

Premiere announces results for Q1 2009

Q1 2009 key results:

- Revenues of €232.7m (Q1 2008: €231.0m*)
- EBITDA negative €29.8m (Q1 2008: positive €2.9m)
- Net loss of €80.0m (Q1 2008: net loss of €28.1m)
- 2.371m subscribers as of 31 March
- Monthly ARPU of €24.85, increase of nearly €1 compared to Q4 2008

- New credit facilities of €525m after completion of capital increase in April 2009
- Existing outlook for 2009 and following years confirmed

Munich, 14 May 2009. In Q1 2009, Premiere posted total revenues of €232.7m (Q1 2008: €231.0m). Operating expenses rose to €262.5m (Q1 2008: €228.1m), mainly due to the absence of one-time gains of €16.3m compared to Q1 2008 and costs for restructuring of €9.0m in Q1 2009. EBITDA (earnings before interest, taxes, depreciation and amortization) was negative €29.8m (Q1 2008: positive €2.9m). Net income was negative €80.0m (Q1 2008: negative €28.1m).

Operating cash-flow in Q1 2009 was negative €14.2m (Q1 2008: negative €45.9m) and net debt at the end of Q1 2009 was €313.4m (Q4 2008: €318.1m).

Premiere had a total of 2.371m direct subscribers at the end of Q1 2009, a reduction of 28k from 2.399m at 31 December 2008. The number of customers of the Flex offer, which Premiere is phasing out, decreased during Q1 2009 by 17k to 68k. The churn rate for Q1 2009 was 22.4 percent, slightly down versus Q4 2008 (22.9 percent). Program ARPU increased by nearly €1 per month from €23.86 in Q4 2008 to €24.85 in Q1 2009. The historical view of subscriber metrics is as follows:

* Revenues and expenses of discontinued operation Home of Hardware have been excluded. Q1 2008 figures in this press release are not comparable with figures provided in May 2008.

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

Mark Williams, CEO of Premiere AG: "Our Q1 results are in line with our expectations. We expect subscriber growth to commence only in the second half of this year following our comprehensive sales, marketing and customer service initiatives."

New credit facilities of €525m after completion of capital increase in April 2009

Premiere used the proceeds of the capital increase completed in April 2009 to repay the existing credit facilities. Following the completion of the offering, Premiere now has access to new long-term facilities with a total amount of €525m.

Existing outlook for 2009 and following years confirmed

Premiere confirms its targets for full year 2009 and the following years, which were announced with the full year 2008 results:

- growth in subscriber base expected to commence in Q3 2009 following sales, marketing and customer services initiatives
- negative operating cash flow in the range of €250m to €275m and a significant EBITDA loss in 2009 expected
- EBITDA and cash flow break even on a monthly basis targeted during Q4 2010; both figures expected to be negative for full year 2010
- net income and positive cash flow targeted for the year 2011 and onwards

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.

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Results Q1 2009 vs Q1 2008

in €m	Q1 09	Q1 08	Change
Revenues	232.7	231.0	1.7
Operating expenses	262.5	228.1	34.3
EBITDA	-29.8	2.9	-32.7
Depreciation and amortization	14.9	12.2	2.6
Amortization of subscriber base	12.2	12.2	0.0
EBIT	-56.9	-21.6	-35.3
Financial result	-9.4	-9.6	0.2
Profit/(loss) before taxes	-66.4	-31.2	-35.1
Income taxes	-13.7	3.3	-17.0
Result from continuing operations	-80.0	-27.9	-52.1
Result from discontinued operations	0.0	-0.2	0.2
Result for the period	-80.0	-28.1	-51.9

Revenues and costs Q1 2009 vs Q1 2008

in €m	Q1 09	Q1 08	Change
Revenues			
Program	195.9	198.7	-2.8
Advertising	4.1	6.8	-2.7
Hardware	18.6	9.7	8.9
Other	14.1	15.8	-1.8
Total	232.7	231.0	1.7
Costs (including depreciation)			
Program	162.0	171.9	-9.9
Transmission	34.0	29.5	4.5
Customer service	11.4	13.5	-2.1
Hardware	20.0	12.6	7.4
Selling expenses	22.8	24.0	-1.2
General and administrative expenses	21.4	14.8	6.5
Other operating expenses/(income)	5.8	-25.9	31.7
Total	277.4	240.4	37.0
Depreciation included	14.9	12.2	2.6
Costs (excluding depreciation)	262.5	228.1	34.3
EBITDA	-29.8	2.9	-32.7

Subscribers Q1 2009 vs Q1 2008

in '000	Q1 09	Q1 08	Change
Direct subscribers at beginning	2,399	2,534	-135
Additions	112	86	26
Churn	-140	-171	30
Net change	-28	-85	56
Direct subscribers at end	2,371	2,450	-79
of which Flex	68	164	-96
Direct program revenues (in €m)	177.8	178.5	-0.7
Program ARPU (in €, monthly)	24.85	23.88	0.98
Churn rate (12 months rolling)	22.4%	22.9%	-0.4
Wholesale subscribers at end	710	797	-87