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# ProSiebenSat.1 Sells Northern European TV and Radio Activities to Discovery Communications

- Northern European business valued at EUR 1.325 billion
- Focus on TV and digital segments: further expansion accelerated
- Prepayment of term loans in the amount of EUR 500 million
- Increased Dividend planned for 2013
- Conversion of Preference to Common Shares intended

Munich, December 14, 2012. The ProSiebenSat.1 Group is selling its TV and radio business activities in Northern Europe to Discovery Communications. In so doing, the ProSiebenSat.1 Group will further increase its focus on the German-speaking Broadcasting and Digital & Adjacent segments while accelerating its own transformation into a digital entertainment powerhouse. The assets being sold encompass all TV and radio activities in Norway, Sweden, Finland and Denmark. The ProSiebenSat.1 Group's production business in Northern Europe (Red Arrow Entertainment Group) is not part of the transaction. The transaction is subject to merger control clearance and is expected to be consummated in the first quarter of 2013.

The enterprise value underlying the transaction is EUR 1.325 billion. In recent years, the ProSiebenSat.1 broadcast group in Northern Europe has shown a very positive development for a number of reasons, including significant investment in new channels. The recurring EBITDA to be deconsolidated amounts to EUR 134.4 million for these operations (LTM, as of September 30, 2012).

Thomas Ebeling, CEO of ProSiebenSat.1 Media AG, notes: "With Discovery Communications we have found a great new strategic owner, and a truly global media leader, for our Northern European companies. I'm very happy with this result. I would like to take this opportunity to thank all our colleagues in the North, and particularly our CEO in these territories, Henrik Ravn, for their outstanding performance in the past years. I wish them every success as part of the Discovery family."

David Zaslav, president and CEO of Discovery Communications: "SBS Nordic has a fully distributed portfolio of dual revenue stream networks with a terrific management team that will expand Discovery's footprint across the Nordic region, which includes some of the most well-penetrated and stable TV markets in the world."

Thomas Ebeling: "For ProSiebenSat.1, the sale at this time is an important refocusing step on our path to becoming a digital entertainment powerhouse. By achieving an attractive price we have created a great deal of added value for all shareholders. In the future, we will focus even more strongly than before on combining our German-language TV and digital activities, since that is where our greatest potential for growth and synergies lies. We will be significantly accelerating the growth of our Digital & Adjacent segment: both organically and through attractive bolt-on acquisitions at reasonable prices. In so doing, we will focus in particular on companies that complement our portfolio and for which we can create critical mass using our Group's media power. By expanding and reinforcing our German-speaking Broadcasting and Digital & Adjacent segments, we are making our company fit for the future."

By selling its Nordic activities, the ProSiebenSat.1 Group is clearly focusing on the increasing digitization of the media landscape and the resulting growth opportunities. The Group's Eastern European business will be classified as a non-core asset, the value of which is to be optimized.

ProSiebenSat.1 Media AG intends to use a partial amount of EUR 500 million of the proceeds for a partial prepayment of term debt under the syndicated facilities agreement of the ProSiebenSat.1 Group and the remainder of the proceeds for reinvestments in the business of the group. Hence a significant portion of the operating cash flow will be available for other purposes. This will increase the company's capacity for dividend distributions to its shareholders.

In coordination with the company's majority shareholder Lavena, a holding company which is jointly controlled by investment funds of KKR and Permira, the company intends to propose to the coming shareholders' meeting a total dividend distribution in the order of EUR 1.2 billion (approx. EUR 5.60 per share) provided the transaction will be successfully consummated and the business performance is developing in line with expectations. In 2012, the company made dividend payments to its shareholders in the total amount of approx. EUR 245 million (EUR 1.17 per preference share and EUR 1.15 per common share).

Also after such a dividend distribution the leverage ratio of the ProSiebenSat.1 group will remain within the previously communicated target range of 1.5 to 2.5 times net debt to recurring EBITDA.

Furthermore, the company intends to propose to the coming shareholders' meeting a conversion of its non-voting preference shares into voting common shares. In connection with the conversion, which shall be effected without requirement for the preference shareholders to pay any premium, all common shares would be admitted to trading at the stock exchange. The company's majority shareholder has informed the company of its intention to support this measure in the case of a successful consummation of the transaction. In addition to a resolution of the shareholders meeting at which the company's majority shareholder controls the required majority of votes, the conversion of preference shares into common shares requires a special resolution of preference shareholders with a majority of 75 percent of the votes cast.

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**About Discovery Communications** Discovery Communications (Nasdaq: DISCA, DISCB, DISCK) is the world's #1 nonfiction media company reaching more than 1.8 billion cumulative subscribers in 217 countries and territories. Discovery is dedicated to satisfying curiosity through 153 worldwide television networks, led by Discovery Channel, TLC, Animal Planet, Science and Investigation Discovery, as well as U.S. joint venture networks OWN: Oprah Winfrey Network, The Hub and 3net, the first 24-hour 3D network. Discovery also is a leading provider of educational products and services to schools and owns and operates a diversified portfolio of digital media services, including Revision3.

**SBS Media** on kaupallisen radiotoiminnan markkinajohtaja, johon kuuluvat radiokanavat The Voice, Iskelmä, Radio City ja raahelainen paikallisradio Radio Pooki sekä vahvassa kasvussa olevat tv-kanavat TV5 ja Kutonen/The Voice TV. SBS Media on Suomen innovatiivisin sähköisen median toimija ja radiokanavien online-yhteisöt ovat maan suosituimpia. Yhtiöryhmän liikevaihto vuonna 2011 oli 24 M€. SBS Media työllistää Suomessa noin 150 tv- ja radioalan ammattilaista.