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DISCOVERY COMMUNICATIONS REPORTS FULL YEAR AND FOURTH QUARTER 2011 RESULTS

Full Year 2011 Financial Highlights:

- Revenues increased 12% to \$4.235 billion
- Adjusted OIBDA increased 13% to \$1.914 billion
- Net income from continuing operations increased 75% to \$1.134 billion
- Free cash flow increased 68% to \$1.042 billion
- Repurchased 27.2 million shares for an aggregate purchase price of \$997 million

Silver Spring, Maryland – February 16, 2012: Discovery Communications, Inc. (“Discovery” or the “Company”) (NASDAQ: DISCA, DISCB, DISCK) today reported financial results for the full year and fourth quarter ended December 31, 2011.

David Zaslav, Discovery’s President and Chief Executive Officer said, “Discovery’s strong 2011 results and operating momentum exemplify the power and universal appeal of our non-fiction programming, as well as the opportunities inherent in the global distribution platform Discovery has built over the last 27 years. Through our continued focus on creating high-quality programming and leveraging that content around the globe, as well as across a growing number of digital and consumer platforms, we were able to take additional share of a strong global advertising market, build new brands and create additional growth drivers across our portfolio. Heading into 2012 we remain focused on taking market share globally while delivering value to our shareholders through sustained financial results and capital returns.”

Fourth Quarter Results

Fourth quarter revenues of \$1,122 million increased \$107 million, or 11%, over the fourth quarter a year ago, led by 11% growth at U.S. Networks and 12% growth at International Networks. Adjusted Operating Income Before Depreciation and Amortization ⁽¹⁾ (“OIBDA”) grew 8% to \$498 million, including \$20 million of additional content costs in the quarter due to changes in amortization rates at several networks and higher impairment charges, as well as \$12 million in adverse foreign currency impact.

Fourth quarter net income from continuing operations available to Discovery Communications, Inc. stockholders of \$336 million (\$0.86 per diluted share) increased \$142 million compared to \$194 million (\$0.45 per diluted share) for the fourth quarter a year ago. The current quarter results reflect the strong operating performance as well as \$109 million in lower taxes primarily due to the recognition of foreign tax credits as a result of a reorganization of certain international operations, partially offset by a \$20 million impairment charge related to our commerce operations.

Free cash flow was \$324 million for the fourth quarter, an increase of \$121 million from the fourth quarter of 2010, due to increased operating performance as well as lower net tax and long-term incentive compensation payments. Free cash flow is defined as cash provided by operating activities less acquisitions of property and equipment.

Full Year Results

Full year 2011 revenues of \$4,235 million increased \$462 million, or 12%, over 2010 revenues, primarily driven by 11% growth at U.S. Networks and 16% growth at International Networks. Adjusted OIBDA grew 13% to \$1,914 million, driven by a 10% increase at U.S. Networks and an 18% increase at International Networks. The domestic results included significant additional licensing revenues under an extended and expanded licensing agreement partially offset by increased content costs from higher impairment charges and changes in amortization rates at several networks.

Full year 2011 net income from continuing operations available to Discovery Communications, Inc. stockholders of \$1,133 million (\$2.80 per diluted share) increased \$503 million compared to \$630 million (\$1.47 per diluted share) a year ago. The current year results primarily reflect the strong operating performance, a gain of \$102 million, net of tax, as a result of contributing the domestic Discovery Health network to the OWN: Oprah Winfrey Network (“OWN”) joint venture, \$99 million of lower expense from the change in the fair value of mark-to-market share-based compensation and \$137 million in lower taxes, primarily due to the recognition of foreign tax credits. The increase also reflects a \$136 million loss on the early extinguishment of debt and termination of interest rate swaps included in the prior year.

Free cash flow was \$1,042 million for the full year, an increase of \$423 million from full year 2010, due to increased operating performance as well as lower net tax, interest and long-term incentive compensation payments, partially offset by higher working capital and content investments. The prior year included payments of \$138 million for the early extinguishment of debt and termination of interest rate swaps.

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[Discovery Communications Full Year and Fourth Quarter 2011 Results Press Release](#)

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