

**ProSiebenSat.1** Media AG

The power of television



Quarterly Report Q1 2007

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## Key Figures

### Key Figures for the ProSiebenSat.1 Group

#### Key balance sheet figures

	3/31/2007	3/31/2006	Change
	EUR m	EUR m	
Total assets	2,030.7	2,042.3	-1%
Shareholders' equity	1,293.6	1,214.8	6%
Liabilities	613.2	760.4	-19%
Equity ratio	64%	59%	8%
Pre-tax return on equity	5%	4%	25%
Programming assets	1,066.8	1,061.4	1%
Programming assets of total assets	53%	52%	2%
Net financial debt	90.0	254.6	-65%

#### Key cash flow figures

	Q1 2007	Q1 2006	Change
Cash flow	325.8	294.6	11%
Cash flow from operating activities	293.0	231.0	27%
Cash flow from investing activities	-260.4	-255.4	-2%
Free cash flow	32.6	-24.5	233%
Cash flow from financing activities	-0.6	-3.4	82%

#### Key figures

	Q1 2007	Q1 2006	Change
Revenues	501.2	465.3	8%
Gross profit	165.9	143.1	16%
Operating profit	71.9	61.1	18%
Financial loss	-4.4	-11.0	60%
Pre-tax profit	67.5	50.1	35%
Consolidated profit	40.6	30.7	32%
Earnings per preference share according to IFRS (EUR)	0.19	0.14	36%
EBITDA	82.0	70.6	16%
EBIT	71.9	61.1	18%
EBITDA margin	16%	15%	7%
Pre-tax profit margin	13%	11%	18%
Programming investments	269.9	249.1	8%
Depreciation and amortization of intangible assets and property, plant and equipment	10.1	9.5	6%
Personnel expenses	65.9	56.1	17%
Employees*	3,062	2,885	6%

\* Averaging full-time equivalent jobs

**Key Figures for the ProSiebenSat.1 Group**

	Q1 2007	Q1 2006	Change
	EUR m	EUR m	
<b>Segment Free TV</b>			
Total revenues	456.4	425.1	7%
External revenues	438.6	414.0	6%
Operating profit	63.3	49.5	28%
EBITDA	70.6	56.1	26%
Employees*	2,680	2,529	6%
<b>Stations</b>			
<b>Sat.1</b>			
Total revenues	204.2	194.1	5%
Pre-tax profit	44.1	32.8	34%
EBITDA	42.8	33.6	27%
Employees*	236	256	-8%
<b>ProSieben</b>			
Total revenues	170.6	156.1	9%
Pre-tax profit	6.5	7.4	-12%
EBITDA	6.3	6.9	-9%
Employees*	266	263	1%
<b>kabel eins</b>			
Total revenues	64.1	55.8	15%
Pre-tax profit	19.9	11.5	73%
EBITDA	19.7	11.4	73%
Employees*	55	50	10%
<b>N24</b>			
Total revenues	22.9	20.3	13%
Pre-tax profit	3.5	1.9	84%
EBITDA	3.4	2.0	70%
Employees*	173	161	7%

\* Averaging full-time equivalent jobs

**Key Figures for the ProSiebenSat.1 Group**

	<b>Q1 2007</b>	<b>Q1 2006</b>	<b>Change</b>
	EUR m	EUR m	
<b>Diversification</b>			
<b>Segment Transaction TV</b>			
Total revenues	27.7	26.2	6%
External revenues	27.1	25.8	5%
Operating profit	5.0	6.7	-25%
EBITDA	6.9	8.8	-22%
Employees*	115	98	17%
<b>Segment Other Diversification</b>			
Total revenues	37.1	30.5	22%
External revenues	35.6	25.5	40%
Operating profit	3.7	5.1	-27%
EBITDA	4.6	5.9	-22%
Employees*	267	258	3%

\* Averaging full-time equivalent jobs

## **Highlights**

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### ProSiebenSat.1 Group reports growth in both lines of business

- Consolidated revenues up 7.7 percent to EUR 501.2 million
- EBITDA up 16.1 percent to EUR 82.0 million
- Pre-tax profit up 34.7 percent to EUR 67.5 million
- Consolidated profit for period up 32.2 percent to EUR 40.6 million
- Free cash flow up EUR 57.1 million to EUR 32.6 million
- Higher advertising revenues push up revenues in core business
- Online and digital services propel Diversification unit
- Positive outlook for fiscal 2007 reconfirmed

January	February	March	
<b>ProSiebenSat.1 Group pools iTV activities</b> Since January, all the ProSiebenSat.1 Group's activities having to do with contests and games, as well as all telephone-based interactive TV services (iTV) have been pooled at 9Live. The activities include not only the call TV programming windows on Sat.1, ProSieben, and kabel eins, but all the stations' Audiotex and premium added-value business. Thus 9Live has become the centralized provider of interactive services for the whole corporation.	<b>ProSiebenSat.1 Group acquires stake in solute GmbH</b> The ProSiebenSat.1 Group is expanding even further on the Internet. The TV corporation acquired a majority interest in solute GmbH in February. solute operates billiger.de, one of Germany's leading price comparison portals on the Internet.	<b>Lavena Holding 4 GmbH the new principal shareholder</b> The purchase agreement between German Media Partners and Lavena Holding 4 GmbH went through on March 6. Lavena Holding 4 GmbH thus holds about 88 percent of the Company's voting common stock and about 13 percent of the non-voting preferred stock, after adjusting for other equity interests. With a total of 50.5 percent of the share capital of ProSiebenSat.1 Media AG, after adjustment for other equity interests, the acquisition makes Lavena Holding 4 GmbH the TV corporation's new majority shareholder.	<b>ProSiebenSat.1 Media AG considers takeover of SBS Broadcasting Group</b> ProSiebenSat.1 Media AG is considering a takeover of SBS Broadcasting Group. The decision on the transaction will not be made until mid-year, after a comprehensive due diligence process has been completed and a financial fairness opinion has been received, as well as an additional independent appraisal of the company.
<b>Dresden Higher Regional Court upholds verdict against Netlantic and Shift TV</b> A decision by the Dresden Higher Regional Court has forbidden service providers from using programming signals from the ProSiebenSat.1 Group without the Group's prior consent. On January 16, 2007, the court upheld the Leipzig Regional Court decision of May 12, 2006, against Netlantic GmbH and its Shift TV service.	<b>ProSiebenSat.1 Media AG ties down free TV rights from Warner Bros. International Television Distribution</b> The ProSiebenSat.1 Group has signed a long-term contract with Warner Bros. International Television Distribution (WBITD) for the free TV rights to a large number of productions, including such film highlights as "Harry Potter and the Order of the Phoenix," "Harry Potter and the Half-Blood Prince," "Blood Diamond," and "Ocean's Thirteen."	<b>It will acquire another roughly 0.3 percent of nonvoting preferred stock under a public tender offer to ProSiebenSat.1 Media AG shareholders.</b>	<b>SevenOne International sells show concepts to other European countries</b> SevenOne International, the ProSiebenSat.1 Group's international programming sales company, expanded its business further in Q1 2007. The Sat.1 telenovela "Verliebt in Berlin" has been a big success on French television since January. In March, "Galileo" went on the air in Russia. Additionally, SevenOne International has sold the hit ProSieben concept "Schlag den Raab" to the UK, Sweden and Finland in March.
<b>MyVideo.de clips on ProSiebenSat.1 Mobile</b> The MyVideo community is now accessible via mobile phone. Since January 2007, clips from MyVideo have been shown on ProSiebenSat.1 Mobile, Germany's first full-service mobile TV channel.	<b>New members appointed to Supervisory Board</b> The Supervisory Board of ProSiebenSat.1 Media AG has new members. It has elected Götz Mäuser, a partner in Permira Beteiligungsberatung GmbH, as its new Chairman. Lord Clive Holllick, a partner in Kohlberg Kravis Roberts & Co, is the Vice-Chairman of the Supervisory Board. The Board's membership changed as a consequence of the change in the company's ownership structure.	<b>ProSieben wins Grimme Prize</b> Two ProSieben shows won the Adolf Grimme Prize in March. The TV film "Meine verrückte türkische Hochzeit" won the Fiction category, and the game show "Extreme Activity" won the new Entertainment category.	<b>N24 becomes leading news station also in advertising market</b> News station N24 increased its gross advertising revenues 40 percent in the first three months of 2007, in comparison to the same period last year. With gross advertising revenues of some EUR 16 million and an advertising market share of 0.9 percent, the gain puts N24 well ahead of its main competitor n-tv for the first time in the quarterly figures for the TV advertising market.
<b>Stations expand HDTV broadcasting</b> Sat.1 HD and ProSieben HD, the ProSiebenSat.1 Group's two HDTV stations, have also been available via Deutsche Telekom's T-Home IPTV service since the end of January 2007. This represents a further expansion of the Group's high definition programming, which was already available via the ASTRA satellite system and the Kabel BW network.			

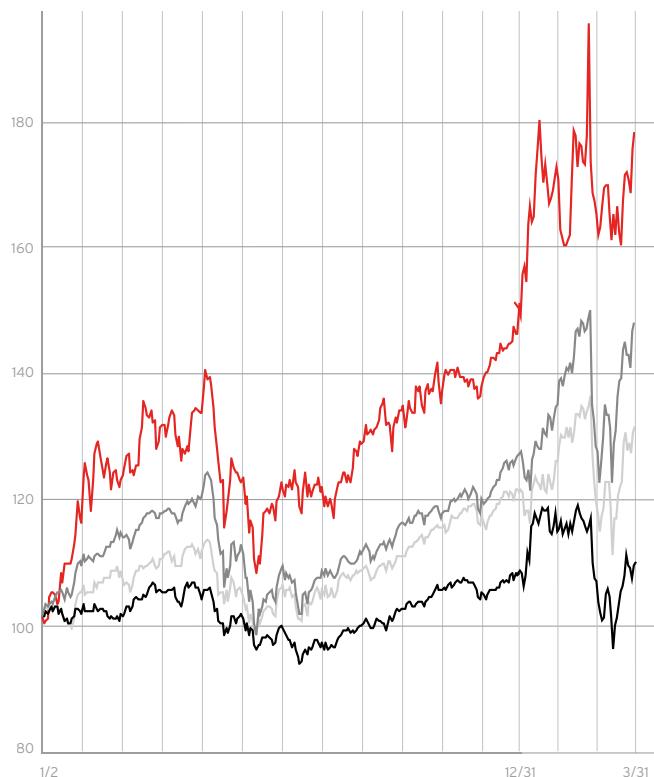
## The ProSiebenSat.1 Share

### ProSiebenSat.1 stock outperforms the indices

The German stock market began the first quarter of 2007 by continuing to rise. On February 26, the DAX index closed at a new multi-year high of 7,027.59 points. But then market sentiment soured. Early in March, concerns about the economy, a slump in the Chinese stock markets, and speculation on interest rates and exchange rates initially wiped out the stock indices' gains. The DAX fell to 6,447.70 points. Yet by mid-March U.S. Fed chief Ben Bernanke's pronouncements on interest rate policies were raising stock prices again. The DAX closed out the quarter at 6,917.03 points, up 3.5 percent. The mid-cap index (MDAX), where ProSiebenSat.1 stock is listed, performed substantially better, closing out the first quarter up 7.1 percent. The Euro STOXX Media index, the relevant sector index for European media stocks, performed significantly less well than the German indices, closing out the first quarter with only a slight gain of 0.5 percent against the start of the year.

**ProSiebenSat.1 Share: Price performance**

Index



■ ProSiebenSat.1 ■ Euro Stoxx Media ■ MDAX ■ DAX

Basis: Xetra closing quotes. An Index 100 = January 2, 2006; Source: Bloomberg

ProSiebenSat.1 stock linked up with its strong prior-year performance, outperforming all relevant comparable indices during the period. On February 26, the stock closed at EUR 27.86, its highest level in six years. It was at EUR 26.43 at the end of March, up 9.3 percent against the prior-year figure. Significant factors in this performance included the positive outlook for the economy as a whole, and the announcement that ProSiebenSat.1 Media AG was exploring options for taking over the SBS Broadcasting Group. During the period a total of 50,429,753 shares were traded over the Xetra trading system, equivalent to an average trading volume of about 787,965 shares per day.

#### **Dividend proposal for fiscal 2006**

The Executive Board and Supervisory Board of ProSiebenSat.1 Media AG will propose to the Annual Meeting a dividend of EUR 0.87 per share of common stock and EUR 0.89 per share of preferred stock for the 2006 fiscal year. This is equivalent to a total distribution of EUR 192.5 million, or a payout ratio of 80 percent of ProSiebenSat.1 Media AG's consolidated net profit for 2006.

Shareholders had received a dividend of EUR 0.84 per share of preferred stock for fiscal 2005, and EUR 0.82 per share of common stock. The total distribution came to EUR 181.6 million, or 82 percent of the consolidated net profit for fiscal 2005.

The upcoming Annual Meeting of ProSiebenSat.1 Media AG will be held on July 17, 2007. 

 [http://en.prosiebensat1.com/  
investor\\_relations/finanzkalender/](http://en.prosiebensat1.com/investor_relations/finanzkalender/)



## **INTERIM REPORT OF THE GROUP**

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## Group & Business Conditions

### The ProSiebenSat.1 Group

#### Business activities and market position

The ProSiebenSat.1 Group is the leading commercial electronic media corporation in German-speaking Europe. It was formed in 2000 by the merger of SAT.1 Holding GmbH and ProSieben Media AG, and has roughly 3,000 employees at its Munich and Berlin locations.

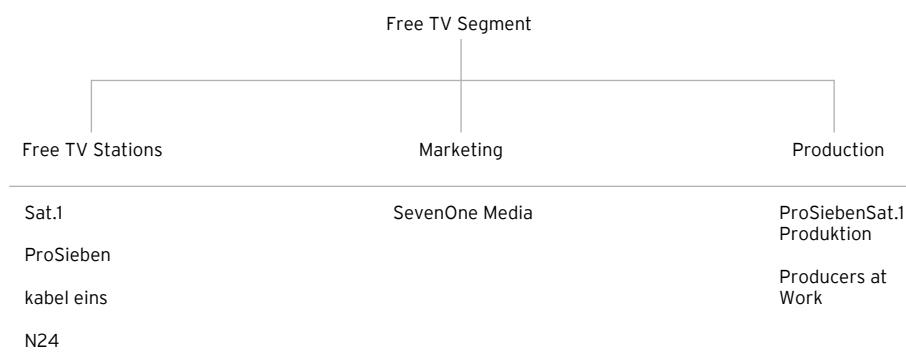
Commercial television is the Group's core business. Its stations Sat.1, ProSieben, kabel eins and N24 make it the leader in the German TV advertising market. Together, these form Germany's only genuine family of television stations: four strong free TV brands whose complementary positioning enables them to serve different target audiences. Sat.1 acts as the strong brand for a broad audience; ProSieben is the leading brand for young entertainment; kabel eins is a brand for classic quality, and N24 is the leading brand for information.

The Group is also the market leader in call TV, thanks to 9Live, and the largest provider of mobile TV. Its pay TV stations - kabel eins classics, Sat.1 Comedy, Wetter Fernsehen and ProSiebenSat.1 Welt - the maxdome video-on-demand platform, and equity interests in innovative Internet services are among the activities with which the Group has increasingly been diversifying its sources of revenue.

