

New Sales and Profit Record for HSE24

- **Home shopping specialist grows over-proportionally to the market**
- **HSE24 is a pioneer in the customer-oriented use of new technologies and platforms: launch of iPad app and introduction of interactive TV**
- **HSE24 expands: Italian channel debut in June 2011**

Munich, 11 April 2011: HSE24 is the success story of the German teleshopping market: the channel in Ismaning once again reports record figures for the past year. With an increase in net sales of around 12 percent to 441 million Euros (2009: 394 million Euros), HSE24 surpasses growth on the total market which in Germany is around nine percent at more than 1.3 billion Euros (source: company statements).

2010 was HSE24's most successful year ever: the adjusted EBITDA rose more than 40 percent in comparison to last year – corresponding to a peak in profitability. Growth of the home shopping specialist is across all platforms. Net sales in the online shop www.hse24.de increased 30 percent to 84 million Euros (2009: 65 million Euros). E-commerce currently represents 19 percent of the total business and should reach one-third in the mid-term. Currently the company has 610 employees. There are another 2,200 persons employed indirectly through the logistics service providers and call centres.

“Our growth is the result of an outstanding assortment policy and the systematic implementation of our multi-channel strategy,” explains HSE24 CEO Richard Reitzner. “It is our goal to place HSE24 on every available media platform. We are the pioneers in home shopping, no matter what the platform: TV, the Internet, mobile, video on demand or interactive television. These new technologies must clearly show a benefit when shopping. Our customers can then decide which platform they wish to use to see us, depending on their situation at the time.”

2010: expansion of the special interest channels and multi-channel strategy

Last year the HSE24 channel family was expanded to include a third channel, HSE24 Trend. HSE24 Trend is the second special interest channel in addition to HSE24 Extra and with its focus on fashion, jewellery and beauty products is geared to the trend-conscious female target group. HSE24 Extra's profile was further enhanced: the focus of this channel is to be living, kitchen, house & garden as well as DIY.

Since the end of last year, customers can now also place orders using their smartphones: the new shopping application makes it possible, in parallel with the live programme, to place orders while on the road or at home with One Touch.

2011: continuation of the multi-channel strategy / Expansion into Italy

This year is also a time of expansion for HSE24: HSE24 can be received for free on Kabel Deutschland's new video-on-demand platform 'SELECT VIDEO'. Viewers can watch the past 16 live shows as well as specific brand and assortment shows.

From the beginning of May, it will be possible to interact with live TV programming via remote control. ASTRA Platform Services GmbH (APS) and HSE24 are currently developing the first interactive shopping app through HBBTV, available via hybrid set-top boxes. This platform enables for the first time shopping by remote control directly from the live program without media disruption.

Together with Deutsche Telekom, HSE24 is also working on a solution for the first shopping application on the Entertain platform. This shopping application was recently introduced at CeBIT.

This summer HSE24 will offer an app for the iPad. Customers will be able to shop easily and comfortably through live video streaming.

Starting in June 2011, HSE24 Italy goes on air. In the beginning, the Italian-language shows will be produced in Ismaning; apart from that the channel, headquartered in Rome, works independently with its own local infrastructure for merchandising, call centre and logistics. As sales develop, there will be more and more live programming broadcast from Italian studios. HSE24 will very quickly reach more than 80 percent of Italian households via digital terrestrial TV. HSE24 S.p.A. currently has around 30 employees; in the long-term, the channel will employ some 500 persons.

“The Italian market shows great potential,” says Reitzner. “Our multi-channel strategy aims to continuously expand our channel family. This expansion into Italy is a further important step in continuing to drive home shopping in Europe.”

Customer acceptance due to successful assortment policy

Consumers like the enhanced profile of the individual channels, the cross-media promotion and the successful assortment policy: more than 7.5 million people have already made a purchase from HSE24; that is more than 10 percent of the number of contractually capable adults in Germany.

In the past year, around 1.5 million customers ordered from the Munich-based home shopping specialist. HSE24 took an average of 35,000 calls per day, the equivalent of 13 million calls during 2010. Furthermore, 8.5 million packages containing a total of 17.4 million individual products were sent out in 2010.

Interests of the mainly female target group are primarily in the beauty and wellness (28 percent) as well as fashion (24 percent) segments. Other product segments include home & living / household (21 percent), jewellery (18 percent) and house / garden / hobby / home electronics (9 percent).

About HSE24

HSE24 offers a varied shopping programme 24 hours a day covering a wide assortment of products from the worlds of fashion, jewellery, beauty and wellness, household electronics and everything for a beautiful home. HSE24, Germany's most customer-oriented service provider 2009, has also been awarded the rating of "very good" for customer satisfaction and service quality by TÜV Saarland. In 2010 HSE24 also received a certificate for its "excellent" customer service.

Press releases and photos can be downloaded at www.hse24.net

Contact:

Alexandra Brune
 Head of Corporate Communications
 Tel.: 0049 89 96060 308
a.brune@hse24.de