

## Premiere announces results for Q3 2008

### Q3 2008 key results:

- Revenues of EUR 244.6 million
- EBITDA negative EUR 27.2 million
- Net-loss of EUR 89.1 million
- 2.411m subscribers as of September 30 using revised classification

### Full year 2008 outlook:

- Revenues above EUR 1,015 million expected
- EBITDA expected in the range negative EUR 40 million to negative EUR 60 million

### Business update:

- Premiere encryption system fully secure since 10<sup>th</sup> November
- Strategic review expected to be completed by year-end
- Pre-emptive waiver of upcoming covenant breach received from bank syndicate; discussions on debt restructuring are ongoing
- Strong programming line-up for Christmas

*Munich, November 13, 2008.*

### Q3 2008 key results

In the third quarter 2008, Premiere posted total revenues of EUR 244.6 million (Q3 2007: EUR 247.5 million). Operating costs rose to EUR 271.8 million (Q3 2007: EUR 225.5 million) mainly due to higher expenses for transmission, hardware and selling expenses, and lower other operating income compared to Q3 2007. EBITDA (earnings before interest, taxes, depreciation and amortization) was negative EUR 27.2 million (Q3 2007: positive EUR 22.0 million). Net income was negative EUR 89.1 million (Q3 2007: positive EUR 0.1 million).

Operating cash-flow in the third quarter 2008 was negative EUR 63.2 million (Q3 2007: EUR 4.8 million positive) and net debt at the end of Q3 2008 was EUR 307 million (Q2 2008: EUR 224 million). Premiere has agreed a pre-emptive waiver of an upcoming debt covenant breach with its bank syndicate and is in ongoing discussions regarding a restructuring of existing debt facilities and Premiere's overall funding needs.

Premiere has adopted a revised subscriber classification method, which reflects the new strategic focus on monthly contract subscribers. The subscriber reporting now focuses on a lower number of direct subscribers but with a higher monthly ARPU compared to the previous approach. According to this new classification Premiere had a total of 2.411m direct subscribers at the end of Q3 2008 (Q3 2007: 2.535m) and a monthly program ARPU of EUR 23.92 during Q3 2008. In addition, at the end of Q3 2008, Premiere had 704k

wholesale subscribers. The historical view of subscribers using the new classification system is as follows:

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

### Full year 2008 outlook

Premiere expects full year revenues above EUR 1,015 million and an EBITDA loss of between EUR 40 million and EUR 60 million.

### Business update

Mark Williams, CEO of Premiere AG: "We are making good progress with our strategic review and have begun implementing some key changes. We are now focusing our subscriber acquisition activity exclusively on monthly contract subscribers and have terminated most other offers. A prerequisite to renewed growth was closing the security gap in early November. We are continuing to expand our programming offer for our customers and over the Christmas period we have a very strong line-up of great movies."

Premiere has secured a very strong programming line-up for the Christmas season including the German TV premieres of "Shrek the Third", "Harry Potter and the Order of the Phoenix" and "Keinohrhasen". Besides Bundesliga, Champions League and DFB-Cup Premiere's viewers can watch during the holidays international football highlights like FC Arsenal against FC Liverpool, Real Madrid against FC Valencia or Glasgow Rangers and Celtic Glasgow. In early 2009 the biggest highlight in German TV will be the seventh season of "24", one of the most successful series of all time. For the first time ever, fans will have the opportunity to experience the seventh day in the ongoing saga of legendary secret agent Jack Bauer (Kiefer Sutherland) at the same time as the U.S. audience.

*Today at 11:30h a conference call for the press will take place. Dial-in information is available at Premiere's press office: +49 89/99 58-6347*

*This press release is available on the Internet at [info.premiere.de](http://info.premiere.de).*

**Contact for press:**

Torsten Fricke  
Vice President Corporate Communications  
Tel.: +49 89/99 58-63 50  
[torsten.fricke@premiere.de](mailto:torsten.fricke@premiere.de)

**Contact for investors and analysts:**

Christine Scheil  
Vice President Investor Relations  
Tel.: +49 89/99 58-10 10  
[christine.scheil@premiere.de](mailto:christine.scheil@premiere.de)

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Results Q3 2008 vs Q3 2007

<b>in EUR m</b>	<b>Q3 08</b>	<b>Q3 07</b>	<b>Change</b>
Revenues	244.6	247.5	-2.9
Operating expenses	271.8	225.5	46.3
<b>EBITDA</b>	<b>-27.2</b>	<b>22.0</b>	<b>-49.2</b>
Depreciation and amortization	13.2	11.3	1.9
Amortization of subscriber base	12.2	12.1	0.2
<b>EBIT</b>	<b>-52.6</b>	<b>-1.4</b>	<b>-51.2</b>
Financial result	-16.3	-11.3	-5.0
<b>Profit/(loss) before taxes</b>	<b>-68.9</b>	<b>-12.7</b>	<b>-56.2</b>
Income taxes	-20.2	12.8	-33.1
<b>Net income/(loss)</b>	<b>-89.1</b>	<b>0.1</b>	<b>-89.2</b>
<b>Earnings per share (in EUR)</b>	<b>-0.79</b>	<b>0.00</b>	<b>-0.79</b>