#### Organizational structure

The ProSiebenSat.1 Group operates in two lines of business: its core business Free TV, and its Diversification unit. As the Group's revenue sources continued to diversify, the Diversification unit was subdivided further, so that in 2005 it began releasing separate reports for three distinct segments. In simplified terms, the Group's organizational structure can be graphed as follows:

#### Unit Free TV



## Unit Diversification

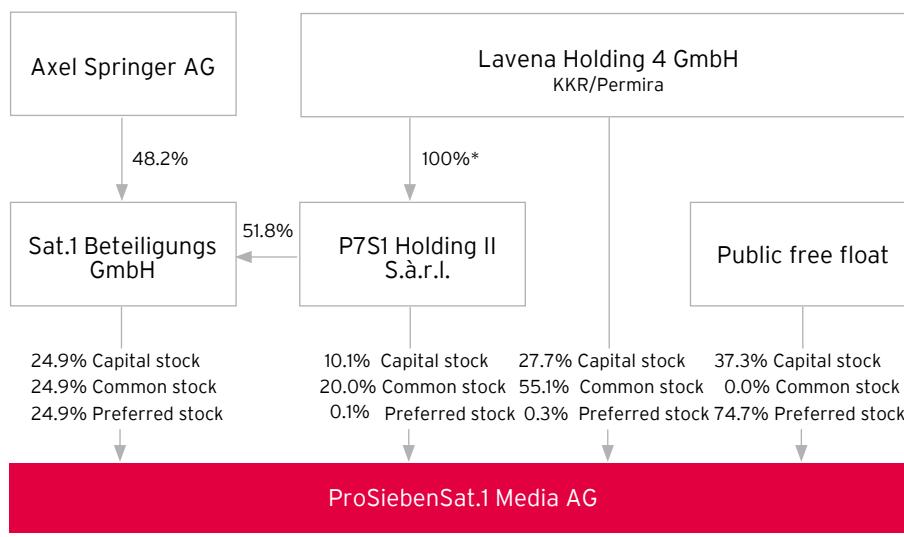
Transaction TV Segment	Other Diversification Segment			
	Multimedia	Pay TV	Merchandising/Licensing	International Distribution
9Live	SevenOne Intermedia SevenOne Interactive	SevenSenses ProSieben-Sat.1 Welt Wetter Fernsehen	MM Merchandising Media Art Merchandising & Media AG starwatch music	SevenOne International

## Legal Environment

**Lavena Holding 4 GmbH the new principal shareholder of ProSiebenSat.1 Media AG**

### Ownership structure of ProSiebenSat.1 Media AG at March 31, 2007

On December 14, 2006, Lavena Holding 4 GmbH signed a share purchase agreement with German Media Partners L.P. to acquire the latter's majority interest in ProSiebenSat.1 Media AG. Lavena Holding 4 GmbH is a company controlled by funds advised by Kohlberg Roberts & Kravis Co. L.P. ("KKR") and Permira Beteiligungsberatung GmbH ("Permira"). The parties agreed on a price of EUR 28.7145 per share of common stock and EUR 22.45 per share of preferred stock. The Commission on Concentration in the Media (KEK) gave regulatory consent on February 6, 2007, and the EU Commission gave its approval from the antitrust viewpoint on February 22. As of the closing of the sale on March 6, 2007, Lavena Holding 4 GmbH now holds about 88 percent of the voting common stock and about 13 percent of the non-voting preferred stock, after adjusting for other equity interests. This is equivalent to 50.5 percent of the share capital of ProSiebenSat.1 Media AG, again after adjustment for



other equity interests, thus making Lavena Holding 4 GmbH the new majority shareholder of ProSiebenSat.1 Media AG. As of the end of the quarter on March 31, Lavena Holding 4 GmbH had acquired another roughly 0.3 percent of non-voting preferred stock under a public tender offer to ProSiebenSat.1 Media AG shareholders.

As of the same date, Axel Springer AG indirectly held an interest of 12 percent each of the common stock and preferred stock of ProSiebenSat.1 Media AG, after adjustment for other equity interests. The remaining ca. 75 percent of the preferred stock was in free float. 

#### New members of Supervisory Board at ProSiebenSat.1 Media AG

In conjunction with the change in the Group's principal shareholder, new members of the Supervisory Board of ProSiebenSat.1 Media AG were appointed. A decision by Munich Local Court on March 7, 2007, appointed the following new members to the Supervisory Board of ProSiebenSat.1 Media AG:

Götz Mäuser, a partner at Permira Beteiligungsberatung GmbH ("Permira"); Lord Clive Hollick, a partner at Kohlberg Kravis Roberts & Co. ("KKR"); Robin Bell-Jones, a principal at Permira Advisors LLP; Philipp Freise, a principal at KKR; Ulrich Gasse, an investment professional at Permira; Reinhard Gorenflos, a partner at KKR; Johannes Huth, a partner at KKR and head of operations for Europe; Thomas Krenz, a partner at Permira and head of operations for Germany; Christian Neuss, a principal at Permira; Silke Scheiber, a principal at KKR; Harry Sloan, Chairman und CEO of Metro-Goldwyn-Mayer; and Prof. Dr. Harald Wiedmann, President of the German Standardization Council (DSR).

They succeed former Supervisory Board Chairman Haim Saban, former Vice-Chairman Adam Chesnoff, John Connaughton, Albert J. Dobron, Jr., Patrick J. Healy, Ynon Kreiz, Seth W. Lawry, Stephen G. Pagliuca, Brian M. Powers, Arieh Saban, Scott Sperling and Joshua Steiner, all of whom resigned from their seats on the board as of March 6, 2007, on closing of the share purchase agreement.

The new Supervisory Board elected Götz Mäuser as its Chairman and Lord Clive Hollick as its Vice-Chairman. Dr. Mathias Döpfner, Chairman of the Board of Management of Axel Springer AG; Greg Dyke, media consultant; and Christian Nienhaus, Managing Director, Bild Publishing Group, remain on the Board.

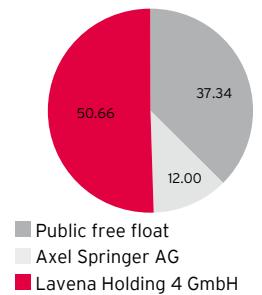
## Economic Environment & the Industry

### Business climate

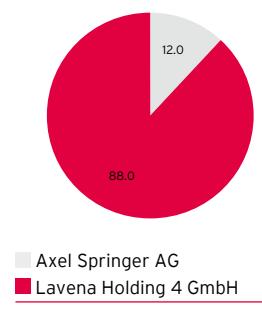
The increase in the value-added tax does not appear to have led to any extended economic slump in Germany. One sign is the ifo Institute's monthly business climate index - one of the most important leading indicators for the German economy. After declining for the first two months of the year, it bounced back in March. Even retailers, a group especially severely impacted by the VAT increase, were somewhat more optimistic in March about prospects for the next six months. In real terms, re-

### Subsequent Events

#### Split of capital stock In percent



#### Split of common stock In percent



tail revenues were down 1.6 percent from the prior-year figures in both January and February.

At 4,108 million, there were 869,000 fewer people registered as unemployed in March than a year earlier. Unemployment declined from the prior year's 12.0 percent to 9.8 percent. The revival in the job market had a positive effect on consumer confidence. According to the GfK consumer research institute, consumers took an increasingly optimistic view of the economy and their own personal income during the first three months of the year. Additionally, propensity to buy ended its downturn in March, so that the end of the first quarter of 2007 also saw the end of the decline in this consumer confidence indicator. The GfK's analysis is that the VAT increase did not result in any widespread anxiety or uncertainty.

### **Gross advertising market**

The gross advertising market data gathered by the Nielsen Media Research Institute offer no real foothold for conclusions about the media's actual advertising revenues, since the values include not only self-promotion but bulk discounts and agency commissions. But unlike the net data, which are published only annually, the gross figures make it possible to track the performance of various media and changes among the various advertising industries during the course of the year.

The gross statistics indicate that the advertising market benefited from the economic upswing at the beginning of the year. Additionally, the VAT increase had less impact on the advertising industry than had initially been expected. Advertising revenues in the conventional media rose 6.6 percent in the first quarter, to EUR 4.8 billion. Television expanded its share of the total market 1.1 percentage points against the same quarter last year, to 41.1 percent, making it the most important medium by far. Daily newspapers are the second strongest medium, at 27.1 percent, followed by general-interest periodicals, at 19.5 percent. Radio had a 6.4 percent share, and billboards 3.7 percent. Special-interest periodicals had 2.3 percent of the advertising market.

The TV advertising market in particular benefited from the period's dynamic growth. With gross advertising investments totaling just under EUR 2.0 billion, the German TV stations' bookings were up 9.6 percent from a year earlier. The principal contributors to growth in the TV market during the first quarter were retail and shipping (+39.3 percent), cosmetics and toiletries (+14.2 percent), the automotive market (+17.9 percent), health and pharmaceuticals (+23.0 percent) and finances (+20.3 percent).

Daily newspapers gained 6.6 percent in the first quarter of 2007, to reach EUR 1.3 billion. But periodicals' revenues were down for the first three months of the year - gross spends for general-interest periodicals decreased 1.4 percent to EUR 944 million, while special-interest periodicals were down 1.5 percent to EUR 109 million. By contrast, radio advertising grew 7.5 percent, and billboards grew 27.0 percent. Online advertising, which is not included in the statistics for the conventional adverti-

sing market, enjoyed very lively demand once again in the first quarter of 2007, gaining 43.4 percent.

#### **Gross advertising revenues at the ProSiebenSat.1 Group**

With a 42.8 percent share of the TV advertising market, the ProSiebenSat.1 Group expanded its lead once again in the first quarter (Q1 2006: 42.4 percent). SevenOne Media, the Group's TV advertising time marketer, generated gross revenues of EUR 849 million for the Group's stations in the first three months. The stations marketed by IP Deutschland - RTL, Vox, Super RTL and n-tv - generated EUR 736 million for the period, a slight decline of 0.9 percentage points in advertising market share, to 37.1 percent. The share of RTL2 marketer El Cartel was also down from a year earlier, to 5.1 percent for the first quarter (Q1 2006: 5.9 percent).

Gross advertising revenues expanded against the prior year at every ProSiebenSat.1 Group station. First-quarter revenues at Sat.1, already high, gained another 0.1 percent. ProSieben picked up 21.9 percent, kabel eins 14.4 percent, and N24 40.7 percent. The figures placed Sat.1 and ProSieben, with respective shares of 18.8 and 16.8 percent, in second and third place among all stations. The share at kabel eins gained 0.3 percentage points from a year earlier, placing the station fifth in the market, with 6.0 percent. News station N24 gained 0.2 percentage points; with a 0.9 percent share of the market, it overtook its competitor n-tv. Advertising revenues at 9Live improved 6.1 percent during the period, and the station holds a 0.3 percent share of the advertising market.

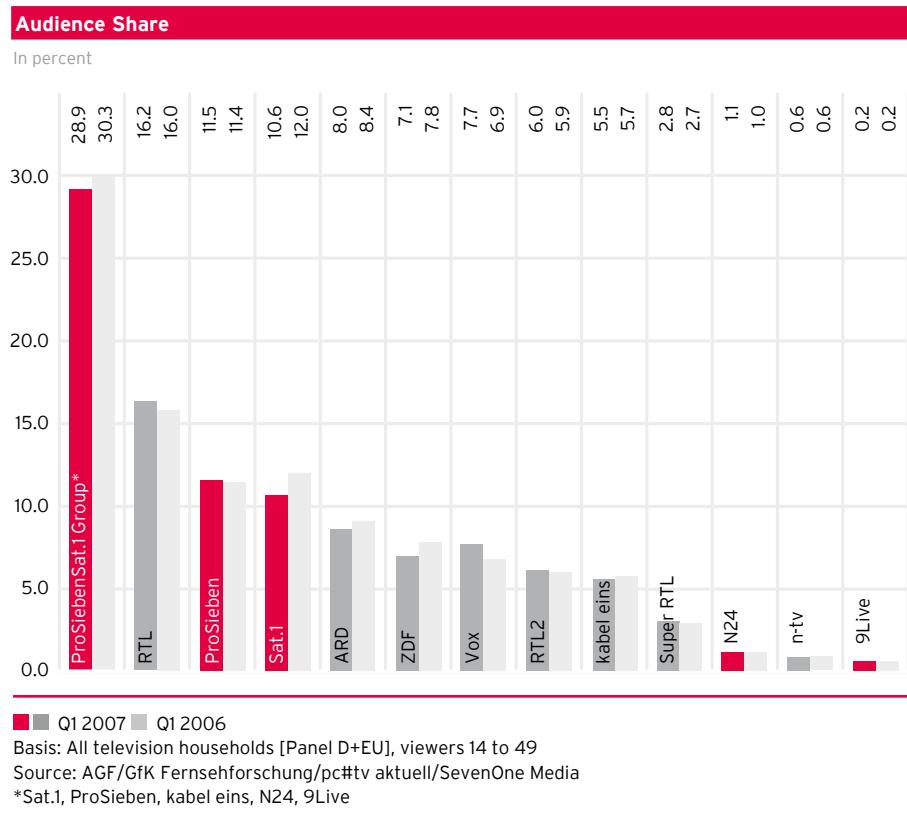
#### **Audience share**

Sat.1, ProSieben, kabel eins, N24 and 9Live earned a combined audience share of 28.9 percent in Q1 2007 (Q1 2006: 30.3 percent). ProSieben gained ground slightly in the quarter, to earn a 11.5 percent share of the 14-to-49 audience (Q1 2006: 11.4 percent). Sat.1 earned 10.6 percent of the key demographic (Q1 2006: 12.0 percent). Here it became evident that first-quarter debuts like "Allein unter Bauern" and "GSG 9" did not score as well as expected with audiences. The audience share at kabel eins was 5.5 percent (Q1 2006: 5.7 percent). N24 strengthened its position as the leading news station: it gained 0.1 percentage point to reach 1.1 percent. The market share at 9Live held steady at the same 0.2 percent as a year earlier. 

 Segment Report

The first-quarter market share at RTL was 16.2 percent (Q1 2006: 16.0 percent). Super RTL's share came to 2.8 percent (Q1 2006: 2.7 percent), and Vox's share was 7.7 percent, following 6.9 percent for Q1 the year before. News station n-tv again had a 0.6 percent share of viewers age 14 to 49 (Q1: 0.6 percent). The share of the 14-to-49 audience at RTL2 was 6.0 percent, compared to the 5.9 percent a year earlier. The public broadcasters lost share in the first quarter. ARD's share was 8.0 percent (Q1 2006: 8.4 percent), and ZDF had 7.1 percent (Q1 2006: 7.8 percent).

All figures for audience share refer to the key demographic between the ages of 14 and 49.



## Earnings, Financial Position & Net Worth

### Overall assessment of the business situation

The ProSiebenSat.1 Group got off to a good start in the new fiscal year, as the key performance figures for the first quarter show. The Group's revenues were up significantly from the same quarter last year, and both pre-tax profit and EBITDA rose above proportion. Free cash flow also continued to rise.

Such profitable growth was driven primarily by higher advertising revenues in the Free TV segment. The upswing in the German economy has had favorable effects on the advertising market.  The Group has taken advantage of these good economic conditions, and improved both revenues and earnings in its core business, television financed through advertising. 

In addition to higher advertising revenues, the performance of the Diversification unit also helped propel the Group's profitable growth. This division saw organic growth partly because of the strength of its online, pay TV and video-on-demand services. Additionally, the Group is expanding this unit systematically through strategic investments. In the first quarter of 2007, the Group acquired a majority interest in the Internet company solute GmbH, which operates billiger.de, Germany's second-largest online price search engine. 

