

ProSiebenSat.1 Media SE



ProSiebenSat.1 Media SE

Financial Statements as of December 31, 2015
and combined management report



Content

Financial Statements as of December 31, 2015 of ProSiebenSat.1 Media SE

Combined Management Report of ProSiebenSat.1 Media SE*	3
Balance Sheet of ProSiebenSat.1 Media SE	130
Income statement of ProSiebenSat.1 Media SE	133
Notes of ProSiebenSat.1 Media SE	135
Responsibility Statement of the Executive Board	167
Auditor's Report	168
Editorial Information	169

* The management report of ProSiebenSat.1 Media SE and the management report of the Group are combined in conjunction with § 315 sec. 3 HGB and § 298 sec. 3 HGB



Combined Management Report



Compensation Report

The Compensation Report describes the main features of the compensation system for the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE. It explains the structure and level of compensation of the individual members of the Executive Board and Supervisory Board. The Compensation Report is part of the audited combined management report and complies with the relevant legal regulations; it also takes into account the recommendations of the German Corporate Governance Code in the version dated May 5, 2015.

Compensation Paid to the Executive Board

The members of the Executive Board of ProSiebenSat.1 Media SE have contractual relationships with the Company in addition to their functions as directors and officers. The Supervisory Board of ProSiebenSat.1 Media SE is responsible for concluding the employment agreements with the members of the Executive Board. The Executive Board employment agreements have a maximum term of five years and also regulate the compensation. After a proposal of the Compensation Committee, the structure and amount of the Executive Board compensation are defined by the full Supervisory Board and regularly reviewed. The criteria for appropriate compensation are, on the one hand, the individual Board members' personal performance and areas of work and responsibility and, on the other hand, the amount and structure of executive board compensation in comparable companies, the Company's business situation and the ProSiebenSat.1 Media SE compensation structure.

Compensation System for the Executive Board

The compensation system for the Executive Board of ProSiebenSat.1 Media SE aims to create an incentive for sustainable company performance. It is composed of fixed and performance-based components. There were individual changes to the compensation system in financial year 2015 that are discussed in detail in connection with the respective compensation components below. In financial year 2015, Executive Board compensation consisted of the following components:

- All Executive Board members each received a **fixed base salary**, paid monthly, that was determined with reference to the individual Executive Board member's areas of work and responsibility.
- In addition to this fixed base salary, the Executive Board members received **performance-based variable annual compensation** in the form of a performance bonus. The structure of the performance bonus as contained in the individual Executive Board employment agreements is principally identical: The amount of the performance bonus depends on the achievement of annual targets defined at the start of each year for the defined target parameters for the respective financial year. Unlike the previous bonus system, from 2015 the Supervisory Board is responsible not only for determining the underlying targets, but also for the amount of the performance targets for the performance bonus at its own discretion. This means that the performance bonus can be better tailored to the Company's situation and the responsibilities of the respective Executive Board member. The Supervisory Board defines at least two performance targets for each Executive Board member and the relative weighting of these parameters. A target bonus per financial year is defined for the performance targets in their entirety. If the target is exceeded, the performance bonus may be higher than the target bonus; however, it may not exceed 200% of the target bonus. If the targets are not met, the performance bonus may be lower than the target bonus or may not be paid at all. The target agreements for 2015 defined performance targets for the Executive Board members calculated on the basis of Group EBITDA and net financial debt as well as individual targets corresponding to the allocation of responsibilities within the Executive Board. The personal target agreement for Dr. Christian Wegner is largely based on the revenue and EBITDA targets of the Digital & Adjacent segment.

- › In addition, Executive Board members receive a long-term share-based compensation component. The Group Share Plan, which was established in 2012, is organized as a share bonus program and is served by the Company's own shares. Participants are issued with performance share units (PSUs) entitling them to receive shares after the expiry of a four-year holding period from the beginning of the year of grant. The conversion factor by which the PSUs are exchanged for ProSiebenSat.1 shares after the end of the holding period depends on the achievement of predefined annual targets during the holding period. These relate to the development of Group EBITDA. The performance factor can vary between 0% and 150% (performance-related cap). The number of PSUs is also adjusted in the event of the payment of a superdividend by applying a corresponding dilution ratio. In the event of exceptional developments, the Supervisory Board can also raise or lower the conversion factor by up to 25 percentage points under consideration of the individual performance of the Executive Board members. Any superdividend dilution ratio and the performance factor are applied at the date on which the performance share units are converted into shares. If the share price when the conversion factor is defined exceeds the share price when the PSUs were issued by more than 200%, the conversion factor is further reduced so that a price increase above the threshold of 200% does not result in a further increased value of the PSUs (price-related cap). After the end of each year of the four-year holding period, a quarter of the PSUs awarded become vested; a requirement for this is that Group net income is generated in the according financial year in question and the EBITDA of ProSiebenSat.1 Group does not fall below a defined minimum. The Group Share Plan replaced the previous Long Term Incentive Plan (LTIP), under which stock options were last issued to Executive Board members in 2009; all of these shares have now been exercised or redeemed. Further information on the Group Share Plan and the LTIP can be found in the notes to the consolidated financial statements.

Under the Mid-Term Incentive Plan that was introduced in 2015, the Executive Board members receive an additional multi-year variable compensation component. This is a medium-term cash compensation instrument for members of ProSiebenSat.1 Group's Executive Board and selected other managers. The plan term of the Mid-Term Incentive Plan is three years beginning from financial year 2016. The payment amount depends on the recurring EBITDA of ProSiebenSat.1 Group at the end of the plan term and the achievement of certain minimum thresholds for revenues and recurring EBITDA during the plan term. The payment amount is limited to 250% of the respective target bonus. The members of the Executive Board and the other participants in the Mid-Term Incentive Plan each receive a one-off allocation for the entire plan term. Participants who leave the Company prior to the end of the plan term receive a payment amount that is reduced on a pro rata basis. The one-time allocation to the Executive Board members under the Mid-Term Incentive Plan was made in February and April 2015. The Mid-Term Incentive Plan is not included in the table of benefits for 2015 according to GCGC as the plan term within the meaning of the German Corporate Governance Code (GCGC) does not begin until 2016. The target value, i.e. the value granted to the Executive Board member in the event of 100% target attainment, is EUR 1.5 million for Thomas Ebeling and EUR 1.0 million for each of Dr. Gunnar Wiedenfels, Conrad Albert, Dr. Christian Wegner and Dr. Ralf Schremper.

- › **Pension agreements** were signed for all members of the Executive Board: For the period of the employment relationship, the Company pays a monthly contribution into the personal pension account managed by the Company. The contribution made by the Company is equivalent to 20% of the respective fixed monthly gross salary. Each member of the Executive Board has the right to pay any additional amount into the pension account in the context of deferred compensation. There are no further payments after the end of the employment relationship. The Company guarantees the paid-in capital and annual interest of 2%. The amounts paid in are invested on the money and capital markets. A retirement pension is paid if the Executive Board member attains the age of 60, or 62 in



the case of Dr. Ralf Schremper and Dr. Gunnar Wiedenfels, and was a member for at least a full three years. This entitlement also arises in the case of permanent disability. The monthly retirement pension is derived from the actuarially calculated life-long pension as of the time of the entitlement to benefits. Instead of a life-long pension, Executive Board members can demand the payment of the guaranteed capital when the entitlement occurs.

- > The Executive Board members also receive other **non-performance-based fringe benefits** in the form of typical non-cash benefits (especially company cars and participation in group accident insurance).
- > In the case of the premature termination of the employment relationship by the Company without good cause, the Executive Board agreements include a settlement payment commitment amounting to two years' total compensation according to Section 4.2.3 of the GCGC up to a maximum of the compensation that would have been paid up to the end of the agreement period.
- > The Executive Board agreements contain clauses providing for a change of control at the Company. A change of control as defined in the Executive Board agreements takes place (i) if control is acquired within the meaning of takeover law, i.e. at least 30% of the voting rights in the Company are acquired by the acquirer, (ii) if the merger of the Company is implemented with the Company as the transferring legal entity, or (iii) if a control agreement comes into force with the Company as the dependent entity. In the event of a change of control, each Executive Board member is entitled to terminate the Executive Board agreement giving three months' notice to the end of the month and to step down from the Executive Board if the change of control involves a significant interference of the position of the Executive Board. If this right of termination is exercised effectively, the Executive Board member shall receive a cash settlement payment that counts in full towards any waiting allowance. The cash settlement payment corresponds to three times the annual compensation of the respective Executive Board member but is limited to the compensation for the remaining term of the respective employment agreement discounted to the termination date. For the purposes of the cash settlement payment, annual compensation is defined as the total amount contractually due to the respective Executive Board member for the last complete financial year, consisting of the fixed compensation, performance bonus, multi-year compensation components and pension contributions.

Compensation of Executive Board Members for Financial Year 2015 According to GAS 17

The following total compensation was determined for the Executive Board members active in financial year 2015 in accordance with German Accounting Standard (GAS) 17:

Compensation of Executive Board members for financial year 2015 according to GAS 17

in accordance with GAS 17 EUR thousand	Thomas Ebeling CEO since 03/01/2009		Dr. Gunnar Wiedenfels CFO since 04/01/2015		Conrad Albert Executive Board member for Legal, Distribution & Regulatory Affairs since 10/01/2011		Dr. Christian Wegner Executive Board member for Digital & Adjacent since 10/01/2011	
	2015	2014	2015	2014	2015	2014	2015	2014
Fixed compensation	1,000.0	1,000.0	382.5	-	575.0	543.8	700.0	700.0
Fringe benefits ¹	92.2	59.1	8.4	-	10.0	9.7	15.4	18.7
Total fixed compensation	1,092.2	1,059.1	390.9	-	585.0	553.5	715.4	718.7
Annual variable compensation	1,530.0	1,980.0	329.1	-	472.5	569.1	777.0	1,125.0
Multi-year variable compensation without third-party compensation								
Group Share Plan (2012-2015) ²	488.7	-	-	-	391.0	-	391.0	-
Group Share Plan (2014-2017)	-	1,000.0	-	-	-	800.0	-	800.0
Group Share Plan (2015-2018)	1,000.0	-	800.0	-	800.0	-	800.0	-
Total variable compensation	3,018.7	2,980.0	1,129.1	-	1,663.5	1,369.1	1,968.0	1,925.0
Total compensation excl. third-party compensation	4,110.9	4,039.1	1,520.0	-	2,248.5	1,922.6	2,683.4	2,643.7
Multi-year variable third-party compensation ³	-	23,460.2	-	-	-	8,531.0	-	10,663.7
Total compensation incl. third-party compensation	4,110.9	27,499.3	1,520.0	-	2,248.5	10,453.6	2,683.4	13,307.4
Increase of pension obligation (DBO)	1,993.2	2,404.8	79.8	-	225.1	160.6	585.8	209.8
thereof entitlements from deferred compensation	1,766.7	2,125.1	26.0	-	124.6	5.7	479.0	-
Amount of pension obligation (DBO) ⁴	8,834.5	6,841.2	79.8	-	568.5	343.3	928.5	342.7
thereof entitlements from deferred compensation	7,453.8	5,687.1	26.0	-	155.5	31.0	479.0	-

in accordance with GAS 17 EUR thousand	Dr. Ralf Schremper Chief Strategy and Investment Officer since 04/01/2015		Axel Salzmann ⁵ CFO until 03/31/2015		Heidi Stopper ⁶ Chief Human Resources Officer until 09/30/2014		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Fixed compensation	382.5	-	168.8	675.0	-	375.0	3,208.8	3,293.8
Fringe benefits ¹	8.6	-	5.0	19.8	-	6.5	139.6	113.8
Total fixed compensation	391.1	-	173.8	694.8	-	381.5	3,348.4	3,407.6
Annual variable compensation	280.3	-	183.9	855.0	-	327.8	3,572.8	4,856.9
Multi-year variable compensation without third-party compensation								
Group Share Plan (2012-2015) ²	-	-	-	-	-	-	1,270.7	-
Group Share Plan (2014-2017)	-	-	-	800.0	-	800.0	-	4,200.0
Group Share Plan (2015-2018)	800.0	-	-	-	-	-	4,200.0	-
Total variable compensation	1,080.3	-	183.9	1,655.0	-	1,127.8	9,043.5	9,056.9
Total compensation excl. third-party compensation	1,471.4	-	357.7	2,349.8	-	1,509.3	12,391.9	12,464.5
Multi-year variable third-party compensation ³	-	-	-	12,796.5	-	4,265.5	-	59,716.9
Total compensation incl. third-party compensation	1,471.4	-	357.7	15,146.3	-	5,774.8	12,391.9	72,181.4
Increase of pension obligation (DBO)	58.3	-	202.2	221.8	-	104.4	3,144.5	3,101.5
thereof entitlements from deferred compensation	-	-	-	-	-	-	2,396.3	2,130.8
Amount of pension obligation (DBO) ⁴	58.3	-	1,047.3	845.1	-	184.5	11,516.8	8,556.9
thereof entitlements from deferred compensation	-	-	-	-	-	-	8,114.4	5,718.1

¹ Includes lease payments for use of company car and insurance premiums (excluding D&O). Fringe benefits for Thomas Ebeling include benefits for home flights and drive services.

² Individual adjustment of the number of granted performance share units by the Supervisory Board in the amount of 17.5 percentage points in accordance with the plan conditions and adjustment of the number of granted performance share units to protect against dilution for a superdividend (1.23) and adjustment of the conversion factor (102.7%) measured as of December 31, 2015.

³ One-off special payment in financial year 2014 by the former indirect majority shareholder Lavena 3 S.à.r.l. on the sale of all its indirectly held shares in the Company.

⁴ Defined benefit obligation (DBO) as of December 31 of the reporting year.

⁵ Axel Salzmann left the Executive Board effective March 31, 2015; his employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to March 2015, the pension obligations relate to the entire financial year 2015.

⁶ Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to September 2014, the pension obligations relate to the entire financial year 2014.

Axel Salzmann stepped down from the Executive Board as of March 31, 2015; his employment contract ended with effect from the same date. In accordance with his termination agreement, Axel Salzmann received a settlement payment that was composed as follows: Fixed compensation for April to December 2015 (EUR 506,250), pro rata variable compensation based on average target achievement for 2012 to 2014 (163.5%) in the amount of EUR 551,813, a waiting allowance for a post-contractual non-competition clause of EUR 337,500, fringe benefits already granted in the amount of EUR 14,886, and pension contributions of EUR 101,250 for April to December 2015. As no performance share units for 2015 were granted from the Group Share Plan by the termination date, Axel Salzmann received EUR 200,000 as a supplement to the settlement payment. The termination agreement also stated that all of the performance share units granted to Axel Salzmann that would have vested by the end of the original contractual term (December 31, 2015) are considered to have vested with effect from the severance date.

