

**PREMIERE**

3rd quarter 2008

November 13, 2008

# Overview

- > Q3 2008 results
- > Update on full year 2008 guidance
- > Immediate priorities and business update

# Results

in EUR m	Q3 08	Q3 07	Change	YTD Sep 08	YTD Sep 07	Change
Revenues	244.6	247.5	-2.9	768.5	700.9	67.6
Operating expenses	271.8	225.5	46.3	781.7	630.9	150.7
<b>EBITDA</b>	<b>-27.2</b>	<b>22.0</b>	<b>-49.2</b>	<b>-13.2</b>	<b>70.0</b>	<b>-83.2</b>
Depreciation and amortization	13.2	11.3	1.9	38.6	32.8	5.8
Amortization of subscriber base	12.2	12.1	0.2	36.7	36.2	0.5
<b>EBIT</b>	<b>-52.6</b>	<b>-1.4</b>	<b>-51.2</b>	<b>-88.4</b>	<b>1.0</b>	<b>-89.4</b>
Financial result	-16.3	-11.3	-5.0	-32.8	-31.4	-1.4
<b>Profit/(loss) before taxes</b>	<b>-68.9</b>	<b>-12.7</b>	<b>-56.2</b>	<b>-121.2</b>	<b>-30.4</b>	<b>-90.8</b>
Income taxes	-20.2	12.8	-33.1	-33.9	2.3	-36.2
<b>Net income/(loss)</b>	<b>-89.1</b>	<b>0.1</b>	<b>-89.2</b>	<b>-155.0</b>	<b>-28.0</b>	<b>-127.0</b>
<b>Earnings per share (in EUR)</b>	<b>-0.79</b>	<b>0.00</b>	<b>-0.79</b>	<b>-1.39</b>	<b>-0.32</b>	<b>-1.07</b>

# Revenues and costs

in EUR m	Q3 08	Q3 07	Change	YTD Sep 08	YTD Sep 07	Change
<b>Revenues</b>						
Program	189.2	186.5	2.8	581.0	555.9	25.1
Advertising	6.7	11.0	-4.3	22.5	26.9	-4.4
Hardware	35.7	32.8	2.9	96.3	71.4	24.9
Other	13.0	17.2	-4.2	68.8	46.8	22.0
<b>Total</b>	<b>244.6</b>	<b>247.5</b>	<b>-2.9</b>	<b>768.5</b>	<b>700.9</b>	<b>67.6</b>
<b>Costs (including depreciation)</b>						
Program	133.5	133.2	0.3	480.6	398.2	82.5
Transmission	31.9	23.7	8.2	91.7	66.3	25.4
Customer service	14.7	15.7	-1.0	41.1	47.5	-6.3
Hardware	47.1	35.8	11.3	110.2	91.4	18.8
Selling expenses	37.9	32.9	5.0	83.1	84.2	-1.1
General and administrative expenses	18.2	13.3	4.9	49.1	42.8	6.3
Other operating (income)/expenses	1.7	-17.7	19.4	-35.7	-66.7	31.0
<b>Total</b>	<b>285.0</b>	<b>236.8</b>	<b>48.2</b>	<b>820.3</b>	<b>663.7</b>	<b>156.5</b>
Depreciation included	13.2	11.3	1.9	38.6	32.8	5.8
<b>Costs (excluding depreciation)</b>	<b>271.8</b>	<b>225.5</b>	<b>46.3</b>	<b>781.7</b>	<b>630.9</b>	<b>150.7</b>
<b>EBITDA</b>	<b>-27.2</b>	<b>22.0</b>	<b>-49.2</b>	<b>-13.2</b>	<b>70.0</b>	<b>-83.2</b>

Figures rounded

## Pay TV operating costs

<b>in EUR m</b>	<b>Change Q3 08/Q3 07</b>	<b>Change YTD 08/YTD 07</b>
<b>Change in operating expenses</b>	<b>46.3</b>	<b>150.7</b>
Change in other income	- 19.4	- 31.0
<b>Change in operating costs</b>	<b>26.9</b>	<b>119.8</b>
Change in Home of Hardware cost of sales	5.3	36.1
<b>Change in pay TV operating costs</b>	<b>21.6</b>	<b>83.6</b>

