



Quarterly Report

Q3 2006



The power of television

The ProSiebenSat.1 Media AG is the leading electronic media group in Germany. We provide people with first-class entertainment and comprehensive information - whenever they need it, wherever they are.

**ProSiebenSat.1 Group's revenue growth continues in Q3,
driven by growth in both units**

- Revenues rise 3.7 percent to EUR 431.3 million
- Core business benefits from rising advertising revenues
- New digital services contribute significantly to organic growth in Diversification
- Net profit affected by one-off financial charge
- Outlook raised for current year

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Key Figures for the ProSiebenSat.1 Group

Key balance sheet figures

	9/30/2006	9/30/2005	Change
	EUR m	EUR m	
Total assets	1,960.8	1,989.6	-1%
Shareholders' equity	1,132.0	1,084.3	4%
Liabilities	712.7	774.9	-8%
Equity ratio	58%	54%	7%
Pre-tax return on equity	2%	4%	-50%
Programming assets	1,054.4	1,097.0	-4%
Programming assets of total assets	54%	55%	-2%
Net financial debt	311.6	390.5	-20%

Key cash flow figures

	Q3 2006	Q3 2005	Change
Cash flow	234.7	241.3	-3%
Cash flow from operating activities	160.8	197.0	-18%
Cash flow from investing activities	-242.9	-195.4	-24%
Free cash flow	-82.0	1.7	- / -
Cash flow from financing activities	-227.3	-43.3	-425%

Key figures

	Q3 2006	Q3 2005	Change
Revenues	431.3	415.9	4%
Gross profit	143.8	130.3	10%
Operating profit	48.9	50.5	-3%
Financial loss	-27.2	-12.0	-127%
Pre-tax profit	21.7	38.5	-44%
Consolidated profit	13.1	23.7	-45%
EBITDA	58.7	59.9	-2%
EBIT	48.9	51.1	-4%
EBITDA margin	14%	14%	- / -
Pre-tax profit margin	5%	9%	-44%
Programming investments	234.7	187.8	25%
Depreciation and amortization of intangible assets and property, plant and equipment	9.7	9.5	2%
Personnel expenses	62.1	54.9	13%
Employees*	3,000	2,838	6%

* Averaging full-time equivalent jobs

Key Figures for the ProSiebenSat.1 Group

	Q3 2006	Q3 2005	Change
	EUR m	EUR m	
Segment Free TV			
Total revenues	392.5	376.4	4%
External revenues	377.9	367.1	3%
Operating profit	41.5	43.3	-4%
EBITDA	48.2	49.3	-2%
Employees*	2,618	2,474	6%
Stations			
Sat.1			
Total revenues	173.0	165.8	4%
Pre-tax profit	28.7	24.0	20%
EBITDA	29.5	21.2	39%
Employees*	243	220	10%
ProSieben			
Total revenues	149.1	147.5	1%
Pre-tax profit	18.4	25.7	-28%
EBITDA	18.5	25.4	-27%
Employees*	263	258	2%
kabel eins			
Total revenues	52.5	46.7	12%
Pre-tax profit	8.6	6.6	30%
EBITDA	8.6	6.6	30%
Employees*	51	46	11%
N24			
Total revenues	21.1	19.7	7%
Pre-tax profit	2.5	0.9	178%
EBITDA	2.5	1.0	150%
Employees*	169	161	5%

* Averaging full-time equivalent jobs

Key Figures for the ProSiebenSat.1 Group

	Q3 2006	Q3 2005	Change
	EUR m	EUR m	
Diversification			
Segment Transaction TV			
Total revenues	22.7	23.8	-5%
External revenues	22.2	23.4	-5%
Operating profit	2.9	4.2	-31%
EBITDA	5.0	6.7	-25%
Employees* / **	100	113	-12%
Segment Other Diversification			
Total revenues	36.9	28.9	28%
External revenues	31.2	25.3	23%
Operating profit	4.6	3.2	44%
EBITDA	5.5	4.1	34%
Employees*	282	251	12%

* Averaging full-time equivalent jobs

** 2005: average of Q3

Key Figures for the ProSiebenSat.1 Group

Key balance sheet figures

	9/30/2006	9/30/2005	Change
	EUR m	EUR m	
Total assets	1,960.8	1,989.6	-1%
Shareholders' equity	1,132.0	1,084.3	4%
Liabilities	712.7	774.9	-8%
Equity ratio	58%	54%	7%
Pre-tax return on equity	18%	19%	-5%
Programming assets	1,054.4	1,097.0	-4%
Programming assets of total assets	54%	55%	-2%
Net financial debt	311.6	390.5	-20%

Key cash flow figures

	Q1-Q3 2006	Q1-Q3 2005	Change
Cash flow	909.6	871.9	4%
Cash flow from operating activities	813.4	741.9	10%
Cash flow from investing activities	-711.6	-834.6	15%
Free cash flow	101.8	-92.6	210%
Cash flow from financing activities	-230.0	-208.5	-10%

Key figures

	Q1-Q3 2006	Q1-Q3 2005	Change
Revenues	1,447.4	1,353.6	7%
Gross profit	512.2	457.8	12%
Operating profit	254.9	225.9	13%
Financial loss	-46.6	-23.1	-102%
Pre-tax profit	208.3	202.8	3%
Consolidated profit	127.3	124.1	3%
EBITDA	284.1	250.8	13%
EBIT	254.9	225.9	13%
EBITDA margin	20%	19%	5%
Pre-tax profit margin	14%	15%	-7%
Programming investments	693.9	653.4	6%
Depreciation and amortization of intangible assets and property, plant and equipment	29.3	24.9	18%
Personnel expenses	174.8	158.1	11%
Employees*	2,943	2,766	6%

* Averaging full-time equivalent jobs

Key Figures for the ProSiebenSat.1 Group

	Q1-Q3 2006	Q1-Q3 2005	Change
	EUR m	EUR m	
Segment Free TV			
Total revenues	1,328.1	1,267.2	5%
External revenues	1,287.8	1,237.2	4%
Operating profit	223.8	206.4	8%
EBITDA	244.1	224.9	9%
Employees*	2,573	2,465	4%
Stations			
Sat.1			
Total revenues	598.2	561.2	7%
Pre-tax profit	126.6	86.9	46%
EBITDA	127.5	86.3	48%
Employees*	251	220	14%
ProSieben			
Total revenues	497.2	532.2	-7%
Pre-tax profit	77.2	110.5	-30%
EBITDA	77.1	109.5	-30%
Employees*	263	259	2%
kabel eins			
Total revenues	174.9	151.5	15%
Pre-tax profit	40.2	28.8	40%
EBITDA	40.4	28.5	42%
Employees*	51	46	11%
N24			
Total revenues	63.9	59.6	7%
Pre-tax profit	7.2	4.6	57%
EBITDA	7.5	5.1	47%
Employees*	164	161	2%

* Averaging full-time equivalent jobs

Key Figures for the ProSiebenSat.1 Group

	Q1-Q3 2006	June & Q3 2005	Change
	EUR m	EUR m	
Diversification			
Segment Transaction TV*			
Total revenues	71.6	32.3	122%
External revenues	70.3	31.6	122%
Operating profit	13.3	5.4	146%
EBITDA	19.7	9.0	119%
Employees** / ***	98	52	88%
Segment Other Diversification			
Total revenues	105.6	89.9	17%
External revenues	89.3	84.8	5%
Operating profit	18.2	14.1	29%
EBITDA	20.9	16.8	24%
Employees**	272	249	9%

* Consolidation of 9Live since June 1, 2005

** Averaging full-time equivalent jobs

*** 2005: average of Q1-Q3

Major Events of Q3 2006

July 2006

maxdome, the Group's video-on-demand portal, is launched On July 27, 2006



August 2006

Dr. Marcus Englert is appointed Executive Board Member for Diversification on August 1, 2006



The Annual Shareholders' Meeting of ProSiebenSat.1 Media AG is held on August 2, 2006



Dividend paid out to shareholders of ProSiebenSat.1 Media AG on August 3, 2006



ProSiebenSat.1 Group extends contract for free TV rights for UEFA Cup and UEFA Super Cup

ProSiebenSat.1 Group acquires video-on-demand rights to "Lost" and "Desperate Housewives"

ProSiebenSat.1 Group acquires a stake in "MyVideo"

September 2006

Market launch of "Betty" interactive remote control scheduled for fiscal 2007

Munich I Regional Court decides in favor of ProSiebenSat.1 in post-merger appraisal suit

Sat.1, ProSieben, kabel eins, N24 and 9Live set new record for year's highest audience share of 31.0 percent; ProSieben shows especially strong improvement in performance

Corporate Governance

New Declaration of Conformity adopted per Sec. 161 Stock Corporations Act

Corporate Governance is highly important to ProSiebenSat.1 Media AG. It stands for openness and transparency in management, concern for shareholder interests, and efficient cooperation between the Executive Board and Supervisory Board. These are essential to responsible management oriented to building value for the long term.

ProSiebenSat.1 Media AG welcomes the German Corporate Governance Code, which was published by the government commission on February 26, 2002, and last amended on June 12, 2006. To acknowledge these amendments, ProSiebenSat.1 Media AG updated its March 2006 Declaration of Compliance, and in August 2006 it adopted a new Declaration of Compliance in conformity with Sec. 161 of the Stock Corporations Act, regarding the recommendations of the German Corporate Governance Code. The new declaration has been published on  the Company's Web site.

2006 Shareholders' Meeting: Dividend up significantly from previous year

The annual meeting of the shareholders of ProSiebenSat.1 Media AG for fiscal 2005 was held in Munich on August 2, 2006.  All motions by Executive Board and Supervisory Board for decisions requiring shareholder consent were carried unanimously. With about 250 shareholders attending (vs. about 300 the year before), some 63 percent of the Company's registered capital stock was represented at this year's meeting in Munich's Wappenhalle. A full 100 percent of the voting share capital was represented, and about 27 percent of the preferred share capital (number of shares outstanding: 218,797,200).

Among its actions, the meeting renewed the authorization for the Company to acquire its own stock, and approved a proposal to amend the articles and by-laws in compliance with the Act on Corporate Integrity and Modernization of Shareholders' Rights of Appeal (UMAG). The meeting also unanimously approved the motion for allocation of the distributable net profit, and authorized a dividend of EUR 0.84 per share of preferred stock, and EUR 0.82 per share of common stock. Thus the total distribution increased to EUR 181.6 million, or 82 percent of the consolidated net profit for fiscal 2005. The distribution was carried out accordingly on the day after the meeting, August 3, 2006. Holders of preferred stock had received a dividend of 0.30 per share for fiscal 2004, and holders of common stock received EUR 0.28 per share.