Additional Disclosures on Share-based Compensation Instruments (Stock Option Plan and Group Share Plan)

The stock options and performance share units granted to active members of the Executive Board for their activity as members of the Executive Board developed as follows in financial year 2015:

Additional disclosures on share-based compensation instruments

		GROUP SHARE PLAN ³				
		Outstanding performance share units at the start of the financial year	Performance share units granted in the financial year	Fair value of the grant in EUR	Performance share units expired in the financial year	Outstanding performance share units at the end of the financial year
		Number	Number		Number	Number
Thomas Ebeling	2015	112,035	20,505	1,000,000	0	132,540
	2014	79,963	32,072	1,000,000	0	112,035
Dr. Gunnar Wiedenfels ¹	2015	0	16,404	800,000	0	16,404
	2014	-	-	-	-	-
Conrad Albert	2015	89,628	16,404	800,000	0	106,032
	2014	63,970	25,658	800,000	0	89,628
Dr. Christian Wegner	2015	89,628	16,404	800,000	0	106,032
	2014	63,970	25,658	800,000	0	89,628
Dr. Ralf Schremper ¹	2015	0	16,404	800,000	0	16,404
	2014	-	-	-	-	-
Axel Salzmann	2015	89,628	0	0	19,133	70,495
	2014	63,970	25,658	800,000	0	89,628
Heidi Stopper ²	2015	-	-	-	-	-
	2014	44,600	25,658	800,000	0	70,258
Total	2015	380,919	86,121	4,200,000	19,133	447,907
	2014	316,473	134,704	4,200,000	0	451,177

¹ The Executive Board members Dr. Ralf Schremper and Dr. Gunnar Wiedenfels also hold performance share units and stock options granted before joining the Executive Board; these were not granted to them as compensation for their role as Executive Board members and therefore are also not shown in the overview.

² Heidi Stopper left the Executive Board effective September 30, 2014; disclosures on her share-based compensation instruments can be found in the section on total compensation of former Executive Board members.

³ Nominal amounts of the performance share units when granted.

⁴ The total expenses additionally include the adjustment of the granted performance share units to protect against dilution for a superdividend (1.23) and the adjustment of the conversion factor (102.7%) as well as the individual increase by the Supervisory Board (17.5%) measured as of December 31, 2015 for the Group Share Plan 2012.

Additional disclosures on share-based compensation instruments (continued)

		LONG TERM INCENTIVE PLAN					
		Outstanding options at the start of the financial year	Options granted in the financial year	Fair value of the grant in EUR	Options expired in the financial year	Outstanding options at the end of the financial year	Total expenses for share-based compensation ⁴
		Number	Number		Number	Number	in EUR
Thomas Ebeling	2015	0	0	0	0	0	1,301,188
	2014	105,000	0	0	0	0	887,915
Dr. Gunnar Wiedenfels ¹	2015	0	0	0	0	0	375,060
	2014	0	0	0	0	0	-
Conrad Albert	2015	0	0	0	0	0	1,040,983
	2014	0	0	0	0	0	710,337
Dr. Christian Wegner	2015	0	0	0	0	0	1,040,983
	2014	0	0	0	0	0	710,337
Dr. Ralf Schremper ¹	2015	0	0	0	0	0	375,060
	2014	0	0	0	0	0	-
Axel Salzmann	2015	0	0	0	0	0	152,251
	2014	60,000	0	0	0	0	710,337
Heidi Stopper ²	2015	-	-	-	-	-	-
	2014	0	0	0	0	0	647,524
Total	2015	0	0	0	0	0	4,285,526
	2014	165,000	0	0	0	0	3,666,450

¹ The Executive Board members Dr. Ralf Schremper and Dr. Gunnar Wiedenfels also hold performance share units and stock options granted before joining the Executive Board; these were not granted to them as compensation for their role as Executive Board members and therefore are also not shown in the overview.

² Heidi Stopper left the Executive Board effective September 30, 2014; disclosures on her share-based compensation instruments can be found in the section on total compensa-

tion of former Executive Board members.

³ Nominal amounts of the performance share units when granted.

⁴ The total expenses additionally include the adjustment of the granted performance share units to protect against dilution for a superdividend (1.23) and the adjustment of the conversion factor (102.7%) as well as the individual increase by the Supervisory Board (17.5%) measured as of December 31, 2015 for the Group Share Plan 2012.

Since financial year 2010, no more stock options from the Long-Term Incentive Plan have been granted to members of the Executive Board. In accordance with a Supervisory Board resolution, the Company repurchased the 165,000 stock options of the LTIP from the 2009 cycle in 2014 that were still outstanding at the start of financial year 2014 from the relevant Executive Board members; since then, no more stock options have been outstanding under the LTIP.

In financial year 2015, no performance share units from the Group Share Plan were exercised and 19,133 performance share units expired. For more information on the performance share units granted for financial year 2015, refer to Note 37 in the notes to the consolidated financial statements.

Other Compensation Components

The Company has granted neither loans nor provided guaranties or warranties to the members of the Executive Board.

Third-party Compensation

Following the sale of all of its indirectly held shares in ProSiebenSat.1 Media SE, Lavena 3 S.à r.l., ProSiebenSat.1 Media SE's former indirect majority shareholder, made a voluntary one-off special payment of EUR 59.7 million at the end of June 2014 to those Executive Board members of ProSiebenSat.1 Media SE who were active in financial year 2014. This was not recognized as an expense for ProSiebenSat.1 Media SE or the Group companies, as the special payment was not a payment by the Company or the Group. Further information can be found in the Compensation Report in the 2014 Annual Report.

Compensation of Executive Board Members for Financial Year 2015 According to the German Corporate Governance Code (GCGC)

The GCGC recommends the individual disclosure of specific compensation components for each Executive Board member according to certain criteria. It further recommends the use of the template tables included in the GCGC for their presentation, in some cases deviating from GAS 17.

Grants Granted According to GCGC

The table below shows the grants granted for financial year 2015 including fringe benefits and the minimum and maximum compensation achievable for financial year 2015 as granted to the active members of the Executive Board for their activity as members of the Executive Board. In deviation from the presentation of total compensation according to GAS 17, to comply with the GCGC, the annual variable compensation must be given as the target value, i.e. the value granted to the Executive Board member in the event of 100% target achievement. Furthermore, the pension cost, i.e. the service cost according to IAS 19, must be included in total compensation according to the GCGC.

Grants granted according to GCGC								
amounts received EUR thousand	Thomas Ebeling CEO since 03/01/2009				Dr. Gunnar Wiedenfels CFO since 04/01/2015			
	2014	2015	2015 (min)	2015 (max)	2014	2015	2015 (min)	2015 (max)
Fixed compensation	1,000.0	1,000.0	1,000.0	1,000.0	-	382.5	382.5	382.5
Fringe benefits ¹	59.1	92.2	92.2	92.2	-	8.4	8.4	8.4
Total fixed compensation	1,059.1	1,092.2	1,092.2	1,092.2	-	390.9	390.9	390.9
Annual variable compensation	1,000.0	1,000.0	0.0	2,000.0	-	243.8	0.0	487.5
Multi-year variable compensation without third-party compensation ²								
Group Share Plan (2012-2015) ³	-	488.7	488.7	488.7	-	-	-	-
Group Share Plan (2014-2017)	1,000.0	-	-	-	-	-	-	-
Group Share Plan (2015-2018)	-	1,000.0	0.0	5,250.0	-	800.0	0.0	4,200.0
Total variable compensation	2,000.0	2,488.7	488.7	7,738.7	-	1,043.8	0.0	4,687.5
Pension costs ⁴	185.1	199.5	199.5	199.5	-	53.8	53.8	53.8
Total compensation excl. third-party compensation (GCGC)	3,244.2	3,780.4	1,780.4	9,030.4	-	1,488.5	444.7	5,132.2
Multi-year variable third-party compensation ⁵	23,460.2	-	-	-	-	-	-	-
Total compensation incl. third-party compensation (GCGC)	26,704.4	3,780.4	1,780.4	9,030.4	-	1,488.5	444.7	5,132.2
amounts received EUR thousand	Conrad Albert Executive Board member for Legal, Distribution & Regulatory Affairs since 10/01/2011				Dr. Christian Wegner Executive Board member for Digital & Adjacent since 10/01/2011			
	2014	2015	2015 (min)	2015 (max)	2014	2015	2015 (min)	2015 (max)
Fixed compensation	543.8	575.0	575.0	575.0	700.0	700.0	700.0	700.0
Fringe benefits ¹	9.7	10.0	10.0	10.0	18.7	15.4	15.4	15.4
Total fixed compensation	553.5	585.0	585.0	585.0	718.7	715.4	715.4	715.4
Annual variable compensation	322.9	375.0	0.0	750.0	700.0	700.0	0.0	1,400.0
Multi-year variable compensation without third-party compensation ²								
Group Share Plan (2012-2015) ³	-	391.0	391.0	391.0	-	391.0	391.0	391.0
Group Share Plan (2014-2017)	800.0	-	-	-	800.0	-	-	-
Group Share Plan (2015-2018)	-	800.0	0.0	4,200.0	-	800.0	0.0	4,200.0
Total variable compensation	1,122.9	1,566.0	391.0	5,341.0	1,500.0	1,891.0	391.0	5,991.0
Pension costs ⁴	72.5	98.3	98.3	98.3	61.3	107.8	107.8	107.8
Total compensation excl. third-party compensation (GCGC)	1,748.9	2,249.3	1,074.3	6,024.3	2,280.0	2,714.2	1,214.2	6,814.2
Multi-year variable third-party compensation ⁵	8,531.0	-	-	-	10,663.7	-	-	-
Total compensation incl. third-party compensation (GCGC)	10,279.9	2,249.3	1,074.3	6,024.3	12,943.7	2,714.2	1,214.2	6,814.2

Grants granted according to GCGC (continued)

amounts received EUR thousand	Dr. Ralf Schremper Chief Strategy and Investment Officer since 04/01/2015				Axel Salzmann⁶ CFO until 03/31/2015			
	2014	2015	2015 (min)	2015 (max)	2014	2015	2015 (min)	2015 (max)
Fixed compensation	-	382.5	382.5	382.5	675.0	168.8	168.8	168.8
Fringe benefits ¹	-	8.6	8.6	8.6	19.8	5.0	5.0	5.0
Total fixed compensation	-	391.1	391.1	391.1	694.8	173.8	173.8	173.8
Annual variable compensation	-	243.8	0.0	487.5	450.0	112.5	0.0	225.0
Multi-year variable compensation without third-party compensation ²								
Group Share Plan (2012-2015) ³	-	-	-	-	-	-	-	-
Group Share Plan (2014-2017)	-	-	-	-	800.0	-	-	-
Group Share Plan (2015-2018)	-	800.0	0.0	4,200.0	-	-	-	-
Total variable compensation	-	1,043.8	0.0	4,687.5	1,250.0	112.5	0.0	225.0
Pension costs ⁴	-	58.3	58.3	58.3	117.3	132.8	132.8	132.8
Total compensation excl. third-party compensation (GCGC)	-	1,493.2	449.4	5,136.9	2,062.1	419.1	306.6	531.6
Multi-year variable third-party compensation ⁵	-	-	-	-	12,796.5	-	-	-
Total compensation incl. third-party compensation (GCGC)	-	1,493.2	449.4	5,136.9	14,858.6	419.1	306.6	531.6

amounts received EUR thousand	Heidi Stopper⁷ Chief Human Resources Officer until 09/30/2014			
	2014	2015	2015 (min)	2015 (max)
Fixed compensation	375.0	-	-	-
Fringe benefits ¹	6.5	-	-	-
Total fixed compensation	381.5	-	-	-
Annual variable compensation	312.8	-	-	-
Multi-year variable compensation without third-party compensation ²				
Group Share Plan (2012-2015) ³	-	-	-	-
Group Share Plan (2014-2017)	800.0	-	-	-
Group Share Plan (2015-2018)	-	-	-	-
Total variable compensation	1,112.8	-	-	-
Pension costs ⁴	66.5	-	-	-
Total compensation excl. third-party compensation (GCGC)	1,560.8	-	-	-
Multi-year variable third-party compensation ⁵	4,265.5	-	-	-
Total compensation incl. third-party compensation (GCGC)	5,826.3	-	-	-

- ¹ Includes lease payments for use of company car and insurance premiums (excluding D&O). Fringe benefits for Thomas Ebeling include benefits for home flights and drive services.
- ² The Mid-Term Incentive Plan does not yet represent a grant for 2015, as its plan term does not begin until 2016. With regard to the general conditions, please refer to the explanatory notes on the compensation system for the Executive Board.
- ³ Individual adjustment of the number of granted performance share units by the Supervisory Board in the amount of 17.5 percentage points in accordance with the plan conditions and adjustment of the number of granted performance share units to protect against dilution for a superdividend (1.23) and adjustment of the conversion factor (102.7%) measured as of December 31, 2015.
- ⁴ Pension costs comprise service costs according to IAS 19. In the case of Dr. Ralf Schremper and Dr. Gunnar Wiedenfels this constitute past service costs, as the pension commitment was granted during the year.
- ⁵ One-off special payment in financial year 2014 by the former indirect majority shareholder Lavena 3 S.à.r.l. on the sale of all its indirectly held shares in the Company.

⁶ Axel Salzmann left the Executive Board effective March 31, 2015; his employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to March 2015, the pension costs relate to the entire financial year 2015.

⁷ Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to September 2014, the pension costs relate to the entire financial year 2014.

Information on the termination agreement with Axel Salzmann can be found below the "Compensation of Executive Board members for financial year 2015 according to GAS 17" table.

Receipt According to GCGC

As the compensation granted to members of the Executive Board for the financial year is not always accompanied by a payment in the respective financial year, a separate table – in accordance with the relevant recommendation of the GCGC – shows what amount they received for their activity as members of the Executive Board for the financial year.

In line with GCGC recommendations, the fixed compensation and annual variable compensation must be recognized as receipts for the respective financial year. According to the GCGC, share-based compensation is considered received at the date and value relevant to German tax law. The Executive Board did not receive any share-based compensation in financial year 2015.

