PREMIERE

EXPLANATORY REPORT BY THE MANAGEMENT BOARD OF PREMIERE AG ON THE DISCLOSURES ACCORDING TO SECTIONS 289 (4), 315 (4) OF THE GERMAN COMMERCIAL CODE

[Convenience translation, for information purposes only]

In the Management Report for Premiere AG and in the Group Management Report for Financial Year 2008, the management board has made the disclosures pursuant to section 289 (4) of the German Commercial Code and section 315 (4) of the German Commercial Code and explains these pursuant to sections 120 (3) sentence 2, 175 (2) sentence 1 of the German Stock Corporation Act as follows:

The registered share capital of Premiere AG amounted to EUR 112,460,000.00 on 31 December 2008 and was divided into 112,460,000 registered non-par-value shares having a pro rata amount of the registered share capital of EUR 1.00. With registration in the commercial register on 14 January 2009 the registered share capital was increased up to EUR 122,683,636 based on the authorization of the shareholder's meeting von 17 May 2006. After the capital increase resolved by the shareholders' meeting on 26 February 2009 and registered in the commercial register on 22 April 2009 the register share capital of Premiere AG amounts to EUR 490,147,144.00 UER and is divided into 490,147,144.00 registered non-par-value shares having a pro rata amount of the registered share capital of EUR 1.00. Different share classes do not exist.

As a rule, each share in Premiere AG confers one vote at the annual general meeting and the same share in the profit. As far as is known to the management board, no voting right restrictions or restrictions on the transfer of shares currently exist.

According to the notification of voting rights, on 21 May 2008, News Adelaide Holdings B.V. (former News Armenia B.V.), Amsterdam, Netherlands, directly holds an interest of more than 25.0 percent in the registered share capital of Premiere AG and 25.01 percent of the voting rights (28,126,246 voting rights). This interest is indirectly held by News Corporation, New York, USA, News Publishing Australia Limited, New York, USA, News America Incorporated, New York, USA, News Corp. Europe, Inc., New York, USA, and News Netherlands B.V., Naarden, Netherlands. According to the notification of voting rights, on 21 January 2009 Odey Asset Management LLP, London, Great Britain, indirectly holds more than 10 percent in the registered share capital of Premiere AG and 10,11 percent of the voting rights (12,399,136 voting rights). This interest is directly held by Odey European Inc., George Town, Grand Cayman, BWI. According to the notification of voting rights, on 23 April 2009 News Adelaide Holdings B.V., Amsterdam, Netherlands, directly holds 30,5 percent of the voting rights (149,542,057 voting rights). This interest is indirectly held by News Corporation, New York, USA, News Publishing Australia Limited, New York, USA, News America Incorporated, New York, USA, News Corp. Europe, Inc., New York, USA, and News Netherlands B.V., Naarden, Netherlands.

No shares were issued with special rights that confer powers of control.

No voting control exists for the case where employees have an interest in the capital and do not exercise their control rights directly.

The members of the management board are appointed and removed by the supervisory board pursuant to sections 84, 85 of the German Stock Corporation Act. Moreover, section 6 (1) sentence 2 of the company's articles of association provides that the number of members of the management board is determined by the supervisory board. Amendments to the articles of association are subject to the provisions of section 133, 179 of the German Stock Corporation Act according to which any amendment to the articles of association requires a resolution by the annual general meeting adopted by simple majority of votes cast and approved by at least three quarters of the registered share capital represented upon adoption of the resolution, unless a different capital majority is provided for in the articles of association. In section 18, the articles of association of the company provide that resolutions by the annual general meeting are adopted by simple capital majority unless a larger majority is required by mandatory statutory provisions. This is e.g. the case for the creation of authorised capital (section 202 (2) sentence 2 and 3 of the German Stock Corporation Act) or contingent capital (section 193 (1) sentence 1 and 2 of the German Stock Corporation Act) for which a majority of three quarters of the registered share capital represented upon adoption of the resolution is required in each case. The supervisory board is entitled to adopt amendments to the articles of association that merely serve to update the respective version of the same.