ProSiebenSat.1 Share

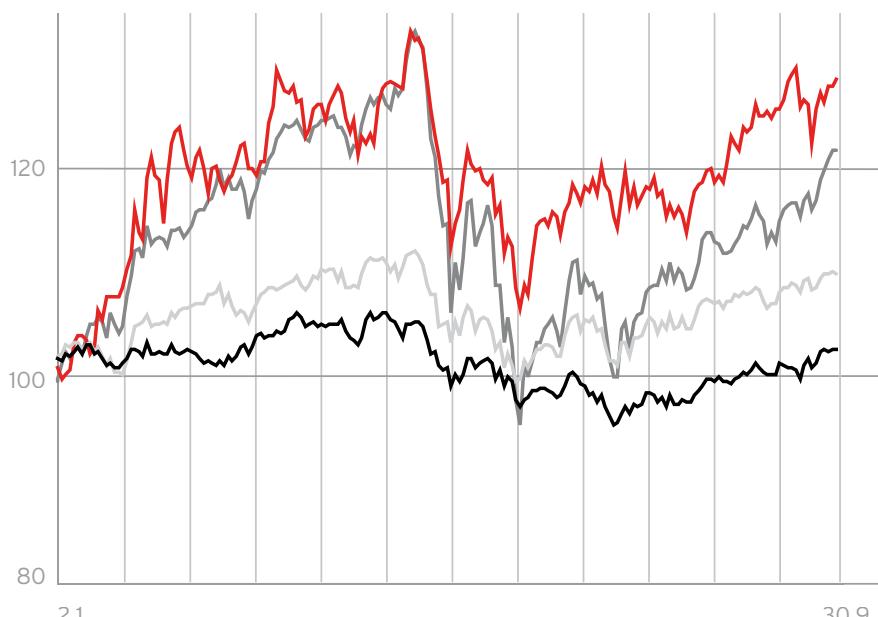
The traditional summer slump on the German stock market failed to materialize this year. After the ups and downs on the DAX in the first six months of the year, with a high of 6,128.01 in mid-May and a low of 5,292.14 in June, the index recovered steadily over the summer. The rise was supported by a decline in the prices of energy and raw materials, while key interest rates also helped by holding steady. The DAX closed at 6,004.33 on September 29 - up 11 percent against the end of 2005. The MDAX, where ProSiebenSat.1 stock is listed, closed at 8,546.81 the same day, a gain of 16.9 percent against the end of last year.

ProSiebenSat.1 stock, by gaining 33.6 percent over the first nine months of 2006, significantly outperformed the German stock market as a whole. On September 29, the stock closed at EUR 21.85. Its high came on May 8, at EUR 22.96, and its low was on January 3, at EUR 16.02. Though the trading price in the first quarter was still largely dominated by the planned takeover of the company by Axel Springer AG, the stock's performance was especially shored up by the Company's good second-quarter business figures. The total trading volume for the period was 106,341,527 shares, equivalent to an average trading volume of about 553,862 shares per day. ↗



ProSiebenSat.1 share: Price performance

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Business Conditions

Economic conditions and the advertising market

After a strong first half, the German economy maintained its positive mood into the third quarter. According to the ifo Institute's business climate index, business owners take a more positive view of their current condition than they have at any time in the past 15 years. Consumer spending picked up further steam during the period. For fast-moving consumer goods (FMCG), the GfK Consumer Index showed a 3.9 percent gain in January through September against the same period a year earlier. The GfK Consumer Attitude Index for the third quarter reached its highest level since the end of 2001. A major influence in this development was a stronger inclination to buy, which reached a historic high for the third time in a row in September. There are also increasing signs of a turnaround in the job market. Nevertheless, consumers are still wary about their own financial situation and about the future evolution of the economy.

The Industry

Gross statistics for the advertising market

The good economic figures also injected life into the advertising market. Statistics released by the Nielsen Media Research institute indicate that gross advertising spending for conventional media grew to EUR 14.0 billion in January through September 2006, a gain of 5.1 percent from the same period last year. The media sector made a particularly strong contribution to this growth, with advertising spends of EUR 178 million (+7.5 percent). But there were also substantial increases in the office, IT and communications (+15.2 percent), toiletries (+10.6 percent), and automotive sectors (+7.8 percent). The largest growth in terms of percentage was in home electronics, at 42.5 percent. The media themselves were among the largest advertisers, with spends of EUR 2.537 billion, followed by retail, at EUR 1.666 billion, and automotive, at EUR 1.352 billion. Advertising spends climbed 3.8 percent in Q3 2006 against the same quarter last year, to EUR 4.35 billion.

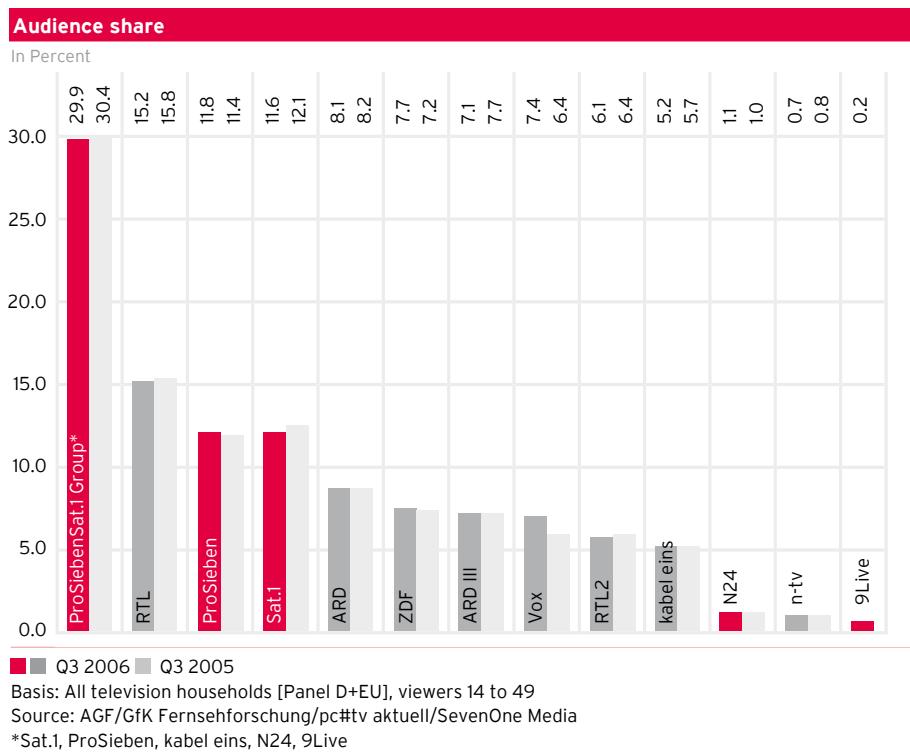
The TV advertising market performed better than expected, recording gross revenues of EUR 5.6 billion for the first nine months of the year, a gain of 2.9 percent from the same period last year. But growth was inconsistent. While the beginning of the year was surprisingly good, March was slightly below 2005, because Easter came late this year. Then April (+13.0 percent) and May (+15.3 percent) profited from a shift in advertising spends to the period before the World Cup. Yet during the World Cup, spending receded. After the championship was over, especially in August and September, gross revenues climbed again. For the third quarter, the TV market showed gross growth of 0.7 percent against the same quarter a year earlier, to EUR 1.7 billion.

From January through September of the year, daily newspapers added 6.6 percent, with a gross of EUR 3.8 billion. General-interest magazines gained 8.7 percent, while special-interest magazines showed the fastest growth of any conventional medium, 9.2 percent. Radio had the slowest growth, 0.7 percent. Billboards grew 3.9 percent. The gross figures from Nielsen Media Research offer no real foothold for direct conclusions about actual advertising revenues, since the values include not only self-promotion but bulk discounts and agency commissions.

ProSiebenSat.1 Group still the leader in the advertising market

From January through September of 2006, SevenOne Media, the ProSiebenSat.1 Group's TV advertising marketer, generated gross revenues of EUR 2.403 billion for the stations. This is equivalent to a gross share of 42.7 percent of the TV advertising market. The stations marketed by IP Deutschland - RTL, Vox, Super RTL and n-tv - generated EUR 2.146 billion, a market share of 38.1 percent for the period. El Cartel, which markets RTL II, had a 5.6 percent share.

Gross advertising revenues at Sat.1 (+3.8 percent), kabel eins (+8.6 percent) and N24 (+17.6 percent) performed very nicely for the first nine months. But the significant improvement in audience shares at ProSieben has not made itself felt yet in the nine-month totals, so that the station is still showing a decrease (-5.0 percent). The figures placed Sat.1 and ProSieben, with 20.0 percent and 16.0 percent, respectively, in second and third places in the advertising market. With a 0.3 percentage-point gain against the same period last year, kabel eins expanded its share of the advertising market to 5.6 percent, placing it fifth in the rankings, alongside RTL2. N24 also improved during the period (+0.1 percentage point), to hold a 0.8 percent share of the advertising market. 



Research & Development

The ProSiebenSat.1 Group is the leader in the German TV advertising market. This strong position has inspired the Company with the ambition to be a leader in innovation and in opinion-shaping as well. A special research unit at marketing subsidiary SevenOne Media constantly studies and evaluates all the latest developments in the audience market and the advertising market. This makes sure that the Group can recognize trends early and identify any opportunities for growth. Research results on advertising, advertising impact, target audiences, media and programming also offer an important basis for decisions about acquiring rights, station scheduling, and pursuing marketing efforts.

Additionally, the Group's marketing subsidiaries SevenOne Media and SevenOne Interactive view themselves as service providers who can support their clients in deciding whether and how to spend on television and online advertising. Their assistance is based on extensive research that furnishes all the requisite information about scheduling, monitoring results, and the impact of advertising carried on TV and over the Internet.

The Group also invests in new technologies, with ongoing research into where technologies will go next. The aim is to tap new distribution channels and innovative ways of using content as early as possible, for the Group's benefit. That way, the Group stations' fine programming can be offered to viewers in any way they want, so as to make the most of consumers' new media usage habits.

Market launch of "Betty" interactive remote control

In September of this year, SevenOne Intermedia, the ProSiebenSat.1 Group's multi-media company, agreed with Betty TV AG on a joint launch for the "Betty" interactive remote control in Germany. As an interactive connection, Betty technology offers a wide range of possible applications for both viewers and advertisers. Advertising uses range from sampling (requesting additional information or product samples) to targeting (targeted approaches to consumers based on their individual needs) and shopping (direct ordering of products).

The device allows viewers to respond actively to events on TV. For example, users can press a button on the Betty control to participate directly in quiz shows, or to vote live during a broadcast. Betty TV offers an attractive medium for action, as is shown by a recent analysis of the usage habits of several thousand Swiss viewers who have been trying out Betty since its launch there in March of this year. In Germany, Betty TV AG and the ProSiebenSat.1 Group tested viewers' willingness to interact with television under real-life conditions as far back as 2004. Participant ratios in the two-month field trial averaged 41 percent.

Beginning this coming January, Betty is to be available commercially nationwide in Germany. Unlike all previous interactive TV concepts, Betty works with existing televisions, so viewers have no need of set-top boxes. The interactive remote control works with both analog and digital TV reception.