Following the recommendations of the GCGC, when disclosing receipts the pension cost in the sense of service cost according to IAS 19 equates to the contributions made, even though it is not an actual receipt in the narrower sense.

Receipt according to GCGC

amounts received EUR thousand	Thomas Ebeling CEO since 03/01/2009		Dr. Gunnar Wiedenfels CFO since 04/01/2015		Conrad Albert Executive Board member for Legal, Distribution & Regulatory Affairs since 10/01/2011		Dr. Christian Wegner Executive Board member for Digital & Adjacent since 10/01/2011	
	2015	2014	2015	2014	2015	2014	2015	2014
Fixed compensation	1,000.0	1,000.0	382.5	-	575.0	543.8	700.0	700.0
Fringe benefits ¹	92.2	59.1	8.4	-	10.0	9.7	15.4	18.7
Total fixed compensation	1,092.2	1,059.1	390.9	-	585.0	553.5	715.4	718.7
Annual variable compensation	1,530.0	1,680.0	329.1	-	472.5	594.1	777.0	1,050.0
Multi-year variable compensation without third-party compensation								
Long Term Incentive Plan 2008 (Cycle 2009)	-	2,100.0	-	-	-	-	-	-
Total variable compensation	1,530.0	3,780.0	329.1	-	472.5	594.1	777.0	1,050.0
Pension costs ²	199.5	185.1	53.8	-	98.3	72.5	107.8	61.3
Total compensation excl. third-party compensation (GCGC)	2,821.7	5,024.2	773.8	-	1,155.8	1,220.1	1,600.2	1,830.0
Multi-year variable third-party compensation ³	-	23,460.2	-	-	-	8,531.0	-	10,663.7
Total compensation incl. third-party compensation (GCGC)	2,821.7	28,484.4	773.8	-	1,155.8	9,751.1	1,600.2	12,493.7

amounts received EUR thousand	Dr. Ralf Schremper Chief Strategy and Investment Officer since 04/01/2015		Axel Salzmann ⁴ CFO until 03/31/2015		Heidi Stopper ⁵ Chief Human Resources Officer until 09/30/2014	
	2015	2014	2015	2014	2015	2014
Fixed compensation	382.5	-	168.8	675.0	-	375.0
Fringe benefits ¹	8.6	-	5.0	19.8	-	6.5
Total fixed compensation	391.1	-	173.8	694.8	-	381.5
Annual variable compensation	280.3	-	183.9	729.0	-	312.8
Multi-year variable compensation without third-party compensation						
Long Term Incentive Plan 2008 (Cycle 2009)	-	-	-	1,200.0	-	-
Total variable compensation	280.3	-	183.9	1,929.0	-	312.8
Pension costs ²	58.3	-	132.8	117.3	-	66.5
Total compensation excl. third-party compensation (GCGC)	729.7	-	490.5	2,741.1	-	760.8
Multi-year variable third-party compensation ³	-	-	-	12,796.5	-	4,265.5
Total compensation incl. third-party compensation (GCGC)	729.7	-	490.5	15,537.6	-	5,026.3

1 Includes lease payments for use of company car and insurance premiums (excluding D&O). Fringe benefits for Thomas Ebeling include benefits for home flights and drive services.

2 Pension costs comprise service costs according to IAS 19. In the case of Dr. Ralf Schremper and Dr. Gunnar Wiedenfels this constitutes past service costs, as the pension commitment was granted during the year.

3 One-off special payment in financial year 2014 by the former indirect majority shareholder Lavena 3 S.à r.l. on the sale of all its indirectly held shares in the Company.

4 Axel Salzmann left the Executive Board effective March 31, 2015; his employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to March 2015, the pension costs relate to the entire financial year 2015.

5 Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to September 2014, the pension costs relate to the entire financial year 2014.

Post-contractual Non-competition Clause

A post-contractual non-competition clause was agreed for all Executive Board members covering one year following the termination of the employment contract. If this is applied, the Executive Board members receive a monthly waiting allowance for the duration of the post-contractual non-competition clause amounting to 1/12 of 75% of their most recent annual compensation. For the purposes of the waiting allowance, annual compensation is defined as the total of the fixed remuneration, performance bonus and any additional multi-year compensation components granted. The calculation of the waiting allowance assumes target achievement of 100% for the performance bonus and applies the allocation value for the multi-year compensation components or, if no annual allocation takes place, the pro rata allocation value attributable to one year of the plan term. Any income generated from work

performed by the respective Executive Board member while the non-competition clause is in force counts towards the waiting allowance to the extent that, extrapolated to one year, it exceeds 50% of the respective member's most recent annual compensation. The Company may waive the non-competition clause prior to the termination of the agreement; in this case, the respective Executive Board member shall only be entitled to receive the waiting allowance for the period between the termination of the agreement and six months after receipt of the waiver. Above and beyond this, the provisions of Sections 74 ff. of the German Commercial Code apply accordingly.

The following table shows the net present value of the compensation payable for the post-contractual non-competition clause. This consists of the present value of the amounts to be paid assuming that Executive Board members were to leave the Company at the end of their regular contractual term and that the contractual benefits received immediately prior to the termination of the employment agreement are the same as their most recent annual compensation. It is assumed that the actual compensation for the post-contractual non-competition clause will differ from the amounts presented in this table. This depends on the exact date on which the employment agreement is terminated and the level of the compensation received at this date.

Waiting allowance		
EUR thousand	Contract term	Net present value of waiting allowance ¹
Thomas Ebeling	06/30/19	2,541.5
Dr. Gunnar Wiedenfels	03/31/18	1,451.9
Conrad Albert	12/31/17	1,540.7
Dr. Christian Wegner	12/31/17	1,873.5
Dr. Ralf Schremper	03/31/18	1,451.9
Total		8,859.6

¹ The following discount rates were used for this calculation in accordance with IAS 19: Thomas Ebeling 0.93%, Dr. Gunnar Wiedenfels 0.74%, Conrad Albert 0.70%, Dr. Christian Wegner 0.70%, Dr. Ralf Schremper 0.74%.

Total Compensation of Former Executive Board Members

Heidi Stopper stepped down from the Executive Board effective September 30, 2014; her employment agreement ended effective March 31, 2015. In addition to Heidi Stopper's total compensation as a member of the Executive Board, she received the following compensation for financial year 2014 in the months from October to December: Fixed compensation of EUR 125,000, fringe benefits of EUR 3,049 and pro rata variable annual compensation of EUR 104,250. In accordance with her termination agreement, Heidi Stopper received the following compensation for the months from January to March 2015: Fixed compensation of EUR 125,000, fringe benefits of EUR 4,809, pro rata variable compensation on the basis of average target achievement for 2012 to 2014 (163%) of EUR 102,875 and pension contributions of EUR 25,000. She also received a settlement payment comprised as follows: Fixed compensation for April to December 2015 (EUR 375,000), pro rata variable compensation on the basis of average target achievement for 2012 to 2014 (163%) of EUR 305,625, fringe benefits already granted of EUR 14,427, and pension contributions of EUR 75,000 for April to December 2015. As no performance share units for 2015 were granted from the Group Share Plan by the termination date, Heidi Stopper received EUR 200,000 as a supplement to the settlement payment. The termination agreement also stated that all of the performance share units granted to Heidi Stopper that would have vested by the end of the original contractual term (December 31, 2015) are considered to have vested with effect from the termination date.

Axel Salzmann stepped down from the Executive Board as of March 31, 2015; his employment contract ended with effect from the same date. In addition to Axel Salzmann's total compensation as a member of the Executive Board for financial year 2015, he received a settlement payment in accordance with his termination agreement that was composed as follows: Fixed compensation for April to December 2015 (EUR 506,250), pro rata variable compensation based on average target achievement for 2012 to 2014 (163.5%) in the amount of EUR 551,813, a waiting allowance for a post-contractual non-competition clause of EUR 337,500, fringe benefits already granted in the amount of EUR 14,886, and pension contributions of EUR 101,250 for April to December 2015. As no performance share units for 2015 were granted from the Group Share Plan by the termination date, Axel Salzmann received EUR 200,000 as a supplement to the settlement payment. The termination agreement also stated that all of the performance share units granted to Axel Salzmann that would have vested by the end of the original contractual term (December 31, 2015) are considered to have vested with effect from the termination date.

The total compensation of the former Executive Board members Heidi Stopper and Axel Salzmann amounted to EUR 2.9 million in financial year 2015.

At the start of financial year 2015, the number of performance share units for the former Executive Board member Heidi Stopper was 70,258. A total of 19,133 performance share units expired during the financial year 2015, with 51,125 remaining at the end of financial year 2015. Information on the share-based compensation instruments for Axel Salzmann can be found in the table showing the development of these instruments.

In addition, total compensation (pensions) was paid to former Executive Board members amounting to EUR 0.3 million in financial year 2015 (previous year: EUR 0.3 million). As of December 31, 2015, pension provisions for former members of the Executive Board according to IFRS amounted to EUR 11.4 million (previous year: EUR 11.2 million). The provisions for Axel Salzmann can be found in the table showing the total compensation of the Executive Board in accordance with GAS 17.

Provisions for Pensions

In financial year 2015, there were additions to provisions for pensions for active and former Executive Board members in line with IFRS totaling EUR 3.1 million (previous year: EUR 4.3 million). EUR 0.6 million of this related to service costs (previous year: EUR 0.5 million), EUR 0.5 million to interest expenses (previous year: EUR 0.6 million) as well as minus EUR 0.1 million to actuarial losses (previous year: EUR 1.8 million) and minus EUR 0.3 million (previous year: minus EUR 0.3 million) to pension payments. Furthermore, deferred compensation in the amount of EUR 2.4 million was deferred in the past financial year (previous year: EUR 1.8 million). As of December 31, 2015, provisions for pensions for active and former Executive Board members totaled EUR 22.9 million (previous year: EUR 19.8 million).

D&O Insurance

The Executive Board members participate in group liability insurance (D&O insurance). This D&O insurance covers the personal liability risk should Executive Board members be made liable for financial losses when exercising their professional functions for the Company. The insurance includes a deductible according to which an Executive Board member, against whom a claim is made, pays a total of 10% of the claim in each insurance event, but not more than 150% of the respective fixed annual compensation for all insurance events in one insurance year. The relevant figure for calculating the deductible is the fixed compensation in the calendar year in which the infringement of duty occurred.

Compensation Paid to the Supervisory Board

Compensation System for the Supervisory Board

The compensation of the Supervisory Board is set out in the Company's articles of association.

The Supervisory Board compensation was changed at the Annual General Meeting on June 26, 2014, and incorporated into the articles of association of ProSiebenSat.1 Media AG. The new compensation system for the Supervisory Board applied for the first time for the tenures of the Supervisory Board members elected at the Annual General Meeting on June 26, 2014. By resolution of the Annual General Meeting on May 21, 2015 on the conversion of the Company into an SE, this compensation system was incorporated into the articles of association of ProSiebenSat.1 Media SE with its content unchanged, meaning that it also applies to the members of the Supervisory Board of ProSiebenSat.1 Media SE. The compensation system is composed as follows:

Members of the Supervisory Board receive fixed annual compensation for each full financial year of their membership of the Supervisory Board. The fixed compensation amounts to EUR 250,000 for the Chairman of the Supervisory Board, EUR 150,000 for the Vice Chairman and EUR 100,000 for all other members of the Supervisory Board. The Chairman of a Supervisory Board committee receives additional fixed annual compensation of EUR 30,000; the additional fixed annual compensation for the Chairman of the Audit and Finance Committee amounts to EUR 50,000. Members of the Supervisory Board also receive fixed annual compensation of EUR 7,500 for membership in a Supervisory Board committee. In addition, members of the Supervisory Board receive a meeting honorarium of EUR 2,000 for each meeting attended in person. For the Chairman of the Supervisory Board, the meeting honorarium amounts to EUR 3,000 for each meeting attended in person. In the event of multiple meetings held on one day, the meeting honorarium is only paid once. No performance-based variable compensation is granted.

The current members of the Supervisory Board guaranteed to the Supervisory Board in a "self-commitment" to use each 20% of their annually fixed compensation, in accordance with Article 14 (1) and (2) of the Articles of Association (before tax deduction), to annually buy shares of ProSiebenSat.1 Media SE and hold them for a period of four years, but for the period of their membership in the Supervisory Board of ProSiebenSat.1 Media SE at the longest; in case of reelection, the obligation to hold shares applies to the single terms of office. With this self-commitment to invest in and hold ProSiebenSat.1 shares, the members of the Supervisory Board want to underline their interest in the Company's long-term, sustainable success.

The previous compensation system for the Supervisory Board applied until June 25, 2014. On the basis of the Company's articles of association in the version adopted by the Annual General Meeting on June 4, 2009, the members of the Supervisory Board received fixed annual compensation. This amounted to EUR 50,000 for the ordinary Supervisory Board members and EUR 100,000 each for the Chairman and the Vice Chairman. In addition, meeting honoraria were paid for contributing to the committees. This amounted to EUR 3,000 per meeting attended for ordinary members of the Audit and Finance Committee, and EUR 1,500 per meeting attended for ordinary members of any other committee. Committee Chairmen received twice the standard meeting honorarium. No performance-based variable compensation was granted.