## One-time gains

> EUR 55 million one-time gains in 2008 year to date EBITDA

# Subscribers

in '000	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08
Direct subscribers at beginning	2,495	2,535	2,534	2,450	2,376
Additions	156	122	86	58	138
Churn	-115	-123	-171	-132	-103
Net change	40	-1	-85	-74	35
<b>Direct subscribers at end</b>	<b>2,535</b>	<b>2,534</b>	<b>2,450</b>	<b>2,376</b>	<b>2,411</b>
Direct program revenues (EUR m)	172	179	179	173	172
<b>Program ARPU (EUR, monthly)</b>	<b>22.83 €</b>	<b>23.53 €</b>	<b>23.88 €</b>	<b>23.89 €</b>	<b>23.92 €</b>
<b>Churn rate (12 months rolling)</b>	<b>30.3%</b>	<b>25.9%</b>	<b>22.9%</b>	<b>22.2%</b>	<b>21.4%</b>
Wholesale subscribers at end	792	790	797	792	704

# Cash flow

in EUR m	Q3 08	Q3 07	YTD Sep 08	YTD Sep 07
<b>Operating cash flow</b>				
EBITDA	-27.2	22.0	-13.2	70.0
Changes in net working capital	-36.6	-2.0	-67.5	-85.6
Other	0.6	-15.2	-17.6	-43.1
<b>Total</b>	<b>-63.2</b>	<b>4.8</b>	<b>-98.3</b>	<b>-58.7</b>
<b>Cash flow from investing activities</b>				
Sale of equity stakes	0.0	14.8	22.5	28.0
Program rights, plant and equipment	-9.0	-15.2	-22.1	-32.8
Other	0.4	-8.5	0.7	-6.2
<b>Total</b>	<b>-8.6</b>	<b>-9.0</b>	<b>1.1</b>	<b>-11.0</b>
<b>Cash flow from financing activities</b>				
Capital increase	0.0	168.9	0.0	168.9
Net borrowings	54.8	0.2	51.5	123.3
Interest paid	-8.5	-9.5	-24.9	-23.8
Other	-1.1	-0.9	-3.0	-3.9
<b>Total</b>	<b>45.3</b>	<b>158.7</b>	<b>23.7</b>	<b>264.5</b>
<b>Cash flow</b>	<b>-26.6</b>	<b>154.6</b>	<b>-73.5</b>	<b>194.8</b>

# Balance sheet

in EUR m	30.09.08	31.12.07
<b>Total assets</b>	<b>1,633.8</b>	<b>1,771.7</b>
<b>Total current assets</b>	<b>321.0</b>	<b>401.8</b>
Cash and cash equivalents	41.6	115.0
Film assets and prepayments for sports and film rights	118.5	91.9
Others	161.0	194.8
<b>Total non-current assets</b>	<b>1,312.8</b>	<b>1,370.0</b>
Film assets and prepayments for sports and film rights	54.9	37.1
Intangible assets	1,125.0	1,169.5
Others	132.9	163.4
<b>Total liabilities and stockholders' equity</b>	<b>1,633.8</b>	<b>1,771.7</b>
<b>Total liabilities</b>	<b>748.0</b>	<b>731.3</b>
<b>Total current liabilities</b>	<b>586.4</b>	<b>292.6</b>
Borrowings	341.0	11.1
Trade payables	167.5	194.8
Others	77.9	86.7
<b>Total non-current liabilities</b>	<b>161.6</b>	<b>438.7</b>
Borrowings	7.5	279.5
Trade payables	25.6	29.0
Others	128.5	130.1
<b>Total stockholders' equity</b>	<b>885.8</b>	<b>1,040.5</b>
<b>Net debt</b>	<b>307.0</b>	<b>175.5</b>

Figures rounded

## Full year 2008 outlook

- > Full year 2008 revenues in excess of EUR 1,015 million
- > EBITDA guidance narrowed and expected in the range of negative EUR 40 million to negative EUR 60 million

## Immediate priorities and business update

- > Security gap closed, old encryption technology switched off:  
Fully secure system fundamental for Premiere's future growth
- > Focusing on monthly paying subscriber growth and higher ARPU
- > Tight cost control
- > Christmas business:
  - > Strong programming line-up
  - > Special Christmas promotion
- > Bundesliga rights
- > Preemptive waiver of upcoming covenant breach received from bank syndicate – discussions on debt restructuring are ongoing
- > Strategic review expected to be completed by year-end

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