Earnings, Financial Position & Net Worth

Growth in both units increases revenues

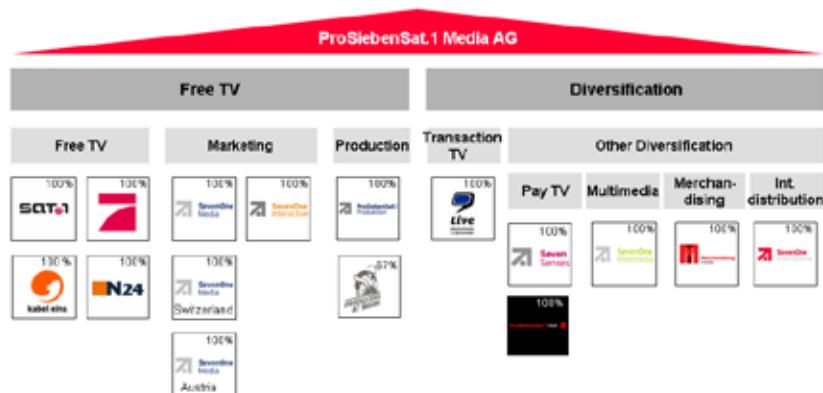
Revenues at the ProSiebenSat.1 Group continued to grow well both for the third quarter and for January through September. For the whole nine-month period in general and the third quarter in particular, net profits were affected by one-off factors resulting from the early redemption of the notes on July 31, 2006. The seasonal nature of the TV market means that the third quarter is always by far the weakest of the year.

The reviving economy injected new vigor into the TV advertising market. Thanks to growth in this market, the Free TV segment showed a substantial gain in revenues for the first nine months of the year. In addition to higher advertising revenues in the TV core business, the expansion of diversification activities also contributed to the Group's growth. The success of the Diversification unit, which does not draw its revenues from conventional TV advertising, was driven not only by organic growth, but by the first full consolidation of 9Live for a full fiscal year this year. Selective acquisitions have strengthened the Group's second unit further. In August, Germany's leading TV corporation acquired an equity in **MyVideo**, thus expanding its services with a platform for user-generated content. The Diversification unit also continued to grow organically through multimedia services and through licensing and merchan-

■ Segment Report,
Other Diversification

ProSiebenSat.1 Group: Group Structure

The ProSiebenSat.1 Group has two units: Free TV and Diversification.



dising activities. It generated revenues as well from new services in Pay TV as well as video on demand.

Group revenue and earnings performance

Third-quarter revenues were up 3.7 percent from a year earlier, rising from EUR 415.9 million to EUR 431.3 million. The operating profit was down slightly to EUR 48.9 million, compared to EUR 50.5 million in Q3 2005, primarily because of higher operating costs. EBITDA was also down slightly from a year earlier. EBITDA for the third quarter of 2006 came to EUR 58.7 million, as compared to EUR 59.9 million. The EBITDA margin was 13.6 percent, against 14.4 percent for July-September 2005.

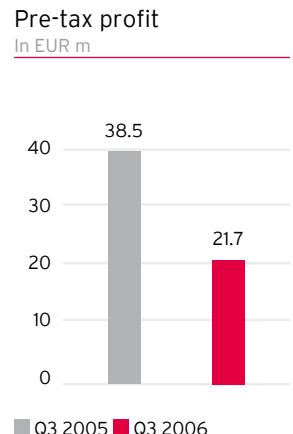
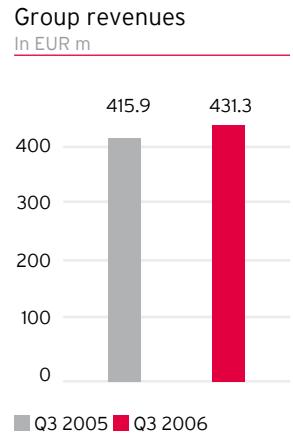
On July 31, 2006, ProSiebenSat.1 Media AG redeemed its EUR 200 million notes in whole prior to their maturity. The bond repayment, at 105.625 percent of principal amount, along with replacing the former EUR 325 million revolving credit facility with a new EUR 500 million revolving credit facility, had a significant impact on the financial result for the period. For this, other financial expenses rose EUR 16.6 million against Q3 2005, to EUR 17.3 million. As a result, the financial result for Q3 2006 expanded from EUR -12.0 million to EUR -27.2 million.

The development of pre-tax profits and the consolidated net profit for the third quarter must also be viewed in the light of these one-off charges. The financial restructuring and the associated decrease in the financial result between July and September caused pre-tax profits to decline 43.6 percent, to EUR 21.7 million (Q3 2005: EUR 38.5 million). The net profit for the period came to EUR 13.1 million, compared to EUR 23.7 million in Q3 2005.

In January through September 2006, the ProSiebenSat.1 Group's revenues grew to EUR 1.447 billion, a gain of EUR 93.8 million, or 6.9 percent. The Diversification unit's contribution to Group revenues came to EUR 159.6 million, or 11.0 percent of the consolidated figure for the first nine months of 2006. The equivalent for the comparable period last year was EUR 116.4 million, or 8.6 percent.

The strong rise in revenues also caused an improvement in the Group's earnings for January through September. Operating profit climbed 12.8 percent to EUR 254.9 million, while the profit before taxes grew EUR 5.5 million to EUR 208.3 million. EBITDA gained 13.3 percent, to reach EUR 284.1 million. The Group's increase in profitability against the prior year is also reflected in the EBITDA margin, which rose from EUR 18.5 percent to 19.6 percent in the first nine months of 2006. The consolidated net profit grew 2.6 percent, to EUR 127.3 million. Earnings per share of preferred stock thus came to EUR 0.59, compared to EUR 0.58 for Q1-Q3 2005.

The financial result for the first nine months was likewise affected by the Group's early redemption of the notes. It changed from the prior year's EUR -23.1 million to EUR -46.6 million. Most of the change was the consequence of the financing changes and the associated rise in other financing expenses during the third quarter. Other financing expenses for the first nine months rose EUR 16.6 million, to EUR 18.6 million.



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In contrast, net interest expenses decreased by EUR 5.7 million to EUR 29.6 million from EUR 35.3 million in the nine months period.

Additionally, the prior-year financial result was affected by positive one-off effects from the full takeover of Euvia during the second quarter of 2005. One factor influencing that period was that the Group received income of EUR 9.2 million from a purchase price hedge agreement relating to the Euvia acquisition. Another was that net income from equity interests in associated companies has gone down because 9Live has been fully consolidated since June 2005. The figure for the prior-year period was commensurately higher by EUR 1.9 million than the figure for the first half of 2006. The full acquisition of 9Live also reduced income from loans to affiliates by EUR 2.5 million.

Performance of operating costs

The ProSiebenSat.1 Group's operating costs rose from EUR 370.1 million to EUR 385.1 million in Q3 2006. Most of the 4.1 percent increase in total costs resulted from higher marketing and personnel expenses (reported as part of administrative expenses, cost of sales, and selling expenses). Personnel expenses rose to EUR 62.1 million for July through September, and were thus up EUR 7.2 million, or 13.1 percent, from the previous year's equivalent. Much of the increase in personnel expenses came from the second cycle of the stock option plan approved by the shareholders' meeting in August 2006.

Selling expenses for the third quarter were up EUR 7.6 million, to EUR 59.2 million. Administrative expenses were also above prior-year levels, reaching EUR 38.3 million, compared to EUR 33.0 million in Q3 2005. The cost of sales rose slightly for the quarter, by 0.7 percent, to EUR 287.5 million. Consumption of programming assets accounted for EUR 204.8 million of this figure, following the previous year's EUR 206.0 million. Scheduled consumption decreased by EUR 2.4 million for the quarter, to EUR 189.7 million, while unscheduled consumption rose slightly, by EUR 1.1 million, to EUR 15.0 million.

Operating costs for the nine-month period came to EUR 1.201 billion, equivalent to a moderate rise of EUR 61.1 million, or 5.4 percent, against the first nine months of 2005. Apart from the higher personnel expenses for Q3 2006, most of the remaining increase against the prior year came from the consolidation of 9Live and from a slight increase in consumption of programming assets.

Cash and equivalents, and cash flow

The cash flow from operating activities as of September 30, 2006 was EUR 813.4 million, up EUR 71.5 million from a year earlier. One contributor here was a greater consumption of programming assets. The smaller increase in working capital (non-interest-bearing receivables less non-interest-bearing liabilities) also played a role in the higher operating cash flow.

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Expenses for programming assets at September 30, 2006 came to EUR 693.9 million, compared to EUR 653.4 million a year earlier. Total investing activities for the first three quarters came to EUR 711.6 million. The previous year's high figure of EUR 834.6 million for cash flow in investing activities was conditioned by the acquisition of 9Live in June 2005. The free cash flow for the period rose EUR 194.4 million against the previous year, to EUR 101.8 million.

Financing activities yielded a net outflow of EUR 230.0 million for the first three quarters, compared to EUR 208.5 million a year earlier. A major factor here was the dividend distribution of EUR 181.6 million during the period.

Cash and cash equivalents as of September 30, 2006 came to EUR 29.3 million, compared to EUR 38.7 million a year earlier.

Net financial debt decreases

During the period, the ProSiebenSat.1 Group redeemed its EUR 200 million notes in whole, thus reducing its net financial debt even further. As of September 30, 2006, net financial debt came to EUR 311.6 million, compared to EUR 390.5 million a year earlier.

In July 2002, ProSiebenSat.1 Media AG placed a fixed-yield bond issue on the international market at 11.25 percent, to mature in July 2009. The issue volume was EUR 200 million. This July, the Group exercised its repurchase rights and repaid the bond in full as of the end of that month. Under the bond terms and conditions, the redemption price for early retirement of the bonds on July 31, 2006, was 105.625 percent of the par value.

ProSiebenSat.1 Media AG currently has one corporate bond issue on the market. The total volume of this current bond issue, which must be included on the balance sheet under IFRS, changed only slightly during the period. At September 30, 2006, it came to EUR 148.8 million, compared to EUR 148.3 million on September 30, 2005. The bond carries a fixed yield of 6.25 percent, and was issued in March 2004 at a par value of EUR 150 million.

Capital and financing structure optimized further

Total assets decreased EUR 28.8 million as of September 30, 2006 to EUR 1.961 billion. A particular factor in that decrease was the retirement of the bond issue as of July 31, which effected the following changes on the asset and liabilities side:

Long-term liabilities were down by EUR 218.8 million from the previous year's figure, to EUR 307.1 million, particularly because of the reduction in long-term financial and bank liabilities. At September 30, 2006, these amounted to EUR 184.3 million, and were thus down EUR 201.0 million from the figure a year earlier. The decrease in long-term financial and bank liabilities was countered by increases in short-term financial liabilities. Short-term financial liabilities grew by a total of EUR 111.6 million, to

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EUR 156.9 million. The increase from a year earlier resulted from drawing EUR 150.0 million on a syndicated credit facility. On the assets side, in this same connection, cash and cash equivalents decreased EUR 9.4 million to EUR 29.3 million. The early retirement of the bond reduced the Group's financing costs on outstanding financial debt for the long term, and optimizes its overall balance-sheet ratios still further.

Despite the dividend payment in the third quarter of 2006, the Group's equity has grown since September 30 of 2005. The Group's better earnings situation particularly strengthened its solid equity base, increasing it by EUR 47.7 million, or 4.4 percent, to EUR 1.132 billion. The resulting equity ratio is 57.7 percent, compared to 54.5 percent on September 30, 2005.