Compensation of Supervisory Board Members for Financial Year 2015

Supervisory Board members received the following compensation for financial year 2015:



Compensation of Supervisory Board members for the 2015 financial year

EUR thousand

		Fixed base compensation	Presiding Committee compensation	Audit and Finance Committee compensation	Compensation Committee compensation	Meeting honorarium for personal attendance	Total
Dr. Werner Brandt ¹ Chairman	2015	250.0	30.0	0.0	30.0	45.0	355.0
	2014	125.0	15.0	0.0	15.0	12.0	167.0
Dr. Marion Helmes ² Deputy Chairwoman	2015	124.2	14.5	7.5	3.6	34.0	183.8
	2014	50.0	0.0	3.8	0.0	12.0	65.8
Lawrence Aidem ³	2015	100.0	7.5	0.0	0.0	24.0	131.5
	2014	50.0	3.8	0.0	0.0	8.0	61.8
Antoinette (Annet) P. Aris ⁴	2015	100.0	0.0	7.5	7.5	26.0	141.0
	2014	50.0	0.0	3.8	3.8	12.0	69.5
Adam Cahan ⁵	2015	100.0	0.0	0.0	0.0	12.0	112.0
	2014	50.0	0.0	0.0	0.0	4.0	54.0
Stefan Dziarski ⁶	2015	0.0	0.0	0.0	0.0	0.0	0.0
	2014	50.6	0.0	9.0	0.0	2.0	61.6
Philipp Freise ⁷	2015	87.8	15.0	0.0	3.8	10.0	116.5
	2014	101.1	15.0	9.0	1.9	10.0	137.0
Angelika Gifford ⁸	2015	61.3	0.0	0.0	3.6	18.0	82.9
	2014	0.0	0.0	0.0	0.0	0.0	0.0
Lord Clive Hollick ⁹	2015	0.0	0.0	0.0	0.0	0.0	0.0
	2014	25.0	0.0	0.0	0.0	0.0	25.0
Erik Adrianus Hubertus Huggers ¹⁰	2015	100.0	0.0	0.0	3.9	18.0	121.9
	2014	50.0	0.0	0.0	3.8	8.0	61.8
Johannes Peter Huth ¹¹	2015	0.0	0.0	0.0	0.0	0.0	0.0
	2014	50.0	0.0	6.0	3.0	0.0	59.0
Götz Mäuser ¹²	2015	0.0	0.0	0.0	0.0	0.0	0.0
	2014	25.0	0.0	0.0	9.0	0.0	34.0
Ketan Mehta ¹³	2015	11.7	0.0	0.0	0.0	2.0	13.7
	2014	0.0	0.0	0.0	0.0	0.0	0.0
Prof. Dr. Rolf Nonnenmacher ¹⁴	2015	48.4	0.0	24.2	0.0	14.0	86.5
	2014	0.0	0.0	0.0	0.0	0.0	0.0
Dr. Jörg Rockenhäuser ¹⁵	2015	0.0	0.0	0.0	0.0	0.0	0.0
	2014	48.9	0.0	0.0	1.5	0.0	50.4
Prof. Dr. Harald Wiedmann ¹⁶	2015	55.5	0.0	25.0	0.0	10.0	90.5
	2014	75.6	0.0	43.0	0.0	14.0	132.6
Total	2015	1,038.7	67.0	64.2	52.4	213.0	1,435.3
	2014	751.1	33.8	74.5	37.9	82.0	979.2

¹ Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
² Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
³ Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
⁴ Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
⁵ Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
⁶ Member of the Supervisory Board of ProSiebenSat.1 Media AG until October 30, 2014

⁷ Member of the Supervisory Board of ProSiebenSat.1 Media AG from March 7, 2007 to July 7, 2015 and of ProSiebenSat.1 Media SE from May 21, 2015 to July 31, 2015
⁸ Member of the Supervisory Board of ProSiebenSat.1 Media AG and of ProSiebenSat.1 Media SE since May 21, 2015
⁹ Member of the Supervisory Board of ProSiebenSat.1 Media AG until June 26, 2014
¹⁰ Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
¹¹ Member of the Supervisory Board of ProSiebenSat.1 Media AG until June 26, 2014

¹² Member of the Supervisory Board of ProSiebenSat.1 Media AG until June 26, 2014
¹³ Member of the Supervisory Board of ProSiebenSat.1 Media SE since November 24, 2015
¹⁴ Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 21, 2015
¹⁵ Member of the Supervisory Board of ProSiebenSat.1 Media AG until June 26, 2014
¹⁶ Member of the Supervisory Board of ProSiebenSat.1 Media AG from March 7, 2007 to July 7, 2015

In addition to this fixed annual compensation and the meeting honoraria, the members of the Supervisory Board were reimbursed for all out-of-pocket expenses and the sales tax levied on their compensation and out-of-pocket expenses.

D&O insurance covers the personal liability risk should Supervisory Board members be made liable for financial losses when exercising their functions. No deductible has been agreed for members of the Supervisory Board.

Members of the Supervisory Board received no remuneration or other consideration for personal services, especially consulting and mediation services, during financial year 2015. Members of the Supervisory Board do not receive loans from the Company.

Takeover-Related Disclosures

(according to Sections 289 (4) and 315 (4)
of the German Commercial Code (HGB))

As a publicly traded company whose voting shares are listed in an organized market within the meaning of Section 2 (7) of the German Securities Acquisitions and Takeover Act (WpÜG), ProSiebenSat.1 Media SE is obliged to record the information stipulated in Sections 289 (4) and 315 (4) of the German Commercial Code (HGB) in the management report and Group management report. The disclosures are intended to enable a third party interested in taking over a publicly traded company to inform itself about the company, its structure, and any obstacles to the takeover. In addition to these statutory disclosures, the following section also includes the related explanations in accordance with Section 176 (1) Sentence 1 of the German Stock Corporation Act (AktG) in conjunction with Article 9 (1) lit. c) ii) SE Regulation:

Composition of the Subscribed Capital

As of December 31, 2015, the share capital of ProSiebenSat.1 Media SE amounted to EUR 218,797,200. It is divided into 218,797,200 no-par registered common shares with a pro rata share in the share capital of EUR 1.00 each. All shares entail the same rights and obligations. Each share in ProSiebenSat.1 Media SE grants one vote at the Annual General Meeting and an identical share in profits.

Restrictions Affecting Voting Rights or the Transfer of Shares

The Executive Board has no information on any restrictions to the exercise of voting rights or the transferability of shares that go beyond the legal requirements of the law governing the capital market and the Interstate Broadcasting Treaty (Rundfunkstaatsvertrag).

Shareholdings that Exceed 10% of the Voting Rights

On the basis of the voting rights notifications according to Sections 21 and 22 of the German Securities Trading Act (WpHG) received by the Company by December 31, 2015, there are no direct or indirect shareholdings in the Company's capital that exceed 10% of the voting rights.

Shares with Special Rights that Confer Controlling Powers

No shares with special rights that confer controlling powers have been issued.

Voting Control if Employees Hold a Capital Share

There is no control over voting rights in the event that employees hold a share in the share capital of ProSiebenSat.1 Media SE and do not exercise their controlling rights directly.

Appointment and Removal of Executive Board Members; Amendments of the Articles of Incorporation

In accordance with Section 7 (1) Sentence 1 of the Company's articles of incorporation, the Executive Board of ProSiebenSat.1 Media SE comprises several people; the exact number is determined by the Supervisory Board in accordance with Section 7 (1) Sentence 2 of the articles of incorporation. In principle, members of the Executive Board are appointed and removed by the Supervisory Board as the supervisory body in accordance with Article 39 (2) SE Regulation. In accordance with Section 7 (2) Sentence 1 of the articles of incorporation in conjunction with Article 46 SE Regulation, Executive Board members are appointed for a maximum period of five years; reappointments for a maximum of five years are permitted. Executive Board members can be removed by the Supervisory Board prematurely for good cause. The appointment and removal of Executive Board members require a simple majority

of the votes cast in the Supervisory Board; in the event of a tie, the vote of the Supervisory Board Chairman shall prevail (Section 12 (1) Sentence 3 of the Company's articles of incorporation). If the Executive Board does not have the required number of members, in urgent cases the court shall appoint a member upon petition by a party concerned (Section 85 (1) Sentence 1 AktG in conjunction with Article 9 (1) lit. c) ii) SE Regulation).

The Annual General Meeting must decide on changes to the articles of incorporation (Article 59 (1) SE Regulation). In the case of ProSiebenSat.1 Media SE, a resolution of the Annual General Meeting to change the articles of incorporation requires the simple majority of the votes cast if at least half of the share capital entitled to vote is represented at the passing of the resolution (Article 59 (2) SE Regulation, Section 51 Sentence 1 SE Implementation Act), otherwise a majority of two thirds of the votes cast is required (Article 59 (1) SE Regulation), unless the articles of incorporation or the law demand a greater majority. For example, this is the case for changing the purpose of the company (Section 179 (2) Sentence 1 AktG in conjunction with Article 59 (1) and (2) SE Regulation, Section 51 Sentence 2 SE Implementation Act) and creating contingent capital (Section 193 (1) Sentences 1 and 2 AktG in conjunction with Article 57 SE Regulation, Section 51 Sentence 2 SE Implementation Act) or authorized capital (Section 202 (2) Sentences 2 and 3 AktG in conjunction with Article 57 SE Regulation, Section 51 Sentence 2 SE Implementation Act), for which a majority of at least three quarters of the valid votes cast is required. The Supervisory Board is authorized to pass amendments that relate solely to the wording of the articles of incorporation (Section 179 (1) Sentence 2 AktG in conjunction with Article 9 (1) lit. c) ii) SE Regulation, Section 13 of the articles of incorporation).

Executive Board's Powers to Issue or Repurchase Shares

On the basis of the resolution of the Annual General Meeting of May 21, 2015, the Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the share capital of ProSiebenSat.1 Media SE on or before July 22, 2018, by not more than EUR 109,398,600 by issuing new no-par shares in return for contributions in cash and/or in kind on one or more occasions (Authorized Capital 2013). Subject to the consent of the Supervisory Board, the Executive Board is authorized to determine the further content of the rights attached to the shares and the conditions of the share issue. Shareholders are fundamentally granted the legal preemptive right.

The authorization to issue convertible and/or warrant-linked bonds granted to the Executive Board on the basis of the resolution of the Annual General Meeting on June 4, 2009, expired at the end of June 3, 2014. The contingent capital created to serve the convertible and/or warrant-linked bonds has therefore likewise become invalid.

The resolution of the Annual General Meeting of May 21, 2015, authorizes ProSiebenSat.1 Media SE up to May 20, 2020, to acquire its own shares in an amount of up to 10% of the share capital at the time the authorization was granted or – if lower – the time the authorization is exercised. The Company can exercise this authorization in full or in part, on one or more occasions, and for every legally permissible purpose. The purchase can – also with the use of derivatives – be made via the stock exchange or by means of a tender offer directed to all shareholders and/or by way of a public solicitation to submit sales offers. Purchased own shares can be sold again or redeemed without an additional Annual General Meeting resolution. On the resale of own shares, the Executive Board is authorized, subject to the consent of the Supervisory Board, to partially or fully exclude the shareholders' preemptive rights in certain cases described in more detail in the resolution of the Annual General Meeting.

Significant Agreements of the Company Subject to a Change of Control Resulting from a Takeover Bid

ProSiebenSat.1 Media SE concluded the following significant agreements that entail regulations for the event of a change of control, which could result from a takeover bid:

ProSiebenSat.1 Media SE has an unsecured syndicated facilities agreement which, as of December 31, 2015, includes a term loan of EUR 2.100 billion and a revolving credit facility with a facility amount of EUR 600 million. In the event that the control over ProSiebenSat.1 Media SE changes by way of direct or indirect acquisition of more than 50 % of the voting rights in ProSiebenSat.1 Media SE by a third party (change of control), the lenders are entitled to terminate their participation in the facility and to demand repayment of outstanding amounts allocable to them within a certain period after the change of control takes place.

In addition, ProSiebenSat.1 Media SE has outstanding unsecured notes of EUR 600 million. In the event that the control over ProSiebenSat.1 Media SE changes by way of direct or indirect acquisition of more than 50 % of the voting rights in ProSiebenSat.1 Media SE by a third party (change of control) and a negative rating event occurs following such a change of control, the note creditors are entitled to call in their notes and demand repayment.

In addition, some license agreements for films, TV series and other programs important for the Company include regulations that, in the event of a change of control, entitle the provider of the program content to terminate the corresponding license agreement prematurely. Single format license agreements with TV format developers also allow the contractual partner to resign the individual contracts with ProSiebenSat.1 Group in the event of a change of control. In addition, in the event of a change of control one of the major contracts with a cable network operator grants the contract partner the right to terminate all its contracts with ProSiebenSat.1 Group.

Company's Compensation Agreements with Executive Board Members or Employees for the Event of a Takeover Bid

The employment agreements of all Executive Board members each contain change of control clauses for the event that control over the Company is acquired by one or more third parties in accordance with Sections 29 (2), 30 WpÜG. In this case, the Executive Board members have the right to terminate their employment agreements with three months' notice and to resign their posts if the change of control results in a substantial curtailment of the position of the Executive Board. On effective exercise of the right to terminate, the respective Executive Board members shall receive a cash severance payment equating to up to three years' compensation, but no more than the compensation for the remaining term of the Executive Board employment agreement.

There are otherwise no change of control clauses with employees of ProSiebenSat.1 Media SE for the event of a takeover bid.



Compensation Report,
page 4.

The ProSiebenSat.1 Share

- > **The ProSiebenSat.1 share registers a 34.3% share price gain and is one of the top securities in the MDAX with a dividend yield of 4.6% on the basis of the year-end price 2014.**
- > **The positive outlook for the year 2015 and the good performance of the company drive the value of ProSiebenSat.1 share to a record level.**
- > **The share ranks place 2 in the MDAX; the majority of analysts recommend the ProSiebenSat.1 share as a buy.**
- > **The Annual General Meeting agrees to SE conversion and for 2014 resolves dividends of EUR 1.60 per share entitled to a dividend.**

Development of Stock Markets

After a strong performance in the first quarter, high volatility characterized the German stock market over the rest of 2015. In addition to the strong level of private consumer spending, a positive impact arose in particular from the expansionary monetary policy of the European Central Bank (ECB). Favorable financial conditions via low interest rates combined with a weak euro also pushed exports. However, German stock market prices were negatively impacted by attacks as in Paris, geopolitical developments and in particular by ongoing conflicts in Ukraine and Syria. There was also a negative impact arising from the economic situation in major emerging markets such as China and from the uncertainty with regard to the imminent key interest rate hike by the Federal Reserve. In the eurozone, the Greek sovereign debt crisis also led to temporary share price declines.

These interlinked factors resulted in strong price fluctuations in 2015: In the course of the year, the DAX fluctuated between an all-time high of 12,374.73 points on April, 10 2015 and a lowest value of 9,427.64 points on September 24, 2015. This represents a price difference of approximately 25%. Despite the aforementioned geopolitical uncertainties, the DAX closed the trading year at 10,743.01 points and with an increase of 9.6% on the final trading day of 2014. The MDAX developed even more positively: It closed with 20,744.62 points and a rise of 22.7% compared to the previous year. The relevant sector index for European media stocks, the EURO STOXX Media, also performed favorably with an increase of 7.5% and 234.94 points as of the end of year.

