



## ProSiebenSat.1 Media AG Acquires SBS Broadcasting Group, Creating a pan-European Broadcasting Group

- Transaction volume totaling EUR 3.3 billion
- Expected synergies are EUR 80-90 million
- Foundation for further organic and external growth and diversification
- New group to be headquartered in Munich
- SBS CEO Patrick Tillieux to be new COO of ProSiebenSat.1

**Munich, June 27, 2007.** ProSiebenSat.1 Media AG is to acquire SBS Broadcasting Group. The transaction volume totals EUR 3.3 billion. The ProSiebenSat.1 Group and the shareholders of the SBS Broadcasting Group signed a share purchase agreement today. The closing of the transaction is not subject to approval by antitrust or media regulators. The share purchase agreement will be completed by the beginning of July 2007.

Through this transaction, ProSiebenSat.1 Media AG, Germany's largest TV corporation, intends to create a pan-European broadcasting group. "This transaction is a major step into the future for the ProSiebenSat.1 Group. Both geographically and strategically, the SBS Broadcasting Group is the perfect fit for ProSiebenSat.1. The SBS acquisition is an investment in growth, and will allow us to diversify our revenue sources still further. The combination of ProSiebenSat.1 and SBS creates a pan-European broadcasting platform with the proven skills and resources to expand activities in the respective new geographical markets and to invest in additional channels, online services and content creation," said ProSiebenSat.1 Media AG CEO Guillaume de Posch.

Mr. de Posch added, "It is all about content. We will achieve a greater critical mass, which will allow us to produce a broader selection of high-quality programming throughout our European footprint. The combined group will be able to operate more efficiently and aims to boost the EBITDA margin from 22.2 percent to between 25 and 30 percent over the next few years, thus generating additional funds to invest in growth."

Patrick Tillieux, acting Chief Executive Officer of the SBS Broadcasting Group and the Chief Operating Officer-designate of the ProSiebenSat.1 Group, said: "A major factor in SBS's success is the strength of its local management, who combine local market knowledge with entrepreneurial and creative talent to create television stations that are highly targeted at attractive demographic groups. SBS's local operations will benefit greatly from the combination of two

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complementary companies, to create a powerful pan-European broadcasting group. We'll share resources on a Group-wide basis, leverage our purchasing and sales power, adopt best practices, and centralize a number of functions. This will give us economies of scale, improve our access to rights, and expand our presence in the advertising market.”

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The new Group, which will continue to bear the name ProSiebenSat.1 Media AG, is to be headquartered in Munich. As a result of the acquisition, the ProSiebenSat.1 Group will be active in 13 European countries. The new Group will have 24 free TV stations, 24 pay TV stations, and 22 radio networks, among other assets. The ProSiebenSat.1 Group will expand its reach to more than 77 million European TV households, placing it second among TV broadcasters in the EU. On the basis of a pro forma calculation for 2006, the SBS acquisition will increase revenues by 48 percent, from EUR 2.1 billion to EUR 3.1 billion. EBITDA will grow by 43 percent, from EUR 484 million to EUR 691 million. SBS's recurring EBITDA in 2006 was EUR 207 million. For the first quarter of 2007, SBS showed EBITDA growth of EUR 16 million, or 79 percent, to EUR 36 million.

The Company expects that the transaction will increase underlying earnings per share, and that the generated returns will exceed the ProSiebenSat.1 Group's cost of capital over time. Synergies from the merger are to be between EUR 80 to 90 million per year, two-thirds of which come from cost savings and one-third from additional revenue potential. The full value of the projected synergies is expected to be realized as of 2010. The acquisition will be financed entirely with new syndicated credit facilities provided by a group of banks and institutional debt investors led by Bank of America, Calyon, Credit Suisse, HypoVereinsbank, JP Morgan, Lehman Brothers, Morgan Stanley and Royal Bank of Scotland. The Company intends to redeem EUR 150 million notes prior to their maturity in May 2009 by exercising the make-whole provision in August 2007.