 Economic Environment & the Industry

 Free TV Segment

 Segment  
Other Diversification

#### Consolidated income statement for ProSiebenSat.1 Media AG

EUR k	Q1 2007	Q1 2006	Change	Change in %
1. Revenues	501,183	465,266	35,917	8%
2. Cost of sales	-335,294	-322,202	13,092	4%
3. Selling expenses	-55,440	-53,621	1,819	3%
4. Administrative expenses	-41,515	-31,159	10,356	33%
5. Other operating income	2,950	2,793	157	6%
6. <b>Operating profit</b>	<b>71,884</b>	<b>61,077</b>	<b>10,807</b>	<b>18%</b>
7. <b>Financial loss</b>	<b>-4,371</b>	<b>-10,985</b>	<b>6,614</b>	<b>60%</b>
8. <b>Income from ordinary business activities</b>	<b>67,513</b>	<b>50,092</b>	<b>17,421</b>	<b>35%</b>
9. Income taxes	-25,687	-19,052	6,635	35%
10. <b>Consolidated profit</b>	<b>41,826</b>	<b>31,040</b>	<b>10,786</b>	<b>35%</b>

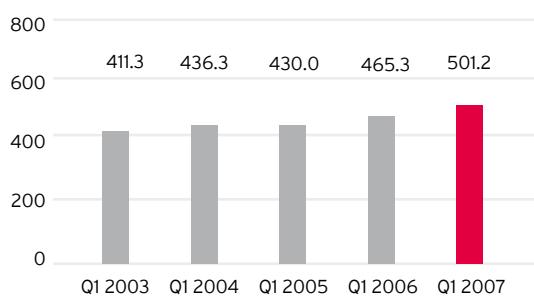
## Earnings situation

### Group revenue performance

Consolidated revenues for the first quarter of 2007 grew 7.7 percent to EUR 501.2 million (Q1 2006: EUR 465.3 million). All segments contributed to this substantial growth.

#### Revenues

In EUR m

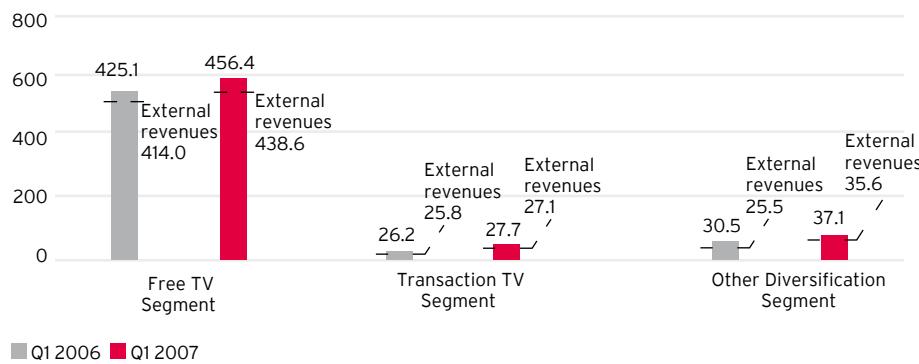


External revenues in the advertising-financed TV segment grew 5.9 percent, from EUR 414.0 million to EUR 438.6 million. The Transaction TV segment's externally generated revenues were up 5.0 percent, to EUR 27.1 million. External revenues in the Other Diversification segment grew 39.6 percent, to EUR 35.6 million. In all, the two segments in the Group's Diversification unit contributed EUR 62.6 million to consolidated revenues, equivalent to a 12.5 percent share. The contribution for the first quarter of 2006 was 11.0 percent, or EUR 51.3 million. 

 [Segment Report](#)

#### Total revenues

In EUR m



 Q1 2006  Q1 2007

## Performance of overall costs

Operating costs grew 6.2 percent in the first quarter, to EUR 432.2 million (Q1 2006: EUR 407.0 million). Most of this increase resulted from personnel expenses, among others those incurred in connection with new hires and the stock option plan. Higher expenses for programming and materials, which are likewise included as part of cost of sales, selling expenses and administrative expenses, also contributed to the increase in total costs.

The Group's cost of sales at the end of the period came to EUR 335.3 million, an increase of EUR 13.1 million, or 4.1 percent, against the same quarter last year. Consumption of programming assets, which is also included in cost of sales, increased EUR 6.7 million to EUR 248.0 million. The increase resulted from higher scheduled consumption of these assets, which rose from EUR 224.8 million to EUR 232.0 million. By contrast, unscheduled consumption decreased to EUR 16.0 million, compared to EUR 16.5 million a year earlier.

Selling expenses were up 3.4 percent against the prior year, to EUR 55.4 million (Q1 2006: EUR 53.6 million). Administrative expenses also grew, by 33.0 percent or EUR 10.3 million, to reach EUR 41.5 million. Higher personnel expenses were a factor there.

## Financial result

The lower interest expense against the same quarter last year yielded a significant improvement in the financial result. The financial result for Q1 2007 was EUR -4.4 million, compared to EUR -11.0 million for the same period last year. The interest expense decreased EUR 5.9 million, to EUR 5.1 million. The redemption in full of a bond issue last July 31, had a positive impact here. That bond had a fixed yield of 11.25 percent and a principal amount of EUR 200 million. 

 [http://en.prosiebensat1.com/  
investor\\_relations/anleihe\\_basisdaten/](http://en.prosiebensat1.com/investor_relations/anleihe_basisdaten/)

## Further increase in profitability

The consolidated pre-tax profit grew 34.7 percent in the first quarter, to EUR 67.5 million (Q1 2006: EUR 50.1 million). This significant rise is a result of both the substantial increase in revenues and the improvement in the financial result. The consolidated profit for the period also grew substantially, up 32.2 percent to EUR 40.6 million (Q1 2006: EUR 30.7 million). As a consequence, earnings per preferred share improved from EUR 0.14 to EUR 0.19. Earnings per common share were also EUR 0.19 (Q1 2006: EUR 0.14). The pre-tax profit margin rose to 13.5 percent (Q1 2006: 10.8 percent).

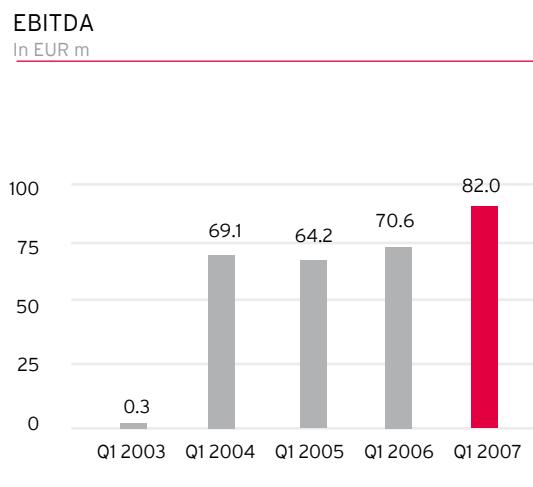
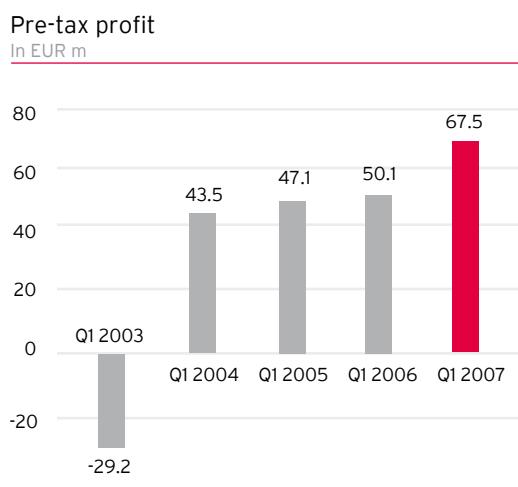
EBITDA reached EUR 82.0 million, equivalent to a 16.1 percent growth rate (Q1 2006: EUR 70.6 million). EBITDA stands for earnings before interest, taxes, depreciation and amortization, and is calculated as follows:

Net income before minorities  
 + Taxes  
 +/- Financial result  
 + Depreciation and Amortization  


---

 = **EBITDA**

The Group's EBITDA margin was 16.4 percent, against 15.2 percent for the first quarter of 2006. In other words, the ProSiebenSat.1 Group proved once again how very profitable it is.



## Financial Position & Net Worth

### Asset and capital ratios

Total consolidated assets came to EUR 2.031 billion as of March 31, 2007. This represents a slight decrease of EUR 11.6 million, or 0.6 percent, against March 31, 2006.

#### Current and noncurrent assets

On-balance-sheet programming assets are the Group's largest asset item, and are made up mainly of feature films and series, along with commissioned productions and advanced payments for future productions. Programming assets grew slightly, to EUR 1.067 billion, compared to EUR 1.061 billion on March 31, 2006.

On March 31, 2007, noncurrent assets totaled EUR 865.3 million, compared to EUR 818.8 million a year earlier. Current assets came to EUR 1.165 billion, down EUR 58.2 million from the comparable figure a year before. The decrease in net assets as of March 31, 2007, resulted primarily from a decrease in cash and cash equivalents, which were down EUR 34.2 million, to EUR 95.5 million.

#### Shareholders' equity

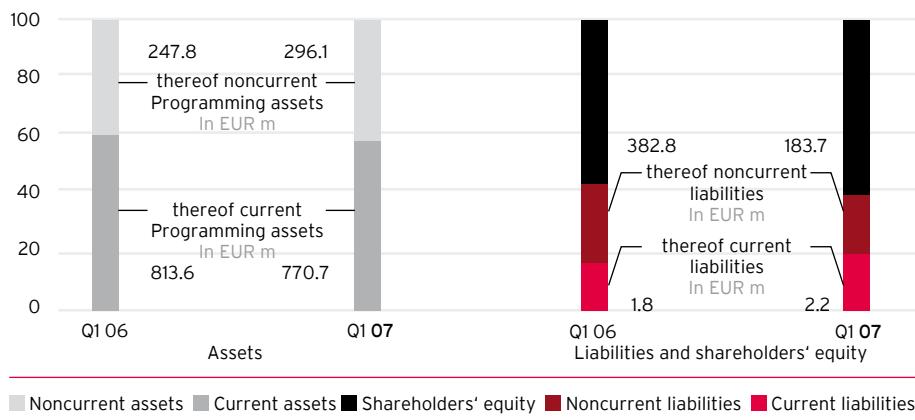
Equity was up EUR 78.8 million against March 31, 2006, to EUR 1.294 billion, giving the Group an equity ratio of 63.7 percent (Q1 2006: 59.5 percent). Strong business performance particularly reinforced the Group's solid equity base.

#### Current and noncurrent liabilities

The lower total for equity and liabilities resulted primarily from the retirement of a bond issue with a par value of EUR 200 million, as mentioned above. That bond issue was repaid in full last July 31, at a redemption price of EUR 105.625 principal amount. Current and noncurrent financial and bank liabilities as of March 31, 2007, came to EUR 185.8 million, compared to EUR 384.6 million on March 31 of last year.

### Consolidated balance sheet per 03/31/2007

In percent



Contrary influences came from current and noncurrent trade accounts payable, which increased EUR 17.1 million to reach EUR 177.4 million. Provisions also rose significantly, particularly tax provisions. In all, provisions shown in the balance sheet came to EUR 121.7 million, compared to EUR 67.1 million on March 31, 2006.

## Liabilities

### Net financial debt

Net financial debt as of March 31, 2007, came to EUR 90.0 million, compared to EUR 254.6 million as of March 31, 2006. The decrease resulted primarily from the improvement in free cash flow.

Net financial debt is the total of bonds and bank liabilities, less cash and cash equivalents and current securities. Bank liabilities at March 31, 2007, totaled EUR 36.8 million, compared to EUR 42.3 million a year earlier. Out of this figure, EUR 2.2 million were short-term financial liabilities with a remaining term of less than one year (Q1 2006: EUR 1.8 million).

### Bonds

ProSiebenSat.1 Media AG currently has one corporate bond issue on the market. The amount of this current bond issue to be reported on the balance sheet under IFRS decreased only slightly against the same quarter last year. It came to EUR 149.0 million on March 31, 2007, as against EUR 148.6 million a year earlier. The bond carries a fixed yield of 6.25 percent, and was issued in May 2004, at a par value of EUR 150 million, with a maturity in May 2009.

### Credit lines

As of March 31, 2007, the Group had unused credit lines of EUR 500 million.

### Off-balance-sheet financial instruments

The ProSiebenSat.1 Group had no off-balance-sheet financial instruments during the year.

### Credit rating

ProSiebenSat.1 Media AG has been rated regularly since 2001 by Moody's Investors Service and Fitch Ratings.

In conjunction with the takeover, announced on December 14, 2006, of the majority of votes in ProSiebenSat.1 Media AG by Lavena Holding 4 GmbH, on December 15 of last year Moody's downgraded ProSiebenSat.1's rating from Ba1, outlook stable, to Ba1, review for possible downgrade. Fitch Ratings likewise responded to the announced takeover, downgrading the outlook for its BBB rating from stable to negative. There has been no further change in ratings since then. 

 [http://en.prosiebensat1.com/investor\\_relations/ratings/](http://en.prosiebensat1.com/investor_relations/ratings/)

## Investments and acquisitions

### Programming purchases and expenditures for programming assets

Most of the ProSiebenSat.1 Group's capital expenditures are for programming assets. This investment policy takes a long-term approach. The foundations for the Group's programming inventory are laid down in previous years. The Group invests constantly in expanding and renewing its programming assets. Programming purchases are paid for out of operating cash flow. Besides acquiring new licensing rights, the Group also invests in in-house and commissioned productions.

### Total investments increase

The Group continued to pursue its tried and true capital investment strategy during the period. In February, it signed an agreement with Warner Bros. International Television Distribution (WBID). The agreement gives the Group the free TV rights to numerous film highlights, such as "Harry Potter and the Order of the Phoenix", "Harry Potter and the Half-Blood Prince", "Blood Diamond", and "Ocean's Thirteen". In the first quarter of 2007, the Group invested EUR 269.9 million in purchases of programming rights, compared to EUR 249.1 million a year earlier.

### Equity investments in Q1 2007

In February 2006, the Group acquired a majority interest in the Internet firm solute GmbH, which operates the price search engine billiger.de. The ProSiebenSat.1 Group holds 74.8 percent of that company, with an option to acquire the rest at a later date.  The holding in solute GmbH further strengthened the strategic position of the Group's Diversification unit.

 [Other Diversification](#)

Effective February 1, 2007, the Group also increased its interest in Sat.1 Privatrundfunk und -programmgesellschaft m.b.H. Österreich, acquiring an additional 17.7 percent of the company. The ProSiebenSat.1 Group now holds 51.0 percent of the Austrian marketing company.

The notes to this quarterly report present further information on the acquisitions of interests in both companies. 

 [Notes](#)

### Cash and cash equivalents, and cash flow

The Group's cash flow statement shows the origin and use of cash flows. It distinguishes among cash flows from operating activities, investing activities and financing activities. The cash flow from operating activities is derived indirectly from the Group's profit for the period. The cash and cash equivalents indicated in the cash flow statement are equivalent to the "cash and cash at bank" shown in the balance sheet as of the reporting date.

Operating activities generated cash of EUR 293.0 million in the first quarter of 2007, compared to EUR 231.0 million for the first quarter of 2006. The increase in operating cash flow resulted particularly from a significant improvement in profits, as well as a smaller increase in non-interest-bearing liabilities.

The Group's cash used in investing activities came to EUR 260.4 million, up EUR 5.0 million from the same quarter last year. Higher expenditures for programming assets particularly contributed to the increase in the investing total.

