ProSiebenSat.1 Media AG

Half Year Report 2005

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Key Figures

Key figures for the ProSiebenSat.1 Group - Q2 2005

Key balance sheet figures for the ProSiebenSat.1 Group

		6/30/2005	6/30/2004	Change
Total assets	[Eur m]	2,030.4	1,997.4	2%
Shareholders equity	[Eur m]	1,060.2	960.4	10%
Liabilities	[Eur m]	840.0	949.3	-12%
Equity ratio		52%	48%	8%
Pre-tax return on equity		11%	8%	38%
Programming assets	[Eur m]	1,115.9	1,176.8	-5%
Programming assets of total assets		55%	59%	-7%
Net financial debt incl. bond	[Eur m]	392.5	423.3	-7%

Key cash flow figures for the ProSiebenSat.1 Group

		Q2 2005	Q2 2004	Change
Cash flow	[Eur m]	356.4	318.2	12%
Cash flow from operating activities	[Eur m]	346.4	309.5	12%
Cash flow from investing activities	[Eur m]	-409.3	-209.4	-95%
Free cash flow	[Eur m]	-62.9	100.1	-163%
Cash flow from financing activities	[Eur m]	10.0	50.7	-80%

Key figures for the ProSiebenSat.1 Group

		Q2 2005	Q2 2004	Change
Revenues	[Eur m]	507.8	496.0	2%
Gross profit	[Eur m]	196.8	178.5	10%
Operating profit	[Eur m]	118.3	109.3	8%
Financial loss	[Eur m]	-1.0	-35.5	97%
Pre-tax profit	[Eur m]	117.2	73.8	59%
Consolidated profit	[Eur m]	71.7	47.6	51%
EBITDA	[Eur m]	126.6	118.3	7%
EBIT	[Eur m]	118.0	109.3	8%
EBITDA-Margin		24.9%	23.9%	4.2%
Pre-tax profit margin		23%	15%	53%
Programming investments	[Eur m]	242.6	227.6	7%
Depreciation and amortization of intangible assets, property, plant and equipment	[Eur m]	8.3	9.1	-9%
Personnel expenses	[Eur m]	52.4	52.0	1%
Employees*		2,761	2,699	2%

* Averaging full-time equivalent jobs

Key figures for the ProSiebenSat.1 Group - Q2 2005				
Key figures by stations				
		Q2 2005	**Q2 2004**	Change
Sat.1				
Total revenues	[Eur m]	208.5	204.2	2%
Pre-tax profit	[Eur m]	43.4	38.7	12%
EBITDA	[Eur m]	43.8	40.5	8%
Employees*		220	223	-1%
ProSieben				
Total revenues	[Eur m]	192.3	205.2	-6%
Pre-tax profit	[Eur m]	58.9	63.1	-7%
EBITDA	[Eur m]	58.8	63.2	-7%
Employees*		262	253	4%
kabel eins				
Total revenues	[Eur m]	55.7	48.5	15%
Pre-tax profit	[Eur m]	13.5	9.6	41%
EBITDA	[Eur m]	13.4	9.4	43%
Employees*		46	47	-2%
N24				
Total revenues	[Eur m]	20.0	17.4	15%
Pre-tax profit	[Eur m]	1.2	0.1	-/-
EBITDA	[Eur m]	1.4	0.4	250%
Employees*		161	157	3%
Key figures for 9 Live		**June 2005**	**June 2004**	Change
Total revenues	[Eur m]	8.4	6.8	24%
Pre-tax profit	[Eur m]	2.6	2.4	8%
EBITDA	[Eur m]	2.7	2.4	13%
Employees*		98	100	-2%
Key figures for SevenOne Intermedia		**Q2 2005**	**Q2 2004**	Change
Total revenues	[Eur m]	25.8	14.1	83%
Pre-tax profit	[Eur m]	5.0	2.5	100%
EBITDA	[Eur m]	5.5	3.0	83%
Employees*		121	105	15%
Key figures for MerchandisingMedia				
Total revenues	[Eur m]	7.0	12.0	-42%
Pre-tax profit	[Eur m]	2.8	2.0	40%
EBITDA	[Eur m]	2.2	2.0	10%
Employees*		52	88	-41%

* Averaging full-time equivalent jobs

Key figures for the ProSiebenSat.1 Group - First half year 2005

Key balance sheet figures for the ProSiebenSat.1 Group

		6/30/2005	6/30/2004	Change
Total assets	[Eur m]	2,030.4	1,997.4	2%
Shareholders equity	[Eur m]	1,060.2	960.4	10%
Liabilities	[Eur m]	840.0	949.3	-12%
Equity ratio		52%	48%	8%
Pre-tax return on equity		15%	12%	25%
Programming assets	[Eur m]	1,115.9	1,176.8	-5%
Programming assets of total assets		55%	59%	-7%
Net financial debt incl. bond	[Eur m]	392.5	423.3	-7%

Key cash flow figures for the ProSiebenSat.1 Group

		H1 2005	H1 2004	Change
Cash flow	[Eur m]	630.6	596.9	6%
Cash flow from operating activities	[Eur m]	544.9	485.8	12%
Cash flow from investing activities	[Eur m]	-639.2	-511.5	-25%
Free cash flow	[Eur m]	-94.3	-25.7	-267%
Cash flow from financing activities	[Eur m]	-165.2	121.3	-236%

Key figures for the ProSiebenSat.1 Group

		H1 2005	H1 2004	Change
Revenues	[Eur m]	937.8	932.3	1%
Gross profit	[Eur m]	327.5	311.9	5%
Operating profit	[Eur m]	175.4	169.7	3%
Financial loss	[Eur m]	-11,1	-52.4	79%
Pre-tax profit	[Eur m]	164.3	117.3	40%
Consolidated profit	[Eur m]	100.3	72.7	38%
EBITDA	[Eur m]	190.8	187.4	2%
EBIT	[Eur m]	174.8	169.7	3%
EBITDA-Margin		20.3%	20.1%	1.0%
Pre-tax profit margin		18%	13%	38%
Programming investments	[Eur m]	465.6	530.8	-12%
Depreciation and amortization of intangible assets, property, plant and equipment	[Eur m]	15.4	17.8	-13%
Personnel expenses	[Eur m]	103.2	101.9	1%
Employees*		2,730	2,722	-/-

* Averaging full-time equivalent jobs

Key figures for the ProSiebenSat.1 Group				
Key figures by stations				
		H1 2005	**H1 2004**	Change
Sat.1				
Total revenues	[Eur m]	395.4	396.9	-/-
Pre-tax profit	[Eur m]	62.9	62.4	1%
EBITDA	[Eur m]	65.1	65.2	-/-
Employees*		219	221	-1%
ProSieben				
Total revenues	[Eur m]	384.7	379.7	1%
Pre-tax profit	[Eur m]	84.8	97.9	-13%
EBITDA	[Eur m]	84.1	98.0	-14%
Employees*		260	257	1%
kabel eins				
Total revenues	[Eur m]	104.8	95.0	10%
Pre-tax profit	[Eur m]	22.2	12.4	79%
EBITDA	[Eur m]	21.9	12.0	83%
Employees*		46	48	-4%
N24				
Total revenues	[Eur m]	39.9	34.8	15%
Pre-tax profit	[Eur m]	3.7	0.2	-/-
EBITDA	[Eur m]	4.1	0.9	356%
Employees*		159	153	4%
Key figures for 9 Live				
Total revenues	[Eur m]	52.1	39.2	33%
Pre-tax profit	[Eur m]	18.0	12.0	50%
EBITDA	[Eur m]	18.6	12.3	51%
Employees*		100	98	2%
Key figures for SevenOne Intermedia				
Total revenues	[Eur m]	46.5	27.5	69%
Pre-tax profit	[Eur m]	6.8	4.8	42%
EBITDA	[Eur m]	8.2	5.8	41%
Employees*		124	105	18%
Key figures for MerchandisingMedia				
Total revenues	[Eur m]	13.7	23.7	-42%
Pre-tax profit	[Eur m]	3.4	4.1	-17%
EBITDA	[Eur m]	4.2	4.2	-/-
Employees*		51	88	-42%

* Averaging full-time equivalent jobs

ProSiebenSat.1 Group revenues and earnings grow amid a difficult advertising market

- Revenues up 1 percent, from EUR 932.3 million to EUR 937.8 million
- Pre-tax profit up 40 percent, from EUR 117.3 million to EUR 164.3 million
- Consolidated profit improves 38 percent, from EUR 72.7 million to EUR 100.3 million
- EBITDA up 2 percent, from EUR 187.4 million to EUR 190.8 million
- All four stations show a profit
- kabel eins return on revenue climbs from 13 percent to 21 percent
- N24 return on revenue up from 1 percent to 9 percent
- All stations together pick up another percentage point in audience share, to reach 30.5 percent (14-49)
- All stations combined expand market lead; share of gross advertising market up 0.5 percent to 43.4 percent
- Diversification: 9 Live revenues up 33 percent from EUR 39.2 million to EUR 52.1 million.
- Diversification: SevenOne Intermedia revenues up 69 percent, from EUR 27.5 million to EUR 46.5 million

Business Conditions

Economic conditions and the advertising market

Economy remains slack

The German economy showed no sign of a sustained upswing in the first half of 2005. Domestic demand in particular remained slack because of the high price of oil and general consumer wariness. Although the devaluation of the euro led exports to pick up further, world economic growth remains sluggish. According to the major economic institutes, Germany will be Europe's slowest-growing economy again in 2005.

