

PREMIERE

Q1 2009

14 May 2009

Overview

- > In Q1 2009 subscriber additions were up 30% versus Q1 2008.
- > Churn rate of 22.4% in Q1 2009 down slightly versus Q4 2008.
- > ARPU increases by nearly €1 per month from €23.86 in Q4 2008 to €24.85 in Q1 2009.
- > Reduction of subscriber base by 28k in Q1 2009 to 2,371k subscribers.
- > Stable revenues with increased costs in Q1 2009 versus Q1 2008 led to decrease in EBITDA. Negative EBITDA of €29.8m in Q1 2009.
- > Increased costs mainly due to absence of one-off gains in Q1 2009 versus Q1 2008 and exceptional items in Q1 2009 of €9.0m due to restructuring.
- > New credit facilities of €525m in place after completion of capital increases totalling €450m.

Results

in €m	Q1 09	Q1 08	Change	Q1 09	Q4 08	Change
Revenues	232.7	231.0	1.7	232.7	236.1	-3.4
Operating expenses	262.5	228.1	34.3	262.5	280.5	-18.0
EBITDA	-29.8	2.9	-32.7	-29.8	-44.5	14.7
Depreciation and amortization	14.9	12.2	2.6	14.9	12.7	2.2
Amortization of subscriber base	12.2	12.2	0.0	12.2	12.2	0.0
EBIT	-56.9	-21.6	-35.3	-56.9	-69.3	12.4
Financial result	-9.4	-9.6	0.2	-9.4	-27.5	18.1
Profit/(loss) before taxes	-66.4	-31.2	-35.1	-66.4	-96.8	30.5
Income taxes	-13.7	3.3	-17.0	-13.7	-15.5	1.8
Result from continuing operations	-80.0	-27.9	-52.1	-80.0	-112.4	32.3
Result from discontinued operations	0.0	-0.2	0.2	0.0	-2.0	2.0
Result for the period	-80.0	-28.1	-51.9	-80.0	-114.3	34.3

Revenues and costs

in €m	Q1 09	Q1 08	Change	Q1 09	Q4 08	Change
Revenues						
Program	195.9	198.7	-2.8	195.9	188.8	7.1
Advertising	4.1	6.8	-2.7	4.1	8.5	-4.4
Hardware	18.6	9.7	8.9	18.6	14.7	3.9
Other	14.1	15.8	-1.8	14.1	24.0	-9.9
Total	232.7	231.0	1.7	232.7	236.1	-3.4
Costs (including depreciation)						
Program	162.0	171.9	-9.9	162.0	159.4	2.6
Transmission	34.0	29.5	4.5	34.0	33.5	0.5
Customer service	11.4	13.5	-2.1	11.4	10.8	0.6
Hardware	20.0	12.6	7.4	20.0	17.2	2.7
Selling expenses	22.8	24.0	-1.2	22.8	34.8	-12.0
General and administrative expenses	21.4	14.8	6.5	21.4	20.8	0.6
Other operating expenses/(income)	5.8	-25.9	31.7	5.8	16.7	-10.9
Total	277.4	240.4	37.0	277.4	293.2	-15.8
Depreciation included	14.9	12.2	2.6	14.9	12.7	2.2
Costs (excluding depreciation)	262.5	228.1	34.3	262.5	280.5	-18.0
EBITDA	-29.8	2.9	-32.7	-29.8	-44.5	14.7

Figures rounded

Subscribers and key metrics

in '000	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09
Direct subscribers at beginning	2,534	2,450	2,376	2,411	2,399
Additions	86	58	138	153	112
Churn	-171	-132	-103	-165	-140
Net change	-85	-74	35	-12	-28
Direct subscribers at end	2,450	2,376	2,411	2,399	2,371
of which Flex	164	113	118	85	68
Direct program revenues (in €m)	178.5	172.9	171.8	172.2	177.8
Program ARPU (in €, monthly)	23.88	23.89	23.92	23.86	24.85
Churn rate (12 months rolling)	22.9%	22.2%	21.4%	23.1%	22.4%
Wholesale subscribers at end	797	792	704	691	710

Cash flow and Net debt

in €m	Q1 09	Q1 08	Q1 09	Q4 08
Cash flow from operating activities	-14.2	-45.9	-14.2	-9.8
Cash flow from investing activities	-6.3	7.5	-6.3	-8.4
Cash flow from financing activities	-34.1	-9.7	-34.1	43.9
Cash flow	-54.6	-48.1	-54.6	25.6

in €m	Q1 09	Q4 08
Cash and cash equivalents	12.5	67.2
Net debt	313.4	318.1

Full Year 2009 Outlook confirmed

- Revenues
- > Expected growth in program revenues of approx. €50m.
 - > Total revenues for 2009 expected to be up less than €50m due to the non recurrence of one time revenues in 2008 such as the sale of 2010 World Cup rights.
- Costs
- > Additional costs of Bundesliga and sports programming, an increase in other programming costs, additional sales and marketing costs to support subscriber growth, higher transmission and other costs.
 - > No significant one-time other income expected.
- Cash flow
EBITDA
- > Negative operating cash flow in the range of €250m - €275m and significant EBITDA loss expected.
- Subscribers
- > Growth in subscriber base expected to commence in Q3 following sales, marketing and customer service initiatives.

Outlook 2010 onwards confirmed

- > EBITDA and cash flow break-even on a monthly basis targeted during Q4 2010.
- > Full year 2010 cash flow and EBITDA expected to be negative.
- > Full year net income and cash flow targeted to be positive for the year 2011 and onwards.

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