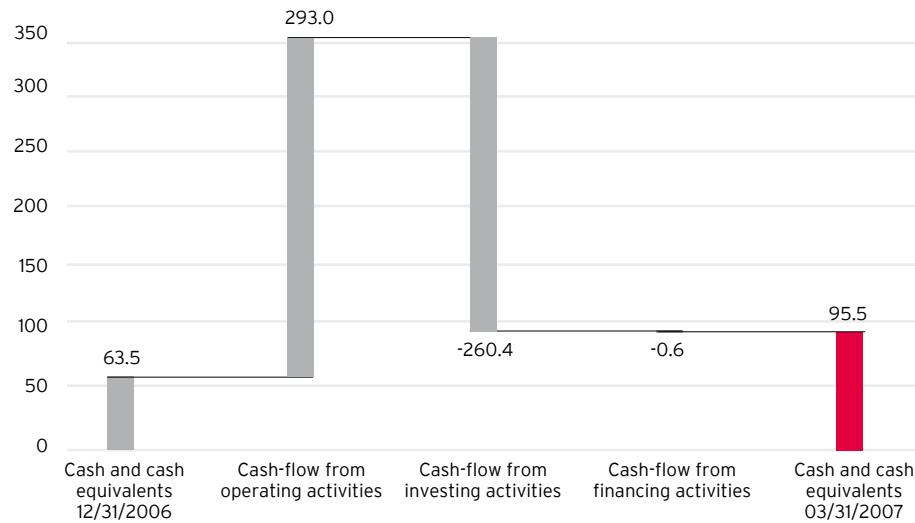
Free cash flow, an important key figure for a company's financial strength, improved EUR 57.1 million from a year earlier, to EUR 32.6 million.

The cash flow for financing activities in Q1 2007 was EUR -0.6 million, compared to EUR -3.4 million for the same period last year. The financing activities figure for the first quarter of 2006 was particularly influenced by a larger cash flow used to repay loans.

Changes in the individual cash flows yielded cash and cash equivalents of EUR 95.5 million at the end of the first quarter of 2007. The figure for the first quarter of last year was EUR 129.7 million.

#### Change in cash and cash equivalents

In EUR m

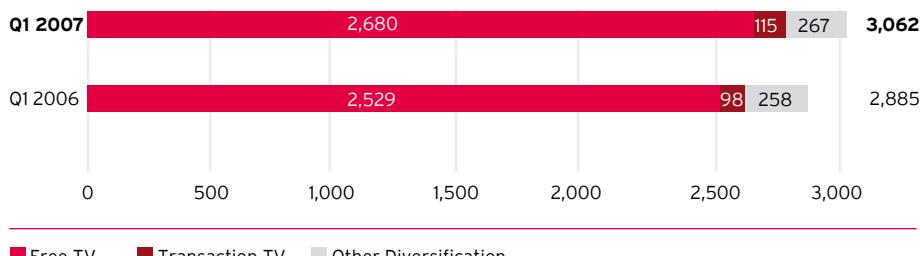


## Employees

### Staff size

The ProSiebenSat.1 Group as a whole had a workforce of 3,062 employees (average full-time equivalents) in Q1 2007. Staff size was up by 177 employees, or 6.1 percent, from a year ago. Most of the increase came from staffing increases for the Free TV segment. As business expanded, one place where the team grew was production subsidiary Producers at Work. Other new jobs were created at ProSiebenSat.1 Media AG and at stations kabel eins and N24. The larger number of employees also reflects the expansion of the Diversification unit, which had new hires particularly at 9Live and SevenSenses.

### Number of employees by segment



Averaging full-time equivalent jobs

Staff turnover at the ProSiebenSat.1 Group remained low in the first quarter. Average time with the company rose to 4.9 years (Q1 2006: 4.5 years).

Personnel expenses grew EUR 9.8 million against the first quarter a year ago, to reach EUR 65.9 million.

#### A personnel policy with an eye to the future

The ProSiebenSat.1 Group systematically invests in programs to provide appropriate continuing and advanced training for its employees. One of the key tasks of any company that has an eye to the future is to attract qualified employees at an early stage and form strong loyalties for the long term. That's why the ProSiebenSat.1 Group trains a large number of apprentices, volunteers and trainees every year to meet its needs. The range of training for beginners also includes internships.

The number of trainees in all categories rose 15.2 percent against the end of Q1 2006. As of March 31, 2007, 372 individuals were in training capacities at the Group's various units (March 31, 2006: 323). The Group had 61 apprentices (March 31, 2006: 54), 57 volunteers (March 31, 2006: 47), 14 trainees (March 31, 2006: 5), and 240 interns (March 31, 2006: 217).

#### Research & Development

The ProSiebenSat.1 Group conducts extensive market research in every area in which it does business and in every area where it foresees growth potential. These efforts particularly include audience and programming research, as well as analyses of industry segments and business conditions. Other focuses include research on advertising impact, and studies of media use and innovative TV technologies. Expenditures for market research in the first quarter 2007 came to EUR 3.3 million, compared to EUR 3.1 million the year before.

Market research activities do not fit the definition of research and development under IAS 38.8. Because the ProSiebenSat.1 Group, as a media corporation, does not conduct research and development activities in the narrow sense, the above information is not included in the Management Report.

## Segment Report

### An overview of the Group's segments

The ProSiebenSat.1 Group reports on three segments: Free TV, Transaction TV and Other Diversification. The Free TV segment consolidates the Group's four Free TV stations (Sat.1, ProSieben, kabel eins and N24), the Sat.1 regional companies, the advertising time sales 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.

The Transaction TV and Other Diversification segments together constitute the Diversification unit. The Transaction TV segment comprises quiz station 9Live, most of whose revenues come from telephone calls. The ProSiebenSat.1 Group took over full ownership of 9Live as of June 1, 2005, when the station was consolidated into the Group. Additionally, as of January 2007 all the Group's telephone-based interactive applications are reported under this segment. These include the stations' Audiotex and premium value-added businesses, as well as the call TV programming windows on Sat.1, ProSieben and kabel eins.

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

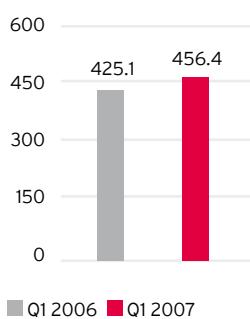
### Free TV Segment

#### Segment revenues and income performance

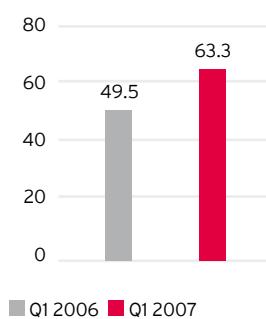
Both revenues and earnings performed very well in the Free TV segment in the first quarter of 2007. Significantly higher advertising revenues were the main growth driver. 

 Economic Environment & the Industry

Free TV  
 Revenue development  
 In EUR m



Free TV  
 Pre-tax profit  
 In EUR m



In the first three months of the year, external revenues grew 5.9 percent, to EUR 438.6 million (Q1 2006: EUR 414.0 million). The segment's total revenues gained 7.4 percent, to reach EUR 456.4 million (Q1 2006: EUR 425.1 million). The operating profit came to EUR 63.3 million, up by EUR 13.8 million or 27.9 percent from the prior year's level. Although costs were up slightly, EBITDA also grew disproportionately to reach EUR 70.6 million - up EUR 14.5 million, or 25.8 percent, from a year earlier. Higher expenses for programming and materials, and higher personnel expenses, were responsible for the moderate increase in costs.

### Sat.1



#### Sat.1 revenues and earnings climb again

Revenues rose further at Sat.1 in the first quarter of 2007, leading to a significant increase in profits. The station's revenues grew 5.2 percent in the first quarter, to EUR 204.2 million. The EUR 10.1 million increase resulted in part from higher advertising revenues, and in part from higher proceeds from internal programming sales. The pre-tax profit was EUR 44.1 million, an increase of EUR 11.3 million, or 34.5 percent, from the same quarter last year. EBITDA was up EUR 9.2 million, or 27.4 percent, against last year's equivalent, to EUR 42.8 million. Sat.1 management is working on a variety of new formats to strengthen the station's ratings that weakened in Q1 last year.

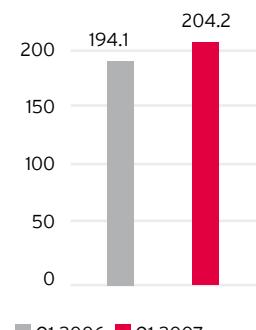
#### Sat.1: The best TV entertainment for the whole family

Sat.1 earned an audience share of 10.6 percent of the key demographic in Q1 2007 (Q1 2006: 12.0 percent). This value shows that some first-quarter debuts like "Allein unter Bauern" and "GSG 9" did not score as well as expected with audiences.



Even with a new partner, TV-heavyweight Benno Bergerhamer solves every case as a local cop in "Der Bulle von Tölz" - with market shares of up to 18.6 percent.

#### Sat.1 Revenue development In EUR m



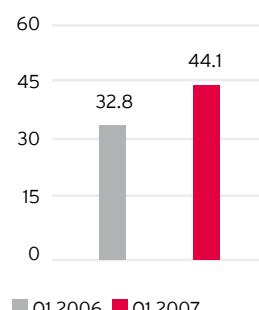
Back to the future: In the Sat.1 movie "Küss mich, Genosse!", radio host Jenny is taken back in time to the Seventies: In a GDR summer camp, she meets her 17-year-old parents.

But the Berlin station can also point to a wide range of good ratings for the first three months. Among the programs with the strongest ratings were the hit U.S. series "Navy CIS" (up to 18.7 percent) and "Criminal Minds" (up to 15.4 percent). With its two crime series, Sat.1 remains one of the most successful stations in highly competitive Sunday prime time. The station also drew enthusiastic audiences with feature films like "Sister Act 2: Back in the Habit" (18.3 percent) and "Something's Gotta Give" (16.4 percent). Commissioned productions and co-productions, including the crime series "Der Bulle von Tölz" (up to 18.6 percent), "The Hunt for Troy" (up to 17.7 percent), and the TV movies "Küss mich, Genosse!" (15.0 percent) and "Unter Verdacht - Ich kämpfe um uns" (14.2 percent), likewise drew above-average ratings.



© Warner Bros. Pictures

Sat.1  
Pre-tax profit  
In EUR m



"Something's gotta give": The Free TV premiere with Jack Nicholson and Diane Keaton won 16.4 percent on Sat.1.

In variety and light entertainment, "Nur die Liebe zählt" made its usual strong showing, with up to 16.4 percent. "King Soccer" provided another ratings highlight for the quarter: the "Champions TV" live broadcast of the UEFA Champions League first knockout round between FC Bayern München and Real Madrid drew 34.5 percent of the audience between age 14 and 49.

## ProSieben



ProSieben's "Germany's next Topmodel" proved even more successful than in 2006. The first quarter witnessed market shares of up to 20.4 percent.

## Revenues up significantly at ProSieben

ProSieben got off to a good start in the new fiscal year. The station's revenues grew further in the first quarter. Figures were still in decline in the first quarter of 2006, and ultimately affected the station's report card for the entire year. Better programming performance and larger audience shares brought a significant increase in advertising revenues during the latest period. A slight rise in proceeds from internal programming sales also helped increase revenues. In all, ProSieben generated first-quarter revenue growth of 9.3 percent, to EUR 170.6 million (Q1 2006: EUR 156.1 mil-

lion). The pre-tax profit and EBITDA were both down from a year earlier, because of higher costs for programming and materials. The pre-tax profit decreased EUR 0.9 million, or 12.2 percent, to EUR 6.5 million. EBITDA was EUR 6.3 million, down EUR 0.6 million or 8.7 percent from the equivalent figure last year.

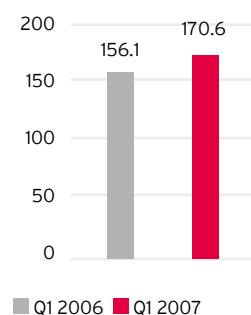


For the third time, "Beat your Host!" achieved top ratings (26.2%) on ProSieben - and for the first time, host Stefan Raab was defeated. His opponent won EUR 1.5m.

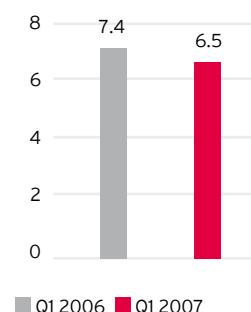
### ProSieben shines with blockbuster films, show events and premium series

ProSieben earned an 11.5 percent audience share for the first quarter of 2007, a 0.1 percentage point gain over the prior year (Q1 2006: 11.4 percent). The station also grew within the quarter - in March it gained a full percentage point against February, to reach 12.1 percent (February 2007: 11.1 percent). The station scored with feature-film highlights, show events and international premium series. Among the big-draw blockbusters were "Finding Nemo" (23.9 percent), "Men in Black II" (21.6 percent), "Spider-Man" (19.1 percent) and "Million Dollar Baby" (18.7 percent). Combined sports-entertainment events, like Stefan Raab's boxing rematch with Regina Halmich on "McFit Fight Night" (43.4 percent) and his "2007 TV total Wok Championships" (20.8 percent) also led the pack with viewers. The third round of "Beat your Host!" likewise brought in top ratings for the station, at 26.2 percent. The second season of "Germany's Next Topmodel - by Heidi Klum" got off to a successful start with audience shares of up to 20.4 percent, making the station the prime time leader on several Thursdays. International premium series like "Desperate Housewives" (up to 14.5 percent) and "Grey's Anatomy" (up to 16.7 percent) displayed their customary ratings strength. In comedy, the station made a strong showing with slightly off-kilter fairy tales and office bosses: "Die ProSieben Märchenstunde" drew audience shares as high as 15.0 percent, and the new season of that office curmudgeon "Stromberg" drew shares of as much as 16.1 percent. The station also scored awards in the first

### ProSieben Revenue development In EUR m



### ProSieben Pre-tax profit In EUR m



© Epsilon Motion Pictures

Premiering on German television, Academy Award Winner "Million Dollar Baby" captured the attention of 2.65m TV viewers on ProSieben.

quarter: the game show "Extreme Activity," with Jürgen von der Lippe, and the TV movie "Meine verrückte türkische Hochzeit" both won the 2007 Adolf Grimme Prize.

### kabel eins



Magical Mystery Moments on kabel eins: "Ghost Whisperer" drew shares of up to 11.4 percent in the first quarter. The second season premieres on German TV on Fridays, 8.15 pm.

### Growth course continues at kabel eins

Profitable growth continued in the new year at kabel eins. During the first quarter of 2007 the station's revenues climbed to EUR 64.1 million (Q1 2006: EUR 55.8 million). Almost all of the 14.9 percent gain in revenues came from the station's higher advertising revenues. The substantial increase in revenues also had a positive effect on earnings. The pre-tax profit grew EUR 8.4 million in the first quarter, or 73.0 percent, to EUR 19.9 million. EBITDA rose at a comparable rate against the prior-year quarter, to reach EUR 19.7 million, a gain of EUR 8.3 million, or 72.8 percent.



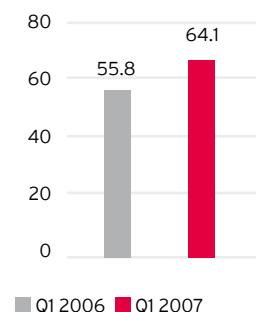
### Feature films, series and in-house productions make kabel eins a winner

Audience shares at kabel eins built steadily during the first three months (January: 5.2 percent; February: 5.5 percent; March: 5.7 percent), to yield an average share of 5.5 percent (Q1 2006: 5.7 percent). Despite the slight slippage against the prior year, the station continues to perform at a high level. It scored in all genres, earning very good ratings across the board - for feature films, series, information shows and light entertainment. The big Falco event scored 9.0 percent. Thomas Hackenberg's "Quiz Taxi" continued its successful cruise through the prime-access slot, drawing up to 8.8 percent. The emigrant series "Mein neues Leben" drew enthusiastic Thursday audiences, for shares of up to 11.0 percent. A feature-film-length version of the same show has been running in Sunday prime time since mid-March. And it's been a success: in its new slot, "Mein neues Leben - XXL" has earned shares as high as 8.6 per-

### kabel eins

#### Revenue development

In EUR m

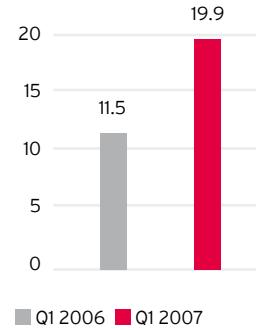


Falco's alive: kabel eins commemorated the 50th birthday of the deceased Austrian superstar with a major TV event: the "FALCO-Eventabend" (9%).