The TV advertising market also suffered from the general economic malaise. Here low consumer confidence had an adverse effect on the entire first half of the year, just as it had done in the first quarter. Net advertising revenues in the German TV market were down in the second quarter, even though gross statistics showed a gain.

The Industry

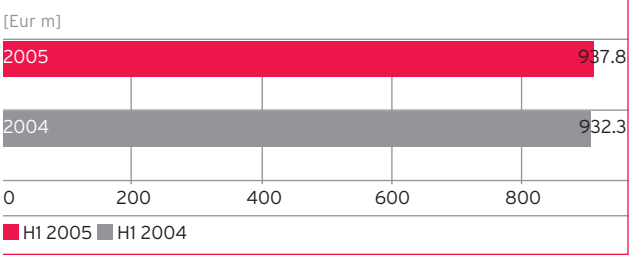
Gross statistics for the advertising market

The gross revenue statistics released by the Nielsen Media Research institute indicate that advertising revenues in conventional media grew 3.6 percent in the first half of 2005 against the comparable period last year, to EUR 9.1 billion.

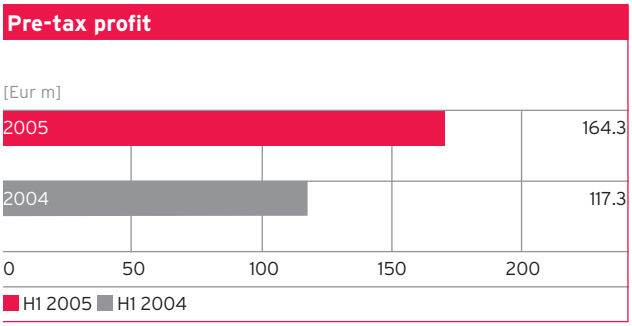
Television, the most important medium, picked up an additional EUR 3.8 million in gross advertising revenues on the half, a 2.3 percent gain from the year before. Newspapers, the second largest medium at EUR 2.4 billion, gained 8.5 percent in gross terms. General-interest magazines, at EUR 1.8 billion, were the only conventional medium that was down, by 3.7 percent. Trade and special-interest magazines generated EUR 219 million. Radio stations, with advertising revenues of EUR 575 million, gained 20.3 percent and thus had by far the highest growth rate in the entire market. The Nielsen figure for billboards was EUR 295 million.

Gross data from Nielsen Media Research generally offer no real foothold for direct conclusions about actual advertising revenues, since the gross figures include

Group revenues



Pre-tax profit



self-promotion, volume discounts and agency commissions. For the same reason, the gross statistics for the first half offer no reliable indication. On a net basis, the TV advertising market closed out the first half of 2005 with a revenue decline.

ProSiebenSat.1 Group's share of advertising market rises

In the first half of 2005, the ProSiebenSat.1 Group generated gross revenues of EUR 1.640 billion. This is equivalent to a 43.4 percent share of the gross TV advertising market. The Group strengthened its position against the same period last year, increasing its share 0.5 percentage points.

SevenOne Media, the ProSiebenSat.1 Group's marketer for advertising time, consolidated its lead over IP Deutschland, at a 43.4 percent share of the advertising market. The four stations marketed by IP – RTL, Vox, Super RTL and n-tv – generated a share of 36.5 percent in the first half. El Cartel, which markets RTL2, had a 6.4 percent share. The five stations together had a 42.9 share.

Sat.1, with 19.9 percent, and ProSieben, with 17.6 percent, held the second and third largest shares of the TV advertising market. Sat.1 in particular made a significant gain against the first half of 2004, boosting its market share 0.8 percentage points. kabel eins improved its share of the market 0.3 percentage points,

Sat.1's telenovela "Verliebt in Berlin" evolved into a superhit in the first half of 2005. Alexandra Neldel in her role as the wallflower Lisa Plenske and Mathis Künzler as her principal David Seidel will now spark the audience until late summer of 2006.

to 5.2 percent. News station N24 also enjoyed a significant gain, adding 0.2 percentage points to reach 0.7 percent.

Stations' audience shares perform well

The ProSiebenSat.1 Group put in a very good performance in audience share. Over the first six months of the year, the Group has been able to add another 1.0 percentage point to its share, to reach 30.5 percent.

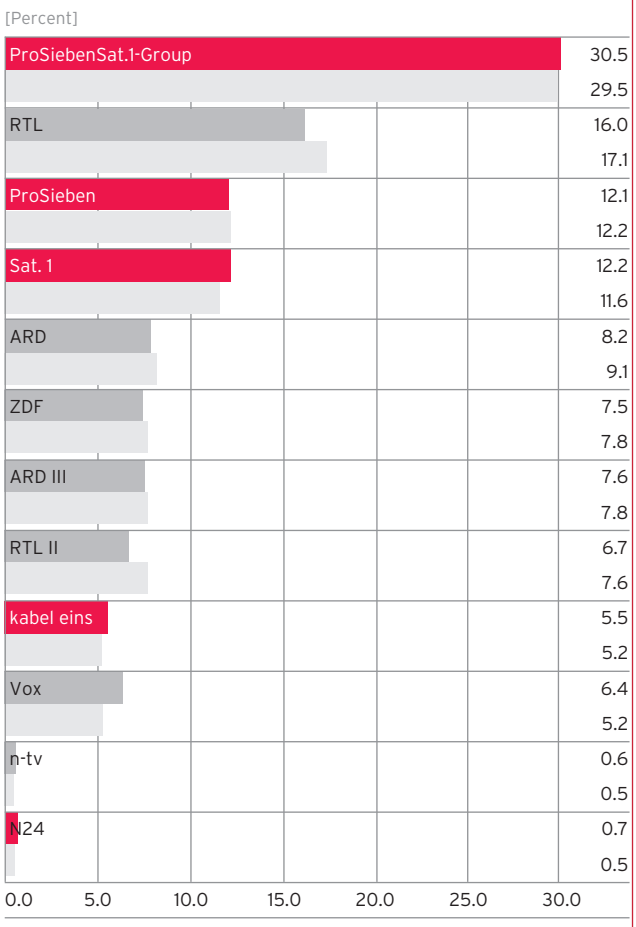
Sat.1, with a 12.2 percent share, picked up 0.6 percentage points. This significant ratings increase was assisted by both the Champions League and films and series such as "Shrek," "Edel & Starck," and "Ein Zwilling ist nicht genug." But the most important contributors to the station's steady success were the improv comedy "Schillerstrasse" and the popular telenovela "Verliebt in Berlin."

ProSieben earned a 12.1 percent share, compared to the prior year period's 12.2 percent. Among the station's top favorites were blockbusters like "Men in Black," "Spider-Man" and "Signs," along with successful U.S. series like "Desperate Housewives" and "Lost." The docu-soap "Sarah & Marc in Love" and Stefan Raab's "TV total" events regularly pulled in large audience shares.

kabel eins boosted its share 0.3 percentage points, to 5.5 percent, partly thanks to such highlights as "Highlander" and "A Few Good Men." The station stored consistent successes with "K1-Magazin" and "Crime Friday" series like "Without a Trace."

News station N24 added 0.2 percentage points to its audience share to reach 0.7 percent, and thus leads its main competitor n-tv again for the first half of 2005.