Credit rating unchanged

As of September 30, 2006, ProSiebenSat.1 Media AG was rated as follows by Moody's Investors Service and Fitch Ratings:

Since June 9, 2006, Moody's has unchangingly rated the TV Group as Ba1, outlook stable. On June 7, 2006 Fitch Ratings upgraded its rating from BBB-, Outlook positive, to BBB, Outlook stable, highlighting the ProSiebenSat.1 Group's strong position in the German TV market and the improvement in its financial situation.

Segment Report

Segment Free TV

Free TV segment benefits from high advertising revenues

The Free TV segment is the ProSiebenSat.1 Group's core business. This segment pools the Group's stations Sat.1, ProSieben, kabel eins and N24, the Sat.1 regional companies, the marketing company SevenOne Media, the technical service provider ProSiebenSat.1 Produktion, the holding company activities of ProSiebenSat.1 Media AG, and the Group's subsidiaries in Austria and Switzerland.

Revenues in the Free TV segment were up for both the third quarter and the entire nine-month period. Most of the rise came from higher advertising revenues. Total revenues for the third quarter grew EUR 16.1 million, or 4.3 percent, to EUR 392.5 million. The segment's external revenues were up 2.9 percent, from EUR 367.1 million to EUR 377.9 million. For the nine-month period, the segment's external revenues grew a full 4.1 percent, or EUR 50.6 million, to EUR 1.288 billion. All in all, the Free TV segment booked revenues of EUR 1.328 billion for January through September of this year, a gain of EUR 60.9 million, or 4.8 percent, against the same period last year.

The picture for the third quarter is somewhat varied. Although segment revenues were up, both operating profit and EBITDA were slightly below the prior-year level. Operating profit slipped EUR 1.8 million, to EUR 41.5 million. The third-quarter EBITDA was down EUR 1.1 million from a year earlier, to EUR 48.2 million. Most of this change resulted from higher selling and administrative costs.

The segment's operating profit and EBITDA were both up for the nine-month period. The operating profit on the period was up 8.4 percent, from EUR 206.4 million to EUR 223.8 million. EBITDA grew 8.5 percent, to EUR 244.1 million, compared to EUR 224.9 million for January-September 2005.

Group earns second-best third-quarter audience share in company history

The Group's stations' combined audience share for Q3 2006 came to 29.7 percent (Q3 2005: 30.4 percent). Although July was still dominated by soccer coverage on ARD and ZDF, the ProSiebenSat.1 Group's performance improved once the World Cup was over. In both August (30.6 percent) and September (31.0 percent), the company earned audience shares above the already high values from last year. So in spite of the effects of the World Cup, the stations reaped their second-best third-quarter result in corporate history (2005 share: 30.2; 2004: 28.3; 2003: 28.3; 2002: 27.2; 2001: 28.4 percent). From January to September, Sat.1, ProSieben, kabel eins and N24 earned a combined share of 29.4 percent (Q1-Q3 2005: 30.5 percent). All figures refer to the key demographic between the ages of 14 and 49.

Sat.1 revenue and earnings climb again

Business remained solid at Sat.1. The station's revenues and earnings were up in both the third quarter and the full nine-month period. For the third quarter, the station reported revenues of EUR 173.0 million, following the previous year's EUR 165.8 million.

a 4.3 percent gain against Q3 2005. The pre-tax profit was EUR 28.7 million, up EUR 4.7 million, or 19.6 percent, against the prior-year equivalent. Third-quarter EBITDA also outpaced revenues to reach EUR 29.5 million - up 39.2 percent from last year's EUR 21.2 million. In addition to vigorous revenue growth, vigilant cost management provided another basis for this very welcome earnings performance. The EBITDA margin of 17.1 percent for Sat.1, compared to 12.8 percent a year earlier, reflects the station's profitable growth.

The station's pre-tax profit for January through September of this year was EUR 598.2 million, up EUR 37.0 million, or 6.6 percent, against the prior-year equivalent. The pre-tax profit for the nine-month period was up 45.7 percent, to EUR 126.6 million, compared to the prior year's EUR 86.9 million. EBITDA also made a hefty gain of 47.7 percent, or EUR 41.2 million, to reach EUR 127.5 million. The EBITDA margin for the first nine months was 21.3 percent, compared to the prior-year period's 15.4 percent.

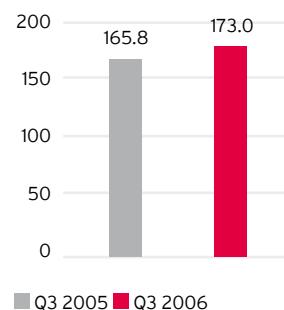
Sat.1 closes out Q3 2006 with above-average audience share

In the third quarter, Sat.1 earned a share of 11.6 percent of the target audience advertisers cherish. The station's share for January through September was 11.5 percent (Q1-Q3 2005: 12.2 percent). Last year, Sat.1 closed out the third quarter with a record 12.1 percent. Programming like "Verliebt in Berlin" and the coverage of UEFA Champions League matches brought Sat.1 last year its best third-quarter standing in six years (2005 share: 12.1; 2004: 11.0; 2003: 11.7; 2002: 10.6; 2001: 11.0 percent). So the station's third-quarter performance from this year was above the average for the past five years (11.3 percent). The main contributor to the good ratings for the period was fiction programming produced in-house or presented under licenses. Lisa and David's wedding on "Verliebt in Berlin" drew a peak of 38.6 percent. The follow-up show "Verliebt in Berlin - Die Stars" was also a big success, at 33.7 percent. During Q3 2006, the station also built a solid viewer base in the hard-fought Sunday prime time period, with the licensed U.S. series "Navy CIS" (up to 21.2 percent) and "Criminal Minds" (up to 19.3 percent). On average, the two series drew 17.8 and 15.9 percent from July through September, allowing Sat.1 to solidly establish its own new series schedule against the entrenched Sunday crime series on ARD. Additional ra-

Sat.1:

Revenue development

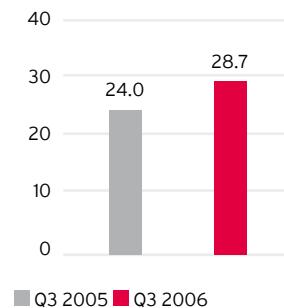
In EUR m



Sat.1:

Pre-tax profit

In EUR m



„Navy CIS“: since the third quarter, the series is a great prime time success every Sunday on Sat.1.



Pure suspense: „Criminal Minds“ shows the work of FBI profilers.

tings highlights for the third quarter came from the improv comedy show "Schillerstrasse" (up to 16.5 percent), the detective documentary "K11 - Kommissare im Einsatz" (up to 19.9 percent), and "Deal or no Deal - Die Show der GlücksSpirale" (up to 15.6 percent).

ProSieben revenue performance stable in Q3

A quarter-on-quarter comparison shows that ProSieben's improved performance and better audience shares this year are beginning to have a positive impact on revenues. The station's revenues rose in the third quarter from the EUR 147.5 million of a year earlier to EUR 149.1 million. But higher costs kept results below the prior-year figure. The increase in costs in the third quarter was particularly caused by higher consumption of programming assets, mostly in September. The pre-tax profit was EUR 18.4 million, compared to EUR 25.7 million a year earlier. EBITDA was down from the prior year's EUR 25.4 million to EUR 18.5 million. The resulting EBITDA margin is 12.4 percent, compared to 17.2 percent in Q3 2005.

Revenues for the first nine months at ProSieben were down 6.6 percent, to EUR 497.2 million (Q1-Q3 2005: EUR 532.2 million). The primary reason was lower revenues from internal programming sales, which came to EUR 19.3 million, down EUR 23.5 million from the figure a year earlier. Another cause was a decline in advertising revenues because of the station's weak ratings last fiscal year. There is a time-lag factor in advertising clients' consequent booking behavior, which led to a decline in TV advertising revenues in the first quarter of this year. The pre-tax profit was down to EUR 77.2 million from the prior year's EUR 110.5 million. EBITDA for the first nine months decreased EUR 32.4 million, to EUR 77.1 million. The EBITDA margin was down to 15.5 percent from the previous year's high 20.6 percent.

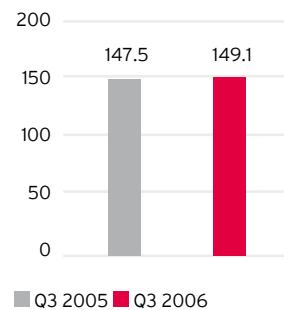
ProSieben's grows its audience share in Q3

ProSieben grew again in the third quarter, boosting its audience share 0.4 percentage points to 11.8 percent (Q3 2005: 11.4 percent). The station's share for January through September was 11.4 percent (Q1-Q3 2005: 11.8 percent). ProSieben enjoyed especially high prime-time ratings in the third quarter from blockbusters like "S.W.A.T." (27.0 percent), "Con Air" (25.0 percent) and "The Crimson Rivers 2" (22.0 percent). But in-house productions also scored with viewers, like the two-part event

ProSieben:

Revenue development

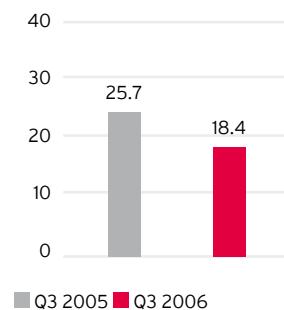
In EUR m



ProSieben:

Pre-tax profit

In EUR m





Great movies: ProSieben shows the best of them. („Con Air“)

“Tornado - Der Zorn des Himmels” (up to 22.6 percent). Light entertainment and variety shows also brought in convincing figures. The most successful “POPSTARS” run of all time began in August. The weekly casting show earned peak ratings as high as 24.7 percent, and averaged 21.9 percent among the key demographic. The new Saturday evening show “Schlag den Raab” earned a strong 26.7 percent share, and Jürgen von der Lippe’s game show “Extreme Activity” drew up to 16.9 percent of the target audience. Another ratings success was the second season of “Die ProSieben Märchenstunde,” with shares as high as 18.3 percent. “Mystery Monday” drew above-average ratings during the quarter with such programming as the hit U.S. series “Surface” (up to 18.0 percent). ProSieben also expanded its audience share in daytime TV. “SAM” (up to 24.8 percent) and “AVENZIO” (up to 18.5 percent) both scored their best figures of the year in the third quarter.



„S.W.A.T.“: a great success for ProSieben.

Advertising revenues up significantly at kabel eins

The third quarter saw a significant rise in revenues at kabel eins, which continued its profitable growth trend. The station's revenues for July through September came to EUR 52.5 million, up EUR 5.8 million, or 12.4 percent, against the third quarter of last year. Higher advertising revenues were the main growth driver. At the same time, both the pre-tax profit and EBITDA rose 30.3 percent for the quarter. The pre-tax profit was EUR 8.6 million, following EUR 6.6 million in Q3 2005. EBITDA likewise reached EUR 8.6 million. The EBITDA margin climbed from 14.1 percent to 16.4 percent.

Most of the improvement in earnings came from the uptrend in revenues. The change is especially clear in the nine-month comparison. Revenues for this period grew 15.4 percent, to EUR 174.9 million (Q1-Q3 2005: EUR 151.5 million). The pre-tax profit for the nine-month period gained EUR 39.6 percent, to reach EUR 40.2 million. EBITDA also rose significantly faster than revenues, soaring 41.8 percent to reach EUR 40.4 million. The station's profitability reflects the EBITDA margin, rising from an already high 18.8 percent to 23.1 percent for January through September.