### kabel eins

#### Pre-tax profit

In EUR m





Wanderlust XXL: Since mid-March, kabel eins offers an extended, 90-minute version of its successful expat-documentary "Mein neues Leben XXL". Sundays, 8.15 pm.

cent. The second season of "Ghost Whisperer" also got off to a good start. As much as 11.4 percent of the audience tuned in for the U.S. mystery series, which is showing for the first time in Germany on kabel eins. Movie fans also had plenty to enjoy in the first quarter: features like "Turner & Hooch" (9.3 percent), "Look Who's Talking" (7.9 percent), "Thunderball" (7.9 percent) and "Bedazzled" (8.1 percent) topped at values well above the station's average.

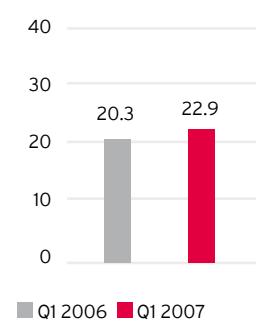
## N24

### N24 remains on growth course, with substantially higher advertising revenues

News station N24 closed out the first quarter successfully. A significant increase in TV advertising revenues underscored the station's position as the leading news channel in Germany. Total revenues increased 12.8 percent against the same quarter last year, to EUR 22.9 million (Q1 2006: EUR 20.3 million). The pre-tax profit was EUR 3.5 million - up 84.2 percent from a year earlier (Q1 2006: EUR 1.9 million). The vigorous improvement in earnings came from the rapid growth in the station's revenues, which also had a positive influence on EBITDA. EBITDA increased 70.0 percent, to EUR 3.4 million (Q1 2006: EUR 2.0 million).



N24  
Revenue development  
In EUR m



Talk-time late at night: Host Bärbel Schäfer and her guests cover the week's issues of current interest in "Bärbel Schäfer - Talk ohne Show". Tuesdays, 11.30 pm, on N24.

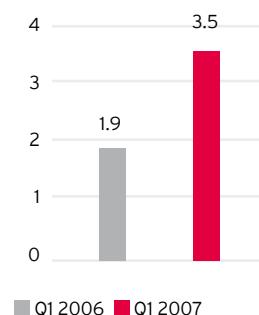
## N24 expands its lead in audience market

No other news station in Germany drew more viewers than N24 in the period from January to March 2007. With a 1.1 percent share of the target demographic between 14 and 49, N24 picked up another 0.1 percentage point against the prior year (Q1 2006: 1.0 percent), and held on to its position as Germany's leading information station. It expanded its lead over competitor n-tv (Q1: 0.6 percent) to 0.5 percentage points. The expansion of daily business and financial reporting met with a positive response. The new shows "Börse am Mittag" and "Börse am Abend" drew good shares of up to 1.0 percent each. The new "Mittagsreport," which extends the station's morning news coverage to 1.00 pm, drew up to 1.2 percent at the first try. The station also strengthened its profile in talk shows during the quarter. In January it launched "Bärbel Schäfer - Talk ohne Show". The celebrity hostess and her show drew up to 1.3 percent of the key demographic, and thus fit seamlessly into the station's successful late-night talk-show lineup.



### N24 Pre-tax profit

In EUR m



In "Börse am Abend", Dietmar Deffner offers analysts' expertise and advice on the stock exchange. Mondays through Fridays, 6.15 pm, on N24.

## Transaction TV Segment

### Segment revenue and income performance

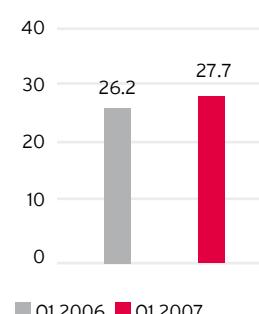
The revenue driver in the Transaction TV segment is 9Live. In call TV, its core business, the quiz station generates revenues primarily through telephone calls. Additionally, as part of the repositioning of 9Live as the Group's central service provider for telephone-based and interactive applications, the iTV unit has been reported as a part of the Transaction TV segment since January 1, 2007; it was formerly part of SevenOne Intermedia.

The segment's external revenues grew 5.0 percent in the first quarter, to EUR 27.1 million. A year ago, the segment's contribution to Group revenues was EUR 25.8 million. The segment's total revenues gained 5.7 percent, to reach EUR 27.7 million (Q1 2006: EUR 26.2 million).

The operating profit was down EUR 1.7 million, or 25.4 percent, against the same quarter last year, to EUR 5.0 million. EBITDA was EUR 6.9 million, down EUR 1.9 million or 21.6 percent from the equivalent figure last year. Most of the decline in profits came from a sharp rise in expenses for programming and materials against the first quarter of 2006. The restructuring of the Diversification unit at the beginning of the year caused these expenses to rise substantially. 

### Transaction TV Revenue development

In EUR m



 Segment Other Diversification

### ProSiebenSat.1 Group profits from quiz station's core competence

Since the beginning of the year, 9Live - already Germany's leading brand for interactive TV - has also been the central interactive service provider for the whole ProSiebenSat.1 Group. It is now responsible for all the corporation's telephone-based and interactive applications, including all the stations' game shows in which viewers can participate by phone or SMS. It also produces the call TV programming windows on Sat.1, ProSieben and kabel eins, and acts as an outside service provider to develop interactive programming for third parties. Pooling interactive operations at 9Live allows the Group to take advantage of extensive synergies, and to profit from the station's skills. The step emphasizes the importance the Group attaches to expanding the content and techniques of interactive services.

In Q1 2007, 9Live continued its programming of successful events, and presented new live programs like the "XXL-Show." The quiz station's audience share was stable at 0.2 percent (Q1 2006: 0.2 percent).

In the German market, 9Live stands out from its competitors because of its exclusive "9Live Gold" viewer loyalty program - a bonus program for audiences. With each call, members of this TV community collect points that can then be traded in for prizes. As per March 31, 2007 the club had more than 566,000 members (March 31, 2006: 385,000), making it one of the largest viewer clubs in German free TV. The 9Live Gold club gives the station an effective tool for building up customer relationships that can benefit both sides for the long term.

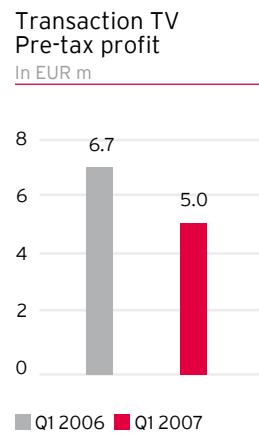
The station is expanding its lead in interaction TV internationally as well. The Turkish call TV program "9Live Türkiye" has been produced at the 9Live studios in Unterföhring since the beginning of March; Euro D has been showing it successfully in several European countries. Euro D is a station owned by the Turkish media group Dogan TV. Currently, the Turkish-language "9Live Türkiye" is running in Germany, France, Austria, the Netherlands, Belgium, Switzerland and the United Kingdom. In the production process, 9Live acts as a full-service provider, offering everything from concept, game development, and casting the host, to production and the actual broadcasting itself.

### Other Diversification Segment

#### Segment revenue and income performance

The Other Diversification segment's external revenues rose by a substantial 39.6 percent for the first quarter, to EUR 35.6 million (Q1 2006: 25.5 million). The segment's total revenues were up 21.6 percent, or EUR 6.6 million, to EUR 37.1 million from the equivalent period last year.

The principal growth drivers during the first quarter of 2007 were international programming sales and the online and gaming business. The Group was also successful in its music operations. Additionally, the video-on-demand and pay TV services that were launched last year have become important revenue sources. In addition to or-



ganic growth, the full consolidation of solute GmbH since February 2007 has also had positive effects on revenue performance.

At the beginning of the year, the Diversification unit underwent a reorganisation. As a result, revenues from the Other Diversification segment have been shifted to the Transaction TV segment. In January 2007, the iTV unit has been reported as a part of the Transaction TV segment, whereas it was formerly under SevenOne Intermedia. Consequently, the Other Diversification segment's internal revenues were down 68.6 percent, to EUR 1.6 million (Q1 2006: EUR 5.1 million).

Although external and total revenues of the Other Diversification segment increased significantly, the operating profit and EBITDA remained below the prior-year quarter. The operating profit was down 27.5 percent, or EUR 1.4 million, to EUR 3.7 million. EBITDA declined 22.0 percent, or EUR 1.3 million, to EUR 4.6 million. This was primarily the consequence of the expansion of activities of SevenSenses. SevenSenses began operation last year, and is in charge of such businesses as the two pay TV stations kabel eins classics and Sat.1 Comedy, as well as the maxdome video-on-demand portal.

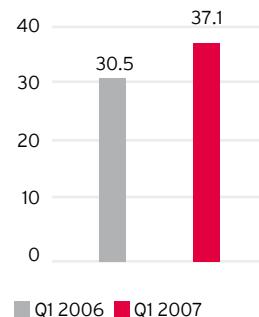
#### Other Diversification segment - A growth driver

The Group's online business is one of the Other Diversification segment's most important revenue sources. The ProSiebenSat.1 Networld network includes not only the TV stations' Web sites, but the interactive portals MyVideo.de and lokalisten.de. In January 2007, the online network scored more than two billion page impressions for the first time, making ProSiebenSat.1 Networld the second-largest German network, according to standardized measurements by the IVW, Germany's circulation verification association for advertising services.

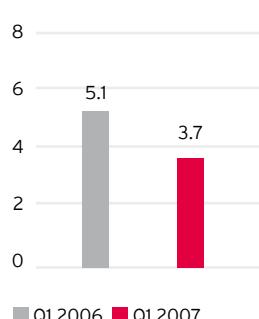
The Group expanded its online presence further in Q1 2007. The corporation has held a majority interest in solute GmbH since February. With its [www.billiger.de](http://www.billiger.de) portal, solute operates one of the largest price search engines on the German-speaking Internet. Monthly page impression figures at [billiger.de](http://billiger.de) rose 90 percent between October 2006 and January 2007, from 18 million to about 34 million.

As an innovative content provider, the ProSiebenSat.1 Group has been tapping new distribution channels. The Group has had its own video-on-demand portal, maxdome, since the end of July 2006. In addition to Hollywood hits, users can download other films, comedy shows, series and other programming from the Sat.1, ProSieben and kabel eins lineups at [www.maxdome.de](http://www.maxdome.de). With more than 4,000 titles just nine months after its launch, maxdome has Germany's largest selection of videos downloadable via DSL, and more than 170,000 active users. In cooperation with the Bundesliga's Schalke 04 soccer association, since January 2007, the portal has been offering all of this top association's current soccer matches as video-on-demand, immediately after the match ends. "Schalke 04 TV" also offers match highlights, with key moments and crucial goals. New downloads for children from Cartoon Network and classic animation series from EM Entertainment round out the selection. Advertisers

#### Other Diversification Revenue development In EUR m



#### Other Diversification Pre-tax profit In EUR m



have also been taking a growing interest in maxdome: during the period under review, the Group's multimedia marketer SevenOne Interactive signed up Sony Entertainment as maxdome's first advertising-on-demand advertiser.

Another TV distribution channel where the Group is taking advantage of new usage habits is the cell phone. The ProSiebenSat.1 Group is Germany's leading provider of mobile TV. In October 2006, it premiered the country's first full-service mobile TV channel, ProSiebenSat.1 Mobile. At the beginning of the year, the Group showed the first German mystery show for the cell phone - "Mystery Message" - expanding its mobile portfolio with an attractive new offering.

In addition to mobile TV and maxdome, the Group's subsidiary SevenSenses also handles pay TV activities. Sat.1 Comedy and kabel eins classics show film and comedy highlights from the Group's stations. The pay TV channels also show new programming, such as "Die Niels Ruf Show" and "Kookaburra - Der Comedy Club".

Another operation that grew further in the first quarter is the starwatch music record label, a joint effort between the ProSiebenSat.1 Group and Warner Music. starwatch markets successful artists like the "Popstars" band Monroe and swing star Roger Cicero. Cicero won the preliminaries for the Eurovision Song Contest in March, and will be representing Germany in Helsinki in May. starwatch was founded with the aim of identifying and marketing new music acts under exclusive contracts. As Germany's first label for pop music, starwatch music combines the emotional reach of the ProSiebenSat.1 station brands with Warner's professional expertise in pop music. Artists and music acts will be drawn from the stations' activities. Under this model, the ProSiebenSat.1 Group taps a further source of revenue independent of TV advertising.

The Group's international programming marketing company also has a growing business. SevenOne International sells Sat.1, ProSieben and kabel eins TV programming worldwide, as well as shows from third-party providers. The corporation's concepts and programs are currently airing in more than 100 countries. Since January 2007, "Verliebt in Berlin" has been running on French TV station TF1, with shares of more than 50 percent of the audience under age 50. In the first quarter, SevenOne International sold ProSieben's hit "Schlag den Raab" concept to the UK, Sweden and Finland, along with other programming sales. The "Galileo" knowledge magazine made its debut in Russia and Poland, and is now on the air in seven countries all over the world.

## Subsequent Events

### Change of transponders: Digital satellite channels move to ASTRA Tx 107

The ProSiebenSat.1 Group is reorienting the digital broadcasting of its programming via the Astra satellite system. Since the beginning of April, viewers who use a digital satellite receiver have been getting Sat.1, ProSieben, kabel eins, N24 and 9Live via Astra transponder 107. During a three-month simulcast phase that will run until June 30, programming will still also be available on the old transponder 104. The change to transponder 107 will significantly improve technical transmission quality, since the new transponder will be used only by ProSiebenSat.1 Media AG channels and the available data capacity can be utilized more flexibly.

### SevenOne Interactive takes over teletext marketing for Hamburg 1

As of April, SevenOne Interactive, the ProSiebenSat.1 Group's online and multimedia marketer, has taken over the teletext marketing activities of metropolitan station Hamburg 1. With Hamburg 1 Text, SevenOne Interactive adds another third-party client to its portfolio. Its 12 teletext services - including 6 third-party platforms - and 30 percent market share (basis: 2006, viewers age 14 to 49) make SevenOne Interactive the market leader by far in the teletext segment of the German advertising market. Technical processing and production are handled by SevenOne Intermedia, the ProSiebenSat.1 Group's multimedia subsidiary.

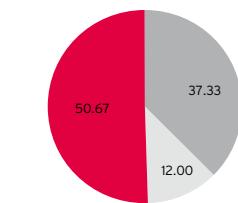
### Tender offer made to shareholders

On January 30, 2007, Lavena Holding 4 GmbH released the documents for a voluntary public tender offer to ProSiebenSat.1 Media AG shareholders for the purchase of their stock at a price of EUR 28.7145 per share of common stock and EUR 22.45 per share of preferred stock. The Executive Board and Supervisory Board of ProSiebenSat.1 Media AG released their respective position statements on the tender offer on February 6, in compliance with Sec. 27 of Germany's Securities Acquisition and Takeover Act.

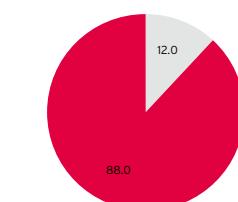
The regular acceptance period for the tender offer ended on March 19. By that time, the offer had been accepted for a total of 314,055 shares of preferred stock, equivalent to some 0.29 percent of all outstanding preferred shares of ProSiebenSat.1 stock, and about 0.14 percent of the share capital of ProSiebenSat.1 Media AG. The subsequent additional acceptance period prescribed by law then ran from March 24 to April 10. During that period, another 30,745 shares of preferred stock were turned in for sale, equivalent to some 0.03 percent of all outstanding preferred shares of ProSiebenSat.1 stock, and about 0.01 percent of the Group's share capital.