Audience share



Basis: All television households (Panel D+EU), viewers 14 to 49; source: AGF/GFK Fernsehforschung/pc#tv aktuell/SevenOne Media

Productions in the "made by ProSieben" line regularly earn high ratings on Thursdays, with a high return on revenue as well. "Plötzlich berühmt" is about young girls' dreams of becoming pop stars.

Group Performance

Revenues and earnings

Despite the difficult TV advertising market, the ProSiebenSat.1 Group completed its first half with considerable success. Germany's leading TV corporation not only increased revenues but improved earnings significantly. A particular contributor to the improvement was the new Diversification segment, along with the full consolidation of Euvia Media as of June 1, 2005.

Group revenue came to EUR 937.8 million, compared to EUR 932,3 million in the first half of 2004 – a 0.6 percent increase. The quarter-on-quarter figures show the effects of Euvia Media. Second-quarter revenues were up 2.4 percent, from EUR 496.0 million to EUR 507.8 million. Euvia Media's contribution to revenues came to EUR 8.2 million.

EBITDA was EUR 190.8 million for the half, up 1.8 percent from the comparable period. The increase partly reflects revenue gains, but is even more significantly the product of a further optimization of cost structures. As a consequence, the EBITDA margin rose from 20.1 percent to 20.3 percent. Pre-tax profit rose significantly more than revenue, by 40.1 percent, to EUR 164.3 million, thanks most especially to lower net financial expenses. Here lower interest expenses, one-time income from a purchase price hedge for the Euvia acquisition, and significantly lower other financing charges all had a positive impact. The result was an increase in return on revenues from 12.6 percent to 17.5 percent. The consolidated net profit for the first half was EUR 100.3 million, compared to EUR 72.7 million for the equivalent period last year. The gain was 38.0 percent. Earnings per share of preferred stock will thus come to EUR 0.47 for the first half of 2005, compared to EUR 0.37 last year. The second quarter contributed EUR 0.34 (Q2 2004: EUR 0.24) of this figure, although here one must also bear in mind that the number of shares outstanding is now 7.8 percent higher, as a consequence of the 2004 capital increase.

Expenses

Despite the Euvia Media takeover, expenses for the ProSiebenSat.1 Group were down slightly for the first half. The total costs of EUR 769.6 million include EUR 5.9 in costs for Euvia Media. Total costs declined EUR 3.4 million, or 0.4 percent. The cost of sales was down slightly, by EUR 10.1 million, to EUR 610.3 million. Consumption of programming assets accounted for EUR 452.4 million of this figure, following the equivalent period's EUR 474.4 million. Scheduled consumption for H1 2005 came to EUR 424.7 million, compared to EUR 452.9 million in H1 2004. Unscheduled consumption grew EUR 6.2 million, from EUR 21.5 million to EUR 27.7 million. Selling expenses came to EUR 94.8 million, and administrative expenses were EUR 64.5 million, compared to EUR 86.9 million and EUR 65.7 million for the same period last year. Quarter-on-quarter, the Euvia acquisition drove costs up slightly in the second quarter by 0.1 percent, from EUR 392.2 million to EUR 392.5 million.

Cash and equivalents, and cash flow

Cash and equivalents as of June 30, 2005, were EUR 80.3 million, compared to EUR 157.5 million as of June 30, 2004, and EUR 294.7 million as of December 31, 2004. Most of the decline in cash compared to the end of last year was the result of the reduction of interest-bearing debt, the dividend payment in May of this year, and the completed acquisition of Euvia Media. The cash

The top crime series "Without a Trace," from producer Jerry Bruckheimer, is earning above-average Friday-evening ratings on kabel eins.

flow from operating activities rose from EUR 485.8 million to EUR 544.9 million. This change particularly reflects the reduction in non-interest-bearing liabilities, which was down EUR 72.7 million against last year's first-half figure.

Cash used in investing activities was EUR 639.2 million for the first half, an increase of EUR 127.7 million from the comparable period. The change is primarily a result of the first consolidation of the Euvia Group. Investments in programming assets were down in the first half of 2005, to EUR 465.6 million compared to EUR 530.8 million a year earlier.

Improved balance sheet structure

The ProSiebenSat.1 Group's total assets rose against the prior year, to EUR 2.030 billion as of June 30, 2005. The assets side of the balance sheet shows the impact of the first consolidation of the Euvia Media Group. Intangible assets in particular were up from EUR 269.2 million to EUR 330.0 million. The change results largely from the goodwill acquired in the first consolidation of Euvia, together with intangible assets of Euvia that were identified in the allocation of the purchase price and capitalized at fair value. Financial assets decreased from EUR 146.7 million to EUR 3.3 million because of the removal of the equity value of Euvia and the elimination of a loan to Euvia as a consequence of the first consolidation. Cash and equivalents were down from EUR 157.5 million to EUR 80.3 million, reflecting both the price of the Euvia Media Group and the value of Euvia's purchased cash and equivalents.

Equity increased 10.4 percent against June 30 of the year before, to EUR 1.060 billion, giving the Group an equity ratio of 52.2 percent. The equity ratio a year earlier was 48.1 percent.

Net financial debt down further

Net financial debt has continued to improve. The figure as of June 30, 2005, was EUR 392.5 million, compared to EUR 423.3 million a year earlier.

The first bond issue of the then ProSieben Media AG, from 1998, was repaid by the issuer's legal successor, ProSiebenSat.1 Media AG, in March 2005. The bond's par volume was DM 250 million (equivalent to EUR 127.8 million). Moreover, the EUR 40.125 million outstanding at year's end on a bond issue that was originally to mature in March 2006 was repaid early and in full, in compliance with the bond terms. The bond, which carried an interest rate of 5.875 percent, was redeemed at par.

Credit rating

ProSiebenSat.1 Media AG is currently rated by Moody's Investors Services and Fitch Ratings. At end of the half Moody's rating for the TV group was unchanged at Ba1, outlook stable. At the beginning of the second quarter, on April 8, 2005, Fitch Ratings upgraded the ProSiebenSat.1 Group to BBB-, outlook stable, after the former BB+, outlook positive. The Group's stock has thus returned to investment grade.

Euvia Group acquisition

The acquisition of the Euvia Group included the following companies:

- Euvia Media Verwaltungs AG
- Euvia Media AG & Co. KG
- 9Live Geschäftsführungs GmbH
- 9Live Fernsehen GmbH & Co. KG
- 9Live Musikverlag GmbH
- Euvia Travel GmbH

The purchase, dating from June 1, 2005, comprised 51.6% of Euvia, making all these companies now wholly owned subsidiaries of the ProSiebenSat.1 Group.

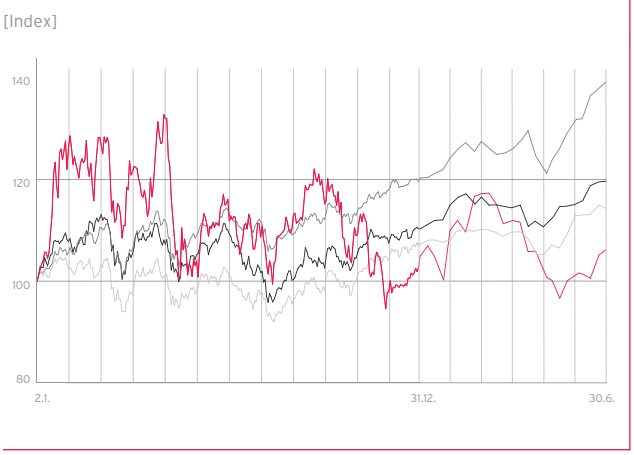
Euvia Media AG & Co. KG is a management and investment holding company for transaction television. It operates the interactive entertainment channel 9Live and sonnenklar TV, which specializes in travel sales. The managing partner is Euvia Media Verwaltungs AG. The cost of acquisition for the 51.6 percent purchase came to EUR 148.8 million, including costs of EUR 0.6 million directly associated with the purchase. The assets and liabilities of the ProSiebenSat.1 Group reflect the Euvia Group acquisition as follows:

Euvia: Fair value

[Eur m]	Euvia-Group	Step Up	Fair value
Intangible assets excl. goodwill	2.1	39.2	41.3
Goodwill	-/-	225.2	225.2
Noncurrent assets excl. deferred taxes	1.9	-/-	1.9
Current assets incl. deferred taxes	67.3	15.3	82.6
Provisions and liabilities	-128.9	-/-	-128.9
Total			222.1
Purchase Price			148.8
Equity book value Euvia as of may 31, 2005			73.3
Total			222.1

The step-up (purchase price allocation) takes account of the differences between the residual carrying values on the buyer's books and the fair value carried by the seller. The step-up identified not only intangible assets to be capitalized, but also assets that cannot be valued separately from goodwill. This may be the case, for example, when the goods involved are not scarce, or if no future benefit can be expected, or if the capitalized value already reflects the fair value, or if capitalization is out of the question because of the asset's minor value. Among the assets that were identified but not separated from goodwill are broadcasting licenses, land and satellite transmission channels, relationships with advertising clients, Internet domains, patents, and unpatented technologies.