Results YTD 2008 vs YTD 2007

<b>in EUR m</b>	<b>YTD Sep 08</b>	<b>YTD Sep 07</b>	<b>Change</b>
Revenues	768.5	700.9	67.6
Operating expenses	781.7	630.9	150.7
<b>EBITDA</b>	<b>-13.2</b>	<b>70.0</b>	<b>-83.2</b>
Depreciation and amortization	38.6	32.8	5.8
Amortization of subscriber base	36.7	36.2	0.5
<b>EBIT</b>	<b>-88.4</b>	<b>1.0</b>	<b>-89.4</b>
Financial result	-32.8	-31.4	-1.4
<b>Profit/(loss) before taxes</b>	<b>-121.2</b>	<b>-30.4</b>	<b>-90.8</b>
Income taxes	-33.9	2.3	-36.2
<b>Net income/(loss)</b>	<b>-155.0</b>	<b>-28.0</b>	<b>-127.0</b>
<b>Earnings per share (in EUR)</b>	<b>-1.39</b>	<b>-0.32</b>	<b>-1.07</b>

Revenues and costs Q3 2008 vs Q3 2007

<b>in EUR m</b>	<b>Q3 08</b>	<b>Q3 07</b>	<b>Change</b>
<b>Revenues</b>			
Program	189.2	186.5	2.8
Advertising	6.7	11.0	-4.3
Hardware	35.7	32.8	2.9
Other	13.0	17.2	-4.2
<b>Total</b>	<b>244.6</b>	<b>247.5</b>	<b>-2.9</b>
<b>Costs (including depreciation)</b>			
Program	133.5	133.2	0.3
Transmission	31.9	23.7	8.2
Customer service	14.7	15.7	-1.0
Hardware	47.1	35.8	11.3
Selling expenses	37.9	32.9	5.0
General and administrative expenses	18.2	13.3	4.9
Other operating (income)/expenses	1.7	-17.7	19.4
<b>Total</b>	<b>285.0</b>	<b>236.8</b>	<b>48.2</b>
Depreciation included	13.2	11.3	1.9
<b>Costs (excluding depreciation)</b>	<b>271.8</b>	<b>225.5</b>	<b>46.3</b>
<b>EBITDA</b>	<b>-27.2</b>	<b>22.0</b>	<b>-49.2</b>

Revenues and costs YTD 2008 vs YTD 2007

in EUR m	YTD Sep 08	YTD Sep 07	Change
<b>Revenues</b>			
Program	581.0	555.9	25.1
Advertising	22.5	26.9	-4.4
Hardware	96.3	71.4	24.9
Other	68.8	46.8	22.0
<b>Total</b>	<b>768.5</b>	<b>700.9</b>	<b>67.6</b>
<b>Costs (including depreciation)</b>			
Program	480.6	398.2	82.5
Transmission	91.7	66.3	25.4
Customer service	41.1	47.5	-6.3
Hardware	110.2	91.4	18.8
Selling expenses	83.1	84.2	-1.1
General and administrative expenses	49.1	42.8	6.3
Other operating (income)/expenses	-35.7	-66.7	31.0
<b>Total</b>	<b>820.3</b>	<b>663.7</b>	<b>156.5</b>
Depreciation included	38.6	32.8	5.8
<b>Costs (excluding depreciation)</b>	<b>781.7</b>	<b>630.9</b>	<b>150.7</b>
<b>EBITDA</b>	<b>-13.2</b>	<b>70.0</b>	<b>-83.2</b>

Subscribers Q3 2008 vs Q3 2007

in '000	Q3 08	Q3 07	Change
Direct subscribers at beginning	2,376	2,495	-119
Additions	138	156	-18
Churn	-103	-115	12
Net change	35	40	-5
<b>Direct subscribers at end</b>	<b>2,411</b>	<b>2,535</b>	<b>-124</b>
Direct program revenues (EUR m)	172	172	0
<b>Program ARPU (EUR, monthly)</b>	<b>23.92 €</b>	<b>22.83 €</b>	<b>1.09 €</b>
<b>Churn rate (12 months rolling)</b>	<b>21.4%</b>	<b>30.3%</b>	<b>-9.0%</b>
Wholesale subscribers at end	704	792	-88

Subscribers YTD 2008 vs YTD 2007

in '000	YTD Sep 08	YTD Sep 07	Change
Direct subscribers at beginning	2,534	2,696	-162
Additions	282	393	-111
Churn	-405	-555	149
Net change	-123	-161	38
<b>Direct subscribers at end</b>	<b>2,411</b>	<b>2,535</b>	<b>-124</b>
Direct program revenues (EUR m)	523	526	-3
<b>Program ARPU (EUR, monthly)</b>	<b>23.51 €</b>	<b>22.36 €</b>	<b>1.15 €</b>
<b>Churn rate (12 months rolling)</b>	<b>21.4%</b>	<b>30.3%</b>	<b>-9.0%</b>
Wholesale subscribers at end	704	792	-88