Above-average audience shares at kabel eins for all genres

The station's popular mix of classic feature films, series premieres, magazine shows and contemporary entertainment and events helped it close out the third quarter with an audience share of 5.2 percent (Q3 2005: 5.7 percent). Audience share for the first nine months of the year was 5.4 percent (Q1-Q3 2005: 5.5 percent). "Crime Friday" drew its customary high ratings in the third quarter. New episodes of "Cold Case" (up to 10.5 percent) and "Missing" (up to 8.8 percent) consistently earned above-average ratings. The mystery series "Ghost Whisperer," which debuted in August, also scored well with the 14-to-49 demographic, with shares as high as 11.8 percent. The station's Monday prime time shares were excellent: "King of Queens" averaged 8.9 percent. The new season of "Quiz Taxi" also caught the fast lane through its time period, earning shares up to 6.6 percent. The station's informational programming was likewise well above average: the "Mein neues Leben" emigrant documentary, which tracks emigrant families as they begin their new lives, earned shares as high as 9.0 percent. "BIZZ" drew up to 10.1 percent. The station also scored again with movie fans. Features like the Edgar Wallace thriller "The Inn on the River" (9.2 percent), "Spawn" (9.0 percent) and "The Client" (8.6 percent) drew highs well above the station's average.

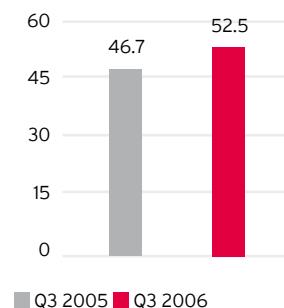


© Constantin FilmTelevision

kabel eins:

Revenue development

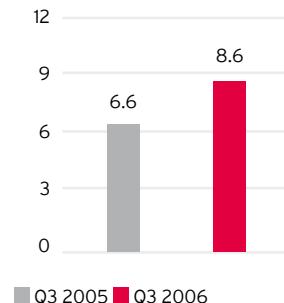
In EUR m



kabel eins:

Pre-tax profit

In EUR m



kabel eins offers series, modern shows, magazines and movie classics such as „Das Gasthaus an der Themse“.

N24 still on successful course

N24 kept up its growth in revenues and profitability, and the pre-tax profit and EBITDA performed especially well in July through September. In Q3 2006, N24 generated revenues of EUR 21.1 million, following EUR 19.7 million the year before. The pre-tax profit for the period grew EUR 1.6 million - a 177.8-percent leap - to EUR 2.5 million. EBITDA gained 150.0 percent, or EUR 1.5 million, to reach EUR 2.5 million as well. This significant rise in EBITDA went hand in hand with an improvement in EBITDA margin from 5.1 percent to 11.8 percent. The sharp growth in earnings resulted not only from a nominal EUR 1.4 million increase in revenues, but from cost control during the quarter.

The news station's revenues for January through September came to EUR 63.9 million, compared to EUR 59.6 million for the same period last year. The gain was 7.2 percent. The pre-tax profit rose EUR 2.6 million, or 56.5 percent, to EUR 7.2 million. EBITDA was up 47.1 percent, to reach EUR 7.5 million, compared to EUR 5.1 million a year ago. The EBITDA margin was thus 11.7 percent, compared to 8.6 percent a year earlier.

N24 Germany's most successful news station

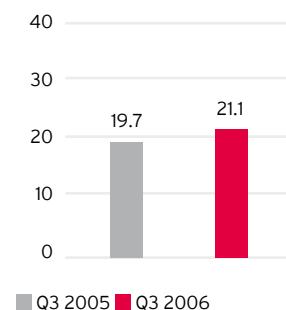
N24's audience share is still rising. The station picked up 0.1 percentage point against the same quarter last year, to reach 1.1 percent. The gain for the first nine months of the year was even bigger. The share for January through September was up 0.3 percentage points, to 1.1 percent, keeping the Group's news station solidly ahead of its Cologne competitor n-tv, which drew a 0.6 percent share for the first nine months (Q3 2006: 0.7 percent)



N24:

Revenue development

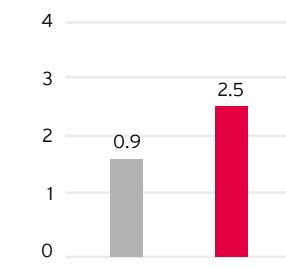
In EUR m



N24:

Pre-tax profit

In EUR m



Unusual confrontations, a surprising mix of guests: the secret of N24's talk show „Was erlauben Strunz“.

Diversification unit growing

The ProSiebenSat.1 Group's Diversification unit pools the Group's activities that are not directly connected with TV advertising. It is subdivided into two segments, Transaction TV and Other Diversification.

Transaction TV segment

The Transaction TV segment is essentially quiz station 9Live. 9Live generates its revenues primarily from telephone calls, and is Germany's leading brand in interactive TV. The ProSiebenSat.1 Group took over full ownership of 9Live in June 2005, when the station was consolidated into the Group. What particularly sets 9Live apart from the competition is its innovative programming and the long-term loyalty of its customers. Last year marked the foundation of the "9Live Gold" viewer club, which now has some 500,000 members and is the largest viewer club on Free TV.

Like most other stations, 9Live felt the impact of the World Cup in Q3 2006. The event pulled down phone call volume, with a perceptible impact on 9Live's revenues. Furthermore, 9Live feels impact of competition. External revenues for the third quarter were down EUR 1.2 million, to EUR 22.2 million. The segment's total revenues for July through September were EUR 22.7 million, following EUR 23.8 million for Q3 2005. The operating profit for the period was down EUR 1.3 million, or 31.0 percent, to EUR 2.9 million. EBITDA was down EUR 1.7 million against the prior year, or 25.4 percent, to EUR 5.0 million.

For the first nine months of the year, the Transaction TV segment generated revenues of EUR 71.6 million. Revenues for June through September 2005 were EUR 32.3 million. (The ProSiebenSat.1 Group has fully consolidated 9Live only since June 1 of last year.) The station's contribution toward consolidated revenues this year was EUR 70.3 million (June-Sept. 2005: EUR 31.6 million). The segment's operating profit was EUR 13.3 million (June-Sept. 2005: EUR 5.4 million) and EBITDA was EUR 19.7 million (June-Sept. 2005: EUR 9.0 million).

The audience share at 9Live held steady. For both Q3 2006 and the first nine months of the year, the station earned a 0.2 percent share of the 14-to-49 audience. The station's share for the equivalent period last year was likewise 0.2 percent.

Other Diversification segment

Except for 9Live, all subsidiaries of ProSiebenSat.1 Media AG whose revenues are not directly generated from conventional TV advertising are pooled in the Other Diversification segment. These include SevenOne Intermedia, MM MerchandisingMedia, SevenOne International, SevenSenses and ProSiebenSat.1 Welt.

Both revenues and earnings grew very well in the Other Diversification segment, and the results on the quarter were especially good. The segment's third-quarter revenues were up EUR 8.0 million, or 27.7 percent, to EUR 36.9 million. Its contribution



Alida-Nadine Lauenstein, presenter at 9Live.

toward consolidated revenues also grew at a rapid pace. In July through September, the segment contributed EUR 31.2 to consolidated revenues, outperforming the prior-year figure by EUR 5.9 million, or 23.3 percent. It also showed good gains in profitability for the same period. Operating profit rose to EUR 4.6 million, outperforming the previous year's EUR 3.2 million by 43.8 percent. EBITDA climbed EUR 1.4 million against the same quarter last year, or 34.1 percent, to EUR 5.5 million.

In January through September 2006, the segment contributed EUR 89.3 million toward the Group's revenues, compared to EUR 84.8 million a year earlier, a 5.3 percent gain. All in all, revenues climbed 17.5 percent to EUR 105.6 million. The operating profit gained 29.1 percent, to reach EUR 18.2 million. EBITDA was EUR 20.9 million, up 24.4 percent from the previous year.

Once again, the established multimedia operations of SevenOne Intermedia and the licensing business at MM MerchandisingMedia were important revenue drivers in the Other Diversification segment during the period. The teletext and online services that SevenOne Intermedia produces for the various station brands performed especially well during the quarter.  The new digital services from Seven Senses also contributed to the rise in revenues. SevenSenses is in charge of such operations as the two pay TV stations *kabel eins classics* and *Sat.1 Comedy*, as well as the *maxdome* video-on-demand portal.

The segment's growth in the first nine months of the year, and especially in the third quarter, shows that this year the Group has been able to tap additional sources of revenue and to expand its business model in the Diversification unit with good success. Among the Group's accomplishments this year has been a significant expansion in pay TV services. In June 2006, *kabel eins classics* and *Sat.1 Comedy* put two new pay TV channels on the German airwaves. Another change is that since Q2 2006 *ProSiebenSat.1 Welt*, the Group's international pay TV channel, has been available to audiences in Canada. The German-language programming on *ProSiebenSat.1 Welt* has been available in the United States since 2005. During the third quarter, *ProSiebenSat.1 Welt* expanded its soccer coverage for the USA and Canada, and acquired additional international pay TV rights for Bundesliga soccer.

The *ProSiebenSat.1* Group has been developing up-to-the-minute multimedia products. Among its product novelties during the latest period was the *maxdome* video-on-demand portal. Since July, SevenSenses has offered a broad range of top-notch feature films, comedy and series at www.maxdome.de. In addition to Hollywood hits, users can download other films, comedy shows, series and other programming from the *Sat.1*, *ProSieben*, *kabel eins* and *N24* lineups. User responses have been very positive, especially since *maxdome* has been expanding constantly by acquiring additional licenses, and service is being enhanced all the time with additional features, such as an archive and previews. Shortly before *maxdome* was launched in the third quarter, the *ProSiebenSat.1* Group signed an agreement with Disney distributor *Buena Vista International Television* on video-on-demand rights to the current hit series "Lost" and "Desperate Housewives." Since September, both top series have been available for downloading as video-on-demand a whole week before they appear on Free TV.

 **Subsequent Events & Outlook**



maxdome is the VoD platform of the *ProSiebenSat.1* Group, offering blockbusters and outstanding series, 24/7.

Also during the quarter, the Group expanded its online services by acquiring a stake in MyVideo.de, the largest German-speaking video community on the Internet. The ProSiebenSat.1 Group acquired 30 percent of the company, with an option to take over full ownership at a later date. The addition of MyVideo means that the Group now includes a user-generated content service. 

 Subsequent Events & Outlook,
Lokalisten.de

MyVideo is considered one of the most interesting websites on the Internet. In the United States, the YouTube video community has already made history. For a TV corporation like the ProSiebenSat.1 Group, video communities are a self-evident direction in which to expand activities. The link with MyVideo offers the Group an interactive platform for content, and lets it appeal to a whole new range of user habits. The Group also views the Internet service as an opportunity to distribute its own content. Additionally, the website offers innovative marketing possibilities. Following on the Group's new pay TV services and the Maxdome video-on-demand portal, MyVideo represents yet another step by the Group into the digital world.