ProSiebenSat.1 stock: Price performance



ProSiebenSat.1 Stoxx Media MDAX DAX
basis: Xetra closing prices, Index 100 = 01/02/2004; source: Bloomberg

Stock performance modestly positiv

After a slow period at the beginning of the year, the stock market picked up considerable momentum again during the period under review. Good corporate profits, positive export prospects because of the lower euro, and the upcoming elections have promoted optimism on the exchange. The DAX, Germany's primary index, reflected the improved mood, gaining 7.7 percent for the first half to close at 4,586 on June 30, compared to 4,256 at the end of 2004. The MDAX and the EuroStoxx-Media 50 performed even better, respectively rising 17.6 and 9.8 percent.

During the first half of the year, ProSiebenSat.1 stock gained 5.4 percent – in other words, it did not fully benefit from the market's improved performance. The performance of the media industry, especially the TV advertising market, depends mainly on changes in consumer demand, which is still considered slack. After an uptrend in the first few months, in May ProSiebenSat.1 stock declined briefly to just below EUR 13, following the announcement of the first-quarter results, and especially because of the correction of expectations for the TV advertising market as a whole in 2005. Takeover speculation, in part, buoyed the stock back up from

Cooperation with Vodafone: TV on the cell phone via UMTS – with attractive programming from Sat.1 and ProSieben – is becoming more and more common and will be an important market in the future. The Research and Development department is responsible for pursuing such projects.

this level to close at EUR 14.23 on June 30. The stock reached its low for the year so far, EUR 12.65, in mid-January. The high of EUR 15.10 was on March 2. During the half, 51.9 million shares of ProSiebenSat.1 Media AG traded on the XETRA trading system – an average daily trading volume of around 410,000 shares.

Employees

Group has 2,730 employees

The ProSiebenSat.1 Group had a workforce averaging 2,730 employees in the first half of 2005. The figure for the equivalent period was 2,722. Personnel expenses remained essentially stable, at EUR 103.2 million compared to EUR 101.9 million in 2004. The slight increase came from the acquisition of the Euvia Media Group and the takeover of its staff.

Sat.1's staff size was 219, down only slightly half-on-half. The figure at ProSieben was up by three, to 260. The staff at N24 grew from 153 to 159 employees, while the figure at kabel eins was down from 48 to 46. Employment at the Group's most personnel-intensive subsidiary, ProSiebenSat.1 Produktion, was down 2 percent, from 990 to 967 employees. ProSiebenSat.1 Media AG had 333 employees, compared to 360 a year earlier – a decrease of more than 7 percent. The number of employees in the Diversification segment was down from 199 to 181. The acquisition of the entire Euvia Group added another 126 employees as of June 30. The Group's marketers, SevenOne Media and SevenOne Interactive, had 382 employees in H1 2005, compared to 341 in 2004.

Research and Development

Ongoing research and market analysis is a top priority for the ProSiebenSat.1 Group. Results from research on audiences and the advertising market and on new technologies provide important information for the Group's strategic orientation. Among the Group's many current research projects, Connected Home is a new and future-oriented project at the R&D department.

Connected Home (working title)

SevenOne Intermedia, the ProSiebenSat.1 Group's multimedia firm, is working with leading international IT companies to study an all-around "Connected Home" that will make the most of upcoming developments in networking. Here the ProSiebenSat.1 subsidiary is mainly responsible for Home Entertainment. The project, which is studying potential use behaviors within a fully networked household, is of immense economic interest – as shown by its direct support from the German Ministry of the Economy.

Romantic comedies on Sat.1 attract a substantial audience of women. "Eine Prinzessin zum Verlieben" with Muriel Baumeister drew 2.78 million female fans (from 14) of 4,35 million fans (from 14) in total in the first half.

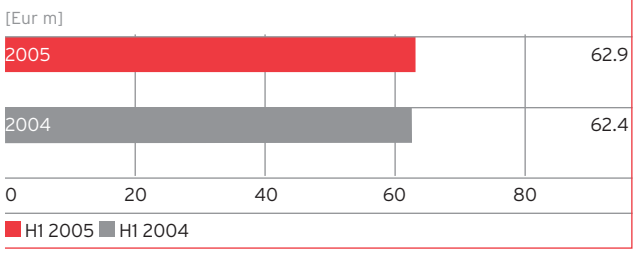
Stations' Performance

Sat.1 – Good revenue performance in Q2

With revenues of EUR 395.4 million for the first half, Sat.1 almost matched the prior-year equivalent, EUR 396.9 million, tapering off by only EUR 1.5 million. Pre-tax earnings came to EUR 62.9 million, following EUR 62.4 million in the first half of 2004 – an increase of barely one percent. The slight decline in revenues was a consequence of lower advertising revenues, especially in the first third of the year. But revenues from programming sales, teleshopping and audiotex rose. The cost structure remained at the same level as in 2004, so that EBITDA, at EUR 65.1 million, was down only EUR 0.1 million from the prior year's equivalent of EUR 65.2 million.

Sat. 1: Revenue development

Sat.1: Pre-tax profit



The quarter-on-quarter comparison shows that advertising revenues grew significantly again because of rising audience shares. Sat.1 generated second-quarter revenues of EUR 208.5 million, following EUR 204.2 million the year before – a rise of 2 percent. Earnings before taxes were also up, reaching EUR 43.4 million compared to EUR 38.7 million the year before, a 12.1 percent gain.

Sat.1 earned an average audience share (14-49 age group) of 12.6 percent in Q2 2005, compared to 11.0 percent a year earlier. No other German station was able to improve its ratings so substantially. The improvement can be traced most of all to the station's strong performance in the prime-access slot. The telenovela "That's Life" regularly attracted audience shares of more than 20 percent, and "K11" shares ran as high as 17.4 percent. Audiences have also been receptive to the new Thursday lineup, with the hit "Schillerstrasse" (up to 24%), the licensed series "Navy CIS" (up to 18.8 %), and "Akte" (up to 18.7%).

Other successful prime-time programs were the finals of the UEFA Champions League (up to 37.6%), "Genial daneben" (up to 18.9%), and the Sat.1-produced TV movie "Eine Prinzessin zum Verlieben" (19.2%).

The station's audience share for the first half came to 12.2 percent, outperforming the first half of 2004 by 0.6 percentage points.

No show in Q2 2005 was more successful than "Men in Black II." An audience of 5.49 million viewers between 14 and 49 watched cool alien-hunters Will Smith and Tommy Lee Jones do their stuff.

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ProSieben – Two different factors affect earnings

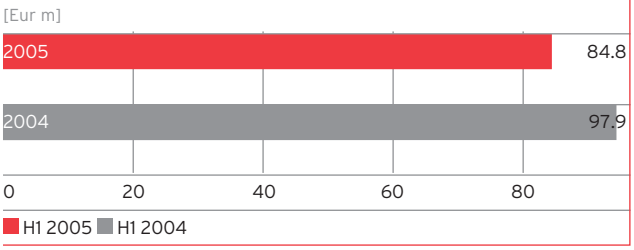
ProSieben increased its first-half revenues from EUR 379.7 million to EUR 384.7 million, a 1.3 percent gain. The increase resulted almost entirely from larger programming sales. After adjustment, revenues were down slightly. The receding advertising market is making itself felt in profits. Lower revenues and a rise in expenses left the station with a decline of 13.4 percent in pre-tax earnings. Following the comparable period's EUR 97.9 million, ProSieben logged a pre-tax profit of EUR 84.8 million in the first half of 2005. EBITDA was down from EUR 98.0 million to EUR 84.1 million.

