

Financial Statements 2008

PREMIERE

Note: The management report of Premiere AG is combined with the Group management report and published in conjunction with the consolidated financial statements 2008.

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Disclaimer

This report contains forward-looking statements based on the currently held beliefs and assumptions of the management of Premiere AG, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of Premiere AG, or media industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements.

Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements. Premiere AG disclaims any obligation to update these forward-looking statements to reflect future events or developments.

Rounding differences may occur due to the totalling of individual items.

Balance sheet

(€)	31/12/08	31/12/07
Assets		
A. Fixed assets		
I. Intangible assets		
1. Industrial property rights and similar rights and assets, and licenses for such rights and assets	1,304,640.00	3,933,303.00
2. Goodwill	3,203.66	3,554.18
	1,307,843.66	3,936,857.18
II. Property, plant and equipment		
1. Land, rights similar to land and buildings, including buildings on land owned by others	31,720.00	72,105.00
2. Other plant and office equipment	180,450.00	201,612.00
	212,170.00	273,717.00
III. Financial assets		
1. Interests in affiliated companies	975,154,000.00	978,127,211.72
2. Loans to affiliated companies	702,160,000.00	664,347,500.00
3. Investments	6,480.00	6,480.00
	1,677,320,480.00	1,642,481,191.72
	1,678,840,493.66	1,646,691,765.90
B. Current assets		
I. Film assets		
Advance payments made for sports rights	74,755,716.84	205,785,362.59
II. Inventories		
Advance payments made	0.00	5.89
III. Receivables and other assets		
1. Trade receivables	9,383.39	5,269.50
2. Receivables from affiliated companies	19,695,495.00	14,884,008.80
3. Receivables from companies with a participatory relationship	632,373.00	6,232.15
4. Other assets	385,668.89	1,381,447.74
	20,722,920.28	16,276,958.19
IV. Cash in hand and at banks	1,924,603.98	28,901,534.62
	97,403,241.10	250,963,861.29
C. Prepaid expenses	295,642.66	402,855.24
	1,776,539,377.42	1,898,058,482.43

(€)	31/12/08	31/12/07
Stockholders' equity and liabilities		
A. Stockholders' equity		
I. Subscribed capital	112,460,000.00	112,460,000.00
II. Additional paid-in capital	1,420,337,085.93	1,420,337,085.93
III. Accumulated loss	-90,891,464.47	-90,900,186.21
	1,441,905,621.46	1,441,896,899.72
B. Accrued expenses		
1. Accruals for pensions and similar obligations	325,148.00	286,010.00
2. Other provisions	12,839,445.64	5,633,905.21
	13,164,593.64	5,919,915.21
C. Liabilities		
1. Bank loans of which with a remaining term of over five years €0.00 (2007: €275,000,000.00) of which with a remaining term of up to one year €281,656,833.31 (2007: €886,798.60)	281,656,833.31	275,886,798.60
2. Trade payables of which with a remaining term of between one and five years €0.00 (2007: €2,500,000.00) of which with a remaining term of up to one year €4,660,041.86 (2007: €3,558,597.82)	4,660,041.86	6,058,597.82
3. Liabilities to affiliated companies of which with a remaining term of up to one year €31,727,018.30 (2007: €151,437,995.11)	31,727,018.30	151,437,995.11
4. Other liabilities of which with a remaining term of between one and five years €0.00 (2007: €1,072,500.00) of which with a remaining term of up to one year €3,425,268.85 (2007: €15,785,775.97) of which taxes €3,405,719.80 (2007: €15,162,472.64) of which social security €2,372.34 (2007: €7,253.35)	3,425,268.85	16,858,275.97
	321,469,162.32	450,241,667.50
	1,776,539,377.42	1,898,058,482.43

Statement of operations

(€)	2008	2007
1. Revenues	353,861,436.01	184,691,310.29
2. Other operating income	2,844,876.47	6,100,336.53
	356,706,312.48	190,791,646.82
3. Cost of materials		
Purchased services	-329,525,478.58	-163,548,854.03
4. Personnel expenses		
a) Wages and salaries	-17,277,852.47	-15,773,917.42
b) Social security, pension and other benefit expenses	-1,886,733.60	-1,865,737.75
- of which for pensions €69,201.22 (2007: €34,932.49)		
	-348,690,064.65	-181,188,509.20
5. Depreciation, amortisation and write-downs on intangible assets and property, plant and equipment	-2,775,658.95	-1,298,824.91
6. Other operating expenses	-26,527,377.35	-17,453,580.31
7. Income from loans reported under fixed assets of which from affiliated companies	50,401,754.46	32,421,975.66
€50,401,754.46 (2007: €32,421,975.66)		
8. Other interest and similar income		
of which from affiliated companies	416,297.21	886,624.33
€127,613.49 (2007: €62,650.72)		
9. Write-downs on financial assets		
of which affiliated companies	0.00	-86,288.28
€0.00 (2007: €86,288.28)		
10. Expenses for absorption of losses	-9,061.25	-8,817.50
11. Interest and similar expenses	-29,513,480.21	-21,218,163.30
12. Net income for the year	8,721.74	2,846,063.31
13. Loss brought forward	-90,900,186.21	-93,746,249.52
14. Accumulated loss	-90,891,464.47	-90,900,186.21