ProSiebenSat.1 on the Capital Market

The ProSiebenSat.1 share recorded a 34.3% share price gain compared to the end of 2014. As such, the share substantially outperformed the comparative indices again. The share reached its highest closing price of EUR 50.70 on November 19, 2015. At the same time, with market capitalization of the free float totaling EUR 10.214 billion on December 30, 2015, ProSiebenSat.1 is one of the top 30 listed stock corporations in Germany in the Prime Standard.

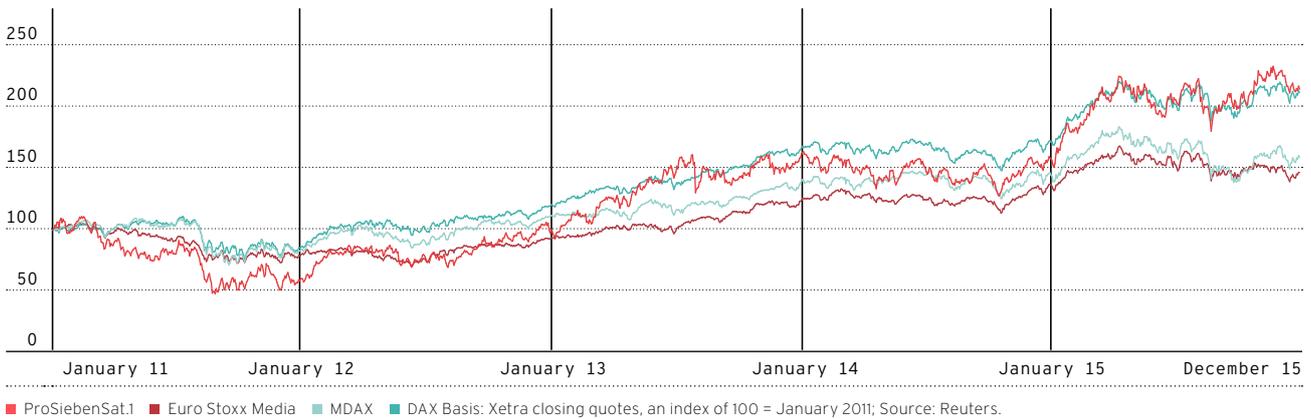


Economic Development,
page 67.



In 2015, the Group met its funding requirements particularly via banks and the bond market. More information on its financing structure can be found in the chapter "Borrowings and Financing Structure" on page 83.

Price performance of the ProSiebenSat.1 share



Overall, the ProSiebenSat.1 share developed positively. After the share was characterized by a continuous upward trend until the end of April, it posted a volatile performance as the year progressed due to geopolitical uncertainties and their impact on the German stock market: In late July, the share benefited from the entity's good half-year figures and the positive outlook for the year as a whole. Discussions on a possible change in the structure of the US broadcasting sector led to significant price declines for US media stocks in August and also had a negative impact on the performance of the ProSiebenSat.1 share. Nevertheless, the share held its ground in a difficult market environment and significantly advanced once again until mid-November. The ProSiebenSat.1 Capital Markets Day in October also contributed to this, when the Group announced the increase in its original revenue growth targets until 2018 from EUR 1 billion to EUR 1.85 billion. In addition, the release of the good results for the third quarter and the positive outlook of the fourth quarter supported this price development from late October onwards. At the end of the year, the weaker stock market indices characterized the share price of the ProSiebenSat.1 share. This was mainly due to economic uncertainties in China and the low price of oil.



The Year 2015
at a Glance, page 25.

ProSiebenSat.1 share: Basic data

Name	ProSiebenSat.1 Media SE
Type of share	Registered common share
Stock exchange listing	Frankfurt Stock Exchange: Prime Standard/regulated market Luxembourg Stock Exchange: Regulated market
Sector	Media
ISIN	DE000PSM7770
WKN	PSM777

On the basis of the year-end price 2014 and a dividend payment of EUR 1.60 per entitled share, the dividend yield amounted to 4.6%. The total shareholder return amounted to 39,03% per ProSiebenSat.1 share in 2015. It was therefore above the relevant comparative levels of the DAX (9.6%) and the MDAX (22.7%), which also take into account the total shareholder return.

ProSiebenSat.1 share: Key data¹

		2015	2014	2013	2012	2011
Share capital at reporting date	Euro	218,797,200	218,797,200	218,797,200	218,797,200	218,797,200
Number of common shares as of end of reporting period	Units	218,797,200 ²	218,797,200 ²	218,797,200 ²	109,398,600	109,398,600
Number of preference shares as of end of reporting period	Units	-/-	-/-	-/-	109,398,600 ²	109,398,600 ²
Free float market capitalization at end of financial year (according to Deutsche Börse)	EUR m	10,214	7,271	6,024	4,660	3,089
Close at end of financial year (XETRA)	Euro	46.77	34.83	36.00	21.30	14.12
High (XETRA)	Euro	50.70	35.55	36.00	23.83	24.80
Low (XETRA)	Euro	33.31	28.35	21.85	14.19	11.49
Dividend per entitled common share	Euro	-/- ³	1.60	1.47	5.63	1.15
Dividend per entitled preference share	Euro	-/-	-/-	-/-	5.65	1.17
Total dividend	EUR m	-/- ³	341.9	313.4	1,201.4	245.7
Underlying earnings per share ⁴	Euro	2.19	1.96	1.60	1.97	3.23
Dividend yield on basis of closing price	%	-/- ³	4.6	4.1	26.5	8.3
Total XETRA trading volume	Million units	158.9	179.9	170.0	134.1	233.4

¹ The share capital of ProSiebenSat.1 Media AG amounts to EUR 218,797,200.00 and since August 16, 2013, is divided into 218,797,200 registered common shares with a nominal share in the share capital of EUR 1.00 each. As a result of the conversion of the 109,398,600 non-voting bearer preference shares into 109,398,600 voting registered common shares, all (218,797,200) of the company's registered common shares are now tradable, i.e. both the formerly unlisted registered common shares and the registered common shares resulting from the conversion of the bearer preference shares.

Until August 16, 2013, only the bearer preference shares of ProSiebenSat.1 Media AG were publicly traded.

² Including treasury shares.

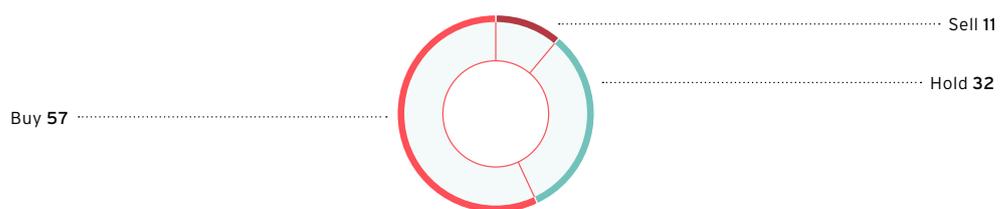
³ Dividend proposal, see page 127.

⁴ For the financial years 2011 to 2012, the basic earnings per bearer preference share are shown. After the merger of the share classes in August 2013, the basic earnings per registered common share are shown. The calculation is based on the underlying net income.

Against this backdrop, the majority of analysts (57%) recommended the ProSiebenSat.1 share as a buy at the end of 2015; 32% came out in favor of holding the share and 11% made a sell recommendation. The analysts' median price target was EUR 51 at the end of the year (previous year: EUR 38). Overall, 28 brokerage firms and financial institutions actively analyzed the ProSiebenSat.1 share and published research reports at the end of the year under review. For institutional investors in particular, recommendations by financial analysts are an important basis for decision-making.

Analysts' recommendations

in percent



As of December 31, 2015.

ProSiebenSat.1 Media SE is the second highest weighted share in the MDAX. As of December 31, 2015, the weighting in the MDAX amounted to 6.5%. This is calculated on the basis of market capitalization by free float and trading volume in the last twelve months. The index comprises 50 Prime Standard shares from traditional sectors that follow the 30 companies in the DAX in terms of market capitalization and trading volume. The EURO STOXX Media sector index pools stocks from media and media-related entities. ProSiebenSat.1 Media SE is represented here with a weighting of 9.2%.

Selected index data

Index	Weighting
MDAX	6.46%
Mid Cap	4.85%
Prime All Share	0.83%
Classic All Share	4.05%
EURO STOXX Media	9.23%

As of December 31, 2015; source: STOXX Ltd.

Annual General Meeting for Financial Year 2014

The Annual General Meeting of ProSiebenSat.1 Media AG for financial year 2014 was held on May 21, 2015. Around 450 shareholders, shareholder representatives and guests took part in the Annual General Meeting. Attendance was around 42% of the share capital. The Annual General Meeting approved all resolutions proposed by the Executive Board and the Supervisory Board with a large majority. With 99.97% of the votes, ProSiebenSat.1 Media AG shareholders resolved to convert the entity into a European Stock Corporation (Societas Europaea, SE) at the Annual General Meeting, the conversion was entered in the commercial register on July 7, 2015. This resulted in no material changes in corporate governance structure; shareholders' rights in particular were unaffected. In addition, the listing of the shares on the previous stock exchanges persists.



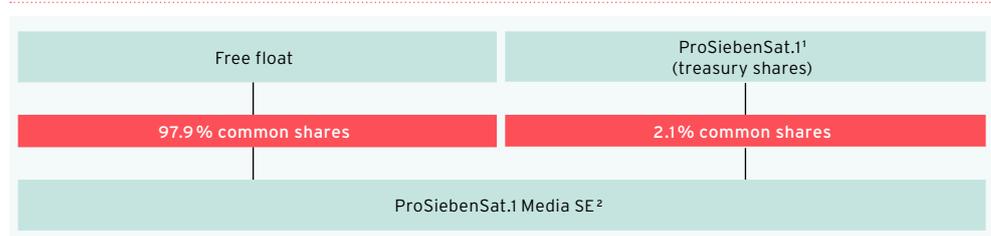
Organization and Group Structure, page 29.

Shareholders also approved the distribution of a dividend of EUR 1.60 per share for financial year 2014. This corresponds to a total payout of EUR 341.9 million and a payout ratio of 81.6% of the Group's underlying net income. Following the Annual General Meeting, the newly constituted Supervisory Board elected Dr. Werner Brandt as Chairman and Dr. Marion Helmes as his Deputy.

Shareholder Structure of ProSiebenSat.1 Media SE

The shareholder structure has been virtually unchanged since December 31, 2014. The shares are mostly held by institutional investors in the US, the UK and Germany. In total, 97.9% were held in free float as of December 31, 2015 (December 31, 2014: 97.6%). The remaining 2.1% are held as treasury shares (December 31, 2014: 2.4%).

Shareholder structure of ProSiebenSat.1 Media SE as of December 31, 2015



¹ Shares are not entitled to vote nor to a dividend.

² The share capital of ProSiebenSat.1 Media SE amounts to EUR 218,797,200.00 and is divided into 218,797,200 registered common shares.

Capital Market Communication

We regularly provide information on all key events and developments at ProSiebenSat.1 to ensure the transparent communication of financial figures and our growth prospects. All relevant corporate information is published promptly, including on an ad-hoc basis where appropriate, in German and English on our website www.ProSiebenSat1.com. Another channel which the Group uses to provide comprehensive information to the capital market is press conferences and events for investors and analysts. In addition to 21 roadshows, ProSiebenSat.1 was represented at 20 investor conferences in Europe and the US in 2015.



The Year 2015 at a
Glance, page 25.

Another important event is the annual Capital Markets Day in October, where the Group reports on its growth strategy. The Investor Relations activities are complemented by the ProSiebenSat.1 investor hotline.

Several awards attest to the high-quality content of ProSiebenSat.1's Annual Report and to the entity's transparent financial communication. ProSiebenSat.1 Media SE took second place in the MDAX category in the "2015 German Investor Relations Awards." In the "IR Professionals – MDAX" category, Dirk Voigtländer, Head of Investor Relations, ranked first. The award was presented by Thomson Reuters Extel, WirtschaftsWoche and the German Investor Relations Association (DIRK). The Group came first in the "Investors' Darling" competition of Manager Magazin in the MDAX category. In "the best annual report" competition, ProSiebenSat.1 was also awarded first place among MDAX entities for the third time in a row. The Group was ranked second in the overall evaluation across all stock market indices. In the overall ranking of all stock market indices the Group achieved the second place.



THE YEAR 2015 AT A GLANCE

2015 was a record year for ProSiebenSat.1. Thus, the Company strengthened its leading position in the TV market, expanded the digital portfolio and successfully extended its production network in the US. This is an overview of the most important events.

COMPANY

APRIL

Changes in the Executive Board. (a) Dr. Gunnar Wiedenfels is the new Chief Financial Officer of ProSiebenSat.1 Media SE since April 1, 2015. He has been involved with the company since 2009, latterly as Deputy CFO, and was appointed to the Supervisory Board as the successor to Axel Salzmann, who left the Group as of March 31, 2015, of his own volition. Dr. Ralf Schremper is also member of the Executive Board as of April 1, 2015: He has worked for ProSiebenSat.1 since 2010 and is now responsible for the newly created Board department "Strategy & Investments."



a

MAY

Annual General Meeting resolves SE conversion. (b) At the Annual General Meeting on May 21, 2015, the shareholders of ProSiebenSat.1 Media AG resolved to convert the Group into a European Stock Corporation (Societas Europaea, SE) with 99.97%. This conversion was entered into the commercial register on July 7, 2015. In addition, the Annual General Meeting resolved a dividend of EUR 1.60 per share. This equates to a payout ratio of 81.6% in terms of underlying net income for 2014. Following the AGM, Dr. Werner Brandt was elected as Supervisory Board Chairman of the new ProSiebenSat.1 Media SE.



ProSiebenSat.1
Media SE

b



c

JULY

CEO Thomas Ebeling's contract prematurely extended. (c) By resolution of July 1, 2015, the Supervisory Board of ProSiebenSat.1 Media SE prematurely extended Thomas Ebeling's contract by four years until the 2019 Annual General Meeting. Thomas Ebeling has been CEO of the Group since 2009, which, under his leadership, already exceeded the financial targets many-times.

OCTOBER

Growth targets for 2018 raised. At Capital Markets Day 2015, ProSiebenSat.1 Group announced new financial targets for 2018. As the Group is growing faster than expected in all areas, the forecast of revenue growth compared to 2012 was raised from EUR 1 billion by EUR 850 million to EUR 1.85 billion. The revenue target for 2018 therefore amounts to EUR 4.2 billion. The dynamic revenue development is supported by all segments: In addition to the highly profitable TV business, organic growth and acquisitions in the digital and program production areas are also contributing to the positive development.