The station earned an average share of 12.1 percent (H1 2004: 12.2%) of the 14-to-49 target audience for the first half of the year. ProSieben's first-half broadcast premiere of the Hollywood blockbuster "Spider-Man" earned the biggest reach of any German TV broadcast among the 14-to-49 segment. An audience of some 5.8 million watched the action hit with Tobey Maguire, equivalent to a 36.8 percent share of the key demographic. Other ratings highlights were "Men in Black II" (32.3%), "Signs" (29.4%) and "Independence Day" (28.8%), with well over 4 million viewers each, not to mention Episodes I and II of "Star Wars" (25.0% and 29.5%).

The ProSieben brand stands for high-quality licensed programming from American makers, successful in-house and commissioned productions like the ProSieben docu-soap "Sarah & Marc in Love" (up to 23.7%), comedies, and ratings-enhancing event shows. Stefan Raab's „tv total 2005 Wok Racing Championships" attracted 25.8 percent, the "Groβe TV total Stock Car Crash Challenge" attracted 24.5 percent of the 14-to-49 audience in June, and the "Bundesvision Song Contest" earned 21.2 percent. Other important audience favorites are the U.S. series "Desperate Housewives" and "Lost," with respective shares of up to 23 percent and 20 percent.

ProSieben: Revenue development

ProSieben: Pre-tax profit



Friday-evening ratings mainstays: The first German showings of crime series "Cold Case," "Without a Trace" and "Missing" on kabel eins during Q2 2005 earned an average audience share of 7.3 percent.

Earnings up at kabel eins

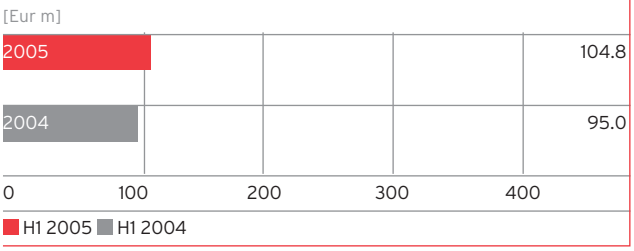
kabel eins performed very well in the first six months of 2005, boosting both revenues and earnings once again. During the first half, station revenues came to EUR 104.8 million (H1 2004: EUR 95.0 million). The station also held down its cost structure to the prior-year level. The consequence was that both pre-tax profits and EBITDA nearly doubled. Profits before taxes were EUR 22.2 million (H1 2004: EUR 12.4 million) and EBITDA was EUR 21.9 million (H1 2004: 12.0 million). The return on revenue for the first six months was 21.2 percent.

Quarter-on-quarter, the station generated revenues of EUR 55.7 million, a gain of 14.8 percent against the Q2 2004 figure of EUR 48.5 million. The station's pre-tax income was EUR 13.5 million (Q2 2004: EUR 9.6 million), and EBITDA was EUR 13.4 million (Q2 2004: EUR 9.4 million). The return on revenue is 24.2 percent.

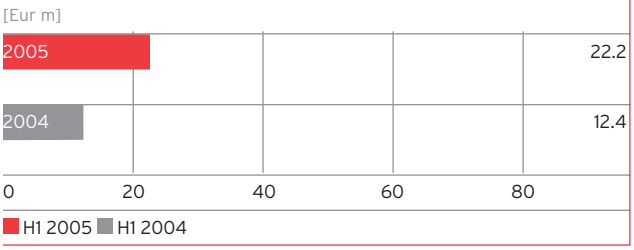
During Q2 2005, the station earned a share of 5.4 percent of the audience age 14 to 49, a gain of 0.2 percentage points against the comparable period last year. Major contributors to the quarter's success were feature films like "The Name of the Rose" (9.8%) and "Hot Shots! Part Deux" (9.4%), as well as the U.S. series "Without a Trace" (as high as 10.0%).

Thus first-half audience shares were 5.5 percent, a gain of 0.3 percentage points over the equivalent period. Other big contributors to ratings were the blockbusters "Highlander" (10.9%) and "A Few Good Men" (11.1%).

kabel eins: Revenue development



kabel eins: Pre-tax profit



N24 is the clear Number 1 among Germany's news stations, well ahead of the competition.

N24 makes major gain in earnings

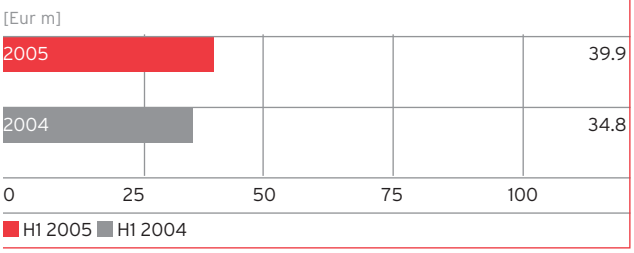
N24, the ProSiebenSat.1 Group's news station, can boast a successful first half. The station has shown steady gains in earnings once again this year. First-half revenues, at EUR 39.9 million, were up 14.7 percent over the comparable period last year. The station also scored significantly quarter-on-quarter, with revenues up 14.9 percent to EUR 20.0 million (Q2 2004: EUR 17.4 million).

EBITDA was EUR 4.1 million (H1 2004: EUR 0.9 million) for the first half, and EUR 1.4 million for the second quarter (Q2 2004: EUR 0.4 million). Thus the station generated pre-tax income of EUR 3.7 million (H1 2004: EUR 0.2 million) for the first six months and EUR 1.2 million (Q2 2004: EUR 0.1 million) for the second quarter.

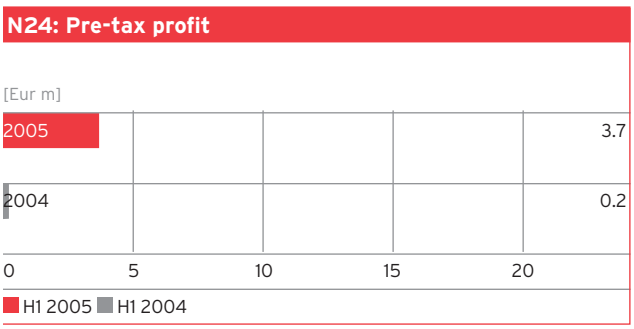
The Berlin station has significantly outperformed its prior-year showing, in part because of its enhanced programming performance and in part because of its optimized cost structure. It has been able to increase income by EUR 5.1 million without raising costs. Additionally, the larger audience shares have attracted new client groups, so that advertising revenues have also risen significantly. The telecommunications, travel, IT, automotive, pharmaceuticals/healthcare, banking, and insurance sectors have all taken aim at N24's high-income target audience, as have an increasing number of companies in fast-selling consumer goods.

N24 continued to grow in popularity with audiences. In the second quarter, the ProSiebenSat.1 Group's news station drew an audience share of 0.8 percent (14-to-49 target audience), a gain of 0.3 percentage points against the comparable period last year. N24 is thus clearly Number 1 among German news stations, a substantial 0.2 percentage points ahead of its Cologne competitor n-tv. The station's audience share for the first half, at 0.7 percent, was 0.2 percentage points ahead of the prior-year equivalent as well, establishing N24 as Germany's leading news channel.

N24: Revenue development



N24: Pre-tax profit



N24's audience gains can be attributed to an extensive revision of its schedule in 2004. The station significantly strengthened its up-to-the-minute morning news coverage in its early-morning and mid-morning reports. It also successfully established "Was erlauben Strunz" and "Studio Friedman," talk shows with a focus on social issues. Its high-quality magazines and absorbing documentaries in the "Kronzuckers Welt" series also earned rising audience shares.

Jürgen is one of the popular hosts on 9Live. The Cologne comic entertainer's enthusiasm has been winning him large caller figures – and he's delighted to lavish banknotes on the winners.

Diversification

The Diversification segment combines all the ProSiebenSat.1 Group's merchandising and multimedia activities. A rigorous reorganization and a stronger focus on high-revenue-potential operations are now resulting in higher revenues.

SevenOne Intermedia

In the first half of 2005, revenue and earnings at SevenOne Intermedia increased significantly. EBITDA grew from the prior year's EUR 5.8 million to EUR 8.2 million. Revenues climbed from EUR 27.5 million to EUR 46.5 million, a 69 percent increase. The leap is due in part to higher revenues from online and audiotex operations. What's more, Club/CRM operations, formerly reported as part of MM MerchandisingMedia, have become even more successful at SevenOne Intermedia thanks to synergy with the multimedia business. Earnings before taxes for the first half came to EUR 6.8 million, compared to the equivalent period's EUR 4.8 million.