At www.myvideo.de, private individuals swap their home-produced short films, music clips and vacation videos. There are already more than 100,000 video clips online. MyVideo has been growing dynamically. In September it had about two million "unique users," putting it in second place behind YouTube in Germany, which has about three million unique users. In September, MyVideo logged some 161 million page impressions, putting it in 12th place among the most-visited German Web sites and leapfrogging over a great many well-known information sites in a single bound.

Employees

Group has 2,943 employees

In January through September 2006, the ProSiebenSat.1 Group had a total of 2,943 employees (averaging full-time equivalent jobs). The figure was up 177 from the same date last year.

The staff increase is partly a consequence of the expansion of the Diversification unit. New hires were necessary because of the start of business of SevenSenses and the expansion of the Group's international distribution organization, SevenOne International.

Another reason for the increase was a staff buildup at Producers at Work. This production company hired new staff for such projects as the production of the telenovela "Schmetterlinge im Bauch." New jobs were also created at both Sat.1 and ProSiebenSat.1 Media AG.

Personnel expenses grew EUR 16.7 million against the nine-month period a year ago, to reach EUR 174.8 million at the end of September 2006. Of this figure, EUR 62.1 million was for the third quarter (Q3 2005: EUR 54.9 million).

Risk Management

Risk Management: Systematically watching developments

Systematically watching developments as they happen is a top priority at the ProSiebenSat.1 Group. The media industry is so dynamic, and the Group's variety of lines of business is growing so fast, that it must absolutely identify and manage potential risks and opportunities correctly, and as early as possible. That is why the ProSiebenSat.1 Group has established an efficient risk management system.

The Group's business is significantly affected by overall economic conditions, and especially the TV advertising market. A general weakening of the economy can result in corporate budget cuts for advertising, and thus can adversely affect the Group's advertising revenues and earnings. An important component of risk management is constantly analyzing and evaluating the orders book. The Company's far-reaching analyses also include the position of competitors and developments within the economy and the advertising industry.

The Group's commercial success additionally depends on whether its programming is what audiences want, and thus can earn high ratings. That's why audience share is one of the most important early-warning indicators. The Group gives special attention to average shares of the key demographic between the ages of 14 and 49 that the advertising industry especially prizes.

Apart from managing risks that arise in sales and in general economic conditions, hedging financial risks is also a core task for risk control. These risks include foreign-exchange risks that may result from purchases of programming licenses. The ProSiebenSat.1 Group signs a substantial number of its license agreements with production studios in the United States. To hedge against fluctuations in foreign-exchange rates, the Group enters into forward exchange deals ("forwards") and currency options.

There are no evident risks at the moment that might jeopardize the survival of the ProSiebenSat.1 Group. The Group's annual report includes a detailed discussion of risk, together with a description of the Group's risk management system.  The information in the report for 2005 has remained materially unchanged.

Subsequent Events & Outlook

maxdome the first to offer "advertising-on-demand" on German TV

Since October, ProSiebenSat.1 marketing company SevenOne Media has offered advertisers the option of showing advertising on the maxdome video-on-demand portal. At the moment three different advertising packages are available: "Premium Content," "Movie Flat" and "advertising-on-demand." The market launch of Advertising on Demand is a logical next step in the evolution of advertising over the electronic media. It provides advertisers a way to offer viewers such content as test reports, corporate films, short subjects or image films at the touch of a button, while providing sharply focused placement for advertising messages aimed at particular target audiences. There is no charge to the viewer for the downloads. 

 **Segment Report,
Other Diversification**

Alongside Advertising on Demand, the "Betty" interactive remote control and VisibleWorld, both slated to be launched on the market next year, represent yet another innovation in the German advertising market. The ProSiebenSat.1 Group is setting trends with innovative TV technologies and advertising concepts, building not only on advertisers' interest in new ways of reaching target audiences, but also on media users' changing habits.

Lokalisten.de: The ProSiebenSat.1 Group service for the MySpace generation

The ProSiebenSat.1 Group expanded even further on the Internet in October. On the heels of its acquisition of a stake in MyVideo in August, the media leader acquired a 30 percent stake of Lokalisten media GmbH. As one of Germany's leading social networks, Lokalisten.de currently has more than 325,000 members. Social networks are Internet platforms where users can pick up information, swap ideas, make new contacts or publish text, images, music and videos. The MySpace social network is one of the most heavily visited websites in the United States. 

 **Segment Report,
Other Diversification**

Lokalisten.de means the ProSiebenSat.1 Group now has a service for the MySpace generation. The social network provides an excellent complement to the Group's existing online options. Internet communities reconcile two long-standing opposites: they have the user figures of mass media, yet they are used individually and interactively. Which makes them especially attractive for a content provider like the ProSiebenSat.1 Group.

October audience shares: ProSieben has best showing in five years

The ProSiebenSat.1 Group's audience shares for October held steady at a high level. As they did last year, Sat.1, ProSieben, kabel eins, N24 and 9Live earned a combined share of 30.9 percent (Sept. 2006: 31.0 percent; Oct. 2005: 30.9 percent). All figures refer to the key demographic between the ages of 14 and 49.

ProSieben, at 13.2 percent in October, had its strongest audience share since November 2001. With a significant 1.4 percentage-point gain over the previous year, the station showed the most vigorous growth of any German TV station. The gain against



With blockbusters like „Pirates of the Caribbean“ and „Last Samurai“, ProSieben scored the highest audience share for six years in October 2006.

September was 0.4 percentage points (Sept. 2006: 12.8 percent; Oct. 2005: 11.8 percent). This means that ProSieben cut its lag behind market leader RTL to 2.3 percentage points. The blockbuster „Pirates of the Caribbean: The Curse of the Black Pearl“ was the year's most successful film in the German TV market so far, with a share of 40.0 percent. Other blockbusters like „The Haunted Mansion“ (25.4 percent) and „The Last Samurai“ (21.5 percent) also helped the station score with the key demographic. „Popstars“ was a winner again, with shares as high as 23.0 percent. In comedy, ProSieben drew excellent ratings with „Michael Mittermeier: Paranoid“ (up to 20.9 percent) and Stefan Raab's „Die grosse TV total Stock Car Crash Challenge 2006“ (21.0 percent).

Sat.1's share for October came to 10.9 percent (Sept. 2006: 11.6 percent; Oct. 2006: 12.5 percent). The licensed U.S. series „Navy CIS“ (up to 16.8 percent) and „Criminal Minds“ (up to 15.7 percent) helped the station earn peak ratings once again. Feature



Sat.1 provides entertainment for the whole family with movies like „Pretty Woman“ and „Peter Pan“.

films like „Pretty Woman“ (18.2 percent) and „Peter Pan“ (16.7 percent) also drew enthusiastic audiences among the key demographic. The comedy shows „Weibsbilder“ (up to 16.3 percent), „Sechserpack“ (up to 15.9 percent) and „Schillerstrasse“ (up to 12.6 percent) also drew above-average shares.

At kabel eins, the audience share grew 0.2 percentage points against the month before, to 5.6 percent. The station's performance was stable against a year earlier

(Sept. 2006: 5.4 percent, Oct. 2005: 5.6 percent). The Star Trek series drew shares far above the station's average: "Star Trek V: The Final Frontier" scored 12.0 percent among the target audience in prime time. The next episode, "Star Trek: Insurrection" likewise had a convincing share of 10.9 percent. "Quiz Taxi," with Thomas Hackenberg, earned record shares of as much as 8.1 percent. "Without a Trace" (up to 8.9 percent) and "Cold Case" (up to 9.6 percent) were again among the station's most successful shows. The emigrant documentary "Mein neues Leben" earned shares as high as 8.6 percent.



Kabel eins enjoyed top ratings in the third quarter with „Star Trek V - The Final Frontier“ and „Quiz Taxi“.

N24 picked up 0.2 percentage points in October against a year earlier, to reach 1.0 percent (Sept. 2006: 1.0 percent; Oct. 2006: 0.8 percent), and thus retained its standing as Germany's leading news station. It was well ahead of n-tv again in October, by 0.4 percentage points. The Cologne competitor earned a share of 0.6 percent (Sept. 2006: 0.6 percent; Oct. 2005: 0.5 percent).

Quiz station 9Live's share for October came to 0.2 percent of the 14-to-49 key demographic (Sept. 2006: 0.2 percent; Oct. 2006: 0.2 percent).

RTL's October share came to 15.5 percent, down 0.8 percentage points from the year before (Sept. 2006: 15.7 percent; Oct. 2005: 16.3 percent). Vox earned 7.6 percent (Sept. 2006: 7.5 percent; Oct. 2005: 6.5 percent). Super RTL's share came to 2.6 percent (Sept. 2006: 2.5 percent; Oct. 2005: 2.6 percent), while n-tv's October share was 0.6 percent (Sept. 2006: 0.6 percent; Oct. 2005: 0.5 percent). RTL 2's share came to 6.0 percent (Oct. 2005: 6.6%; Sept. 2005: 6.0%).



News, magazines and talk shows like „Arabella Kiesbauer“ have made N24 market leader for over a year.

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Outlook

Economic conditions and the advertising market

The German economy will grow better than expected in 2006. In November 2005, growth projections for 2006 averaged about 1 percent. Germany's economic research institutes have revised their estimates several times since then. In their spring appraisal, they posited a GDP growth rate of 1.8 percent. Their current fall opinion has upgraded the projection again, to a growth rate of 2.3 percent. Most of the increase is the product of an uptrend in domestic demand. The economists now believe that corporate capital spending most of all, but also consumer and government spending, will make substantially faster gains than they had forecast as recently as this spring. The projections also expect the situation in the job market to ease further over the remainder of the year. Unemployment, which was still 11.2 percent in 2005, is expected to recede to an average of 10.4 percent for 2006. The German government concurs with the economic experts' fall opinion, and expects growth of 2.3 percent. A variety of expectation indicators likewise suggest that the German economy is on the rise. The GfK consumer attitude index was still trending upward at the beginning of the fourth quarter.

The ProSiebenSat.1 Group's business success depends to a large degree on the general economic picture. The performance of the advertising market overall, and the TV advertising market in particular, shows a strong correlation with macroeconomic performance and the domestic economic climate. For that reason, it can be assumed that the momentum of economic growth in Germany will have a favorable impact on the advertising market. It looks as though the growth pattern from the past few months will hold firm until the end of the year, although there can be no absolute certainty about how the German TV market will perform for the rest of the year.

The Group's advertising revenues performed well in October. Against that background, in October the ProSiebenSat.1 Group increased its growth projection for fiscal 2006 in the TV advertising market. If the uptrend holds, the Group believes a net growth rate of about 3 percent in the TV advertising market will be realistic. Formerly the Company had been assuming a net growth rate of 2 percent. The ZAW - Germany's national advertising association - has not revised its projection so far, and still assumes that the advertising market in Germany as a whole will grow 2 percent. The World Advertising Research Center (WARC) has also held to its previous estimates, and expects net growth of 2.2 percent for the advertising market as a whole; ZenithOptimedia still expects 1.8 percent.