After the transaction had been cleared by the Independent Directors' Committee (IDC), a body composed solely of independent members of the Supervisory Board of the ProSiebenSat.1 Group, IDC Chairman Greg Dyke announced: “We have supervised the entire transaction process and have authorized the transaction. We believe that ProSiebenSat.1 is acquiring SBS at fair value. The acquisition of SBS on these terms is a very attractive opportunity for ProSiebenSat.1 to create a TV Group that will be unique in Europe.” Citi has confirmed in a financial fairness opinion that the enterprise value underlying the transaction is fair, from a financial point of view, to ProSiebenSat.1.



Integration of the two groups is to begin immediately after the transaction is completed. Patrick Tillieux, Chief Executive Officer of the SBS Broadcasting Group, will join the Executive Board of the ProSiebenSat.1 Group as Chief Operating Officer, with responsibilities for international TV, radio, print and group operations.

As part of the takeover of the SBS Broadcasting Group, the ProSiebenSat.1 Group could get a new strategic shareholder in mid-2008. Telegraaf Media Groep N.V., which held 20 percent of the SBS Broadcasting Group, has an option to reinvest in the new group and to acquire 12 percent of the voting common stock held by Lavena Holding 5. Upon exercise of the option, Telegraaf Media Groep would hold 6 percent of the ProSiebenSat.1 Group's share capital. Lavena Holding 5 would then hold 44.7 percent of the share capital and 76 percent of the common stock, compared to the former 50.7 and 88 percent, respectively. The free float of 37.3 percent of the capital stock would remain unchanged.

ProSiebenSat.1 Media AG was advised in the transaction by Citi, Milbank, Tweed, Hadley & McCloy LLP, PricewaterhouseCoopers and Susat.

#### **About the ProSiebenSat.1 Group**

The ProSiebenSat.1 Group is the largest commercial TV corporation in Germany. The Company is headquartered in Munich. With its four stations, Sat.1, ProSieben, kabel eins and N24, it owns the country's largest family of commercial TV channels. The Group's Call TV station, 9Live, is the market leader in transaction television. ProSiebenSat.1 is also the largest provider of mobile TV. maxdome, which the Group operates jointly with United Internet, is the largest video-on-demand portal in the German market. All the Group's online services are pooled in ProSiebenSat.1 Network, which includes the stations' Web sites, MyVideo, a portal for user generated content, the lokalisten.de social community network, and billiger.de, a price search engine. ProSiebenSat.1 Network is the second-largest German online network, according to the IVW, Germany's circulation verification association for advertising services.

The principal shareholders of ProSiebenSat.1 Media AG are Lavena Holding 5 GmbH, a holding company controlled by funds advised by KKR and Permira, which holds a total of 50.7 percent of the share capital, and Axel Springer AG, with a total of 12 percent. The remaining 37.3 percent is in free float. For additional information, see [www.prosiebensat1.com](http://www.prosiebensat1.com).



### **About the SBS Broadcasting Group**

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SBS Broadcasting Group is one of Europe's leading broadcasting groups, operating commercial television, premium pay channels, radio stations and related print businesses in Western and Central and Eastern Europe. SBS currently has broadcasting operations in Belgium (Flanders), Bulgaria, Denmark, Finland, Greece, Hungary, The Netherlands, Norway, Romania and Sweden. SBS is controlled by funds advised by two leading private equity firms, Permira and KKR. Telegraaf Media Groep N.V. (TMG) of the Netherlands is also a shareholder in SBS, with a 20% equity interest. For additional information, see [www.sbsbroadcasting.com](http://www.sbsbroadcasting.com).

### **A note to editors**

Today, June 27, 2007, at short notice, the ProSiebenSat.1 Group invites you to attend a press conference in Munich. The conference will begin at 12:00 noon CET at the "Pavillon" of ProSiebenSat.1 Media AG, Gutenbergstrasse 3, 85774 Unterföhring. No registration is required.

The press conference will be held in English, and will be streamed live on our Web site, [www.prosiebensat1.com](http://www.prosiebensat1.com). Journalists can also participate via telephone. The dial-in number is +49 [69] 9897 2634.

You can also find the press release, other information, and graphics on our Web site at [www.prosiebensat1.com/presse](http://www.prosiebensat1.com/presse).