NOVEMBER

ProSiebenSat.1 share hits new high. The positive annual outlook and the Group's good performance are driving the share price performance. Its market capitalization has increased nearly forty-fold since 2009 to EUR 10.214 billion. On November 19, the share reached a new all-time high with a price of EUR 50.70. At the end of the financial year, the ProSiebenSat.1 share posted a gain of 34.3% compared to the previous year.

BROADCASTING GERMAN-SPEAKING

OCTOBER

Contracts with major Hollywood studios. (d) In October, ProSiebenSat.1 and Disney signed a long-term master license agreement. The agreement gives ProSiebenSat.1 access to new Hollywood blockbusters and TV series from the Disney, Disney-Pixar, Lucasfilm, Marvel, and ABC Studios production companies. In addition, ProSiebenSat.1 extended its contract with Twentieth Century Fox and concluded master license agreements with NBC Universal and Warner Bros. in 2015. ProSiebenSat.1 Group has agreements with nearly all major Hollywood studios, producers, and film companies. The Group's program supply is therefore secured for the long term.



d

DECEMBER

Record audience market share. The German free TV stations closed the year 2015 with a market share of 29.5% (previous year: 28.7%) and thus reached the highest market share for ten years. In Switzerland, the Company also upholds its successful multi-station strategy. Since October 2015, the new free TV station Puls 8 complements the portfolio; its relevant target group are viewers aged between 20 and 49. The station already achieves a market share of about one percent per month.

DECEMBER

Raab ends TV career. After more than 16 years together, Stefan Raab announced his departure from television in June. The entertainer shaped ProSieben and German television with TV events such as "TV total Bundestagswahl," "Unser Star für...," and "Schlag den Raab." On December 16, 2015, "TV total" departed from the screen. 1.58 million viewers watched the last episode of the cult show on ProSieben.



APRIL

ProSiebenSat.1 expands Beauty & Accessories Vertical. ProSiebenSat.1 Group has expanded its investment portfolio (vertical) in the Beauty & Accessories business in the past financial year: To this end, the Group increased its share in Sonoma Internet GmbH by 51.8% to 75.0% in April. It operates Amorelie, an online lifestyle shop for love lives in the German-speaking market. ProSiebenSat.1 also acquired the remaining shares (53.0%) in flaconi.de, Germany's second-largest online store for perfume, make-up, and cosmetics and now holds 100% of shares. In addition to Amorelie and Flaconi, the vertical also includes the online jewelry store Valmano.

JULY

ProSiebenSat.1 broadens its expertise in the programmatic advertising market.

ProSiebenSat.1 has acquired a 51.38% interest in Virtual Minds AG. The company is one of the leading European specialists in the dynamically growing programmatic advertising market. The technology from Virtual Minds enables the automated sale of digital advertising. Furthermore, ProSiebenSat.1 had acquired a majority interest in SMARTSTREAM.TV GmbH, a company that provides services relating to the optimization of online advertising space. ProSiebenSat.1 is constantly broadening its expertise in the automated sale of advertising in digital media and in individualized targeting. Thus, the Group offers its customers attractive online advertising platforms and creates new growth opportunities.

FEBRUARY

Red Arrow sharpens focus on fiction.

Red Arrow made a successful start in 2015 with the first season of the crime series "Bosch" on Amazon. Following the positive user feedback, Amazon Studios already ordered a second season from Red Arrow later in the year. "Bosch" is produced by Red Arrow subsidiary Fabrik Entertainment and is marketed by Red Arrow International. Red Arrow also acquired the global distribution rights of the series "Cleverman" outside of Australia and sold the format to the US: The Australian-New Zealand drama will go on air on Sundance TV in 2016. English-language fiction programs are particularly relevant for the production and distribution company because of the high international demand.

DIGITAL & ADJACENT

CONTENT PRODUCTION & GLOBAL SALES



JUNE

ProSiebenSat.1 buys comparison portal Verivox. (e) In June, ProSiebenSat.1 acquired a majority interest of 80.0% in Germany's leading independent consumer energy portal. The aim is to establish a new portfolio for consumer portals. To this end, the Group had already acquired Preis24.de, the leading platform for mobile communications tariffs and smartphones. Verivox has been fully consolidated since August 2015.

SEPTEMBER

Axel Springer and ProSiebenSat.1 promote start-ups. Axel Springer SE and ProSiebenSat.1 Media SE have launched a joint project to promote high-growth digital companies. The initiative aims to support innovative business ideas and start-ups in order to improve Germany's position as a digital location, also on an international level. To this end, the two groups have already implemented three joint initiatives: Besides their investment in the Lakestar II investment fund, Axel Springer and ProSiebenSat.1 each acquired a minority interest in Jaunt, a US company specializing in augmented reality. The two media companies also invested in the online platform MyTicket.



JULY

Red Arrow establishes Ripple Entertainment in the US. (h) Red Arrow Entertainment Group has strengthened its global digital presence by launching Ripple Entertainment, a digital media company in Los Angeles. The objective of Ripple Entertainment is to operate digital networks and to develop and produce content with Red Arrow Entertainment Group production companies, third-party providers, and independent creators. At the same time, Ripple Entertainment will exploit Red Arrow's existing programming digitally, thus maximizing the value of the portfolio.



JUNE

ProSiebenSat.1 launches global multi-channel network (MCN). (f) ProSiebenSat.1 Group has acquired the majority in Collective Digital Studio (CDS), a leading MCN in the United States, and combined it with Studio71 in the course of the transaction. Studio71 was already established by ProSiebenSat.1 in fall 2013 and has since become the largest network in the German-speaking region. Due to the merger, the MCN has established itself internationally, too: With 3.5 billion video views per month, it is already one of the five largest MCNs worldwide.

OCTOBER

Internationalization of the travel portfolio. (g) With its purchase of etraveli, ProSiebenSat.1 implemented the largest acquisition to date in the digital business. In October, the Company has acquired the leading pan-European online travel agency for flights. It complements the Travel Vertical with the Flight segment. By investing in etraveli, ProSiebenSat.1 has made its existing travel portfolio more international and set the course for further growth beyond Europe's borders.



NOVEMBER

Red Arrow Entertainment acquires majority stake in Karga Seven Pictures. (i) The company is a leading US producer and developer of factual entertainment formats and produces both scripted and non-scripted programs. By making the acquisition, Red Arrow is continuing its rapid expansion in the world's most important TV market. Karga Seven is headquartered in Los Angeles and the company is also represented by a location in Istanbul.

Explanatory Notes on Reporting Principles

Content and Form of the Management Report

This report brings together the Group Management Report of ProSiebenSat.1 Group, comprising ProSiebenSat.1 Media SE and its consolidated subsidiaries, and the Management Report of ProSiebenSat.1 Media SE. The Compensation Report, the takeover-related disclosures according to §§ 289 (4), 315 (4) HGB, as well as the chapter "The ProSiebenSat.1 Share" are located in the section "To Our Shareholders" of this Annual Report and are also part of the audited Management Report.

Predictive Statements to the Future Earnings, Financial Position and Performance

Our forecasts are based on current assessments of future developments. In this context, we draw on our budget and comprehensive market and competitive analyses. However, forecasts naturally entail certain insecurities, which could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the forward-looking statements are made do not apply, actual results may deviate materially from the statements made or the results implicitly expressed. Developments that could negatively impact this forecast include, for example, lower economic momentum than was expected on the date the report was compiled. These and other factors are discussed in the [Risk and Opportunity Report](#). There, we also report on additional growth potential. Opportunities that we have not or not yet fully budgeted for could arise from corporate strategy decisions, for example.



[Risk and Opportunity Report, page 99.](#)

Reporting on the Basis of Continuing Operations

Unless otherwise indicated, in this financial report the analysis of earnings, financial position and performance is based on continuing operations. This means that earnings contributions and cash flows generated in connection with the sale of the Eastern European activities are not included in the individual items of the income statement and cash flow statement. In accordance with the provisions of IFRS 5, they are recognized as "Result from discontinued operations" and "Cash flow from discontinued operations" respectively. As well as operating earnings contributions from the Eastern European activities, these items for the comparative previous-year period also include the deconsolidation result of the Hungarian companies deconsolidated as of February 25, 2014. With the formal and legal implementation of the particular sales contracts, the Romanian companies were also deconsolidated on April 2, 2014 (TV) and on August 4, 2014 (radio). The other items of the income statement and cash flow statement were presented on a comparable basis for the current reporting period and comparative periods.

Key Figures Used

Key financial indicators on the Group level for ProSiebenSat.1 Group are revenues, EBITDA, recurring EBITDA, underlying net income, and the leverage ratio. Additionally, revenues and EBITDA in the Digital & Adjacent segment are very important. The development of these figures is therefore used to analyze the Group's and business segment's earnings, financial position and performance, in addition to the key figures from the income statement, statement of financial position and cash flow statement. Audience shares are the key non-financial performance parameters.



[Planning and Management, page 36.](#)

On the other hand, ProSiebenSat.1 Group does not report on the basis of order volumes. Instead, the development of our share of the advertising market and the analysis of the situation in the sector and with regard to competition provide important indicators of busi-

ness success; they are recorded in the context of risk management. In the Content Production & Global Sales segment, the development and production of programming content as well as worldwide distribution through new or re-commissioning takes place, as is customary in the industry, in the short term and continuously throughout the year. For these reasons, we do not report on order volumes here, either.

Rounding of Financial Figures

Due to rounding, it is possible that percentage figures given do not exactly reflect the absolute figures to which they relate and that the individual figures do not exactly add up to the totals shown.

Management Declaration after paragraph 289a HGB and Corporate Governance Report after section 3.10 DCGK

The company's Management Declaration according to Section 289a HGB and the Corporate Governance Report according to Item 3.10 of the German Corporate Governance Code are published on the company's homepage. In addition, the Management Declaration and the Corporate Governance Report are included in the

Annual Report. The Group auditor has critically reviewed the Corporate Governance Report in accordance with the IDW auditing standard. The Management Declaration and the annual Declaration of Compliance under Section 161 AktG were also part of the auditor's review.



[www.prosiebensat1.de/
en/page/erklaerung-zur-
unternehmensfuehrung](http://www.prosiebensat1.de/en/page/erklaerung-zur-unternehmensfuehrung)

Organization and Group Structure

- > **ProSiebenSat.1 Group is one of the largest independent media corporations in Europe and has a diversified portfolio of TV and digital brands.**
- > **The conversion of ProSiebenSat.1 Media AG into a European Stock Corporation (Societas Europaea, SE) underlines our growth strategy to build new business models and to expand internationally.**
- > **The ProSiebenSat.1 Group's portfolio consists of three segments; ProSiebenSat.1 Media SE is the Group holding company and has no operational role.**

Business Activities and Segments

Corporate Profile and Market Position

ProSiebenSat.1 Group is one of the largest independent media corporations in Europe. With the stations SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, and ProSieben MAXX, we are the number one in Germany, both in the TV advertising market and among viewers. We are growing sustainably and dynamically, as we are promoting the interconnection of the individual corporate areas and creating additional sources of revenues with new business ideas in all segments. Every day, we reach around 42 million TV households in our TV markets of Germany, Austria and Switzerland. With distribution in HD quality, we have tapped into an attractive new business area for our core business of television. Moreover, we are also Germany's leading online video marketer and reach more than 30 million digital users a month. We offer high-quality on demand, online and on mobile entertainment with maxdome, Studio71, and the 7TV App. In recent years, we have built a strong Ventures & Commerce portfolio whose product areas are particularly suited to marketing via TV advertising. It is now one of our key growth drivers. In addition, our Group is successful around the world with its international program production and distribution network Red Arrow. With the Red Arrow Entertainment Group, we focus in particular on the English-speaking key markets of the US and UK.

Development of User Numbers, page 60.

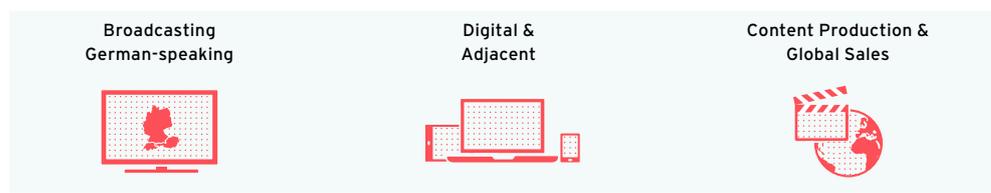
Development of the TV and Online Advertising Market, page 67.

Development of User Numbers, page 63.

Segments and Brand Portfolio

Our business is based on three strategic pillars that also constitute the reporting segments:

Segments of ProSiebenSat.1 Group

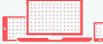
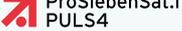


Corporate Strategy and Vision, page 33.