Development of the fixed assets

(€)	1/1/08	Additions	Disposals	Cost 31/12/08
I. Intangible assets				
1. Industrial property rights and similar rights and assets, and licenses for such rights and assets	5,142,680.56	0.00	0.00	5,142,680.56
2. Goodwill	5,406.04	0.00	0.00	5,406.04
	5,148,086.60	0.00	0.00	5,148,086.60
II. Property, plant and equipment				
1. Land, rights similar to land, and buildings, including buildings on land owned by others	245,688.25	0.00	0.00	245,688.25
2. Other plant and office equipment	565,068.40	87,483.43	9,821.82	642,730.01
	810,756.65	87,483.43	9,821.82	888,418.26
III. Financial assets				
1. Interests in affiliated companies				
AFV Abonnementfernsehen Verwaltungs-GmbH	27,000.00	0.00	0.00	27,000.00
Premiere Fernsehen GmbH & Co. KG	975,002,000.00	98,000.00	0.00	975,100,000.00
SCAS Satellite CA Services GmbH	27,000.00	0.00	0.00	27,000.00
Primus Sport Verwaltungs-GmbH	27,000.00	0.00	27,000.00	0.00
Primus Sport GmbH & Co. KG	100,000.00	0.00	100,000.00	0.00
Premiere WIN Fernsehen GmbH	5,052,000.00	0.00	0.00	5,052,000.00
PR Beteiligungsgesellschaft München GmbH	2,000.00	0.00	2,000.00	0.00
Premiere Interactive GmbH	27,000.00	0.00	27,000.00	0.00
Premiere On Demand GmbH	27,000.00	0.00	27,000.00	0.00
Home of Hardware Verwaltungs-GmbH	16,250.00	0.00	16,250.00	0.00
Home of Hardware GmbH & Co. KG	2,958,250.00	0.00	2,958,250.00	0.00
	983,265,500.00	98,000.00	3,157,500.00	980,206,000.00
2. Loans to affiliated companies				
Premiere Fernsehen GmbH & Co. KG	664,347,500.00	37,812,500.00	0.00	702,160,000.00
	664,347,500.00	37,812,500.00	0.00	702,160,000.00
3. Investments				
X-Online GmbH	6,480.00	0.00	0.00	6,480.00
	6,480.00	0.00	0.00	6,480.00
	1,647,619,480.00	37,910,500.00	3,157,500.00	1,682,372,480.00
	1,653,578,323.25	37,997,983.43	3,167,321.82	1,688,408,984.86

1/1/08	Depreciation, amortization and write-downs			Net book values	
	Additions	Disposals	31/12/08	31/12/08	31/12/07
1,209,377.56	2,628,663.00	0.00	3,838,040.56	1,304,640.00	3,933,303.00
1,851.86	350.52	0.00	2,202.38	3,203.66	3,554.18
1,211,229.42	2,629,013.52	0.00	3,840,242.94	1,307,843.66	3,936,857.18
173,583.25	40,385.00	0.00	213,968.25	31,720.00	72,105.00
363,456.40	106,260.43	7,436.82	462,280.01	180,450.00	201,612.00
537,039.65	146,645.43	7,436.82	676,248.26	212,170.00	273,717.00
0.00	0.00	0.00	0.00	27,000.00	27,000.00
0.00	0.00	0.00	0.00	975,100,000.00	975,002,000.00
0.00	0.00	0.00	0.00	27,000.00	27,000.00
0.00	0.00	0.00	0.00	0.00	27,000.00
86,288.28	0.00	86,288.28	0.00	0.00	13,711.72
5,052,000.00	0.00	0.00	5,052,000.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	2,000.00
0.00	0.00	0.00	0.00	0.00	27,000.00
0.00	0.00	0.00	0.00	0.00	27,000.00
0.00	0.00	0.00	0.00	0.00	16,250.00
0.00	0.00	0.00	0.00	0.00	2,958,250.00
5,138,288.28	0.00	86,288.28	5,052,000.00	975,154,000.00	978,127,211.72
0.00	0.00	0.00	0.00	702,160,000.00	664,347,500.00
0.00	0.00	0.00	0.00	702,160,000.00	664,347,500.00
0.00	0.00	0.00	0.00	6,480.00	6,480.00
0.00	0.00	0.00	0.00	6,480.00	6,480.00
5,138,288.28	0.00	86,288.28	5,052,000.00	1,677,320,480.00	1,642,481,191.72
6,886,557.35	2,775,658.95	93,725.10	9,568,491.20	1,678,840,493.66	1,646,691,765.90

Notes to the financial statements for the financial year 2008

I. General information

The financial statements of Premiere AG, Unterföhring (Premiere AG), as of December 31, 2008 have been prepared in accordance with § 264 (1) HGB [German Commercial Code] in conjunction with § 267 (3) HGB on the basis of the regulations in the HGB on the accounting of large corporations and the AktG [German Stock Companies Act].

The Company was admitted for trading on the regulated market in the Prime Standard segment of the Frankfurt Stock Exchange with the commencement of trading in the Company's shares on March 9, 2005.

The presentation of the statement of operations follows the nature of expenses format in accordance with § 275 (2) HGB.

The Company is responsible, as the managing holding company, for the strategic management of the Group, and is engaged in planning, consultative and management tasks and the purchase, sale and lending of transmission rights.

The financial statements have been prepared applying the going concern basis. Premiere AG is subject to various obligations and covenants under the external debt financing in place. In the event

of non-compliance with these covenants, the lenders could cancel the bridge facility of K€275,000 and the revolving facility with a credit line of K€275,000 and demand immediate repayment of the existing loans.

Due to the expected operating result of the Premiere Group for the financial year 2008 measured on the basis of IFRS, and in view of an imminent non-compliance with the loan agreements, Premiere started a restructuring process in the fourth quarter of 2008 in which a new business plan was approved and a revised company financing was agreed.

