1. Revenues	496,029	466,886	29,143	6%
2. Cost of sales	-317,582	-335,964	-18,382	-5%
3. Gross profit	178,447	130,922	47,525	36%
4. Selling expenses	-40,744	-45,658	-4,914	-11%
5. Administrative expenses	-33,880	-41,708	-7,828	-19%
6. Other operating income	5,460	10,262	-4,802	-47%
7. Operating profit	109,283	53,818	55,465	103%
8. Income from other securities and from loans of financial assets	1,515	1,264	251	20%
9. Income from associated companies	944	-96	1,040	1083%
10. Write-downs of financial assets and marketable securities	- / -	-300	-300	-100%
11. Net interest result	-14,517	-17,542	3,025	17%
12. Other financial expenses	-23,404	-2,404	21,000	874%
13. Financial loss	-35,462	-19,078	-16,384	-86%
14. Income from ordninary business activities	73,821	34,740	39,081	112%
15. Income taxes	-26,274	-12,884	13,390	104%
16. Profit	47,547	21,856	25,691	118%
17. Minority interests	20	262	-242	-92%
18. Consolidated profit	47,567	22,118	25,449	115%

	Q2 2004 EUR	Q2 2003 EUR	Change EUR	Change in percent
Basic and diluted earnings per share of common stock according to IAS 33	0.23	0.11	0.12	109%
Basic and diluted earnings per share of preferred stock according to IAS 33	0.24	0.12	0.12	100%

First Half of 2004: Consolidated Statement of Income

Consolidated Income Statement for ProSiebenSat.1 Media AG for the First Half of 2004 (IFRS)

	H1 2004 EUR k	H1 2003 EUR k	Change EUR k	Change in percent
1. Revenues	932,291	878,163	54,128	6%
2. Cost of sales	-620,432	-673,152	-52,720	-8%
3. Gross profit	311,859	205,011	106,848	52%
4. Selling expenses	-86,949	-101,383	-14,434	-14%
5. Administrative expenses	-65,668	-81,199	-15,531	-19%
6. Other operating income	10,434	20,777	-10,343	-50%
7. Operating profit	169,676	43,206	126,470	293%
8. Income from other securities and from loans of financial assets	3,163	2,629	534	20%
9. Income from associated companies	1,227	479	748	156%
10. Write-downs of financial assets and marketable securities	- / -	-500	-500	-100%
11. Net interest result	-31,702	-36,476	4,774	13%
12. Other financial expenses	-25,072	-3,827	21,245	555%
13. Financial loss	-52,384	-37,695	-14,689	-39%
14. Income from ordinary business activities	117,292	5,511	111,781	2028%
15. Income taxes	-44,543	-1,777	42,766	2407%
16. Profit	72,749	3,734	69,015	1848%
17. Minority interests	-71	341	-412	-121%
18. Consolidated profit	72,678	4,075	68,603	1684%

	H1 2004 EUR	H1 2003 EUR	Change EUR	Change in percent
Basic and diluted earnings per share of common stock according to IAS 33	0.36	0.02	0.34	1700%
Basic and diluted earnings per share of preferred stock according to IAS 33	0.37	0.03	0.34	1133%

First Half of 2004: Consolidated Balance Sheet

Consolidated Balance Sheet of ProSiebenSat.1 Media AG as of June 30, 2004 (IFRS)

Assets	June 30, 2004 EUR k	June 30, 2003 EUR k	Change EUR k	Dec. 31, 2003 EUR k	Change EUR k
A. Noncurrent assets					
I. Intangible assets	60,835	63,218	-2,383	60,583	252
II. Property, plant and equipment	247,362	269,009	-21,647	258,639	-11,277
III. Financial assets	146,701	135,952	10,749	145,727	974
	454,898	468,179	-13,281	464,949	-10,051
B. Current assets					
I. Programming assets	1,176,791	1,178,807	-2,016	1,148,177	28,614
II. Inventories	5,886	5,665	221	5,777	109
III. Accounts receivable and other assets	166,481	193,912	-27,431	172,557	-6,076
IV. Marketable securities	754	940	-186	921	-167
V. Cash, cash at bank	157,502	35,798	121,704	61,862	95,640
	1,507,414	1,415,122	92,292	1,389,294	118,120
C. Deferred taxes	35,080	45,917	-10,837	43,613	-8,533
Total assets	1,997,392	1,929,218	68,174	1,897,856	99,536