The segments are strategically, economically and technically interrelated. They cover the entire value chain from production to marketing and the distribution via various channels as well as vertical diversification of content. In the Broadcasting German-speaking segment, we include successful station brands such as SAT.1 and ProSieben and their distribution in HD quality. The extensive digital activities are bundled in the Digital & Adjacent segment. As well as entertainment offerings such as our video-on-demand (VoD) portal maxdome, these primarily include the dynamically growing Ventures & Commerce unit. The activities of Red Arrow Entertainment Group are bundled in the Content Production & Global Sales segment. The Group was represented in six countries with 13 production companies and three sales offices at the end of 2015. The following illustration provides an overview of our brand portfolio by segment:



Brand portfolio of ProSiebenSat.1 Group

<p> Broadcasting German-speaking</p>	<p> Digital & Adjacent</p>	<p> Content Production & Global Sales</p>
<p>FREE TV STATIONS  ProSiebenSat.1 TV Deutschland</p>	<p>VENTURES & COMMERCE</p>	<p>PRODUCTION COMPANIES</p>
<p>         HD distribution Austria Switzerland</p>	<p> </p>	<p> Production Companies, Global Programming Distribution</p>
<p>ADVERTISING AND PROGRAMMING WINDOWS</p>	<p> WWW.7TRAVEL.DE</p>	<p>         </p>
<p>Austria</p>	<p>      </p>	<p></p>
<p>     </p>	<p>COMMERCE WWW.7COMMERCE.DE</p>	<p>GLOBAL PROGRAMMING DISTRIBUTION</p>
<p>Switzerland</p>	<p>     </p>	<p></p>
<p>     </p>	<p> Da sparen Sie mit Sicherheit</p>	
<p>BASIC PAY TV STATIONS</p>	<p>DIGITAL ENTERTAINMENT</p>	
<p>   </p>	<p>     </p>	
<p>MARKETING & SALES</p>	<p>ADJACENT</p>	
<p> </p>	<p> </p>	
<p></p>		
<p>PRODUCTION & PRODUCTION SERVICE</p>		
<p> </p>		
<p></p>		

Management and Control

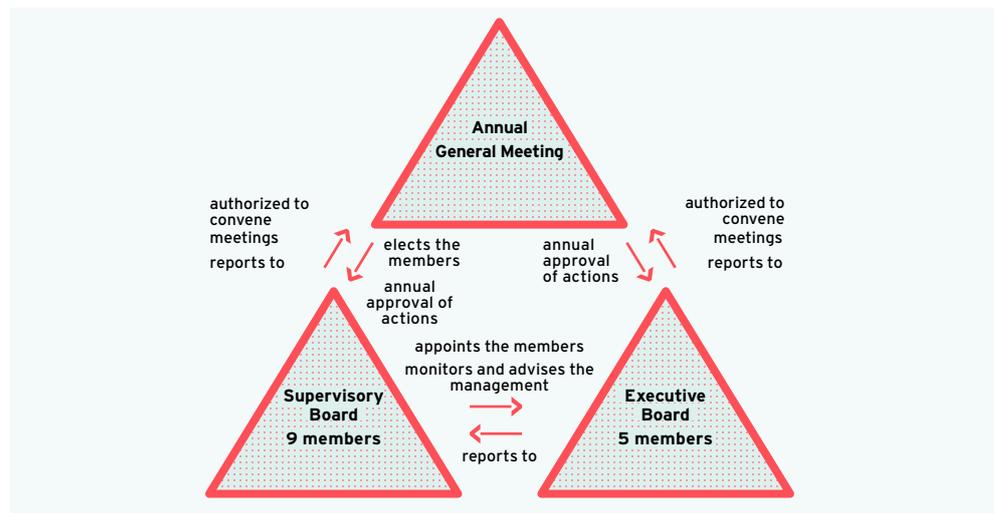
ProSiebenSat.1 Group is managed centrally by ProSiebenSat.1 Media SE. The parent company was converted from a Stock Corporation (Aktiengesellschaft, AG) into a European Stock Corporation (Societas Europaea, SE) in 2015. The conversion took effect with the entry of the Company into the Commercial Register on July 7, 2015. Since then, the Company has operated under the name ProSiebenSat.1 Media SE. The conversion from an AG into the European legal form of the SE facilitates the increasing international orientation of business activities. It resulted in no material changes for the corporate governance structure; shareholders' rights in particular were unaffected. The organizational structure at Group level did not change materially, either structurally or legally. We report in detail about changes to the scope of consolidation in the corresponding chapter of the management report and the notes.



Major Events and Changes in the Scope of Consolidation, page 75.

ProSiebenSat.1 Media SE is listed in Germany at the stock exchange in Frankfurt am Main and at the stock exchange in Luxembourg (Bourse de Luxembourg). Like ProSiebenSat.1 Media AG until its conversion into the SE, ProSiebenSat.1 Media SE has three governing bodies: Annual General Meeting, Executive Board (management body), and Supervisory Board (supervisory body). The governing bodies' decision-making powers are strictly demarcated from each other.

Corporate Governance structure of ProSiebenSat.1 Media SE as of December 31, 2015



The ProSiebenSat.1 Share, page 20.

- > The shareholders of ProSiebenSat.1 Media SE exercise their rights of joint administration and oversight at the **Annual General Meeting**. Each share grants the same legal rights and obligations and one vote in the Annual General Meeting.
- > The **Executive Board** is responsible for ProSiebenSat.1 Group's overall performance, and has both professional and disciplinary authority over the managers of the various business segments and holding company units.
- > The **Supervisory Board** monitors and advises the Executive Board in its conduct of business, and is thus directly involved in all corporate decisions of major importance.

The basic rules for this dualistic management and supervisory system are defined in ProSiebenSat.1 Media SE's articles of incorporation and in the rules of procedure for the Executive Board and Supervisory Board. The articles of incorporation also define the corporate objective. They can be amended according to Section 18 (2) of the articles of incorporation by a majority resolution of the Annual General Meeting, provided at least half of the share capital is represented in the vote (Art. 59 (2) SE Regulation, Section 51 Sentence 1 SE Implementation Act); otherwise, the resolution requires a majority of two-thirds of the votes cast (Art. 59 (1) SE Regulation). In contrast, a change of the corporate objective still requires a majority of at least three quarters of the valid votes cast in accordance with Section 179 (2) Sentence 1 AktG in conjunction with Art. 59 (1) and (2) SE Regulation, Section 51 Sentence 2 SE Implementation Act. We report on personnel changes in the boards in the "To Our Shareholders" section.

Corporate Structure and Investments

The present consolidated financial statements include ProSiebenSat.1 Media SE and all significant subsidiaries – meaning entities in which ProSiebenSat.1 Media SE directly or indirectly holds a majority of voting rights or whose significant activities it is otherwise able to steer. In its function as the Group holding company, ProSiebenSat.1 Media SE has no substantial operational role. Its tasks include central financing, Group risk management, and the ongoing development of the corporate strategy. The economic development of ProSiebenSat.1 Group is determined primarily by the subsidiaries, held both directly and indirectly.

One of the most important direct subsidiaries of ProSiebenSat.1 Media SE is ProSiebenSat.1 TV Deutschland GmbH. Under its umbrella, all six German free TV stations of ProSiebenSat.1 Group and the pay TV channels (ProSiebenSat.1 Pay TV GmbH) work together. Not only does the Company own all shares in the TV stations SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, and ProSieben MAXX. It also indirectly holds a 100% stake in the sales companies SevenOne Media GmbH and SevenOne AdFactory GmbH. This results in advantages with regard to the stations' programming and the sale of advertising time. The companies in the Online and Online Games (ProSiebenSat.1 Digital GmbH), Travel (ProSieben Travel GmbH), and Ventures & Commerce (SevenVentures GmbH and ProSiebenSat.1 Commerce GmbH) areas are also affiliated indirectly with ProSiebenSat.1 Media SE. They are consolidated under ProSiebenSat.1 Digital & Adjacent GmbH. The subsidiaries for the Content Production & Global Sales segment operate under the Red Arrow Entertainment Group GmbH, also a 100% holding of ProSiebenSat.1 Media SE.

Group structure as per December 31, 2015

ProSiebenSat.1 Media SE								
ProSiebenSat.1 TV Deutschland GmbH 100% ProSieben, kabel eins, sixx, ProSieben MAXX, SAT.1 GOLD	ProSiebenSat.1 Broadcasting GmbH 100%				Red Arrow Entertainment Group GmbH 100%	SevenOne Investment (Holding) 100%		
	ProSiebenSat.1 Produktion GmbH 100%	ProSiebenSat.1 Applications GmbH 100%	SevenOne Brands GmbH 100%	ProSiebenSat.1 Welt GmbH 100%				
	SAT.1 Satelliten Fernsehen GmbH 100% SAT.1		SevenOne Media GmbH 100%				Red Arrow International GmbH 100%	SevenOne Capital (Holding) 100%
	ProSiebenSat.1 Pay TV GmbH 100% kabel eins classics, ProSieben FUN, SAT.1 emotions		SevenOne AdFactory GmbH 100%				RedSeven Entertainment GmbH 100%	ProSiebenSat.1 Accelerator GmbH 100%
	SevenPictures Film GmbH 100%		ProSiebenSat.1 Puls 4 GmbH 100%					
			SevenOne Media (Schweiz) AG 100%					
ProSiebenSat.1 Digital & Adjacent GmbH								
	100%							
ProSiebenSat.1 Adjacent Holding GmbH 100%	ProSiebenSat.1 Digital GmbH 100%	maxdome GmbH 100%	Studio 71 GmbH 75%/100%	SevenVentures GmbH 100%	ProSieben Travel GmbH 100%	ProSiebenSat.1 Commerce GmbH 100%	7NXT GmbH 100%	
Starwatch Entertainment GmbH 100%								
ProSiebenSat.1 Licensing GmbH 100%								

Strategy and Management System

- › **ProSiebenSat.1's primary goal is to grow profitably and sustainably. By 2018, consolidated revenues are supposed to increase by EUR 1.85 billion compared to 2012. This is EUR 850 million more than originally planned.**
- › **With our three strategic growth areas, we want to achieve our targets and make our vision of a broadcasting, digital entertainment and commerce powerhouse a reality.**
- › **Like planning, Group management is performed centrally via the Executive Board of ProSiebenSat.1 Media SE. It has adopted performance indicators for all relevant targets.**
- › **Our management system is comprehensive and therefore reflects the interests of equity providers and lenders as well as the overriding growth targets. This includes efficient financial planning and an earnings-oriented dividend policy.**

Corporate Strategy and Vision

ProSiebenSat.1 pursues a dual strategy: The Company is market leader in the high-revenue TV market of Germany and generates growth on the basis of its high reach – both in the core segment and digital entertainment field. At the same time, we use TV advertising as an investment currency and cross-promotion tool in the digital commerce sector. We are so successful with this strategy that we have not only achieved our past financial targets, but in many cases exceeded them. Its reach also offers ProSiebenSat.1 the opportunity to promote products to an audience of millions at low financial costs. Thus, ProSiebenSat.1 is creating new growth areas and continuously increasing the value of the Company. This makes ProSiebenSat.1 a growth stock with an attractive dividend yield.



Comparison of Actual and
Expected Business
Performance, page 70.

Value Creation and Vision

The high reach, many years of experience in video marketing and close relationships with the film industry are the foundations for ProSiebenSat.1 Group's success in the TV business. At the same time, this is the basis of our digital strategy:

- › The areas of television and digital entertainment complement each other synergistically. In recent years, the Company has strongly diversified the utilization of its program content by establishing new digital entertainment offerings. At the same time, ProSiebenSat.1 increases the overall reach of its TV and digital platforms with external distribution partnerships. We are therefore not only consistently creating new sources of revenues. Programs with a multi-screen approach increase audience engagement, and campaigns disseminated via various media, from TV and online to mobile, are proven to achieve a greater advertising impact. With its portfolio, the Company serves all modern forms of media use and covers the entire value chain of TV and digital entertainment: from development through production and advertising marketing to distribution via the Group's and third parties' platforms.
- › Technological change and the rising use of the Internet are not only influencing media usage behavior. Digitalization is affecting nearly every industry; consumer behavior in general is changing. This trend is creating new commercial business models in the field of e-commerce, as the sale of products and services via the Internet is growing dynamically. This offers ProSiebenSat.1 high potential for enhancing the entire value chain with investments in e-commerce enterprises. The Group has clear competitive advantages here. ProSiebenSat.1 is using TV reach as an additional currency and is also diversifying its value chain vertically: The Company grants free TV advertising space in return for a share in the revenues or equity (media-for-revenue-share/media-for-equity) to start-up businesses and is thus able to expand its portfolio without making high cash investments. Furthermore, ProSiebenSat.1 uses free TV advertising time to increase awareness of commerce products



Development of the
Audience Market, page 60.



Technical Distribution,
Media Consumption and
Advertising Impact, page 57.



The Year 2015 at
a Glance, page 25.

and to built up new brands. Thereby, ProSiebenSat.1 realizes synergies both between the investments and value-creation processes (intersynergies) and within the 'verticals' (intrasynergies). ProSiebenSat.1 uses 'vertical' to describe a portfolio of companies that complement each other thematically on the basis of its offerings. One example is the Group's travel portfolio, which covers the entire travel-booking cycle and other offers such as a weather portal.

ProSiebenSat.1 Media SE measures the success of its strategy by the revenue and earnings increase in the three segments Broadcasting German-speaking, Digital & Adjacent, and Content Production & Global Sales. In the mid-term, Group revenues are expected to increase by EUR 1.85 billion to approximately EUR 4.2 billion by 2018 compared to 2012. Originally, a EUR 1 billion increase to nearly EUR 3.4 billion by 2018 was envisaged. Recurring EBITDA is expected to rise by EUR 350 million compared to 2012 to nearly EUR 1.1 billion in 2018. In recent months, ProSiebenSat.1 grew faster and more strongly than expected in all segments. The digital sector is developing particularly dynamically; already from 2011 onwards, external revenues in the Digital & Adjacent segment have grown by an average of 39%. In 2018, the segment is expected to make a profitable revenue contribution of EUR 1.2 billion. Overall, the Company is planning to generate around half of its revenues outside of the classic TV advertising business by then. These financial goals reflect our vision: We will establish ProSiebenSat.1 Group as a leading broadcasting, digital entertainment and commerce powerhouse.

Strategic Areas of Action

Our value creation is focused on sustainable and profitable growth. We have defined three strategic fields of action for achieving our financial targets:

1. Strengthening the core business: ProSiebenSat.1 Group is growing highly profitably in its TV segment Broadcasting German-speaking with a recurring EBITDA margin of over 30%. In the core business, we benefit in the audience and advertising market from the fact that we have purposefully expanded our complementary station family in recent years and now reach nearly all demographic target groups: While SAT.1 offers programs for the whole family, ProSieben is primarily aimed at young viewers aged between 14 and 39. The core target group of kabel eins are viewers between 14 and 49 years old. sixx focuses on younger women aged between 14 and 39. SAT.1 Gold is mainly aimed at women from 40 to 64 years. ProSieben MAXX chiefly appeals to male viewers between 14 and 39 years old. Since October 2015, the stations offered by ProSiebenSat.1 in Switzerland also included Puls 8; the full service broadcaster is aimed at 20- to 49-year-old viewers. In total, ProSiebenSat.1 Group operates eight free TV stations and twelve advertising or program windows in the German-speaking region and will carry on its complementary channel strategy. ProSiebenSat.1 Group invests around EUR 900 million per year in programming assets and will continue to expand its station network in the future. The objective is to create new spaces for advertising customers. Our Group is achieving this by identifying relevant target groups that are not yet represented or are currently under-represented in the TV market and conceptualizing corresponding television stations. We are thus successfully obtaining new customers – especially from the print segment. Our free TV stations are marketed by the subsidiaries SevenOne Media and SevenOne AdFactory. The companies support advertising customers and agencies from idea generation and conception to the implementation of campaigns on TV and digital platforms and offer cross-media marketing concepts that involve all video media. Via the use of innovative technologies, the Group has also secured a sustainable position in the marketing business and for making forays into new markets. These include the issues of addressable TV, targeting, and entering the marketing of external digital spaces.