MM MerchandisingMedia

Revenues for the first six months of 2005 totaled EUR 13.7 million (H1 2004: EUR 23.7 million). Part of the decline in sales came from slower business in Sports Merchandising. Another contributing factor was the transfer of Club/CRM operations to SevenOne Intermedia. While conventional licensing remained stable, the music business expanded particularly, as did business in licensing the Group's TV subject matter. EBITDA, at EUR 4.2 million, remained stable against the comparable period, despite the lower revenues. Earnings before taxes came to EUR 3.4 million, against EUR 4.1 million the comparable period.

Euvia Media AG

On June 1, 2005, ProSiebenSat.1 Media AG acquired an additional 51.6 percent of Euvia Media AG & Co. KG, thus increasing its holdings in the company to 100 percent. The television corporation acquired 48.6 percent from H.O.T. Networks GmbH i.L., and 3.0 percent from Christiane zu Salm.

Euvia Media AG operates 9Live – Germany's first quiz channel – and the travel sales channel sonnenklar TV. Transaction television established itself successfully in Germany for the first time with 9Live. The station is financed mainly through telephone charges. The Group's full takeover is consistent with its strategic objective of increasing its Diversification income and reducing its dependency on conditions in the advertising industry. While the Group generated only 7 percent of its 2004 revenues outside TV advertising, that percentage is targeted to double by 2007.

First-half revenues at 9Live were EUR 52.1 million, following EUR 39.2 million for the same period last year. The increase is equivalent to 32.9 percent – most of it from expanding call revenues. EBITDA also rose accordingly compared to H1 last year, from EUR 12.3 million to EUR 18.6 million, since costs were up only moderately. The ProSiebenSat.1 Group fully consolidated the Euvia Group for the first time as of June 1, 2005, so that the June results of 2005 will be included in the ProSiebenSat.1 Group's income statement for the first half of 2005.

Events Subsequent to Reporting Period

ProSiebenSat.1 Group: Best July ratings in five years

The stations of the ProSiebenSat.1 Group continued their success in July as well. Compared to July 2004, the family of stations were able to increase their market share among the 14 to 49 age group by 0.9 percent to 29.4 percent in July, 2005. Thus the Group achieved the best July results in five years (07/2004: 28.6%; 07/2003: 27.9%; 07/2002: 27.0%; 07/2001: 28.3%).

Once again, Sat.1 ranked among the major winners. With a market share of 11.8 percent, the station achieved the best July result over the last five years. There was a 0.8 percentage points (07/2004: 11.0%) increase compared to the same period last year. The increase could be attributed to two comedy series, namely "Die dreisten Drei" (up to 21.9%), "Hausmeister Krause" (up to 19.3%), and the Telenovela "Verliebt in Berlin" (up to 22.5%).

ProSieben achieved 11.1 percent among the 14 to 49 age group in July (07/2004: 12.1%). This is equivalent to a decline of one percent. ProSieben was able to record a high market share with the Docu-Soap "Sarah & Marc in Love" (up to 21.8%) and with Hollywood box-office hits such as "Blow" (22.5%) and "Proof of Life" (19.3%).

kabel eins ended July with a new record. Scoring 5.7 percent (07/2004: 5.0%), the station achieved the highest result for any July month in the history of the station. This was due in particular to two new shows, "Reklame! Top 10" (up to 11.7%) and "Werbung! Das Beste aus aller Welt" (up to 8.7%). Furthermore, the "K1 Magazine" achieved an above-average market share (up to 9.6%).

In July, N24 not only clearly outperformed its competitor n-tv (0.7%) but also scored its best July ratings ever since the station's inception, with a market share of 0.9 percent. Compared with the previous year, the news channel was able to add 0.4 percentage points (07/2004: 0.5%).

For comparison: with a market share of 15.3 percent (07/2004: 15.7%), RTL recorded its worst July rates in more than ten years. Vox climbed to 6.4 percent this July (07/2004: 5.4%), Super RTL achieved a market share of 2.7 percent (07/2004: 2.3%). n-tv reached 0.7 percent (07/2004: 0.6%). RTL II managed only 6.5 percent (07/2004: 8.0%).

Axel Springer AG anounces to acquire majority in ProSiebenSat.1 Group

On August 5, 2005, Axel Springer AG announced that it had signed a binding agreement with P7S1 Holding L.P. to acquire all P7S1 Holding's shares, held directly or indirectly, of ProSiebenSat.1 Media AG. The planned acquisition will boost Axel Springer AG's existing stake of about 12 percent to 100 percent of the voting common stock and 25 percent of the nonvoting preferred stock. The acquisition is subject to approval by the antitrust authorities and media regulators. Once the purchase is complete, Axel Springer AG will hold 62.5 percent of the total capital stock of ProSiebenSat.1 Media AG.

Voluntary public cash tender offer to shareholders of ProSiebenSat.1 Media AG

In addition, on August 5, 2005, Axel Springer AG announced a voluntary public cash tender offer to ProSiebenSat.1 Media AG shareholders, under Germany's Securities Acquisitions and Takeovers Act. The price offered to preferred shareholders is to match the weighted three-month average trading price of ProSiebenSat.1 preferred stock prior to the announcement of the offer. Preliminary calculations indicate a price of EUR 14.11 per preferred share. Axel Springer AG will promptly announce the price as soon as it becomes final. The tender offer is likewise subject to approval from the antitrust and media authorities. The Executive Board and Supervisory Board of ProSiebenSat.1 Media AG will issue a formal position statement, within the time periods required by law, immediately after the offer document is published.

Plans to merge ProSiebenSat.1 Media AG and Axel Springer AG

Once Axel Springer AG has completed its majority takeover of ProSiebenSat.1 Media AG and the tender offer has closed, it plans to merge the two companies. The merger will result in Germany's only listed media corporation that operates in both print and TV.

The Executive Board of the ProSiebenSat.1 Group has announced its support for the project. The successful restructuring is expected to tap new strategic prospects for the Group. The two companies together would be well positioned to assume a strong competitive position even internationally, over the long term, and to take advantage of growth opportunities, especially in the diversification segment. The participation of Axel Springer AG will ensure that the ProSiebenSat.1 Group can continue pursuing its successful corporate strategy and maintain its identity as a "family" of stations for the long term.

As part of the merger between ProSiebenSat.1 Media AG and Axel Springer AG, the preferred shareholders of ProSiebenSat.1 Media AG who have not accepted Springer's cash tender offer will receive preferred stock in the merged company. The exchange ratio for the merger will be calculated on the basis of an appraisal of both companies, which has yet to be carried out and will be reviewed by a court-appointed merger auditor.

Haim Saban to remain associated with company
Haim Saban holds an interest in P7S1 Holding L.P. by way of the Saban Capital Group, and will remain associated with the company even after the sale of P7S1 Holding's stock package to Springer. Saban will become a shareholder of the merged media corporation.

Credit rating being watched
In conjunction with the announcement of Axel Springer AG's acquisition of shares of ProSiebenSat.1 Media AG on August 5, 2005, on August 9 Moody's changed its outlook from stable to "review for possible downgrade." On August 19, Fitch Ratings put the company on "credit watch negative."

Outlook

Company outlook

Developments in the television advertising market for the second half of 2005 are difficult to forecast. Economic experts now foresee a weaker performance by the economy in 2005 than had originally been expected. In April 2005, in their spring projections, Germany's six leading economic research institutes estimated a GDP increase of only 0.7 percentage points in 2005 against 2004. In the spring of this year the German government also downgraded its 2005 GDP growth estimate from an original 1.6 percent to 1 percent.

The GfK consumer confidence index declined again in July. This Nuremberg market research institute consequently lowered its projection for consumer spending in 2005 from 0.4 percent to 0.2 percent. According to a Bundesbank report, private spending continues to stagnate because the situation in the job market continues to exercise an adverse effect. However, the ZEW economic index climbed 17.5 percent in July 2005, to 37 points, its strongest rise since 2003. The Ifo business climate index also improved sharply in July, to 95 points. Economic experts expect that the devaluation of the euro will sustainably enliven German exports, and thus export growth will partly compensate for the slack domestic market, stabilizing the economy in 2005.

Signals for the German advertising market in the second half of 2005 are distinctly variable. Under these conditions, no very reliable projection for advertising clients' spending behavior is possible. The ProSiebenSat.1 Group holds firm to its estimate that the net TV advertising market will decline by about two percent in 2005. This estimate is already based on the assumption that the second half will be more dynamic than the first half.

