



Bundesverband Deutscher
Kapitalbeteiligungsgesellschaften

Case Studies

Premiere: Pay TV Operator invests into new Technology

Premiere, a Munich based television broadcaster, used to be part of the KirchMedia-Group. After the parent corporation had filed for bankruptcy in 2002, Premiere was up for sale. In 2001, the company's turn-over had been close to 800 million Euros, whilst the overall loss (EBITDA- consolidated earnings before interest, taxes and depreciation) amounted to the comparable sum of 775 million Euros. Premiere's bad performance was one of the reasons for the group's insolvency. At that time, the company maintained 2.4 million subscribers. Permira, a private equity company, acquired Premiere as one of KirchMedia's bankruptcy assets. Permira was left as the only contender, at the end of the bidding process.

In a joint effort with Premiere's management, Permira performed an impressive turnaround: This was accomplished by tightening cost control and by investing into new technology, aimed at preventing unauthorized use of Premiere's services.

In 2005, two years after the company had been acquired, Premiere achieved a turn-over of 1.074 billion Euros and a profit (EBITDA) of 138 million Euros. In March of 2005, Premiere was enlisted on the Frankfurt stock exchange.

In spite of intermediate setbacks, which were caused by the loss of transmission rights for the German soccer league, Premiere has achieved a lasting recovery. For the year of 2007, the Pay TV Operator has forecast a turn-over of roughly one billion Euros, resulting in a profit (EBITDA) of somewhere between 80 and 100 million Euros. The company maintains 3.5 million direct subscribers.