On December 22, 2008 Premiere AG and Premiere Fernsehen GmbH & Co. KG, Unterföhring (Premiere Fernsehen KG), its bank syndicate and News Adelaide Holdings B.V., Amsterdam, Netherlands (News Adelaide Holdings B.V.), and News Corporation, Delaware, USA (News Corporation), agreed on a new long-term financing structure to enable it to implement the new corporate strategy. Since the financing is dependent on the conditions, a going concern risk will accordingly prevail until the final implementation of the new long-term financing agreement (please refer also to the explanatory comments in the combined management report).

II. Accounting policies

Intangible assets are measured at cost and are amortised straight-line over their expected useful lives. The assets are amortised pro rata temporis in the year of acquisition.

Goodwill is amortised over an estimated useful life corresponding with the useful life of 15 years allowable for German tax purposes.

Items of property, plant and equipment are recognised at cost plus ancillary purchase costs after allowances and discounts, less depreciation.

The straight-line method is generally used for the depreciation of moveable fixed assets over the expected useful life and is applied pro rata temporis in the acquisition or disposal year.

Minor value assets costing individually up to and including €150.00 are recorded directly as expense in the year acquired. Since January 1, 2008 assets costing individually between €150.00 and €1,000.00 are accumulated in an omnibus item and depreciated straight-line over five years.

Investments in affiliated companies, loans to affiliated companies and investments are recognised under the financial assets at cost, taking into account necessary write-downs.

Film assets, which consist entirely of sports licenses, are recognised at cost plus ancillary acquisition costs. Utilisation is determined straight-line based on the actual number of match days on which matches are transmitted during the financial year in relation to the total number of match days in the license period.

Receivables and other assets are measured at nominal value, whereby foreseeable specific risks are reflected by individual allowances.

Cash and cash equivalents are measured at nominal value.

Prepaid expenses are set up exclusively as prescribed by § 250 HGB.

The accruals for pension obligations are based on the calculations of the present values in accordance with § 6a EStG [German Income Tax Act], which were made following actuarial principles taking into account the Heubeck "2005 G Mortality Tables" and a discounting rate of 6 percent p.a.

Other provisions are accrued at the amounts deemed necessary in accordance with business prudence. All foreseeable risks and uncertain obligations are taken into account.

Liabilities are recognised at their settlement amounts.

If the financial statements include amounts that are not denominated in Euros, such amounts are valued in accordance with the prudence principle, in the case of liabilities at the exchange rate recorded in the books or the higher rate as of the balance sheet date, and in the case of assets at the exchange rate recorded in the books or the lower rate as of the balance sheet date.

III. Explanatory comments on the individual captions in the balance sheet and statement of operations

(1) Balance sheet

1.1 Fixed assets

The development of the fixed assets is presented separately on pages 6 und 7.

Financial assets in accordance with § 285, No. 11 HGB (K€)	Interest %	Equity as of 31/12/08	Result for the year 2008
Direct holdings			
Premiere Fernsehen GmbH & Co. KG, Unterföhring*	100.0	-54,483	-428,949
Premiere WIN Fernsehen GmbH, Unterföhring*	100.0	-2,228	18
AFV Abonnementfernsehen Verwaltungs-GmbH, Unterföhring*	100.0	6	1
SCAS Satellite CA Services GmbH, Unterföhring**	100.0	18	0
X-Online GmbH, Unterföhring	24.0	14	-12
Indirect holdings			
Premiere Fernsehen GmbH, Vienna/Austria*	100.0	-15,312	-143
Premiere Service Center Schwerin GmbH, Schwerin***	100.0	171	0
Blitz 07-784 GmbH, Munich	100.0	24	0
GiGA Digital Television GmbH, Cologne*	100.0	-3,018	-1,609
Roombase Beteiligungs Holding GmbH, Unterföhring*	100.0	-17	120
Blue Movie Vertriebs GmbH i.L., Vienna/Austria	100.0	28	-3
Premiere Star GmbH, Unterföhring*	59.8	259	127
Premiere Star Österreich GmbH, Vienna/Austria*	59.8	527	515
Premiere Hotel Entertainment GmbH, Fürth*	97.5	-484	177
Roombase Networks Limited, Nicosia/Cyprus*	97.5	226	84
Spox Media GmbH, Munich*	40.1	-1,585	-1,793
Premium Media Solutions GmbH, Unterföhring*	24.8	133	110
1-2-3.TV GmbH, Unterföhring	14.4	n/a	n/a

* Result only provisional at time of preparing the notes.

** These companies have concluded profit and loss transfer agreements with Premiere AG.

*** These companies have concluded profit and loss transfer agreements with Premiere Fernsehen KG.

The liquidation of Roombase Beteiligungsgesellschaft I GmbH i.L., Unterföhring and Roombase Beteiligungsgesellschaft II GmbH i.L., Unterföhring was completed in the past financial year.

Loans (K€)	Nominal amount 31/12/08	Nominal amount 31/12/07
Premiere Fernsehen GmbH & Co. KG, Unterföhring	702,160	664,347

Premiere AG is the sole limited partner in Premiere Fernsehen KG and the sole stockholder of its general partner, AFV Abonnementfernsehen Verwaltungs-GmbH, Unterföhring (AFV).

Furthermore, Premiere AG is the sole shareholder in SCAS Satellite CA Services GmbH, Unterföhring (SCAS), and the sole shareholder in Premiere WIN Fernsehen GmbH, Unterföhring (Premiere WIN Fernsehen).