The ProSiebenSat.1 Group assumes it will perform better than the market in fiscal 2005, both increasing its revenues and improving its profits. Helpful factors here will be the stations' improved performance and growth in the area of diversification. Here the complete takeover of Euvia Media on June 1, 2005 in particular will have a substantial positive impact on the Group's revenues and profits.

Programming outlook

Sat.1 fall highlights: "Die Luftbrücke," "Bis in die Spitzen" and "Urmel"
In fall 2005, a number of new highlights will join established comedy brands like "Schillerstrasse" and "Genial daneben," light entertainment shows like "Clever," successful fiction like "Verliebt in Berlin" and "Der Bulle von Tölz," and exciting sports events on Sat.1. In the coming months, the station will be offering a wide range of attractive feature films, series, variety shows and informational programs.

The two-part "Die Luftbrücke – Nur der Himmel war frei," starring Heino Ferch and Bettina Zimmermann, promises to be an exciting two evenings of TV entertainment. The new series "Bis in die Spitzen" is a thrilling combination of big emotions, sex appeal, and quick-witted dialog. The family station's made-for-TV movie "Der Todestunnel – Nur die Wahrheit zählt" will present a gripping story with a top-notch European cast and spectacular special effects.

In "Die Deutschen des Jahres," Kai Pflaume will provide great live entertainment. Here the audience will vote for the outstanding personalities of the year in such areas as music, film and entertainment, as well as civil courage, innovation, and business. Dirk Bach and other top comedians will revive the cult hit "Urmel" as a family event. Bastian Pastewka and Anke Engelke return to Sat.1 with new comedy shows. Every Sunday evening starting August 8, Bettina Rust will be discussing the four most exciting topics of the week with three prominent guests on "Talk of the Week." And in January 2006, the station will be launching a daily informational program, with the "Sat.1 am Mittag" magazine show.

ProSieben: U.S. blockbusters and "made by ProSieben"
In the next few months, ProSieben will again draw on its core competence in international fiction. The station will be offering such blockbusters as "Gangs of New York," "xXx," and "Sweet Home Alabama." Besides new seasons of the premium series "Desperate Housewives" and "Lost," the station will be showing the U.S. top series "Numb3ers." The range of fiction is filled out with movies and series "made by ProSieben."

Additionally, the station will be expanding its variety with the action event movie "Vollgas – gebremst wird später," the mystery "Die Pathologin – Im Namen der Toten," the action comedy "Crazy-Partners", and the event film "Tsunami."

On top of that, the station's new "Alles ausser Sex" (WT) series will star audience favorites Annette Frier and Simone Hanselmann. Beginning in mid-September, the prize-winning sitcom "Stromberg" will take over the time slot after the Sunday prime-time blockbuster movie. The hit knowledge magazine "Galileo" will be expanded, and in the future the station will be showing more innovative light entertainment shows on Saturday evenings.

kabel eins: High-quality U.S. series, new special report series and even more events
In the second half of 2005, kabel eins will be presenting a highly attractive range of the "best films of all time," new seasons of its successful Friday police series, new light entertainment shows, and new series of special reports. At the end of July it already launched its very successful "Jäger der vergessenen Schätze – Bin ich reich?," and since mid-August Manni Burgsmüller and SSV Hacheney have been battling to get out of the rock-bottom soccer league in "Helden der Kreisklasse – Eine Frage der Ehre."

The station will continue its successful series of events. Alongside documentaries like "ABBA" and "Elvis Presley," another highlight will be the international co-production "Extraterrestrial – Auf der Spur der Aliens," part of Alien Week. Viewers can also look forward to a new set in the "Best of" line of shows, including the nine-part series "Top 10 TV" with Steven Gätjen, and four prime-time shows about "the biggest cult cars of all time." Friday evenings will still be the slot for high-quality series.

Following the successful launch of the second season of "Missing," new seasons of "Cold Case" (second season) and "Without a Trace" (third season) will follow starting in September. And they'll be accompanied by a real U.S. cult classic: "The Sopranos" will debut on September 16. The younger generation can look forward to "Cartoon Network" on Saturday mornings starting September 3.

N24: We get to the point

The first half of 2005 has already made the year one of the most eventful and extraordinary in recent news history. The tsunami disaster in South Asia, the election of a German as Pope, and the terrorist attacks in London and Egypt were events that attracted attention worldwide. The upcoming Parliamentary elections in Germany are another major event that will keep the news station's editors on the run.

In the first half of 2005 N24 solidified its lead among news stations. With up-to-date, around-the-clock reporting, political talk shows, high-quality magazines, and spellbinding documentaries, today N24 offers Germany's most contemporary, successful news TV.

And the station is still developing. In the next months it will be expanded systematically into a full-service news station. N24 will be carrying the full bandwidth of information programming. Including, for example, political cabaret and magazine shows about lifestyles and society. The station's branding core – news and business – will remain the foundation on which new programming is developed.

A first step in this strategic direction will be the launch of Arabella Kiesbauer's new talk show in January 2006. Famed host Kiesbauer will celebrate her comeback on German TV on N24, with a talk show on topics that all of Germany finds engaging. Each week she will discuss current events in culture, politics and society with one or two guests. "Arabella Kiesbauer" is N24's third talk show, following "Was erlauben Strunz" and "Studio Friedman."

Explanatory Note

Notes to the Q2/2005 interim report of ProSiebenSat.1 Media AG

The consolidated interim report was prepared in compliance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB) that were in effect on the reporting date, June 30, 2005. All applicable readings and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) up to that date have been applied, as has IAS 34 ("Interim Financial Reporting").

During the period covered by this interim report there were no changes in accounting principles from those applied in the annual financial statements as of December 31, 2004.

This report contains forward-looking statements that reflect the current views of the management of ProSiebenSat.1 Media AG regarding future events. These forward-looking statements include any statement that reproduces or is founded upon intentions, expectations or predictions (as well as the underlying assumptions) of the company. These statements are based on plans, estimates and projections currently available to the management of ProSiebenSat.1 Media AG. Therefore, they refer only to the date on which they are made. Forward-looking statements are inherently subject to risks and uncertainties (for example, owing to future developments in the German advertising market) that may cause actual outcomes to differ materially from such forward-looking statements or the results they imply. ProSiebenSat.1 Media AG assumes no obligation to update such statements to reflect new information or future events, nor does it intend to supply such updates.

Financial Statements

Consolidated income statement for ProSiebenSat.1 Group

EUR k	Q2 2005	Q2 2004	Change	Change in %
1. Revenues	507,818	496,029	11,789	2%
2. Cost of sales	-311,071	-317,582	-6,511	-2%
3. **Gross profit**	196,747	178,447	18,300	10%
4. Selling expenses	-48,443	-40,744	7,699	19%
5. Administrative expenses	-33,025	-33,880	-855	-3%
6. Other operating income	2,960	5,460	-2,500	-46%
7. **Operating profit**	118,239	109,283	8,956	8%
8. Expenses due to transfer of losses	-452	-/-	-452	-/-
9. Income from securities and loans of financial assets	1,032	1,515	-483	-32%
10. Income from equity interests in associated companies	365	944	-579	-61%
11. Write-downs of financial assets and current securities	-227	-/-	227	-/-
12. Income from financial instruments	9,213	-/-	9,213	-/-
13. Net interest result	-10,307	-14,517	-4,210	-29%
14. Other financial expenses	-635	-23,404	-22,769	-97%
15. **Financial loss**	-1,011	-35,462	34,451	97%
16. **Income from ordinary business activities**	117,228	73,821	43,407	59%
17. Income taxes	-45,087	-26,274	18,813	72%
18. **Profit**	72,141	47,547	24,594	52%
19. Minority interests	-487	20	-507	-/-
20. **Consolidated profit**	**71,654**	**47,567**	**24,087**	**51%**
Basic and diluted earnings per share of common stock according to IAS 33* (EUR)	0.32	0.22	0.10	45%
Basic and diluted earnings per share of preferred stock according to IAS 33* (EUR)	0.34	0.24	0.10	42%

*** thereby accounted for net profit for the period: 71.7 EUR m [previous period: 47.6 EUR m];**
thereby accounted for number of common and preferred shares: 218,797 thousand [previous period: 203,035 thousand]

