

# NEWS RELEASE

## FOR IMMEDIATE RELEASE

August 4, 2009

### CONTACT:

Michelle Russo, 240-662-2901

[michelle\\_russo@discovery.com](mailto:michelle_russo@discovery.com)

## Discovery Communications Reports Second Quarter 2009 Results

### Second Quarter 2009 Financial Highlights:

- Adjusted OIBDA increased to \$381 million
- Net income available to Discovery stockholders increased to \$183 million
- Free Cash Flow increased to \$166 million

(Silver Spring, Md.) Discovery Communications, Inc. ("Discovery" or the "Company") (NASDAQ: DISCA, DISCB, DISCK) today reported financial results for the second quarter ended June 30, 2009. The discussion below assumes the transaction between Discovery Holding Company ("DHC"), Discovery Communications Holding, LLC ("DCH"), and Advance/Newhouse Programming Partnership that resulted in Discovery becoming a public company, as described in the Other Items section, occurred on January 1, 2008, and as such includes 100% of Discovery's results.

David Zaslav, Discovery's President and Chief Executive Officer, said "Discovery's second quarter results demonstrate our ability to execute on our business plan and strategic initiatives in a difficult operating environment. We delivered 12% ratings growth across our domestic networks and increased international subscribers 11% while offsetting our continued investment in programming with reductions to the selling, general and administrative cost base. The result was demonstrable operating leverage, with Adjusted OIBDA growth of 13% despite the challenging economy and adverse foreign currency fluctuations. At the same time, we took several strategic steps to better position the Company including partnering with Hasbro on a new children's venture and monetizing an underutilized part of our valuable distribution platform. We also considerably strengthened our balance sheet, paying down \$772 million in debt and reducing our leverage to 2.5 times, providing us additional financial flexibility. While the operating environment remains uncertain, with a strengthened balance sheet, operational momentum and sustained operating leverage, we expect to continue to deliver on our commitments to shareholders in the second half of 2009."

Second quarter revenues of \$881 million were down slightly compared with the second quarter a year ago as 2% growth at U.S. Networks was offset by a 5% decline at International Networks, primarily the result of a \$34 million unfavorable impact from foreign currency fluctuations.

Adjusted Operating Income Before Depreciation and Amortization <sup>(1)</sup> ("OIBDA") grew 13% to \$381 million, driven by a 11% increase at U.S. Networks partially offset by a 5% decline at

International Networks due primarily to a \$12 million unfavorable impact from foreign currency fluctuations. Total company Adjusted OIBDA margin increased to 43% for the second quarter from 38% for the same period a year ago.

Second quarter net income available to Discovery Communications, Inc. stockholders of \$183 million (\$0.43 per share) increased \$140 million compared to \$43 million (\$0.16 per share) for the second quarter a year ago. The increased results primarily reflect the \$45 million growth in Adjusted OIBDA and a net of tax gain of \$46 million as a result of the sale of 50% of the Discovery Kids channel.

Free cash flow was \$166 million for the second quarter, an increase of \$71 million from the second quarter of 2008. Free cash flow is defined as cash provided by operating activities less acquisitions of property and equipment.