In accordance with an agreement dated May 14, 2008 (entered in the Commercial Register on June 5, 2008), Primus Sport Verwaltungs-GmbH, Unterföhring (Primus Sport GmbH), withdrew as of January 1, 2008 as the limited partner in Primus Sport GmbH & Co. KG, Unterföhring (Primus Sport KG). All of the assets and liabilities of Primus Sport GmbH KG were merged by accretion into the net assets of Premiere AG.

With a merger agreement dated December 19, 2008 the net assets of Primus Sport GmbH, PR Beteiligungsgesellschaft München GmbH, Unterföhring, Premiere On Demand GmbH, Unterföhring, and Premiere Interactive GmbH, Unterföhring, were transferred to Premiere Fernsehen KG by way of merger through absorption. As consideration for the transfer of the net assets, the limited partner's interest of Premiere AG in Premiere Fernsehen KG was increased by K€98.

Premiere AG sold its 65.0 percent interest in Home of Hardware GmbH & Co. KG, Westendorf (HoH) and Home of Hardware Verwaltungs-GmbH, Westendorf, for €1.00 to SYSNET Computer-Systemvertriebsgesellschaft mbH, Cologne, with a limited partnership purchase and transfer agreement and a share purchase and transfer agreement dated December 12, 2008. In this connection, Premiere AG waived claims, mainly from loan receivables, of K€1,412, and paid K€1,000 into the capital of HoH in order to ensure sufficient liquidity. In return for a payment of K€250 by Premiere, the old partners for their part waived certain claims of K€1,073 against Premiere resulting from the participation agreement dated April 27, 2007.

The loans comprise the interest-bearing loan granted on March 11, 2005 with an addendum dated December 13, 2007 to Premiere Fernsehen KG, of which up to €500 million can be used. The loan was agreed for a fixed term of five years and will be extended in each case for six months if not terminated by giving two weeks' notice. In addition, the loans comprise an interest-bearing loan of K€275,000 granted in connection with the Bridge Facility. The conditions comply with the agreements on the Bridge Facility (see also Note 1.8).

1.2 Film assets

The license rights to the first and second divisions of the German football Bundesliga for the 2008/2009 season and other sports rights of K€74,756 (2007: €205,785) are reported in the film assets.

1.3 Receivables and other assets

Receivables from affiliated companies primarily comprise short-term receivables of K€15,044 (2007: K€8,334) from the granting of loans to Premiere Fernsehen KG, receivables of K€3,704 (2007: K€5,592) primarily for management services rendered to Premiere Fernsehen KG and receivables of K€944 (2007: K€484) primarily for management services rendered to various subsidiaries.

The receivables from companies with a participatory relationship mainly relate to a receivable of K€626 (2007: K€0) from News Adelaide Holdings B.V. for the reimbursement of expenses.

Other assets mainly consist of withholding tax receivables of K€334 (2007: K€270) and creditor accounts with debit balances of K€33 (2007: K€1,096).

All receivables and other assets have a remaining term of less than one year.

1.4 Cash in hand and at banks

Cash in hand and at banks of K€1,925 (2007: K€28,902) mainly comprise the balance of K€1,916 (2007: K€28,897) at Bayerische Hypo- und Vereinsbank AG, Munich (HypoVereinsbank).

1.5 Prepaid expenses

The prepaid expenses of K€296 (2007: K€403) mainly relate to the deferral of prepaid insurance premiums of K€132 (2007: K€352) and consulting fees of K€105 (2007: K€0).

1.6 Stockholders' equity

1.6.1 Changes in equity

The Company's equity developed during the year ending December 31, 2008 as follows:

(K€)	2007	Net income for the year	2008
Subscribed capital	112,460	0	112,460
Additional paid-in capital	1,420,337	0	1,420,337
Accumulated loss	-90,900	9	-90,891
Total stockholders' equity	1,441,897	9	1,441,906

1.6.2 General comments

Premiere AG's subscribed capital amounts to K€112,460. It is divided into 112,460,000 registered shares with no-par value; each share of no-par value has an imputed interest of €1.00 in the subscribed capital.

Additional paid-in capital amounts as of the balance sheet date to K€1,420,337 (2007: K€1,420,337), of which K€784,261 (2007: K€784,261) is not available for distribution.

1.6.2.1 Authorised capital (not issued)

On the basis of the resolution of the Annual General Meeting on May 17, 2006, the management board was empowered, with the approval of the supervisory board, to increase Premiere AG's subscribed capital by up to K€41,000 (forty-one million) (authorised capital 2006) through May 16, 2011 by issuing on one or several occasions up to 41,000,000 new registered shares with no-par value in return for contributions in cash or in kind. The power can be exercised in instalments. The management board is empowered, with the approval of the supervisory board, to define further rights attached to the shares and to define the terms for the issuance of shares. In the case of increases in capital for a contribution in cash, the stockholders shall fundamentally be granted a subscription right for the new shares. The management board is however empowered, with the approval of the supervisory board, to exclude the subscription rights of the stockholders under certain conditions in the event of increases in capital for cash or a contribution in kind.

Following the increases in capital in 2007, the remaining authorised capital as of December 31, 2008 amounted to K€10,540.

The management board of Premiere AG resolved an increase in capital on December 22, 2008 with the approval of the supervisory board. The purpose of the increase in capital, which will be placed as a rights issue, is to cover the short-term funding requirements of Premiere.

The increase in capital was carried out on January 14, 2009 through the issuance of 10,223,636 new no-par-value bearer shares, each with an imputed interest in the subscribed capital of €1.00, for a contribution in cash, whereby Premiere stockholders were granted a subscription right. The shares were placed at a price of €3.76 per share. The proceeds from the increase in capital amounted to K€38,441.

