

LOS ANGELES & MUNICH--([BUSINESS WIRE](#))--Collective Digital Studio (CDS), a next generation media company, announced today a significant investment for a minority share of the company from ProSiebenSat.1, one of Europe's largest media companies.

Focused on empowering creators, growing brands and building audiences, CDS oversees one of the leading YouTube multichannel networks with over 600 channels delivering nearly a billion views a month. It pioneered the distribution of premium online content to television and is best known for producing the hit web series *Video Game High School* and TV shows for *The Annoying Orange*, *Epic Meal Time* and *FRED*. CDS also boasts an unparalleled track record for delivering highly successful branded content initiatives for Fortune 200 brands, including Verizon, Dodge, Estee Lauder, Unilever, Procter & Gamble, Toyota, Sony PlayStation, and many more.

"With the ProSiebenSat.1 investment, CDS has gained a strategic partner that will enable us to monetize the global reach of our content as well as tap into the Red Arrow distribution system to create additional opportunities for our creative talent," said Michael Green, Chairman CDS. "With a fierce commitment to the most talented creators on the platform, a top tier nationwide sales division and global distribution both on and offline, CDS is now poised to become a leading 21st century media company."

In August 2013 ProSiebenSat.1 formed its own multichannel network, Studio71, where its current web production activities are bundled. With more than 100 million video views per month, Studio71 has very quickly established itself as a leading provider of online video content in Germany. The goal of the new partnership is to jointly build one of the world's leading multichannel networks and exploit synergies between the companies. For example, Studio71 will receive video content from CDS and marketing will be handled in-house by SevenOne Media. Close cooperation in the areas of technology and business intelligence is also a key aspect of the partnership.

The purchaser of the stake in CDS is ProSiebenSat.1's production/distribution group, Red Arrow Entertainment. The ProSiebenSat.1 subsidiary oversees a group of 15 international production companies in nine countries, as well as building partnerships with top creative talent and acting as a leading programming distribution organization. Red Arrow is significantly expanding its presence in the digital market and, together with CDS, will back online talent and develop new content verticals. At the same time, Red Arrow

will provide support for global programming distribution for content from the venture.

Dr. Christian Wegner, Member of the Executive Board of ProSiebenSat.1 said, “Digital functions globally. Having established a leading multichannel network in the German-speaking region, we are taking the consequent next step with CDS to create a global player in what is a high-growth sector of the entertainment industry.”

Jan Frouman, Group Managing Director, Red Arrow Entertainment Group said, “Our partnership with CDS is a major strategic step forward for Red Arrow. Not only will we be expanding our global digital presence in a real and meaningful way – but we will be doing it with a team who knows the space and shares our creative philosophy. We couldn’t be more pleased.”

CDS was advised by Moelis & Co and represented by Cooley LP. ProSiebensat.1 was represented by Milbank.

About ProSiebensat.1

The ProSiebenSat.1 Group is one of the largest independent media corporations in Europe. Its core business is free TV financed by advertising. With the stations SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold and ProSieben MAXX, the company is the number 1 in the German TV advertising market. In total, the group’s stations reach about 42 million TV households in Germany, Austria and Switzerland. A strong digital and ventures portfolio as well as an international production network are also part of the ProSiebenSat.1 Group.

ProSiebenSat.1 Media AG was established in 2000, the headquarters are located in Unterföhring near Munich. The Group is listed and employs more than 3,000 staff in 12 countries.

About Collective Digital Studio (CDS)

Collective Digital Studio (CDS) is a next generation media company focused on empowering creators, growing brands and building audiences. It oversees one of the leading YouTube multichannel networks with over 600 channels delivering nearly a billion views a month. Distinguished for its ability to produce, distribute and market intellectual property across multiple platforms, CDS pioneered the distribution of premium digital content to television and is best known for producing the hit web series *Video Game High School* as well as TV shows for The Annoying Orange, Epic Meal Time and FRED. It boasts an unparalleled track record for delivering highly successful branded content initiatives for Fortune 200 brands, including Verizon, Dodge, Estee Lauder, Unilever, Procter & Gamble, Toyota, Sony PlayStation, and many more. CDS' world class sales organization includes offices in New York, Los Angeles, Detroit and San Francisco.

CDS is a subsidiary of Collective Management Group, a full-service, multi-media management/production company that is owned by its Founders and GF Capital Private Equity Fund, LP.

For more information, visit: <http://collectivedigitalstudio.com/>.

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