As of the completion of the tender offer, Lavena Holding 4 GmbH directly and indirectly held 50.67 percent of the share capital of ProSiebenSat.1 Media AG, after adjustment for other equity interests. The free float was 37.33 percent. Axel Springer Verlag AG holds 12.00 percent of the share capital of ProSiebenSat.1 Media AG, again after adjustment for other equity interests.

Split of capital stock  
 In percent



Split of common stock  
 In percent



**SevenOne International off to a successful start in second quarter**

SevenOne International got off to a successful start in the second quarter of 2007. The ProSiebenSat.1 Group's worldwide programming marketer sold the ProSieben show "Schlag den Raab" to U.S. production company ParaMedia Inc., a subsidiary of Warner Horizon Television. Warner Horizon Television is the reality TV programming developer of the Warner Bros. Television Group, and will produce a version of the show for the U.S. market. In addition to the United States, stations in the United Kingdom, Spain, France, Belgium, Sweden, Finland and Romania have also bought the ProSieben show.

In April, SevenOne International has presented at MIPTV in Cannes, the world's most important TV trade show. Visitors showed a lively interest not just in concepts like "Schlag den Raab" but also in the Group's fictional TV programs. For example, stations in Spain, Turkey, Greece and Hungary bought the Sat.1 movie event "The Hunt for Troy." The ProSieben movie event "Treasure Island" is currently in production, and has already been sold to channels in France, Spain, the Netherlands, Hungary, Romania and Japan.

## Risk Report

### Risk management: Identifying and managing potential risks

As part of its Group-wide risk management system, the ProSiebenSat.1 Group maintains a systematic program for early risk recognition, and a standardized system for detecting, assessing and monitoring risks both present and future. The aim is to identify potential risks and obtain information about their potential effects early enough to take appropriate steps to counteract them.

The ProSiebenSat.1 Group is exposed to a number of risks in its business operations. The Group's business operations can be strongly affected by market risks, particularly risks in the TV advertising market. The Annual Report of the ProSiebenSat.1 Group contains a detailed discussion of individual corporate risks, as well as a description of the Group's risk management system. 

 [http://en.prosiebensat1.com/  
investor\\_relations/finanzberichte/](http://en.prosiebensat1.com/investor_relations/finanzberichte/)

### Development of the risk situation: Overall risk remains limited

The economic recovery over the past few months has mitigated the factors that previously sapped willingness to spend among German consumers and businesses. The stabilization of the economic recovery early in the year had a positive impact on the TV advertising market and on ProSiebenSat.1 Group advertising revenues for the first quarter. Apart from growth in the Group's core business, advertising-financed television, the Group's Diversification unit also generated more income than in Q1 2006. By systematically expanding the value chain, the Group can reduce its vulnerability to fluctuations in the TV advertising market, and thus optimizes its risk-opportunity profile as a whole. 

 [Opportunity Report](#)

Nevertheless, any general slackening of the economy continues to pose the primary risk for the ProSiebenSat.1 Group. As the recent past has shown, negative consumer sentiment can have a substantial impact on the advertising market as well. Thus if domestic demand were to slump again, the advertising market could conceivably also suffer adverse effects, and so too would the ProSiebenSat.1 Group. Hence reviewing and assessing orders on hand will remain an important component of risk management. Total orders are analyzed continuously by extensive methods that extrapolate advertising revenues for the year from the level of advertising bookings. Monthly reports submitted to the Executive Board list actual and projected values, as well as the previous year's advertising revenues, and provide a detailed picture of revenue developments. The Company's analyses also include the position of competitors and developments within the economy and the advertising industry. 

 [Company Outlook](#)

The Group's overall risk did not change significantly during the period under review in comparison to the end of 2006, and on the whole remains limited and manageable. At present there are no apparent risks, whether by themselves or combined, that might pose a threat to the survival of the ProSiebenSat.1 Group. No events or identifiable risks arose after the reporting period that might change this assessment of the risk position.

## Outlook Report

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.

## Opportunity Report

Given the dynamism of the media sector and the increasing variety of its lines of business, keeping systematic track of further potential for both successes and risks is a top priority at the ProSiebenSat.1 Group. Efficient risk management serves as an early warning system for all units.  To identify potential risks and make the most of business opportunities, the ProSiebenSat.1 Group also conducts market research in every relevant field, and constantly monitors new technical developments. 

 Risk Report

 Research & Development

Below we describe the areas of material potential for corporate strategy, as well as the opportunities that changes in the operating environment offer for the ProSiebenSat.1 Group. For more information, we encourage the reader to read our 2006 financial report, which is available online.  The information given there for fiscal 2006 has remained materially unchanged.

 [http://en.prosiebensat1.com/investor\\_relations/finanzberichte/](http://en.prosiebensat1.com/investor_relations/finanzberichte/)

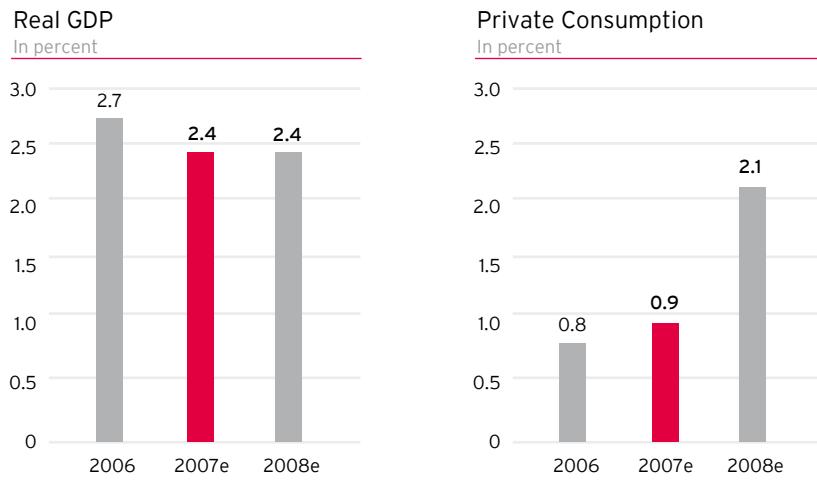
### Future environment and market opportunities

#### Economy

According to the leading German economic research institutes, the economic outlook for the current year remains sunny. In their latest joint opinion, they project a rise of 2.4 percent in real gross domestic product, after 2.7 percent last year. As it did in 2006, domestic demand will make the biggest contribution to growth. Consumer spending will recover, because real disposable income will grow, especially because of the strong increase in employment. According to projections, consumer spending will gain 0.9 percent in real terms in 2007, similarly to the figure for 2006.

A variety of expectation indicators likewise suggest that the upswing of the German economy will continue. For example, after weakening slightly early in the year, the GfK consumer confidence index has recovered. The indicator projects a figure of 5.5 points for May 2005, following 4.4 points in April and 4.3 points in March. The Ifo business climate index brightened up surprisingly well for the second time in a row in

April. Business people are taking an increasingly positive view of their current business situation and the prospects for the next six months.



Source: Federal Statistical Office; 2007 and 2008: Projection Economic instituts, April 2007

### Advertising market

The advertising market depends to a large degree on the general economic picture. Domestic business conditions are now moving along briskly, consumer spending is rising, and companies' attitudes remain positive, while consumer confidence has stabilized; so there are good prospects that the advertising industry will also profit from the economic upswing this year. Experts do not expect the increase in the value-added tax to have too severe an impact on the advertising market. According to several projections, growth in the advertising market will continue to net out in the low single digits. The ZAW, the German advertising industry association, assumes there will be a net gain of between 1 and 2 percent in total advertising investments in 2007; the World Advertising Research Center (WARC) projects a 1.5 percent rise in the net advertising market in Germany; the ZenithOptimedia agency expects the increase to be 1.8 percent. WARC expects the net TV advertising market in Germany to grow 1.2 percent, while ZenithOptimedia forecasts a 1.4 percent gain. Advertising agencies will update their forecasts in the second quarter.

### Audience market and media use

Digitization is leading to new forms of media, and is changing the ways in which people use media. The younger generation in particular, with its affinity for the Internet and mobile telephones, is prompting greater demand for interactive platforms and customizable additional services. The Internet continues to grow steadily more important. In 2006, 60 percent of all German households were online. The figure is expected to exceed 70 percent by 2009. The number of households with fast broadband access is also still rising. But changes in media use will not be at the expense of conventional television. Television remains by far the most heavily used medium in Germany. Viewers have not been cutting back on their time budgeted for TV in order to use new electronic media like the Internet. Quite the contrary. Television has become not less important, but even more important. Germans spend about three and a half hours a day watching TV, half an hour more than just ten years ago (viewers over age 3, 1996: 183 minutes; 2006: 212 minutes).

Television will continue to expand its lead. According to a representative Forsa survey, TV is the only conventional medium whose significance is expected to grow alongside the new media over the next ten years. Above and beyond television, Germans between 14 and 49 almost unanimously believe new media like the Internet and mobile phones have very good prospects for the future. And DVDs will still gain in importance, even though video-on-demand (VoD) is seen as a new competitor over the next few years.

### Opportunities in corporate strategy

Increasing digitization offers far more opportunities than risks for a content provider like the ProSiebenSat.1 Group. That's why the Group takes the job of preparing for the digital world very seriously. By expanding its value chain, the Group is expanding into new markets and tapping additional revenue sources. With its extensive know-how and network of relationships as the leading commercial TV corporation in German-speaking Europe, the Group has wide opportunities to provide new services for new usage habits, gain new audience groups, and develop innovative concepts for the advertising industry. All of these approaches will strengthen the Group's lead in the TV advertising market, while at the same time reinforcing its presence in the digital world. The following table summarizes the principal opportunities that the Group is pursuing through its units' strategic focus:

### Opportunities in corporate strategy at a glance

Strategic objective	Opportunities for further development
<b>Strengthen core business Free TV</b>	<p><b>The only true family of stations:</b></p> <ul style="list-style-type: none"> <li>- Four strong free TV brands whose complementary positioning enables them to serve different target audiences</li> <li>- Advantages in the acquisition and use of programming, thanks to complementary scheduling</li> <li>- Sat.1, ProSieben, kabel eins and N24 are wholly-owned subsidiaries, so that optimum advantage can be taken of synergies</li> </ul> <p><b>Market leader in TV advertising:</b></p> <ul style="list-style-type: none"> <li>- Stable client relationships, many years of experience, and extensive know-how safeguard position in a dynamic market environment</li> <li>- Extensive range of target audiences to target in advertising campaigns</li> <li>- Development of innovative, integrated advertising concepts based on extensive market expertise</li> <li>- Development and use of new forms of advertising in new media</li> </ul> <p><b>High-quality programming:</b></p> <ul style="list-style-type: none"> <li>- Long-term contracts and extensive access rights give the Group a secure supply of programming</li> <li>- Programming variety strengthened by commissioned and in-house productions alongside licensed programming</li> </ul> <p><b>Important, established partner of the film industry for many years:</b></p> <ul style="list-style-type: none"> <li>- Close business relationships with U.S. majors, the most important Hollywood independents, and German and European production companies</li> <li>- Network of business relationships an important foundation for future licensing negotiations</li> </ul>

<b>Expand Diversification</b>	<p><b>Expansion into new lines of business:</b></p> <ul style="list-style-type: none"> <li>- Expand sources of revenue</li> <li>- Tap new distribution channels and new markets</li> <li>- Reduce dependency on fluctuating TV advertising market</li> <li>- Attract additional target audiences and expand reach</li> </ul> <p><b>Efficiency and synergies:</b></p> <ul style="list-style-type: none"> <li>- Efficient use of resources through repeated and varied exploitation of content</li> <li>- Pooling of activities in centralized units makes it possible to take systematic advantage of synergies</li> </ul>
<b>Get positioned for the digital future</b>	<p><b>Growing market for digital TV:</b></p> <ul style="list-style-type: none"> <li>- Profitable growth driven by marketing new services</li> <li>- New opportunities for reaching target audiences and for innovative content platforms strengthen Group's market presence</li> <li>- Additional opportunities from new investments in such growth markets as the Internet, IPTV, mobile TV, VoD, pay TV</li> </ul>

## Company Outlook

### Segments' future performance

Economic research institutes have been projecting that the German economy will perform positively this year. The ProSiebenSat.1 Group also believes that the German TV advertising market will grow in 2007. We currently believe a net increase of two to three percent is realistic. The Group assumes that its advertising revenues will grow slightly faster than the market in fiscal 2007, provided that our stations earn the projected audience shares. But economic projections are always subject to reservations and uncertainties. In the TV advertising market in particular, advertising clients tend to add or cancel bookings at short notice.

The Group will strengthen its core business in Free TV by developing new programs and acquiring exclusive licenses. In the next few months, it will be launching a number of new programs that will further improve the quality of the Group stations' schedule lineups.

The Group also expects the Transaction TV segment to grow. In 2007, 9Live will expand its leadership role in interaction TV to the international plane. By launching a new slogan, "This is my day", the station will also set itself apart even more sharply from its competitors, and communicate even more clearly its strategy of offering viewers good chances for a win. The station pays out EUR 12 million a year in winnings. The slogan will be launched in April 2007, as part of an extensive marketing campaign, in an event also entitled "This is my day".

Business performance in the Other Diversification segment is expected to accelerate the Group's profitable growth still further. The established services in merchandising, Audiotex and teletext can be expected to perform very well. The expansion of international programming sales will also contribute toward the Group's organic growth. The latest services in the growing markets for pay TV, mobile TV, gaming and video-on-demand will strengthen the Diversification unit as well. The Internet will play a key role in the expansion of the Diversification business. Marketing on the vari-

ous stations' Web sites has already become a well established revenue source for the Group. Last year, the ProSiebenSat.1 Group became one of Germany's largest Internet content providers. It expanded its presence in the digital world further in the first quarter of 2007, by acquiring an interest in the Internet company solute GmbH.

### **Expected Group revenue and earnings performance**

The ProSiebenSat.1 Group expects revenues and earnings, as well as profitability, to grow further in fiscal 2007.

Profitable growth at the ProSiebenSat.1 Group will be supported primarily by our main line of business, advertising-financed television. Additionally, the further expansion of activities in the Diversification unit will have a positive impact on the Group's revenues and earnings. Our current revenue expectations for the Diversification unit remain within the bounds indicated in the February 2007 projection. If expectations about the performance of the economy pan out, the Diversification unit will continue to provide an above-average contribution toward Group revenue growth.

### **Strategic focus and possible merger with SBS**

The Group is well positioned to take advantage of market opportunities that result from the growth of the TV advertising market and from digitization. The Group will continue to pursue systematically its strategic goals of strengthening its core business, diversifying operations, and positioning itself in the digital world.

In addition, our new principal shareholder, Lavena Holding 4 GmbH, will open up new strategic prospects for our Corporation. ProSiebenSat.1 Media AG is currently exploring the possibility of taking over the SBS Broadcasting Group, whose principal shareholders are likewise funds advised by KKR and Permira. A decision on the transaction is expected in mid-year, after a comprehensive due diligence process has been completed and a financial fairness opinion has been received from the Citigroup investment bank, as well as an additional independent appraisal of the company by the Susat accounting and auditing firm. If the transaction is approved, the combination with SBS Broadcasting Group would make the ProSiebenSat.1 Group into an electronic media corporation operating throughout Europe.