Following the above-mentioned increase in capital, the remaining authorised capital of K€41,000 on the basis of the resolution of the annual general meeting on May 17, 2006 amounts to K€316.

1.6.2.2 Conditional capital

On the basis of a resolution of the Annual General Meeting on May 17, 2006, the Company's subscribed capital was increased conditionally by up to K€8,200 by issuing up to 8,200,000 new registered shares of no-par value. The sole purpose of the conditional capital is to grant new shares to the holders of convertible or option bonds, which could be issued, in accordance with the above-mentioned empowering resolution, by Premiere AG or by companies in which Premiere AG directly or indirectly holds majority investments. The conditional increase in capital will only be carried out to the extent that the holders of convertible or option bonds exercise their conversion or option rights or fulfil conversion obligations under such bonds.

1.6.2.3 Purchase and sale of treasury stock

The Annual General Meeting on June 12, 2008 empowered Premiere AG's management board to buy back up to 10 percent of the subscribed capital that existed as of the date of the resolution. The power can be exercised in full or in partial amounts, on one or several occasions, in the pursuit of one or several purposes, by the Company, by its Group companies or by a third party acting on its behalf. The power has been granted until December 11, 2009. The management board is empowered to utilise shares in the Company that are acquired on account of this power for all legally authorised purposes.

1.6.3 Reportable investment holdings in accordance with §§ 21 (1), 22 Securities Trading Act

Premiere AG receives a notification in accordance with § 21 WpHG [Securities Trading Act] if a notifying party reaches, exceeds or falls below the thresholds of 3, 5, 10, 15, 20, 25, 30, 50 or 75 percent of the voting rights in Premiere AG. Premiere AG received the following notifications during the past financial year:

Notifying party	Date achieved, exceeded or fallen below	Threshold achieved, exceeded or fallen below
Franklin Templeton Investment Funds, L-2449 Luxembourg, Luxembourg	January 4, 2008	< 3 percent to 2.97 percent
Pictet & Cie. Banquiers, Geneva, Switzerland	January 7, 2008	< 10.5 and 3 percent to 0 percent
Unitymedia NRW GmbH, Cologne, Germany (and various other companies)	January 7, 2008	< 10.5 and 3 percent to 0 percent
News Armenia B.V., Amsterdam, Netherlands/News Corporation, New York, United States (and various other companies)	January 7, 2008	> 3.5 and 10 percent to 14.58 percent
Morgan Stanley, The Corporation Trust Company, Wilmington, Delaware, United States and Morgan Stanley & Co. Incorporated, New York, United States	February 5, 2008	> 3 percent to 4.82 percent
Morgan Stanley, The Corporation Trust Company, Wilmington, Delaware, United States and Morgan Stanley & Co. Incorporated, New York, United States	February 12, 2008	> 5 percent to 5.46 percent
Morgan Stanley, The Corporation Trust Company, Wilmington, Delaware, United States and Morgan Stanley & Co. Incorporated, New York, United States	February 14, 2008	< 5 and 3 percent to 0.26 percent
News Armenia B.V., Amsterdam, Netherlands/News Corporation, New York, United States (and various other companies)	February 26, 2008	> 15 percent to 19.90 percent
Taube Hodson Stonex Partners Limited, London, United Kingdom and THSP Limited, London, United Kingdom	February 26, 2008	> 5 percent to 5.07 percent
News Armenia B.V., Amsterdam, Netherlands / News Corporation, New York, United States (and various other companies)	March 31, 2008	> 20 percent to 20.54 percent
Franklin Mutual Advisers, LLC, Short Hills, New Jersey, United States	May 5, 2008	< 5 and 3 percent to 2.45 percent (withdrawal of this notification was published on June 11, 2008, so that the holding as of May 5, 2008 continued to exceed 5 percent and amounted to 6.55 percent)
Franklin Templeton Investment Management Limited, Edinburgh, Scotland	May 5, 2008	> 3 and 5 percent to 5.21 percent (withdrawal of this notification was published on June 11, 2008)
News Armenia B.V., Amsterdam, Netherlands/News Corporation, New York, United States (and various other companies)	May 21, 2008	> 25 percent to 25.01 percent
Classic Fund Management Aktiengesellschaft, Vaduz, Duchy of Liechtenstein	June 12, 2008	< 5 percent to 4.999 percent
UBS AG, Zurich, Switzerland	June 18, 2008	> 3 percent to 3.45 percent
UBS AG, Zurich, Switzerland	June 23, 2008	< 3 percent to 0.89 percent