Liabilities and shareholders' equity	June 30, 2004 EUR k	June 30, 2003 EUR k	Change EUR k	Dec. 31, 2003 EUR k	Change EUR k
A. Shareholders' equity					
I. Subscribed capital	218,797	194,486	24,311	194,486	24,311
II. Capital reserves	578,627	322,319	256,308	322,319	256,308
III. Group equity generated	168,363	65,368	102,995	97,505	70,858
IV. Accumulated other Group equity	-6,047	493	-6,540	-13,160	7,113
	959,740	582,666	377,074	601,150	358,590
B. Minority interests	696	-478	1,174	625	71
C. Provisions	87,676	45,346	42,330	65,397	22,279
D. Liabilities (1)	949,280	1,301,684	-352,404	1,230,684	-281,404
Total liabilities and shareholders' equity	1,997,392	1,929,218	68,174	1,897,856	99,536

(1) June 30, 2004: including interest-bearing liabilities EUR 709 m (remaining term 1 year or less: EUR 144 m ; remaining term 1 to 5 years: EUR 65 m ; remaining term > 5 years: EUR 500 m)
June 30, 2003: including interest-bearing liabilities EUR 981 m (remaining term 1 year or less: EUR 129 m ; remaining term 1 to 5 years: EUR 495 m ; remaining term > 5 years EUR 357 m)
Dec 31, 2003: including interest-bearing liabilities EUR 866 m (remaining term 1 year or less: EUR 146 m; remaining term 1 to 5 years: EUR 366 m; remaining term > 5 years EUR 354 m)

Statement of Changes in Shareholders´Equity

Statement of Changes in Shareholders' Equity of the ProSiebenSat.1 Group for the 1st half of 2003 (IFRS)

	Subscribed capital	Capital reserves	Group equity generated	Accumulated other Group equity		Shareholders' equity
				Foreign currency translation adjustment	Other transactions not recognized in the income statement	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Dec. 31, 2002	194,486	322,319	63,238	526	228	580,797
Dividends paid	- / -	- / -	-1,945	- / -	- / -	-1,945
Other changes	- / -	- / -	- / -	-33	-228	-261
Consolidated profit	- / -	- / -	4,075	- / -	- / -	4,075
June 30, 2003	194,486	322,319	65,368	493	- / -	582,666

Statement of Changes in Shareholders' Equity of the ProSiebenSat.1 Group for the 1st half of 2004 (IFRS)

	Subscribed capital	Capital reserves	Group equity generated	Accumulated other Group equity		Shareholders' equity
				Foreign currency translation adjustment	Other transactions not recognized in the income statement	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Dec. 31, 2003	194,486	322,319	97,505	-234	-12,926	601,150
Capital increase	24,311	256,308	- / -	- / -	- / -	280,619
Dividends paid	- / -	- / -	-1,945	- / -	- / -	-1,945
Hedge Accounting	- / -	- / -	- / -	- / -	6,908	6,908
Other changes	- / -	- / -	125	205	- / -	330
Consolidated profit	- / -	- / -	72,678	- / -	- / -	72,678
June 30, 2004	218,797	578,627	168,363	-29	-6,018	959,740

ProSiebenSat.1 Group Cash Flow Statement

ProSiebenSat.1 Group Cash Flow Statement as of June 30, 2004 (IFRS)

	H1 2004 EUR k	H12003 EUR k
Consolidated profit	72,678	4,075
Depreciation, amortization and impairment/write-ups of noncurrent and current assets	17,766	22,096
Consumption/write-ups of programming assets	474,428	513,620
Change in tax provisions (incl. change in deferred tax assets)	34,555	1,646
Change in other provisions	1,570	7,785
Profit from sale of programming assets	-/-	257
Profit from sale of fixed assets	68	792
Cash flow	601,065	550,271
Change in inventories	-109	-707
Change in non-interest-bearing receivables and other assets	6,243	10,086
Change in non-interest-bearing liabilities	-117,164	27,427
Cash flow from operating activities	490,035	587,077
Proceeds from disposal of noncurrent assets	3,258	2,492
Expenditures for intangible assets and property, plant and equipment	-7,197	-4,755
Expenditures for purchase of financial assets	-3,816	-2,787
Proceeds from disposal of programming assets	22,492	9,824
Expenditures for programming assets	-530,847	-647,997
Effects of changes in scope of consolidation and other changes in equity	373	438
Cash flow from investing activities	-515,737	-642,785
Free cash flow	-25,702	-55,708
Dividend	-1,945	-1,945
Change of interest-bearing liabilities	-157,332	26,160
Net admission from capital increase	280,619	-/-
Cash flow from financing activities	121,342	24,215
Change in cash and cash equivalents	95,640	-31,493
Cash and cash equivalents at beginning of year	61,862	67,291
Cash and cash equivalents as of June 30, 2004	157,502	35,798

	H1 2004 EUR k	H1 2003 EUR k
The cash flow from operating activities includes the following receipts and payments according to IAS 7:		
Cash flow from income taxes	-15,354	7,983
Cash flow from interest expenses	-46,037	-47,183
Cash flow from interest income	1,169	723