Economists have rarely been so divided as they are in their projections for the coming year. Published advance individual projections range from 0.8 percent to 1.7 percent. Some institutes argue that domestic demand is not stable enough yet to absorb the burdens of tax policy - especially the increase in value-added tax. For that reason, they expect the economy to cool significantly in 2007. But other institutes assume that the retarding factors will have only a brief adverse effect on the economy. One argument for this optimistic scenario is that the ifo business climate index for the German commercial sector improved again slightly in October. The in-

indicator picked up 0.4 points, to reach 105.3. For the first time in three months, business owners are also taking a more favorable view of the prospects for the coming six months.

The ProSiebenSat.1 Group has seen signs of a sustained easing of the advertising market. But at present there is no reliable way to project what the TV advertising market will do in 2007.

Opportunities in corporate strategy

The ProSiebenSat.1 Group is Germany's largest and most successful commercial television corporation. With its four advertising-financed free TV stations - Sat.1, ProSieben, kabel eins and N24 - it is the number one broadcasting group in the German TV advertising market. The ProSiebenSat.1 Group is Germany's only genuine family of television stations. This particular arrangement, with four strong station brands and a clear, complementary distribution of positioning and programming, is unique in the world.

The company has long-term contracts with virtually every major Hollywood studio, and with the major European film production companies. It also has access to KirchMedia's extensive film library. These agreements and rights ensure that the Group's stations will continue to enjoy an excellent supply of programming. Another competitive advantage that the Group enjoys is stable relationships with its advertisers.

ProSiebenSat.1 Group: Strategic goals



In its core business in television, the ProSiebenSat.1 Group has gathered many years of extensive expertise in estimating what the media landscape and the advertising market will do next. This skill gives the Group a way to make selective use of its established free TV brands for cross-media services and multiple uses of content. Further internationalization also offers the Group new opportunities to expand its brands.

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Like all free TV broadcasters, the ProSiebenSat.1 Group's revenues depend significantly on what happens in the TV advertising market. Since advertisers have been booking on shorter and shorter notice, it is difficult to produce any reliable long-term projection for the German TV advertising market. The media group is trying to diversify its revenue sources so as to pare back its dependency on the conventional TV advertising market. Through a systematic diversification of its operations, the Group has optimized its risk-opportunity profile, and tapped additional sources of revenue. Alongside organic growth, strong external growth through equity investments and acquisitions will strengthen the Diversification unit.

Digitization is producing a permanent change in the media landscape, creating a multitude of new distribution channels, as well as new opportunities for the advertising industry. At the same time, people's use of media is changing. The younger generation in particular, with its affinity for the Internet and mobile telephones, is causing greater demand for interactive additional services and customized media uses. The evolution of the digital environment is a substantial growth opportunity for the ProSiebenSat.1 Group. The Company has adopted the goal of distributing its existing content on as many platforms as possible. At the same time, the Group is developing innovative services for new distribution channels, so as to serve new usage habits and tap new user groups.

At the beginning of this year, the Group signed contracts on digital feeds with the major cable operators Unity Media, Kabel Deutschland and Kabel BW. Agreements with DSL providers ensure that the stations can be distributed using the Internet Protocol Television standard (IPTV). The Group also tapped new growth areas this year with such services as the maxdome video-on-demand portal and its marketing, as well as custom services in pay TV and the internationalization of the interactive brand 9Live.

Innovative concepts focusing on the consumer strengthen the Group's lead with audiences and in the advertising market. After trimming course in the past few months, the Group believes it is in an excellent position to make use of new structures as they evolve. The classic free TV provider has become a provider of up-to-the-minute TV services in the digital media world.

Company outlook

The Group's family of stations got off to a strong start in the second half, with attractive programming. By acquiring exclusive licenses in the third quarter - including the rights to the James Bond films and for coverage of UEFA Cup matches - the corporation has made its stations' fine programming even better. As expected, the Winter Olympics in February, and the soccer World Cup in June and the first half of July, caused first-half audience shares among the key demographic to decline. The ProSiebenSat.1 Group did not hold rights to broadcast these sports events. Nevertheless, the Group as whole will be able to maintain its position of a high level of around 30 percent. From January through September 2006, the stations' combined share of the target audience reached 29.4 percent (Q1-Q3 2005: 30.3 percent).

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The ProSiebenSat.1 Group is systematically tapping new distribution channels to expand its services. It is especially focusing on the changing usage habits of the generation that has grown up with the Internet and mobile phones. After entering the video-on-demand market and expanding its pay TV services in the first half, in the second half the Group further expanded its position in the growing online market. In August 2006, the Group acquired 30 percent of MyVideo. In the fourth quarter, it acquired a second stake in an interactive Internet platform, this time with the social network Lokalisten.de. Founded in May 2005, Lokalisten.de is an Internet community that, like MyVideo, has become a heavily visited German-language website within a very short time. Online communities are based on a new networking concept. They offer an attractive growth market for the ProSiebenSat.1 Group, because they combine the interactive use opportunities of the Internet with the reach of a mass medium. 

 Segment Report,
Segment Transaction TV

The ProSiebenSat.1 Group is now Germany's largest provider of content for mobile TV. It offers a total of 12 UMTS-based channels for a variety of mobile phone users, along with an extensive range of on-demand programming. The Group launched its first full-service mobile TV channel in October 2006: ProSiebenSat.1 Mobile. It has also applied for broadcasting licenses on the DVB-H network.

 Subsequent Events & Outlook,
Lokalisten.de

The ProSiebenSat.1 Group is pursuing new paths in advertising as well. With innovative concepts like the "Betty" interactive remote control, advertising-on-demand on maxdome, and user generated advertising on MyVideo, the company offers advertisers new options for reaching customers and marketing their products. Another innovation in conventional advertising is VisibleWorld, which is slated to be launched in a three-month test phase for six clients in the first quarter of 2007. As a first phase, it will offer dynamic TV spots. A second step is planned for 2008 - regionalization of TV advertising. This advertising concept will provide a further competitive advantage for the ProSiebenSat.1 Group, because through VisibleWorld, it is the first TV corporation to offer a modularized system with which TV spots can be tailored to specific situations and specific regions. 

 Segment Report,
Other Diversification

The Company assumes that it will be able to increase advertising revenues this year. Because of the year's major sports events, growth rates are likely to parallel the performance of the TV advertising market as a whole. In addition to growth in the core business in free TV, further expansion of activities in the Diversification unit will have a positive impact on the Group's revenue and earnings. Activities in Diversification - such as the Internet, teletext, merchandising, and mobile services - can be expected to perform better than average again this year. 9Live will build further on its effective business model as an interactive brand. Additional revenues will come from new services, especially in pay TV and video-on-demand. In January through September of this year, the Diversification segment contributed 11 percent in all toward the Group's total revenues (Q1-Q3 2006: 8.6 percent). By year's end, the Group expects its new business models to generate up to 12 percent of total revenues (fiscal 2005: 9 percent).

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Given the rise in the TV advertising market and growth in the Diversification unit, the Group as a whole assumes that it will be able to boost consolidated revenues 5 to 6 percent in 2006 versus 2005. The Group's cost controls will mean that profits will improve even more than that. The Group will continue emphatically pursuing its strategic goals.

Programming Outlook

Sat.1: Super suspense, new series, and top-notch entertainment for the whole family

Sat.1 will have a number of debuts to entice audiences in the fourth quarter. Crime fans will enjoy "Stadt Land Mord!," the new Wednesday series with Siegfried Terpooften and Lilian Klebow. Late fall will see the debut of a major event show, "You Can Dance!," where Germany's most talented dancers compete against one another. Premieres of in-house TV movie productions, like the romantic comedies "Meine bezaubernde Feindin" and "Geküsst wird vor Gericht," will provide fun for the whole family. The Sat.1 thriller "Die Krähen" promises super suspense. Light entertainment and variety shows will include new episodes of the hits "MegaClever!," "Promi ärgert Dich nicht!" and "Die Comedy-Falle." The station's successful "Crime Sunday," with the U.S. series "Navy CIS" and "Criminal Minds," will continue its successful run.



Sat.1 will air new popular shows in the last quarter of 2006. Kai Pflaume is on air with new instalments of „Die Comedy Falle“.

ProSieben: The best feature films, major variety shows and series for younger audiences

In the next few months, ProSieben will offer yet another lineup of blockbuster films, major entertainment events and new premium series. Film fans will be able to luxuriate in hits like "(T)Raumschiff Surprise," "Harry Potter and the Chamber of Secrets," "Die Unbeugsamen" and "Cold Mountain." Light entertainment and variety shows will also offer viewers an exciting fall season: a Saturday-evening standout will arrive on November 18, when Stefan Raab faces another competitor on "Schlag den Raab" - this time for a prize of a million euros. The big "Popstars" finale on November 23 promises to be just as exciting, when Germany chooses a new band to succeed the "No Angels." Viewers won't want to miss the crazy ski antics at the beginning of December, when Stefan Raab hosts the "TV total Parallel-Ski-Slalom." In series, ProSieben will add another premium offering to its "Mystery Mondays," with "Invasion." The first season starts October 30.



© Buena Vista Pictures Distribution

In the fourth quarter, ProSieben will show blockbusters such as „Harry Potter and the Chamber of Secrets“ and „Cold Mountain“.

kabel eins: "Good times" with series, films and new light entertainment shows

"Good times" await kabel eins viewers in the fourth quarter. Besides top films like "Gattaca," "A Time to Kill," "Rob Roy" and "Ronin," the station will be carrying a strong lineup of information shows and documentaries. The new seasons of the international documentary-series co-production "Naturgewalt!" will continue the station's successful lineup of event evenings. The kabel eins hit "Best of Formel Eins" is already preparing for its fifth season. Ingolf Lück will ask the comedy question "Darf man das?" starting October 30. His new panel show will present the weirdest and funniest cases from international courts. And the station is preparing a very special experience with the major 3D event "Big. Bigger. USA" from November 18 to 25. Elaborate 3D effects will turn extensive reports on the land of unlimited opportunity into an experience for the senses.



© Columbia Pictures

„Good times“ on kabel eins with movies like „Gattaca“ and „A Time to Kill“ in the next quarter.

N24 expanding capabilities in stock-market and business reporting

In the fourth quarter N24 will continue its efforts to expand its audience lead and reinforce its substantial performance gains over the year. It will also keep expanding its stock-market and business reporting. Germany's leading news station will be rounding out its schedule with political talk shows like "Links-Rechts" with Hans-Hermann Tiedje and Hajo Schumacher, new programs like "Make Money - Die Markus Frick Show," and exciting documentaries and special reports.



„Links-Rechts“ is N24's new political talk show with two heavy weights in journalism and politics: Hajo Schumacher and Hans-Hermann Tiedje.

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Explanatory Note

Explanatory Notes to the Report of ProSiebenSat.1 Media AG for the First Nine Months of 2006

This consolidated interim report was prepared in compliance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) that were in effect on the reporting date, September 30, 2006 and applicable in the European Union. 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, 2005.

This report contains forward-looking statements that reflect the current views of the management of ProSiebenSat.1 Media AG regarding future events. Such forward-looking statements include any statement in this report that reproduces or is founded upon intentions, assumptions, expectations or predictions made by the Company. These statements are based on plans, estimates and projections currently available to the management of ProSiebenSat.1 Media AG. They therefore 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 provide such updates.