Notifying party	Date achieved, exceeded or fallen below	Threshold achieved, exceeded or fallen below
Centaurus Alpha Master Fund Limited, George Town, Cayman Islands, British West Indies	August 19, 2008	> 3 percent to 3.05 percent
Centaurus Capital LP, London, United Kingdom/Centaurus Capital Limited, London, United Kingdom/Centaurus Global Holding Limited, George Town, Cayman Islands, British West Indies/Bernard Oppetit, United Kingdom	August 19, 2008	> 3 percent to 3.08 percent
Centaurus Alpha Master Fund Limited, George Town, Cayman Islands, British West Indies	October 1, 2008	< 3 percent to 2.79 percent
Centaurus Capital LP, London, United Kingdom/Centaurus Capital Limited, London, United Kingdom/Centaurus Global Holding Limited, George Town, Cayman Islands, British West Indies/Bernard Oppetit, United Kingdom	October 1, 2008	< 3 percent to 2.813 percent
Franklin Mutual Advisers, LLC, Short Hills, New Jersey, United States	October 8, 2008	< 5 percent to 4.78 percent
Franklin Mutual Series Fund Inc., Short Hills, New Jersey, United States	October 8, 2008	< 3 percent to 2.82 percent
Odey Asset Management LLP, London, United Kingdom	October 10, 2008	> 3 percent to 3.03 percent
Franklin Mutual Advisers, LLC, Short Hills, New Jersey, United States	October 16, 2008	< 3 percent to 2.74 percent
Odey Asset Management LLP, London, United Kingdom	October 30, 2008	> 5 percent to 6.29 percent
Tradewinds Global Investors LLC, Los Angeles, California, United States	October 30, 2008	< 3 percent to 2.93 percent
Fininvest S.p.A., Rome, Italy/Mr. Silvio Berlusconi, Italy (and various other companies)	November 14, 2008	> 3 percent to 3.134 percent
News Adelaide Holdings B.V., Amsterdam, Netherlands/News Corporation, New York, United States / News Publishing Australia Limited, New York, United States/News America Incorporated, New York, United States/News Corp. Europe, Inc., New York, United States and News Netherlands B.V., Naarden, Netherlands	December 2, 2008	> 25 percent still at 25.01 percent (notification of voting rights due to the change in the name of "News Armenia B.V., Amsterdam, Netherlands" to "News Adelaide Holdings B.V., Amsterdam, Netherlands")
Eric M. Mindich, United States / Eton Park Capital Management, L.L.C., New York, United States /Eton Park Capital Management, L.P., New York, United States/Eton Park Capital Limited, London, United Kingdom and Eton Park International LLP, London, United Kingdom	December 11, 2008	< 5 percent to 4.96 percent
FIL Investment Management Limited, Hildenborough, Kent, United Kingdom/ FIL Limited, Hamilton, Bermuda and FIL Investments International, Hildenborough, Kent, United Kingdom	December 18, 2008	> 3 percent to 3.05 percent

1.6.4 Accumulated loss

This item comprises the loss brought forward of K€90,900 (2007: K€93,746) from the years 2003 through 2007. The 2008 net income of K€9 (2007: K€2,846) has been reclassified to the accumulated loss.

1.7 Provisions

The accruals for pensions are based on the calculations of present value in accordance with § 6a EStG [German Income Tax Act], which were made following actuarial principles taking into account the Heubeck "2005 G Mortality Tables" and a discounting rate of 6 percent p.a. These calculations resulted in the reporting period in an accrual of K€325 (2007: K€286).

The other provisions are made up as follows:

(K€)	2008	2007
Outstanding invoices	9,695	2,741
Special payments/bonuses	973	1,332
Outstanding vacation	537	492
Other personnel general provisions	1,634	1,069
	12,839	5,634

1.8 Liabilities

(K€)	Total 2008	< 1 year	Remaining 1 - 5 years	term > 5 years	Total 2007
Bank loans	281,657	281,657	0	0	275,887
Trade payables	4,660	4,660	0	0	6,059
Liabilities to affiliated companies	31,727	31,727	0	0	151,438
Other liabilities	3,425	3,425	0	0	16,858
	321,469	321,469	0	0	450,242

The portion taken up as of December 31, 2008 from the financing dated April 24, 2007, consisting of a loan of K€275,000 ("Bridge Facility" – borrower: Premiere AG) and a revolving credit line of K€275,000 ("Revolving Facility" – borrowers: Premiere AG and Premiere Fernsehen KG), is reported under the bank loans.

Due to the expected operating results for the financial year 2008 and in view of its imminent non-compliance with the loan agree-

ments, Premiere started a restructuring process in the fourth quarter of 2008 which resulted on December 22, 2008 in the agreement of a new financing structure (see also combined management report).

In December 2008 Premiere, its bank syndicate and News Corporation agreed on a new, long-term financing structure to ensure Premiere's capital requirements. The new financing structure foresees that the existing credit lines will be replaced by new, long-term

credit facilities of K€525,000 on condition that new equity of altogether K€450,000 is made available to Premiere through two capital increases (see also Note 1.6.2.1 Authorised capital (not issued)).

As a result of the agreement of the new financing structure, the existing loans have been reported as short-term.

Trade payables mainly comprise liabilities of K€2,500 (2007: K€5,000) for rights to names and consulting fees of K€1,903 (2007: K€424).

Liabilities to affiliated companies of K€31,727 (2007: K€151,438) primarily comprise the advance payment received of K€31,723 (2007: K€151,426) by Premiere Fernsehen KG for the German football Bundesliga rights and other sports rights.

The other liabilities mainly consist of tax liabilities for value added tax of K€2,992 (2007: K€14,772).

1.9 Other contingent liabilities and other financial commitments

1.9.1 Pledge of interests in companies and limited partnerships

The corporate financing (see Note 1.8) is secured by the pledging of the interests in AFV, the limited partnership interests in Premiere Fernsehen KG, the pledging of Premiere AG's bank account, and the assignment of loans to Group companies.

1.9.2 Other financial commitments

As of December 31, 2008 other financial commitments relate in particular to sports licenses, leases, financing costs and leasing agreements for company cars:

(K€)	2008	2007
Sports licenses	92,507	291,000
Rents (office building)	91,716	87,438
Financing costs	15,477	0
Leasing agreements	850	364
Other	91	170
	200,641	378,972
(of which payable to affiliated companies)	2,989	3,908

Of the total amount, K€96,845 is due in 2009.

1.9.3 Other contingent liabilities

In a letter of comfort, Premiere AG has promised to provide Premiere Hotel Entertainment GmbH, Fürth (PHE) with adequate funds at all times.