Like the ProSiebenSat.1 Group, the SBS Broadcasting Group is a majority owner of its operating subsidiaries, and has a diversified media portfolio. SBS operates in the Benelux countries and in Northern and Eastern Europe. Among its activities, it operates some 40 TV stations. The ProSiebenSat.1 Group operates in Germany, Austria and Switzerland. A combination with SBS Broadcasting Group would be a very attractive growth opportunity. The complementary geographical positioning of the two entities would allow us to benefit from potential synergies, for example in the joint development of programming or in obtaining licenses. Furthermore, as the core of a new European TV corporation, we would be able to pursue our successful corporate strategy still further and expand it on an international level.

## Programming Outlook

### Sat.1: New series, innovative comedy and ambitious in-house productions



Going to the chapel and getting married turns out to be quite stressfull - at least for Christoph Maria Herbst in "Hilfe! Hochzeit! Die schlimmste Woche meines Lebens". Fridays, 9.15pm.

Sat.1 will be surprising viewers over the next few months with attractive debuts in every line of programming. Comedy highlights include the new series "Hilfe! Hochzeit! Die schlimmste Woche meines Lebens", in which Christoph Maria Herbst goes through a hair-raising range of adventures on his way to the altar. The series "Ugly Betty" brings an international hit concept to Sat.1 in April. The U.S. production, which stars Salma Hayek and Vanessa L. Williams, has won two Golden Globes. Fans of the station's telenovela "Verliebt in Berlin" are looking forward to the long-awaited return of Alexandra Neldel, alias Lisa Plenske, in April. The station will also launch a new knowledge game show in May, "Rich List - Jede Antwort zählt", with Kai Pflaume. Film fans also have several treats ahead in the next few months. In in-house productions like the TV movie "Frühstück mit einer Unbekannten" the station will be offering star-studded entertainment - Jan Josef Liefers, Julia Jentsch, Iris Berben, Andrea Sawatzki and Catherine Deneuve star in a romantic story played out against the background of a G8 summit.



Romantically entertaining with a superb cast: Jan Josef Liefers and Julia Jentsch in a new adaptation of BBC's successful TV drama "The Girl in the Café". June 29, 8.15pm, on Sat.1.

### ProSieben: Blockbusters, unbeatable light entertainment and the finest event movies

"We love to entertain you" - ProSieben's motto will continue to hold true in the second quarter. The next few months will see a great many highlights in various genres. The station will be carrying the cream of Hollywood films, with such blockbusters as "13 Going on 30", "Collateral", and "Star Wars" episodes I, II, IV, V and VI. Viewers can look forward to exciting light entertainment events. On his Saturday evening



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Best of Hollywood: ProSieben continues to offer the greatest movies in the next months, like "13 Going on 30" or "Collateral".

"Beat your Host!", Stefan Raab will face new contestants and give his all to preserve his honor - and the jackpot. The finale of "Germany's Next Topmodel - by Heidi Klum" will be no less exciting, when one of the contestants will get her own modeling contract. In June, a new season of POPSTARS! will be looking for Germany's hottest show act. Event movies like "Das Inferno - Flammen über Berlin" will offer further lavish TV productions "made by ProSieben". New international hit series like "Jericho" will keep the station's mystery credentials up to date again next quarter, on Monday evenings.



ProSieben's "Mystery Monday" returns with new premium series, like „Jericho". Starting on June 4, Mondays, 9.15pm , on ProSieben.

### kabel eins: New series, contemporary entertainment and the best films of all time

Viewers will enjoy exciting TV with the quality they have come to expect at kabel eins. The second season of the hit U.S. series "Medium", with Emmy-winner Patricia Arquette, will have its German free TV premiere in April. Ratings king Kevin James will return with a new season of "King of Queens", which will have its German premiere on kabel eins starting in May. Also starting in May, Thomas Hackenberg will



© Touchstone Pictures

A classic returns to the screen: „Dead Poets Society", May 1, 8.15pm, on kabel eins

be parking his "Promi-Quiz Taxi" mobile quiz show in prime time. Celebrity passengers will test their knowledge in eight episodes at 8.15 pm on Mondays. A new documentary experiment called "Männer allein daheim" will cast a humorous eye on men taking over their wives' chores. And of course, viewers will continue to expect any amount of the "Best Films of All Time". Highlights include "The Dead Poets Society", "Once Upon a Time in the West", "While You Were Sleeping", "The Firm", and "Fatal Attraction".



© Paramount Pictures

kabel eins keeps its promise and will be living up to its claim: „The Best Films of All Time“, like "Fatal Attraction" starring Michael Douglas and Glenn Close. May 19, 2007.

#### N24: Germany's leading news station strengthens its reporting on the markets

N24 will continue expanding its up-to-the-minute stock market reports, carrying extensive, understandable coverage of what is happening on the markets and where they are going. To cover this beat, it has also extended its exclusive cooperative agreement with financial broadcaster CNBC Europe. That financial specialist's market reporters will relay current market events all day in live exclusives for N24. A new reportage magazine show will debut on N24 in the second quarter. The prime-time magazine program will carry first-class reports each week on current affairs in politics, business and society in general.



„Börse am Mittag“: At noon, Thomas Schwarzer has all the news from the stock exchange and business world on N24. Mondays through Fridays, 1.05pm



## **INTERIM FINANCIAL STATEMENTS**

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## Quarterly Financial Statements

### Consolidated income statement for ProSiebenSat.1 Media AG

	Q1 2007	Q1 2006	Change	Change in %
EUR k				
1. Revenues	501,183	465,266	35,917	8%
2. Cost of sales	-335,294	-322,202	13,092	4%
3. <b>Gross profit</b>	165,889	143,064	22,825	16%
4. Selling expenses	-55,440	-53,621	1,819	3%
5. Administrative expenses	-41,515	-31,159	10,356	33%
6. Other operating income	2,950	2,793	157	6%
7. <b>Operating profit</b>	71,884	61,077	10,807	18%
8. Income from securities and loans of financial assets	5	5	- / -	- / -
9. Result from equity interests	71	-48	119	248%
10. Net interest and similar income	912	681	231	34%
11. Net interest and other expenses	-5,136	-11,006	-5,870	-53%
12. Other financial expenses	-223	-617	-394	-64%
13. <b>Financial loss</b>	-4,371	-10,985	6,614	60%
14. <b>Income from ordinary business activities</b>	67,513	50,092	17,421	35%
15. Income taxes	-25,687	-19,052	6,635	35%
16. <b>Consolidated profit</b>	41,826	31,040	10,786	35%
attributable to				
Shareholders of ProSiebenSat.1 Media AG	40,630	30,732	9,898	32%
Minorities	1,196	308	888	288%
EUR				
Basic and diluted earnings per share of common stock according to IAS 33 *	0.19	0.14	0.05	36%
Basic and diluted earnings per share of preferred stock according to IAS 33 *	0.19	0.14	0.05	36%

\* thereby accounted for net profit for the period: EUR 40.6 m [previous period: EUR 30.7 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	3/31/2007	3/31/2006	Change	12/31/2006	Change
<b>A. Noncurrent assets</b>					
I. Intangible assets	331,867	328,953	2,914	327,557	4,310
II. Property, plant and equipment	225,835	233,296	-7,461	228,646	-2,811
III. Financial assets	9,992	4,024	5,968	13,348	-3,356
IV. Programming assets	296,089	247,813	48,276	300,196	-4,107
V. Accounts receivable and other long-term assets	1,547	2,937	-1,390	1,560	-13
VI. Deferred taxes	- / -	1,756	-1,756	- / -	- / -
	<b>865,330</b>	<b>818,779</b>	<b>46,551</b>	<b>871,307</b>	<b>-5,977</b>
<b>B. Current assets</b>					
I. Programming assets	770,700	813,584	-42,884	756,121	14,579
II. Inventories	5,209	4,862	347	4,306	903
III. Accounts receivable and other short-term assets	293,621	275,069	18,552	236,615	57,006
IV. Marketable securities	249	259	-10	252	-3
V. Cash, cash at bank	95,545	129,708	-34,163	63,540	32,005
	<b>1,165,324</b>	<b>1,223,482</b>	<b>-58,158</b>	<b>1,060,834</b>	<b>104,490</b>
<b>Total assets</b>	<b>2,030,654</b>	<b>2,042,261</b>	<b>-11,607</b>	<b>1,932,141</b>	<b>98,513</b>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

EUR k	3/31/2007	3/31/2006	Change	12/31/2006	Change
<b>A. Shareholders' equity</b>					
I. Subscribed capital	218,797	218,797	- / -	218,797	- / -
II. Capital reserves	589,949	580,342	9,607	584,537	5,412
III. Group equity generated	486,373	417,410	68,963	445,743	40,630
IV. Accumulated other Group equity	-8,180	-206	-7,974	-9,602	1,422
V. Minority interests	6,679	-1,575	8,254	1,049	5,630
	<b>1,293,618</b>	<b>1,214,768</b>	<b>78,850</b>	<b>1,240,524</b>	<b>53,094</b>
<b>B. Noncurrent liabilities</b>					
I. Long-term financial liabilities	183,656	382,776	-199,120	183,959	-303
II. Provisions	6,183	5,184	999	5,970	213
III. Other liabilities	115,132	120,677	-5,545	116,875	-1,743
IV. Deferred taxes	2,143	- / -	2,143	789	1,354
	<b>307,114</b>	<b>508,637</b>	<b>-201,523</b>	<b>307,593</b>	<b>-479</b>
<b>C. Current liabilities</b>					
I. Short-term financial liabilities	2,160	1,825	335	1,602	558
II. Provisions	115,503	61,951	53,552	93,349	22,154
III. Other liabilities	312,259	255,080	57,179	289,073	23,186
	<b>429,922</b>	<b>318,856</b>	<b>111,066</b>	<b>384,024</b>	<b>45,898</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,030,654</b>	<b>2,042,261</b>	<b>-11,607</b>	<b>1,932,141</b>	<b>98,513</b>

**ProSiebenSat.1 Group cash flow statement**

EUR k	Q1 2007	Q1 2006
<b>Consolidated profit</b>	<b>40,630</b>	<b>30,732</b>
Depreciation, amortization and impairment/write-ups of noncurrent and current assets	10,118	9,541
Consumption/write-ups of programming assets	247,989	241,299
Change in tax provisions (incl. change in deferred taxes)	24,947	14,292
Change in other provisions	-3,179	-1,676
Result from equity accounting and other noncash relevant changes within financial assets	-71	48
Result from sale of fixed assets	- / -	-36
Other noncash income/expenses	5,412	377
<b>Cash flow</b>	<b>325,846</b>	<b>294,577</b>
Change in inventories	-903	-389
Change in non-interest-bearing receivables and other assets	-49,237	-50,502
Change in non-interest-bearing liabilities	17,246	-12,716
<b>Cash flow from operating activities</b>	<b>292,952</b>	<b>230,970</b>
Proceeds from disposal of noncurrent assets	1,219	113
Expenditures for intangible assets and property, plant and equipment	-5,296	-6,415
Expenditures for purchase of financial assets	-506	-224
Proceeds from disposal of programming assets	9,173	- / -
Expenditures for programming assets	-269,885	-249,120
Effects of changes in scope of consolidation	3,814	- / -
Other changes in equity	1,089	224
<b>Cash flow from investing activities</b>	<b>-260,392</b>	<b>-255,422</b>
<b>Free cash flow</b>	<b>32,560</b>	<b>-24,452</b>
Change of interest-bearing liabilities	-555	-3,396
<b>Cash flow from financing activities</b>	<b>-555</b>	<b>-3,396</b>
<b>Change in cash and cash equivalents</b>	<b>32,005</b>	<b>-27,848</b>
Cash and cash equivalents at beginning of year	63,540	157,556
<b>Cash and cash equivalents as of March 31</b>	<b>95,545</b>	<b>129,708</b>
<b>The cash flow from operating activities includes the following receipts and payments according to IAS 7:</b>		
Cash flow from income taxes	-30,626	-24,315
Cash flow from interest expenses	-711	-11,955
Cash flow from interest income	460	615

**Statement of changes in shareholders' equity of the ProSiebenSat.1 Group for 2006**

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
Stock option plan	- / -	377	- / -	- / -	- / -	- / -	377
Statement of recognised income and expense	- / -	- / -	- / -	-115	-4,315	32	-4,398
Consolidated profit	- / -	- / -	30,732	- / -	- / -	308	31,040
<b>March 31, 2006</b>	<b>218,797</b>	<b>580,342</b>	<b>417,410</b>	<b>-365</b>	<b>159</b>	<b>-1,575</b>	<b>1,214,768</b>

**Statement of changes in shareholders' equity of the ProSiebenSat.1 Group for 2007**

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, 2006	218,797	584,537	445,743	-458	-9,144	1,049	1,240,524
Changes in scope of consolidation	- / -	- / -	- / -	- / -	- / -	4,440	4,440
Stock option plan	- / -	5,412	- / -	- / -	- / -	- / -	5,412
Statement of recognised income and expense	- / -	- / -	- / -	-101	1,523	-6	1,416
Consolidated profit	- / -	- / -	40,630	- / -	- / -	1,196	41,826
<b>March 31, 2007</b>	<b>218,797</b>	<b>589,949</b>	<b>486,373</b>	<b>-559</b>	<b>-7,621</b>	<b>6,679</b>	<b>1,293,618</b>

## Notes

### Basis and Methodology

As a listed company, ProSiebenSat.1 Media AG has prepared its consolidated interim financial statements as of March 31, 2007, in accordance with International Financial Reporting Standards (IFRS) in the form applicable in the European Union.

Both the accounting principles applied and the explanations and information for the consolidated financial statements under IFRS for the first quarter of 2007 are generally based on the same accounting policies as the consolidated financial statements for fiscal 2006. For further information about the applied accounting policies, please refer to the consolidated financial statements as of December 31, 2006, which form the basis for the present interim financial statements.

### Scope of consolidation

The number of subsidiaries included in the consolidated financial statements changed as follows in the first quarter of fiscal 2007:

	Domestic market	Foreign market	Total
Included at 12/31/2006	36	5	41
Newly founded/consolidated companies	1	1	2
Merged/deconsolidated companies	- / -	- / -	- / -
<b>Included at 3/31/2007</b>	<b>37</b>	<b>6</b>	<b>43</b>

ProSiebenSat.1 Media AG directly or indirectly holds a majority of voting rights in these companies. Seven (as of December 31, 2006: eight) associated companies are reported at equity.

### Acquisition of solute GmbH

Effective February 1, 2007, SevenOne Intermedia GmbH, an indirect wholly-owned subsidiary of ProSiebenSat.1 Media AG, acquired 74.8 percent of solute GmbH, based in Karlsruhe. The total purchase price for the acquired ownership interest was EUR 3,554 thousand. This amount is divided into a cash purchase price of EUR 2,800 thousand, costs of EUR 84 thousand directly allocatable to the acquisition, and an earn-out clause stipulated in the purchase agreement for an additional purchase price payment of EUR 670 thousand, due in fiscal 2010 and 2011. This additional payment is contingent on certain profit targets for fiscal 2009 and 2010. It is considered very likely that these targets will be met.

The company was fully consolidated into the consolidated financial statements of ProSiebenSat.1 Media AG for the first time as of February 1, 2007.

solute GmbH is an Internet service provider, and in particular operates a price search engine on the Internet at the portal billiger.de.

The assets and liabilities of the ProSiebenSat.1 Group reflect the acquisition of solute GmbH as follows:

solute GmbH: Fair value			
EUR k	solute GmbH	Step Up	Fair value
Intangible assets	135	2,826	2,961
Goodwill	- / -	1,159	1,159
Noncurrent assets	241	- / -	241
Current assets	2,615	- / -	2,615
Provisions and liabilities	-2,615	- / -	-2,615
<b>Total</b>			<b>4,361</b>
Purchase price of solute GmbH			3,554
Minority Interests			807
<b>Total</b>			<b>4,361</b>

The step-up (purchase price allocation) identified intangible assets that were not measured separately from goodwill. This may be the case, for example, when the goods involved are not scarce, or if no future benefit can be expected, or if the capitalized value already reflects the fair value, or if capitalization is out of the question because of the asset's minor value. The assets concerned are the "shop relationships" on the billiger.de Web site. solute GmbH had first-quarter revenues of EUR 3,000 thousand in 2007; the net profit for the first quarter was EUR 356 thousand, of which EUR 154 thousand applies to the period for which the company was consolidated.