Consolidated income statement for ProSiebenSat.1 Group

EUR k	H1 2005	H1 2004	Change	Change in %
1. Revenues	937,775	932,291	5,484	1%
2. Cost of sales	-610,315	-620,432	-10,117	-2%
3. **Gross profit**	327,460	311,859	15,601	5%
4. Selling expenses	-94,806	-86,949	7,857	9%
5. Administrative expenses	-64,458	-65,668	-1,210	-2%
6. Other operating income	7,184	10,434	-3,250	-31%
7. **Operating profit**	175,380	169,676	5,704	3%
8. Expenses due to transfer of losses	-452	-/-	-452	-/-
9. Income from securities and loans of financial assets	2,523	3,163	-640	-20%
10. Income from equity interests in associated companies	3,421	1,227	2,194	179%
11. Write-downs of financial assets and current securities	-594	-/-	594	-/-
12. Income from financial instruments	9,213	-/-	9,213	-/-
13. Net interest result	-23,786	-31,702	7,916	25%
14. Other financial expenses	-1,391	-25,072	-23,681	-94%
15. **Financial loss**	-11,066	-52,384	41,318	79%
16. **Income from ordinary business activities**	164,314	117,292	47,022	40%
17. Income taxes	-63,213	-44,543	18,670	42%
18. **Profit**	101,101	72,749	28,352	39%
19. Minority interests	-761	-71	-690	-972%
20. **Consolidated profit**	**100,340**	**72,678**	**27,662**	**38%**
Basic and diluted earnings per share of common stock according to IAS 33* (EUR)	0.45	0.35	0.10	29%
Basic and diluted earnings per share of preferred stock according to IAS 33* (EUR)	0.47	0.37	0.10	27%

*** thereby accounted for net profit for the period: 100.3 EUR m [previous period: 72.7 EUR m];**
thereby accounted for number of common and preferred shares: 218,797 thousand [previous period: 203,035 thousand]

Cash flow statement of ProSiebenSat.1 Group		
EUR k	H1 2005	H1 2004
Consolidated profit	**100,340**	**72,678**
Depreciation, amortization and impairment/write-ups of noncurrent and current assets	15,078	17,766
Consumption/write-ups of programming assets	452,418	474,428
Change in tax provisions [incl. change in deferred tax assets]	68,755	34,555
Change in other provisions	-1,491	1,570
Result from equity accounting and other noncash relevant changes within financial assets	-5,279	-4,213
Profit from sale of fixed assets	-48	68
Other non-cash income/expenses	863	-/-
Cash flow	**630,636**	**596,852**
Change in inventories	-1,074	-109
Change in non-interest-bearing receivables and other assets	-40,225	6,243
Change in non-interest-bearing liabilities	-44,415	-117,164
Cash flow from operating activities	**544,922**	**485,822**
Proceeds from disposal of noncurrent assets	2,409	3,258
Expenditures for intangible assets and property, plant and equipment	-9,826	-7,197
Expenditures for purchase of financial assets	-1,550	397
Proceeds from disposal of programming assets	3,632	22,492
Expenditures for programming assets	-465,641	-530,847
Effects of changes in scope of consolidation and other changes in equity	-168,238	373
Cash flow from investing activities	**-639,214**	**-511,524**
Free cash flow	**-94,292**	**-25,702**
Dividend	-63,451	-1,945
Change of interest-bearing liabilities	-101,705	-157,332
Net admission from capital increase	-/-	280,619
Cash flow from financing activities	**-165,156**	**121,342**
Change in cash and cash equivalents	**-259,448**	**95,640**
Change in scope of consolidation in cash and cash equivalents	45,034	-/-
Cash and cash equivalents at beginning of year	294,735	61,862
Cash and cash equivalents as of June 30	**80,321**	**157,502**
The cash flow from operating activities includes the following receipts and payments according to IAS 7:		
Cash flow from income taxes	-41,826	-15,354
Cash flow from interest expenses	-27,577	-46,037
Cash flow from interest income	1,432	1,169

Consolidated balance sheet of ProSiebenSat.1 Group

ASSETS

EUR k	6/30/2005	6/30/2004	Change	12/31/2004	Change
A. Noncurrent assets					
I. Intangible assets	329,994	60,835	269,159	62,919	267,075
II. Property, plant and equipment	237,703	247,362	-9,659	242,538	-4,835
III. Financial assets	3,332	146,701	-143,369	152,520	-149,188
IV. Accounts receivable and other long-term assets	4,484	475	4,009	8,976	-4,492
V. Deferred taxes	14,560	35,080	-20,520	36,365	-21.805
	590,073	**490,453**	**99,620**	**503,318**	**86,755**
B. Current assets					
I. Programming assets	1,115,889	1,176,791	-60,902	1,109,863	6,026
II. Inventories	6,062	5,886	176	4,963	1,099
III. Accounts receivable and other short-term assets	237,724	166,006	71,718	145,807	91,917
IV. Marketable securities	359	754	-395	491	-132
V. Cash, cash at bank	80,321	157,502	-77,181	294,735	-214,414
	1,440,355	**1,506,939**	**-66,584**	**1,555,859**	**-115,504**
Total assets	**2,030,428**	**1,997,392**	**33,036**	**2,059,177**	**-28,749**

LIABILITIES AND SHAREHOLDERS' EQUITY

EUR k	6/30/2005	6/30/2004	Change	12/31/2004	Change
A. Shareholders' equity					
I. Subscribed capital	218,797	218,797	-/-	218,797	-/-
II. Capital reserves	579,284	578,627	657	578,421	863
III. Group equity generated	266,079	168,363	97,716	229,190	36,889
IV. Accumulated other Group equity	-2,857	-6,047	3,190	-23,639	20,782
V. Minority interests	-1,067	696	-1,763	1,334	-2,401
	1,060,236	**960,436**	**99,800**	**1,004,103**	**56,133**
B. Noncurrent liabilities					
I. Long-term financial liabilities	385,165	442,369	-57,204	438,430	-53,265
II. Provisions	17,309	20,077	-2,768	21,252	-3,943
III. Other liabilities	126,531	134,987	-8,456	131,357	-4,826
	529,005	**597,433**	**-68,428**	**591,039**	**-62,034**
C. Current liabilities					
I. Short-term financial liabilities	87,995	139,150	-51,155	135,501	-47,506
II. Provisions	112,909	67,599	45,310	38,150	74,759
III. Other liabilities	240,283	232,774	7,509	290,384	-50,101
	441,187	**439,523**	**1,664**	**464,035**	**-22,848**
Total liabilities and shareholders' equity	**2,030,428**	**1,997,392**	**33,036**	**2,059,177**	**-28,749**

Statement of changes in shareholders' equity of the ProSiebenSat.1 Group for First Half 2004

EUR k	Subscribed capital	Capital reserves	Group equity generated	Accumulated other Group equity		Minority interests	Share-holders' equity
				Foreign currency translation adjustment	Valuation from cash flow-hedges		
December 31, 2003	194,486	322,319	97,505	-234	-12,926	625	601,775
Capital increase	24,311	256,308	-/-	-/-	-/-	-/-	280,619
Dividends paid	-/-	-/-	-1,945	-/-	-/-	-/-	-1,945
Other changes	-/-	-/-	125	205	6,908	-/-	7,238
Consolidated profit	-/-	-/-	72,678	-/-	-/-	71	72,749
June 30, 2004	**218,797**	**578,627**	**168,363**	**-29**	**-6,018**	**696**	**960,436**

Statement of changes in shareholders' equity of the ProSiebenSat.1 Group for First Half 2005

EUR k	Subscribed capital	Capital reserves	Group equity generated	Accumulated other Group equity		Minority interests	Share-holders' equity
				Foreign currency translation adjustment	Valuation from cash flow-hedges		
December 31, 2004	218,797	578,421	229,190	-135	-23,504	1,334	1,004,103
Dividends paid	-/-	-/-	-63,451	-/-	-/-	-/-	-63,451
Changes in scope of consolidation	-/-	-/-	-/-	-/-	-/-	-3,162	-3,162
Other changes	-/-	863	-/-	-9	20,791	-/-	21,645
Consolidated profit	-/-	-/-	100,340	-/-	-/-	761	101,101
June 30, 2005	**218,797**	**579,284**	**266,079**	**-144**	**-2,713**	**-1,067**	**1,060,236**

Financial Calender

February 22, 2005
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November 10, 2005
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