In a further letter of comfort, Premiere AG has promised to provide Premiere WIN Fernsehen with adequate funds at all times.

Furthermore, Premiere AG has subordinated its receivables from Premiere WIN Fernsehen up to the amount of the loan of K€1,241 granted to that company with a subordination agreement.

(2) Statement of operations**2.1 Revenues**

The revenues mainly comprise income of K€335,927 (2007: K€166,973) from sports licenses and of K€17,925 (2007: K€17,697) from management services billed by Premiere AG to its subsidiaries.

2.2 Other operating income

(K€)	2008	2007
Income from prior years	1,110	21
Income from reimbursement of costs	1,059	250
Proceeds from the release of provisions	430	638
Gains on disposal of financial assets	0	4,985
Sundry income	246	206
	2,845	6,100

2.3 Cost of materials

Cost of materials comprises the cost of K€329,525 (2007: K€163,549) for the sports licenses.

2.4 Personnel expenses

(K€)	2008	2007
Wages and salaries	17,278	15,774
Social security	1,818	1,831
Pension expenses	69	35
	19,165	17,640

2.5 Depreciation, amortisation and write-downs

2.5.1 Depreciation and amortisation on intangible assets and property, plant and equipment

(K€)	2008	2007
Amortisation on intangible assets	2,629	1,128
Depreciation on property, plant and equipment	134	155
Write-off of minor value assets	13	16
	2,776	1,299

2.5.2 Write-downs on current assets exceeding the write-downs normal for the Company

The prior year amount of K€5 was reclassified to other operating expenses on account of its immateriality.

2.6 Other operating expenses

(K€)	2008	2007
Legal and professional fees	14,836	7,204
Loss on disposal of financial assets	4,564	0
Prior period expenses	1,829	407
Facility costs	1,452	1,343
Advertising expenses and other services	1,007	777
Traveling and out-of-pocket expenses	775	665
Other personnel expenses	609	454
Bank commissions	0	5,285
Sundry operating expenses	1,455	1,319
	26,527	17,454

2.7 Income from loans reported under financial assets

The income from loans of K€50,402 (2007: K€32,422) comprises interest on the loan to Premiere Fernsehen KG.

2.8 Other interest and similar income

Interest income of K€416 (2007: K€887) mainly consists of current account interest of K€274 (2007: K€546).

2.9 Expenses for absorption of losses

A loss of K€9 (2007: K€9) was taken over from SCAS as a result of the control and profit and loss transfer agreement dated February 4, 2005.

2.10 Interest and similar expenses

The interest expense for the past financial year of K€29,513 (2007: K€21,218) mainly relates to interest of K€29,511 (2007: K€20,221) on the Bridge Facility (see Note 1.8).

2.11 Prior period items

(K€)	2008	2007
Prior period income		
Proceeds from the release of sundry provisions	430	638
Other income from earlier financial years	1,110	21
	1,540	659
Prior period expenses		
Other expenses from earlier financial years	-1,829	-407
Prior period items	-289	252

Other income for earlier financial years and also other expenses for earlier financial years relate primarily to amendments to the agreement with Arena Sport Rechte und Marketing GmbH, Cologne, and the sublicense agreement with Premiere Fernsehen GmbH & Co. KG.

IV. Other disclosures

(1) Average number of employees

The Company had an average of 195 employees during the past financial year (2007: 180), of whom 185 (2007: 163) were in the management / administration area and 10 (2007: 17) were in sales / marketing / communications. The number of employees has been converted to full-time equivalents.

(2) Management board

The members of the management board during the past financial year were:

Mark Williams, Chairman, Chief Executive Officer (CEO), London, United Kingdom since September 10, 2008 (entered in the Commercial Register on September 15, 2008); Mr. Williams is a member of the following further controlling bodies: non-executive director of SKY Italia S.r.l., Rome, Italy.

Dr. Holger Enßlin, Chief Legal & Regulatory Affairs Officer, Deisenhofen since December 01, 2008 (entered in the Commercial Register on December 10, 2008). Dr. Enßlin is a member of the following further controlling bodies: member of the management board of VPRT Fachbereich Fernsehen (until November 2008).

Carsten Schmidt, Chief Sports & New Business Officer, Munich.

Hans Seger, Chief Fiction & Special Interest Officer, Esslingen.

Oliver Kaltner, Chief Marketing & Sales Officer, Berlin, from July 1, 2008 (entered in the Commercial Register on July 7, 2008), until October 8, 2008 (entered in the Commercial Register on December 10, 2008).

Alexander Teschner, Chief Financial Officer (CFO), Hohenbrunn, until October 2, 2008 (entered in the Commercial Register on December 10, 2008). Mr. Teschner was a member of the following further controlling bodies: member of the executive board of the Lulu und Robert Bartholomay Foundation, Hamburg (until July 2008).

Michael Börnicke, Chief Executive Officer (CEO), Munich, until September 10, 2008 (entered in the Commercial Register on September 15, 2008). Mr. Börnicke is a member of the following further controlling bodies: Deputy Chairman of the supervisory board of CreateCtrl AG, Munich, (formerly: s2s AG, Munich), member of the advisory board of Medico Fonds Nr. 43 Dresden Kristallpalast KG, Düsseldorf.

Management board compensation (K€)	Fixed compensation	Other compensation	Total for 2008
Michael Börnicke	694	965	1,659
Mark Williams	404	0	404
Dr. Holger Enßlin	25	1	26
Carsten Schmidt	600	8	608
Hans Seger	600	496	1,096
Alexander Teschner	302	125	428
Oliver Kaltner	88	753	841
	2,714	2,348	5,062

All compensation of the management board is short term. No performance-related compensation and no components with a long-term incentive effect within the meaning of § 285 No. 9a Sentence 5 HGB were granted for the past financial year.