#### Acquisition of Sat.1 Privatrundfunk und -programmgesellschaft m.b.H.

Effective February 1, 2007, Sat.1 Satelliten Fernsehen GmbH acquired a further 17.7 percent of Sat.1 Privatrundfunk und -programmgesellschaft m.b.H., of Vienna (Austria), which had formerly been reported at equity. The purchaser consequently holds a total of 51.0 percent of the acquired company, which has been fully consolidated into the consolidated financial statements of ProSiebenSat.1 Media AG as of February 1, 2007. The total purchase price for the additional ownership interest was EUR 3,000 thousand. Sat.1 Privatrundfunk und -programmgesellschaft m.b.H. broadcasts TV programming produced by Sat.1 Satelliten Fernsehen GmbH, as a nationally syndicated schedule in Austria.

The assets and liabilities of the ProSiebenSat.1 Group reflect the acquisition of Sat.1 Privatrundfunk und -programmgesellschaft m.b.H. as follows:

Acquisition of Sat.1 Privatrundfunk und -programmgesellschaft m.b.H.			
EUR k	Sat.1 Austria	Step Up	Fair value
Intangible assets	4	- / -	4
Goodwill	- / -	2,151	2,151
Noncurrent assets	11	- / -	11
Current assets	15,518	- / -	15,518
Provisions and liabilities	-8,119	- / -	-8,119
<b>Total</b>			<b>9,565</b>
Purchase price of Sat.1 Austria			3,000
Equity-value Sat.1 Austria at 01/31/2007			2,932
Minority Interests			3,633
<b>Total</b>			<b>9,565</b>

The step-up revealed no intangible assets or other unreported reserves or charges that should be recognized separately from goodwill. Sat.1 Privatrundfunk und -programmgesellschaft m.b.H. had first-quarter revenues of EUR 4,693 thousand in 2007; the net profit for the first quarter was EUR 1,630 thousand, of which EUR 831 thousand, after adjustment for minority interests, applies to the period during which the company was consolidated.

#### Segment reporting

In accordance with IAS 14 ("Segment Reporting"), certain figures in the interim financial statements must be presented separately by business segments and geographical segments. The basis of segmentation is to be the Company's own internal reporting, which permits a reliable assessment of the group's risks and earnings. Segmentation is intended to provide transparency as to the profitability and prospects for success of the group's individual activities. Consistently with its internal management practices, the ProSiebenSat.1 Group adopts business segments as the basis for its primary segment reporting. Because the ProSiebenSat.1 Group generates almost all of its revenues in the Federal Republic of Germany and its foreign activities are negligible, the Group does not present a secondary report by geographical segment.

In addition to the Free TV segment, the ProSiebenSat.1 Group subdivides its Diversification unit into two additional business segments, Transaction TV and Other Diversification.

**Segment reporting of the ProSiebenSat.1 Group**

EUR k	Free TV	Transaction TV	Other Diversification	Transitions	Total consolidated financial statement Q1 2007
Revenues	456,411	27,658	37,119	-20,005	501,183
External revenues	438,559	27,073	35,551	- / -	501,183
Internal revenues	17,852	585	1,568	-20,005	- / -
Operating profit	63,261	5,045	3,687	-109	71,884
EBITDA	70,588	6,899	4,645	-129	82,003

**Segment reporting of the ProSiebenSat.1 Group**

EUR k	Free TV	Transaction TV	Other Diversification	Transitions	Total consolidated financial statement Q1 2006
Revenues	425,083	26,163	30,511	-16,491	465,266
External revenues	414,016	25,794	25,456	- / -	465,266
Internal revenues	11,067	369	5,055	-16,491	- / -
Operating profit	49,453	6,654	5,050	-80	61,077
EBITDA	56,052	8,797	5,915	-146	70,618

**Related party transactions**

Apart from the subsidiaries included in the consolidated interim financial statements, in the course of its normal business operations ProSiebenSat.1 Media AG conducts transactions directly or indirectly with affiliated unconsolidated companies and associated companies. In ordinary business activities, all transactions with companies not included in the scope of consolidation were conducted on normal market terms and conditions, such as are also customary with third parties unrelated to the Group.

There were no material reportable transactions with related parties pursuant to IAS 24 in the first quarter of fiscal 2007.



## **ADDITIONAL INFORMATION**

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## Five-Year-Summary

<b>Consolidated Income statement for ProSiebenSat.1 Media AG</b>					
EUR k	3/31/2007	Change in %	3/31/2006	Change in %	
1. Revenues	501,183	8%	465,266	8%	
2. Cost of sales	-335,294	4%	-322,202	8%	
<b>3. Gross profit</b>	<b>165,889</b>	<b>16%</b>	<b>143,064</b>	<b>9%</b>	
4. Selling expenses	-55,440	3%	-53,621	16%	
5. Administrative expenses	-41,515	33%	-31,159	-1%	
6. Other operating income	2,950	6%	2,793	-34%	
<b>7. Operating profit</b>	<b>71,884</b>	<b>18%</b>	<b>61,077</b>	<b>7%</b>	
8. Income from securities and loans of financial assets	5	- / -	5	-100%	
9. Result from equity interests	71	-248%	-48	-102%	
10. Depreciation on financial assets and current securities	- / -	- / -	- / -	-100%	
11. Net interest and similar income	912	34%	681	-32%	
12. Net interest and other expenses	-5,136	-53%	-11,006	-24%	
13. Other financial expenses	-223	-64%	-617	-18%	
<b>14. Financial loss</b>	<b>-4,371</b>	<b>60%</b>	<b>-10,985</b>	<b>-9%</b>	
<b>15. Income from ordinary business activities</b>	<b>67,513</b>	<b>35%</b>	<b>50,092</b>	<b>6%</b>	
16. Income taxes	-25,687	35%	-19,052	5%	
<b>17. Consolidated profit/loss</b>	<b>41,826</b>	<b>35%</b>	<b>31,040</b>	<b>7%</b>	
attributable to:					
Shareholders of ProSiebenSat.1 Media AG	40,630	32%	30,732	7%	
Minorities	1,196	288%	308	12%	
EUR					
Basic and diluted earnings per share of common stock according to IAS 33	0.19	36%	0.14	8%	
Basic and diluted earnings per share of preferred stock according to IAS 33	0.19	36%	0.14	8%	

## Five-Year-Summary

<b>Consolidated Income statement for ProSiebenSat.1 Media AG</b>						
EUR k	3/31/2005	Change in %	3/31/2004	Change in %	3/31/2003	
1. Revenues	429,957	-1%	436,262	6%	411,277	
2. Cost of sales	-299,244	-1%	-302,850	-10%	-337,188	
<b>3. Gross profit</b>	<b>130,713</b>	<b>-2%</b>	<b>133,412</b>	<b>80%</b>	<b>74,089</b>	
4. Selling expenses	-46,363	- / -	-46,205	-17%	-55,725	
5. Administrative expenses	-31,433	-1%	-31,788	-20%	-39,491	
6. Other operating income	4,224	-15%	4,974	-53%	10,515	
<b>7. Operating profit</b>	<b>57,141</b>	<b>-5%</b>	<b>60,393</b>	<b>669%</b>	<b>-10,612</b>	
8. Income from securities and loans of financial assets	1,491	-10%	1,648	21%	1,365	
9. Result from equity interests	3,056	980%	283	-51%	575	
10. Depreciation on financial assets and current securities	-367	- / -	- / -	-100%	-200	
11. Net interest and similar income	999	265%	274	-57%	630	
12. Net interest and other expenses	-14,478	-17%	-17,459	-11%	-19,564	
13. Other financial expenses	-756	-55%	-1,668	17%	-1,423	
<b>14. Financial loss</b>	<b>-10,055</b>	<b>41%</b>	<b>-16,922</b>	<b>9%</b>	<b>-18,617</b>	
<b>15. Income from ordinary business activities</b>	<b>47,086</b>	<b>8%</b>	<b>43,471</b>	<b>249%</b>	<b>-29,229</b>	
16. Income taxes	-18,126	-1%	-18,269	264%	11,107	
<b>17. Consolidated profit/loss</b>	<b>28,960</b>	<b>15%</b>	<b>25,202</b>	<b>239%</b>	<b>-18,122</b>	
attributable to:						
Shareholders of ProSiebenSat.1 Media AG	28,686	14%	25,111	239%	-18,043	
Minorities	274	201%	91	215%	-79	
EUR						
Basic and diluted earnings per share of common stock according to IAS 33	0.13	- / -	0.13	244%	-0.09	
Basic and diluted earnings per share of preferred stock according to IAS 33	0.13	- / -	0.13	244%	-0.09	

**Consolidated balance sheet of ProSiebenSat.1 Media AG**

<b>ASSETS</b>		<b>3/31/2007</b>	Change in %	<b>3/31/2006</b>	Change in %
EUR k					
<b>A. Noncurrent assets</b>					
I. Intangible assets	331,867	1%	328,953	419%	
II. Property, plant and equipment	225,835	-3%	233,296	-3%	
III. Financial assets	9,992	148%	4,024	-97%	
IV. Programming assets	296,089	19%	247,813	6%	
V. Accounts receivable and other long-term assets	1,547	-47%	2,937	-38%	
VI. Deferred taxes	- / -	-100%	1,756	-95%	
	<b>865,330</b>	<b>6%</b>	<b>818,779</b>	<b>12%</b>	
<b>B. Current assets</b>					
I. Programming assets	770,700	-5%	813,584	-6%	
II. Inventories	5,209	7%	4,862	-21%	
III. Accounts receivable and other short-term assets	293,621	7%	275,069	38%	
IV. Marketable securities	249	-4%	259	-47%	
V. Cash, cash at bank	95,545	-26%	129,708	47%	
	<b>1,165,324</b>	<b>-5%</b>	<b>1,223,482</b>	<b>5%</b>	
<b>Total assets</b>	<b>2,030,654</b>	<b>-1%</b>	<b>2,042,261</b>	<b>8%</b>	

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3/31/2007</b>	Change in %	<b>3/31/2006</b>	Change in %
EUR k					
<b>A. Shareholders' equity</b>					
I. Subscribed capital	218,797	- / -	218,797	- / -	
II. Capital reserves	589,949	2%	580,342	- / -	
III. Group equity generated	486,373	17%	417,410	62%	
IV. Accumulated other Group equity	-8,180	- / -	-206	98%	
V. Minority interests	6,679	524%	-1,575	-58%	
	<b>1,293,618</b>	<b>6%</b>	<b>1,214,768</b>	<b>17%</b>	
<b>B. Noncurrent liabilities</b>					
I. Long-term financial liabilities	183,656	-52%	382,776	-1%	
II. Provisions	6,183	19%	5,184	-73%	
III. Other liabilities	115,132	-5%	120,677	-6%	
IV. Deferred taxes	2,143	- / -	- / -	- / -	
	<b>307,114</b>	<b>-40%</b>	<b>508,637</b>	<b>-5%</b>	
<b>C. Current liabilities</b>					
I. Short-term financial liabilities	2,160	18%	1,825	-87%	
II. Provisions	115,503	86%	61,951	20%	
III. Other liabilities	312,259	22%	255,080	-1%	
	<b>429,922</b>	<b>35%</b>	<b>318,856</b>	<b>-1%</b>	
<b>Total liabilities and shareholders' equity</b>	<b>2,030,654</b>	<b>-1%</b>	<b>2,042,261</b>	<b>8%</b>	

**Consolidated balance sheet of ProSiebenSat.1 Media AG**

<b>ASSETS</b>					
EUR k	03/31/2005	Change in %	3/31/2004	Change in %	3/31/2003
<b>A. Noncurrent assets</b>					
I. Intangible assets	63,387	5%	60,647	-7%	65,012
II. Property, plant and equipment	239,735	-5%	253,350	-9%	276,930
III. Financial assets	156,365	7%	145,983	8%	134,971
IV. Programming assets	234,793	12%	209,056	-8%	228,090
V. Accounts receivable and other long-term assets	4,713	971%	440	-83%	2,590
VI. Deferred taxes	34,076	-6%	36,372	-22%	46,711
	<b>733,069</b>	<b>4%</b>	<b>705,848</b>	<b>-6%</b>	<b>754,304</b>
<b>B. Current assets</b>					
I. Programming assets	869,704	-13%	1,000,072	- / -	996,826
II. Inventories	6,149	1%	6,087	20%	5,073
III. Accounts receivable and other short-term assets	199,191	4%	190,828	-12%	216,168
IV. Marketable securities	492	-40%	818	-17%	983
V. Cash, cash at bank	88,092	- / -	6,691	-92%	88,840
	<b>1,163,628</b>	<b>-3%</b>	<b>1,204,496</b>	<b>-8%</b>	<b>1,307,530</b>
<b>Total assets</b>	<b>1,896,697</b>	<b>-1%</b>	<b>1,910,344</b>	<b>-7%</b>	<b>2,061,834</b>

<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
EUR k	3/31/2005	Change in %	3/31/2004	Change in %	3/31/2003
<b>A. Shareholders' equity</b>					
I. Subscribed capital	218,797	13%	194,486	- / -	194,486
II. Capital reserves	578,421	79%	322,319	- / -	322,319
III. Group equity generated	257,876	110%	122,751	173%	45,017
IV. Accumulated other Group equity	-13,521	-104%	-6,617	- / -	505
V. Minority interests	-996	-239%	716	413%	-229
	<b>1,040,577</b>	<b>64%</b>	<b>633,655</b>	<b>13%</b>	<b>562,098</b>
<b>B. Noncurrent liabilities</b>					
I. Long-term financial liabilities	385,053	-36%	596,990	-18%	724,551
II. Provisions	19,030	-11%	21,287	-5%	22,330
III. Other liabilities	128,669	-9%	141,036	- / -	140,792
IV. Deferred taxes	- / -	- / -	- / -	- / -	- / -
	<b>532,752</b>	<b>-30%</b>	<b>759,313</b>	<b>-14%</b>	<b>887,673</b>
<b>C. Current liabilities</b>					
I. Short-term financial liabilities	14,378	-93%	203,305	-21%	257,825
II. Provisions	51,817	17%	44,175	107%	21,301
III. Other liabilities	257,173	-5%	269,896	-19%	332,937
	<b>323,368</b>	<b>-37%</b>	<b>517,376</b>	<b>-15%</b>	<b>612,063</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,896,697</b>	<b>-1%</b>	<b>1,910,344</b>	<b>-7%</b>	<b>2,061,834</b>

## Production Credits

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## Financial Calendar

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Press conference / IR conference  
on preliminary figures for 2006

**February 22, 2007**

2006 Annual Report

**March 30, 2007**

Quarterly Report for Q1 2007

**May 9, 2007**

2007 Annual Meeting

**July 17, 2007**

Quarterly Report for Q2 2007

**August 22, 2007**

Quarterly Report for Q3 2007

**November 8, 2007**

## **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.

### **Title**

It's a long, hard road if you want to be „Germany's next Topmodel“. Candidates of ProSieben's weekly hit show will agree. The second season with Heidi Klum was a highlight on many channels: television, mobile TV, merchandising and licensing. The ProSiebenSat.1 Group succeeded in extending a strong format into new areas. By tapping new markets, the Company gained additional revenue sources outside the TV advertising business.