According to the resolution by the annual general meeting on 17 May 2006, the management board, after partially exercising the authorisation, is currently still authorised, subject to the consent of the supervisory board, to increase the registered share capital of Premiere AG in the period up to 16 May 2011 by up to EUR 316,364 by issuing in one or several tranches up to 316,364 new registered non-par-value shares against cash contributions or contributions in kind (Authorised Capital 2006). The management board is authorised, subject to the consent of the supervisory board, to determine the further details regarding the share rights and the conditions of share issuance.

By resolution of the annual general meeting on 17 May 2006, the management board was authorised, subject to the consent of the supervisory board, to issue in one or several tranches in the period up to 16 May 2011 bearer or registered convertible bonds or bonds with warrants in an aggregate nominal amount of up to EUR 500,000,000.00 of limited or unlimited term and to grant the holders of convertible bonds and bonds with warrants conversion options or warrants to subscribe to up to 8,200,000 new registered non-par-value shares (ordinary shares) of the company with a pro rata amount of the registered share capital of up to EUR 8,200,000.00 in the aggregate subject to the conditions for the convertible bonds or bonds with warrants. For the servicing of these conversion options or warrants by the company, the annual general meeting on 17 May 2006 created a contingent capital in the amount of EUR 8,200,000.00.
The authorisation of the management board to issue new shares from authorised capital and the contingent capital in conjunction with the authorisation to issue convertible bonds or bonds with warrants are to enable the management board to act to cover any arising capital requirement in a prompt, flexible and cost-efficient manner and to exploit attractive financing opportunities depending on the market situation. With the possibility of acquiring interests in companies, companies or parts of companies against the issuance of shares in the company, the company can carry out acquisitions without burdening its liquidity.

As part of the capital increase in September 2007 and the issuance in the aggregate of 14,060,000 new shares from the authorised capital 2006, the company undertook towards the syndicate banks, to the extent permitted by law without the consent of J.P. Morgan Securities Ltd. which may not be unreasonably withheld or delayed, not to issue, sell, offer, undertake to sell, otherwise transfer or sell, either directly nor indirectly, within a period ending 180 days after the delivery of the new shares, any shares in the company, options on such shares or securities that can be converted or exchanged into such shares, or issue the same with rights to purchase such shares, and not to announce any capital increase from authorised capital, not to initiate any capital increase (except for the purpose of issuing shares (i) to service conversion options of creditors under convertible bonds issued by the company, (ii) by reason of a capital increase from company funds, and (iii) in connection with a capital increase against contributions in kind), and not to conclude any other transactions (including transactions in derivatives) which in terms of their economic effect are equivalent to the measures described above.

During the reporting period, Premiere AG was authorised by resolution of the annual general meeting on 17 May 2006 to purchase treasury shares up to 10 per cent in the aggregate of the registered share capital existing when the resolution was adopted. The authorisation could be exercised to the full extent of purchases thereby authorised or to a lesser extent, in one or several tranches, for one or more purposes by the company, its group companies or for their or its own account by third parties. The authorisation applied until 16 November 2007. This authorisation was not used.

On the basis of the existing loan agreements with external lenders, Premiere is subject to various obligations and requirements. The loan agreements provide among other things for the obligation to make unscheduled payments on the principal in the event that a third party should acquire more than 50 per cent of the shares or voting rights of Premiere AG. With respect to the new loan agreements the that obligations relations only to acquisitions by third parties which do not belong to the news corporation-group. In the event of a breach of these provisions, the lenders may terminate the loan agreement and demand immediate repayment of the loan amount.

No indemnification agreements of Premiere AG have been concluded with members of the management board or employees in the event of a takeover offer.

Unterföhring, this 11 May 2009

Premiere AG
Management board

Mark Williams

Dr. Holger Enßlin

Carsten Schmidt