Consolidated income statement for ProSiebenSat.1 Media AG

	Q3 2006	Q3 2005	Change	Change in %
EUR k				
1. Revenues	431,279	415,859	15,420	4%
2. Cost of sales	-287,525	-285,513	2,012	1%
3. Gross profit	143,754	130,346	13,408	10%
4. Selling expenses	-59,227	-51,557	7,670	15%
5. Administrative expenses	-38,315	-33,022	5,293	16%
6. Other operating income	2,710	4,705	-1,995	-42%
7. Operating profit	48,922	50,472	-1,550	-3%
8. Income from companies in which equity investments are held	80	- / -	80	- / -
9. Expenses due to transfer of losses	- / -	-432	-432	-100%
10. Income from securities and loans of financial assets	36	6	30	500%
11. Income from equity interests in associated companies	-4	-2	-2	-100%
12. Write-downs of financial assets and current securities	- / -	594	594	100%
13. Net interest and similar income	1,093	709	384	54%
14. Net interest and other expenses	-11,077	-12,212	-1,135	-9%
15. Other financial expenses	-17,330	-651	16,679	- / -
16. Financial loss	-27,202	-11,988	-15,214	-127%
17. Income from ordinary business activities	21,720	38,484	-16,764	-44%
18. Income taxes	-8,199	-14,870	-6,671	-45%
19. Consolidated profit	13,521	23,614	-10,093	-43%
Attributable to				
Shareholders of ProSiebenSat.1 Media AG	13,108	23,746	-10,638	-45%
Minorities	413	-132	545	413%
EUR				
Basic and diluted earnings per share of common stock according to IAS 33 *	0.05	0.11	-0.06	-55%
Basic and diluted earnings per share of preferred stock according to IAS 33 *	0.06	0.11	-0.05	-45%

* thereby accounted for net profit for the period: 13.1 EUR m [previous period: 23.7 EUR m]; thereby accounted for number of common and preferred shares: 218,797 thousand [previous year: 218,797 thousand]

Consolidated income statement for ProSiebenSat.1 Media AG

	Q1-Q3 2006	Q1-Q3 2005	Change	Change in %
EUR k				
1. Revenues	1,447,420	1,353,634	93,786	7%
2. Cost of sales	-935,270	-895,828	39,442	4%
3. Gross profit	512,150	457,806	54,344	12%
4. Selling expenses	-162,177	-146,363	15,814	11%
5. Administrative expenses	-103,323	-97,480	5,843	6%
6. Other operating income	8,222	11,889	-3,667	-31%
7. Operating profit	254,872	225,852	29,020	13%
8. Income from companies in which equity investments are held	80	- / -	80	- / -
9. Expenses due to transfer of loss	- / -	-884	-884	-100%
10. Income from securities and loans of financial assets	79	2,529	-2,450	-97%
11. Income from equity interests in associated companies	1,536	3,419	-1,883	-55%
12. Net interest and similar income	3,504	2,920	584	20%
13. Net interest and other expenses	-33,111	-38,209	-5,098	-13%
14. Income from financial instruments	- / -	9,213	-9,213	-100%
15. Other financial expenses	-18,640	-2,042	16,598	- / -
16. Financial loss	-46,552	-23,054	-23,498	-102%
17. Income from ordinary business activities	208,320	202,798	5,522	3%
18. Income taxes	-79,161	-78,083	1,078	1%
19. Consolidated profit	129,159	124,715	4,444	4%
Attributable to				
Shareholders of ProSiebenSat.1 Media AG	127,269	124,086	3,183	3%
Minorities	1,890	629	1,261	200%
EUR				
Basic and diluted earnings per share of common stock according to IAS 33 *	0.57	0.56	0.01	2%
Basic and diluted earnings per share of preferred stock according to IAS 33 *	0.59	0.58	0.01	2%

* thereby accounted for net profit for the period: 127.3 EUR m [previous period: 124.1 EUR m]; thereby accounted for number of common and preferred shares: 218,797 thousand [previous year: 218,797 thousand]

Consolidated balance sheet of ProSiebenSat.1 Media AG

ASSETS	EUR k	9/30/2006	9/30/2005	Change	12/31/2005	Change
A. Noncurrent assets						
I. Intangible assets	327,554	331,033	-3,479	329,772	-2,218	
II. Property, plant and equipment	228,100	234,831	-6,731	235,664	-7,564	
III. Financial assets	8,379	1,752	6,627	3,864	4,515	
IV. Programming assets	256,134	233,336	22,798	253,596	2,538	
V. Accounts receivable and other long-term assets	1,884	4,118	-2,234	3,298	-1,414	
VI. Deferred taxes	2,089	13,795	-11,706	- / -	2,089	
	824,140	818,865	5,275	826,194	-2,054	
B. Current assets						
I. Programming assets	798,256	863,627	-65,371	803,888	-5,632	
II. Inventories	5,188	5,314	-126	4,473	715	
III. Accounts receivable and other short-term assets	303,621	261,733	41,888	222,019	81,602	
IV. Marketable securities	257	1,423	-1,166	2,446	-2,189	
V. Cash, cash at bank	29,304	38,663	-9,359	157,556	-128,252	
	1,136,626	1,170,760	-34,134	1,190,382	-53,756	
Total assets	1,960,766	1,989,625	-28,859	2,016,576	-55,810	

LIABILITIES AND SHAREHOLDERS' EQUITY		9/30/2006	9/30/2005	Change	12/31/2005	Change
EUR k						
A. Shareholders' equity						
I. Subscribed capital	218,797	218,797	- / -	218,797	- / -	
II. Capital reserves	583,455	579,716	3,739	579,965	3,490	
III. Group equity generated	332,345	289,825	42,520	386,678	-54,333	
IV. Accumulated other Group equity	-2,370	-2,010	-360	4,224	-6,594	
V. Minority interests	-252	-2,033	1,781	-1,915	1,663	
	1,131,975	1,084,295	47,680	1,187,749	-55,774	
B. Noncurrent liabilities						
I. Long-term financial liabilities	184,253	385,277	-201,024	382,658	-198,405	
II. Provisions	5,185	16,533	-11,348	6,521	-1,336	
III. Other liabilities	117,628	124,069	-6,441	123,046	-5,418	
IV. Deferred taxes	- / -	- / -	- / -	450	-450	
	307,066	525,879	-218,813	512,675	-205,609	
C. Current liabilities						
I. Short-term financial liabilities	156,916	45,343	111,573	4,577	152,339	
II. Provisions	110,937	113,902	-2,965	49,701	61,236	
III. Other liabilities	253,872	220,206	33,666	261,874	-8,002	
	521,725	379,451	142,274	316,152	205,573	
Total liabilities and shareholders' equity	1,960,766	1,989,625	-28,859	2,016,576	-55,810	

ProSiebenSat.1 Group cash flow statement

EUR k	Q1-Q3 2006	Q1-Q3 2005
Consolidated profit	127,269	124,086
Depreciation, amortization and impairment/write-ups of noncurrent and current assets	29,257	23,944
Consumption/write-ups of programming assets	682,382	658,403
Change in tax provisions (incl. change in deferred taxes)	64,600	70,863
Change in other provisions	923	-1,397
Result from equity accounting and other noncash relevant changes within financial assets	1,616	-5,279
Result from sale of fixed assets	31	-46
Result from sale of programming assets	- / -	-2
Other noncash income/expenses	3,490	1,295
Cash flow	909,568	871,867
Change in inventories	-715	-326
Change in non-interest-bearing receivables and other assets	-77,999	-64,338
Change in non-interest-bearing liabilities	-17,498	-65,264
Cash flow from operating activities	813,356	741,939
Proceeds from disposal of noncurrent assets	542	2,517
Expenditures for intangible assets and property, plant and equipment	-18,223	-15,739
Expenditures for purchase of financial assets	-3,222	-470
Proceeds from disposal of programming assets	6,417	3,123
Expenditures for programming assets	-693,866	-653,409
Effects of changes in scope of consolidation and other changes in equity	-3,239	-170,606
Cash flow from investing activities	-711,591	-834,584
Free cash flow	101,765	-92,645
Dividend	-181,602	-63,451
Change of interest-bearing liabilities	-48,415	-145,010
Cash flow from financing activities	-230,017	-208,461
Change in cash and cash equivalents	-128,252	-301,106
Change in scope of consolidation in cash and cash equivalents	- / -	45,034
Cash and cash equivalents at beginning of year	157,556	294,735
Cash and cash equivalents as of September 30	29,304	38,663
<hr/>		
The cash flow from operating activities includes the following receipts and payments according to IAS 7:		
Cash flow from income taxes	-92,367	-64,120
Cash flow from interest expenses	-30,306	-41,824
Cash flow from interest income	3,350	2,611

EUR k	Subscribed capital	Capital reserves	Group equity generated	Accumulated other Group equity		Minority interests	Shareholders' 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	- / -	- / -	- / -	- / -	- / -	-3,996	-3,996
Other changes	- / -	1,295	- / -	-87	21,716	- / -	22,924
Consolidated profit	- / -	- / -	124,086	- / -	- / -	629	124,715
September 30, 2005	218,797	579,716	289,825	-222	-1,788	-2,033	1,084,295

EUR k	Subscribed capital	Capital reserves	Group equity generated	Accumulated other Group equity		Minority interests	Shareholders' equity
				Foreign currency translation adjustment	Valuation from cash flow hedges		
December 31, 2005	218,797	579,965	386,678	-250	4,474	-1,915	1,187,749
Dividends paid	- / -	- / -	-181,602	- / -	- / -	- / -	-181,602
Other changes	- / -	3,490	- / -	-167	-6,427	-227	-3,331
Consolidated profit	- / -	- / -	127,269	- / -	- / -	1,890	129,159
September 30, 2006	218,797	583,455	332,345	-417	-1,953	-252	1,131,975

Segment reporting of the ProSiebenSat.1 Group

EUR k	Free TV	Transaction TV	Other Diversification	Transitions	Total consolidated financial statement Q1-Q3 2006
Revenues	1,328,114	71,568	105,634	-57,896	1,447,420
External revenues	1,287,831	70,278	89,311	- / -	1,447,420
Internal revenues	40,283	1,290	16,323	-57,896	- / -
Operating profit	223,821	13,262	18,228	-439	254,872
EBITDA	244,075	19,673	20,904	-523	284,129

Segment reporting of the ProSiebenSat.1 Group

EUR k	Free TV	Transaction TV	Other Diversification	Transitions	Total consolidated financial statement Q1-Q3 2005
Revenues	1,267,247	32,250	89,914	-35,777	1,353,634
External revenues	1,237,243	31,640	84,751	- / -	1,353,634
Internal revenues	30,004	610	5,163	-35,777	- / -
Operating profit	206,352	5,373	14,057	70	225,852
EBITDA	224,931	8,964	16,779	80	250,754

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Financial Calendar

Press conference / IR conference
on preliminary figures for 2006 **February 20, 2007**

2006 Annual Report **March 30, 2007**

First quarter report 2007 **May 9, 2007**

2007 Annual Meeting **Tentatively May 2007**

Second quarter report 2007 **August 8, 2007**

Third quarter report 2007 **November 7, 2007**