In 2008 Michael Börnicke, Alexander Teschner and Oliver Kaltner resigned as members of the executive board. Severance payments in the amount of K€936, K€109 and K€750 respectively have

been agreed upon. As of the balance sheet date, an amount of K€667 has not yet been paid to Michael Börnicke.

For Hans Seger, who will leave Premiere on January 31, 2009, indemnity payments in the amount of K€476 have been agreed upon, which have not yet become due as of the balance sheet date.

For further details on the compensation system please refer to the combined management report.

(3) Supervisory board

During the reporting period, Premiere AG increased the number of members of its supervisory board from three to six. At the Annual General Meeting on June 12, 2008 in addition to the previous members:

Rainer Großkopf, management consultant (chairman). Mr. Großkopf is a member of the following further controlling bodies: member of the advisory board of Frigoblock Großkopf GmbH, Essen; member of the advisory board of TUI Services GmbH & Co. KG, Hamburg (since April 2008); member of the advisory board of Brauns-Heitmann GmbH & Co. KG, Warburg (until October 2008).

Richard Roy, management consultant (deputy chairman). Mr. Roy is a member of the following further controlling bodies: Chairman of the supervisory board of Balda AG, Bad Oeynhausen; Vice President of the board of directors of Swisscom AG, Bern, Switzerland; member of the supervisory board of Update Software AG, Vienna, Austria; member of the supervisory board of Freenet AG, Hamburg; member of the supervisory board of Reality Capital Partners AG, Frankfurt (since August 2008).

Dr. Stefan Jentzsch, businessman. Dr. Jentzsch is a member of the following further controlling bodies: member of the supervisory board of adidas AG, Herzogenaurach; member of the supervisory board of Allianz Global Corporate & Specialty AG, Munich.

The following persons were elected to the Company's supervisory board:

Thomas Mockridge, businessman. Mr. Mockridge is a member of the following further controlling bodies: Board of Directors of News Corp Europe Inc., Delaware, USA (since June 2008); Board of Directors (CEO) of SKY Italia S.r.l., Rome, Italy; Board of Directors (Chairman and CEO) of TeleCare S.r.l., Rome, Italy; Board of Directors (Chairman and CEO) of Telepiù S.r.l., Rome, Italy; Board of Directors (Chairman) of Balkan News Corporation EAD, Sofia, Bulgaria (since December 2008); Supervisory Council (Chairman) of AS "Latvijas Neatkarīga Televīzija", Riga, Latvia (since November 2008); Management Board (Chairman) of SIA "TV RIGA", Riga, Latvia (since October 2008); Board of Directors of News Netherlands B.V., Amsterdam, Netherlands (since September 2008); Board of Directors of News Adelaide Holdings B.V., Amsterdam, Netherlands (since September 2008).

Markus Tellenbach, businessman. Mr. Tellenbach is a member of the following further controlling bodies: Board of Directors of Convers Media Services Ltd., Zurich, Switzerland; member of the supervisory board of TVN S.A., Warsaw, Poland.

Mark Williams (his seat on the supervisory board has been suspended since September 10, 2008).

The compensation of the supervisory board in the past financial year amounted to K€245 (2007: K€194).

(4) Fees of the external auditors

Fees of K€370 (2007: K€570) were incurred and recorded as expense in the past financial year, which were made up as follows:

- Audit of the financial statements: K€89
- Other assurance or valuation services: K€154
- Tax consultancy services: K€35
- Other services: K€93

(5) Declaration of compliance with the Corporate Governance Codex in accordance with § 161 Stock Companies Act

The management board and supervisory board of Premiere AG declare in accordance with § 161 Stock Companies Act that the recommendations of the Government Commission on the German Corporate Governance Codex that were published in the official section of the Electronic Federal Gazette in the version dated June 6, 2008 have been and will be adhered to. The declaration of compliance has been made available to the stockholders on a permanent basis in accordance with § 285 No. 16 HGB.

(6) Membership of a Group

Premiere AG (HR B 154549 at the Municipal and Register Court in Munich), as the parent company, prepares consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU and a Group management report, in which it includes all subsidiaries that have to be consolidated. These consolidated financial statements fulfil the requirements of § 315a (1) HGB.

The consolidated financial statements and the Group management report of Premiere AG for the financial year 2008 will be filed with the operator of the German Companies Register.

Unterföhring, January 28, 2009

The management board

Responsibility statement

"To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements of Premiere AG give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company."

Unterföhring, January 28, 2009

The management board

Auditor's report

We have issued the following unqualified auditor's report:

Auditor's Report

We have audited the annual financial statements --comprising the balance sheet, the income statement and the notes to the financial statements-- together with the bookkeeping system, and its report on the position of the Company and the Group prepared by Premiere AG, Unterföhring, for the business year from January 1 to December 31, 2008. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management board. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with § [Article] 317 HGB ["Handelsgesetzbuch": "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the management board, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Without qualifying this opinion, we refer to the discussion by the Company's management board in the section "Financial risks" in the management report. It is stated there that the Company's ability to continue as a going concern is dependent on the successful execution of the planned financing and liquidity-securing measures."

Munich, January 28, 2009

KPMG AG, Wirtschaftsprüfungsgesellschaft
(formerly KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft Wirtschaftsprüfungsgesellschaft)

Dr. Kreher
Wirtschaftsprüfer

Schmidt
Wirtschaftsprüfer