Development of the
Audience Market, page 60.

A second and increasingly important source of revenues besides TV advertising is distribution. Here, the Company participates in revenues that providers generate from the distribution of HD channels. These include technical service fees that cable network, satellite, and IPTV operators raise for the distribution of free TV stations in HD quality and in which ProSiebenSat.1 Group takes a share. The Group also operates three basic pay TV channels: SAT.1 emotions, ProSieben FUN, and kabel eins CLASSICS. ProSiebenSat.1 Group has therefore established business areas with long-term recurring revenues that are independent of the advertising market. For 2018, we expect revenue growth of EUR 375 million compared to 2012 in the Broadcasting German-speaking segment; around EUR 100 million of these revenues is set to come from distribution.

Red Arrow Entertainment Group complements the value chain relating to the core business of TV: Red Arrow develops, produces and distributes TV formats for ProSiebenSat.1 Group stations and for third parties. In 2015, Red Arrow sold TV formats in more than 200 countries; the company's program catalog currently contains more than 800 titles. The strategic focus is on expansion in the Anglo-American region and the development of the English-language fiction portfolio, as this is in particularly high demand internationally. The company's customers include TV corporations as well as digital platforms with a multinational presence such as Amazon and Netflix. This gives Red Arrow access to a dynamically growing procurement market. Red Arrow is consolidated in the Content Production & Global Sales segment. By 2018, we expect revenues in this segment to rise by EUR 275 million compared to 2012; Red Arrow already achieved the original growth target of EUR 100 million in 2014.

2. Expansion of the digital entertainment portfolio: ProSiebenSat.1 has also established a far-reaching brand portfolio in the digital sector, with which we reach more than 30 million unique users per month in Germany alone. This is based on the strong TV brands and their content, which we extend and distribute synergistically via digital platforms. At the same time, we are developing and producing exclusive content for our digital entertainment portfolio in order to increase the attractiveness of our brands, e.g. for the multi-channel network (MCN) Studio 71. Our digital entertainment offerings cover all relevant value-creation streams via the marketing of advertising space, pay-per-view videos and subscription models. With online portals, streaming services such as the 7TV app, the MCN, mobile offerings and the video-on-demand (VoD) platform maxdome, the Group is participating in the dynamic development of digital markets, enhancing its revenue profile, extending its reach and generating growth outside of the traditional TV advertising business. The digital entertainment offerings are bundled in the Digital & Adjacent segment.

3. Investment in markets with high growth potential: The third strategic field of action is derived from the growth of certain markets and our market share in the core business of television: With its free TV activities, ProSiebenSat.1 Group operates in a market environment with solid growth and runs a highly profitable business with strong cash flow. However, the Group's strategic goals include tapping into new, dynamically growing markets. For this reason, ProSiebenSat.1 Group is also expanding its portfolio vertically by way of investments. The Group is most actively pursuing this goal via its Ventures & Commerce activities, which provided the highest growth contribution in financial year 2015.

ProSiebenSat.1 pursues various M&A approaches. One way is to acquire majority interests. Here, the Company firstly has realized larger acquisitions. In addition to Verivox, etraveli was a major acquisition in the digital sector. etraveli was already one of the leading pan-European online air travel agencies when purchased and augments our existing Travel Vertical. Travel portals are well suited to TV advertising because of their visually captivating



Major Events and
Changes in the Scope of
Consolidation, page 75.



Risk and Opportunity
Report, page 99.

subject matter. For example, the revenues of billiger-mietwagen.de and mydays grew by more than 20 % after integration into the ProSiebenSat.1 portfolio and marketing on TV. This market is growing by a mid to high single-digit percentage rate. ProSiebenSat.1 is developing other verticals according to this model and increasingly realizing revenue and cost synergies between the investments. Besides Digital & Adjacent, a second M&A focus was on the Content Production & Global Sales segment.



Major Events and
Changes in the Scope of
Consolidation, page 75.

In addition to traditional acquisitions and majority interests, ProSiebenSat.1 also takes a share in the value creation of smaller firms or businesses in an early stage of development via the media-for-revenue-share and media-for-equity models. This approach has the advantage that portfolio measures involve much less uncertainty with regard to value or integration. At the same time, these companies benefit in particular from seed funding via media services and marketing on our far-reaching platforms. In addition, the Group often acquires a minority share in the first stage in order to minimize risks. In 2015, for example, ProSiebenSat.1 invested in online shops such as Flaconi and used advertising to considerably increase the portals' page views and name recognition. Once sure that the described marketing mechanisms were successful, the Group topped up its shares in these investments and integrated the acquired companies into its portfolio, increasing its value. Flaconi, for example, complements the Beauty & Accessories Vertical and, in addition to the marketing through ProSiebenSat.1 platforms, benefited from the Group's know-how as market leader for video advertising and its central infrastructure, such as controlling services and HR management.



The ProSiebenSat.1 Share,
page 20.

Reach is the common denominator and crucial competitive advantage of our M&A strategy: With free advertising time of more than EUR 1.5 billion a year in gross terms, ProSiebenSat.1 has a second relevant investment currency. Through advertising on its own platforms, ProSiebenSat.1 can rapidly increase brand recognition without high costs. At the same time, the Group covers some of its investment requirements with media services and therefore requires less cash for acquisitions. The shareholders benefit from these financial advantages – despite investments, the Company can distribute 80 % to 90 % of underlying net income every year. This makes the ProSiebenSat.1 share a strong growth driver in the MDAX.

Planning and Management

Our financial and strategic decisions are based on the development of Company-specific key figures. These financial and non-financial key performance indicators (KPIs) emerge from the corporate strategy; they are planned and managed centrally by the full Executive Board of ProSiebenSat.1 Media SE. The planning and management process is complemented by the monitoring of the KPIs on the basis of regularly updated data. This includes the assessment of developments within the framework of opportunity and risk management.



Risk and Opportunity
Report, page 99.

Intragroup Management System



▲ Basis: Underlying data for relevant KPIs which are adopted by ProSiebenSat.1's Executive Board.

Intragroup Management System

The performance indicators specific to ProSiebenSat.1 are aligned to the interests of the capital providers and cover financial planning as well as aspects of comprehensive revenue and earnings management. The following illustration provides an overview of our management system:

Overview of relevant key performance indicators

Non-financial performance indicator	Broadcasting German-speaking segment > Audience shares
Financial performance indicators	Group > Revenues > EBITDA > Recurring EBITDA > Underlying net income > Leverage Broadcasting German-speaking and Content Production & Global Sales segments > External revenues > Recurring EBITDA Digital & Adjacent segment > External revenues > Recurring EBITDA > EBITDA

> **Non-financial performance indicators:** ProSiebenSat.1 Group has a broadly diversified portfolio; its operating key figures are accordingly diverse. The central and decisive non-financial indicator for the core business is the audience share of the free TV stations.

Development of the Audience Market, page 60.

Data on TV consumption in Germany is collected by GfK Fernsehforschung on behalf of the Arbeitsgemeinschaft Fernsehforschung (AGF). In addition to traditional linear television consumption, the usage of video offerings online and – in the future – through mobile devices is being integrated here. We evaluate the data collected by the institutes on a daily basis; we analyze both the performance of the stations in the target group of 14 to 49 year old viewers that the advertising industry is interested in and in their respective relevant target groups. This is the basis for our successful program planning. At the same time, the data are of central importance for the financial calculation of prices for advertising time: The development of audience shares documents the popularity of shows with the public and thus the reach of advertising spots.

> **Financial performance indicators:** The key indicators for managing profitability are the generated revenues and the recurring EBITDA. Recurring EBITDA stands for recurring earnings before interest, taxes, depreciation and amortization. Non-recurring income



and expenses are not included, so that this key figure reflects the operating profitability of the Group and its business entities or segments in a meaningful way.

The underlying net income also measures the Group's operating performance. The underlying net income represents the adjusted consolidated net profit after non-controlling interests from continuing activities; the effects of purchase price allocations and other special items are not taken into account when it is calculated. The payout ratio for dividends of ProSiebenSat.1 Media SE is calculated on the basis of the Group's underlying net income. We are pursuing a profit-oriented dividend policy with the aim of distributing 80 % to 90 % of underlying net profit each year.

Non-recurring and special items can influence or even overshadow the performance and can make a multi-year comparison difficult. However, the analysis of unadjusted key earnings figures enables a holistic view of the expense and income structure. For this reason, ProSiebenSat.1 Group also uses EBITDA as a control parameter for profitability. In addition, EBITDA makes it easier to compare assessments internationally, as it does not take into account the effects of taxes and impairments or the financing structure. Internally, EBITDA serves both at Group level and for the segments as an important performance indicator and has become more relevant for the Digital & Adjacent segment in particular in recent years. The segment is growing dynamically; most recently, it generated 26.0 % of total annual revenues (previous year: 21.2 %) and 16.9 % of Group EBITDA (previous year: 15.1%).

ProSiebenSat.1 Group invests in markets with long-term growth opportunities and examines options to expand its portfolio. The acquisition of companies that complement our value chain synergistically is part of this strategy. Capital-efficient financial leverage (leverage ratio) is an important performance indicator used in the Group's financial planning. The leverage ratio indicates the level of net debt in relation to LTM recurring EBITDA – i.e. the EBITDA adjusted for non-recurring items that ProSiebenSat.1 Group has generated in the last twelve months (LTM = last twelve months). The target is a factor of between 1.5 and 2.5.

Our corporate strategy is designed for sustainable and profitable growth. A primary goal is therefore to increase the above earnings figures through continuous revenue growth in all segments. The business entities largely function as profit centers: This means they act with full revenue and earnings responsibility. At the same time, the associated flexibility is an important requirement for the success of ProSiebenSat.1, as the Company operates in a dynamic industry environment and is consistently diversifying its value chain. The organizational entities make operating decisions required by the respective competitive environment independently within the centrally approved framework. This performance-based approach encourages our employees on all levels to act in an entrepreneurial manner.



All employees of our Company help to develop ProSiebenSat.1's strengths and promote innovations with their knowledge and ideas. We therefore invest consistently in human resources development, support junior staff in a targeted manner, and simultaneously give all employees an adequate share in the Company's success. EBITDA is therefore not only an important performance indicator for the management of the Group and its segments, but is also part of the performance-related compensation system for employees. Additionally to net debt, the Company's EBITDA and external revenues and EBITDA of the Digital & Adjacent segment also serve as a variable basis for the assessment of the compensation of the Executive Board. By harmonizing the Executive Board's compensation with our KPIs for corporate management, we implemented a holistic and effective control system which



Compensation Report,
 page 3.



Explanatory Notes on
 Reporting Principles,
 page 27.

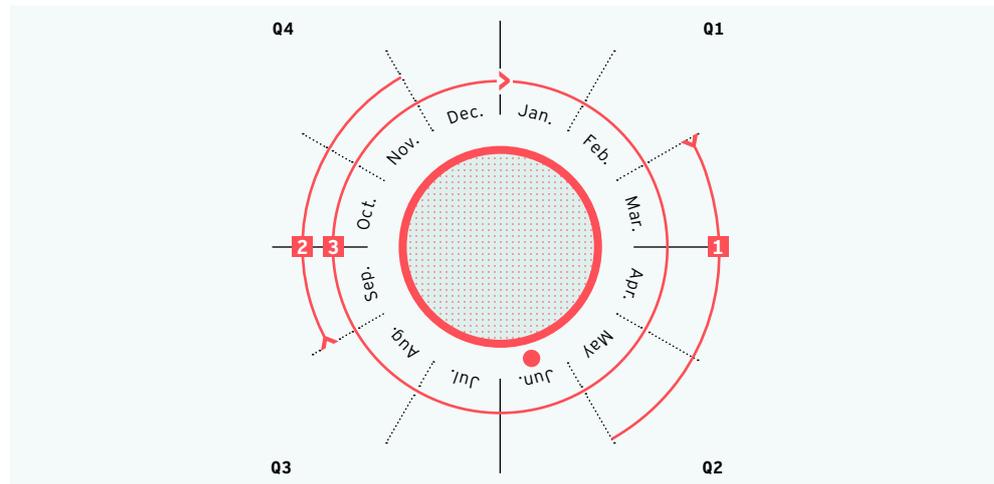
reflects the Company-specific characteristics. Further information about individual compensation of Executive Board members can be found in the Compensation Report, while the basics of reporting principles are explained in the chapter “Explanatory Notes on Reporting Principles.”

Operational and Strategic Planning

Management and planning are closely intertwined at ProSiebenSat.1: As part of planning, target figures are defined and stipulated for different time periods. The focus is on the key performance indicators described above.

The diagram below shows the individual planning levels over time for financial year 2015. The different levels in the planning process – strategic planning, multi-year planning, budget preparation, and monthly reporting – build on each other and are closely linked to our risk management. In 2015, this multi-stage process was relaunched. Multi-year planning is now performed parallel to strategic planning. The objective was to coordinate time horizons and content even more closely.

Planning calendar



- **Strategy meeting**
- 1 Multi-year planning** (long-term corporate plan on an annual basis)
- 2 Budget** (operating plan for the year on a monthly basis)
- 3 Monthly reporting** (trend projections)

› **Strategy meeting:** Analyses of strengths and weaknesses are important strategic planning instruments. Market conditions and current key figures for relevant competitors are compared, the Company works out its own strengths, opportunities and risks are assessed, and growth strategies are developed adequately. The Executive and Supervisory Boards discuss the results once a year in a strategy meeting.

The Group has been pursuing a consistent digital strategy for several years with the aim of strengthening the core business and simultaneously expanding the Company as a broadcasting, digital entertainment and commerce powerhouse. This course has not changed for 2015, but certain targets were prioritized and redefined at the strategy meeting. The strategy meeting for 2015 took place in June; the Group raised its medium-term growth targets in October on its Capital Markets Day.



The Year 2015 at a
 Glance, page 25.

› **Multi-year planning (long-term corporate plan on an annual basis):** Multi-year planning constitutes the detailed, quantitative depiction of strategic planning. It is performed on a quarterly basis and contains targets for a five-year period. The relevant key financial

figures from the income statements or statements of financial position and cash flow statements of individual subsidiaries are analyzed and aggregated at segment and Group level.

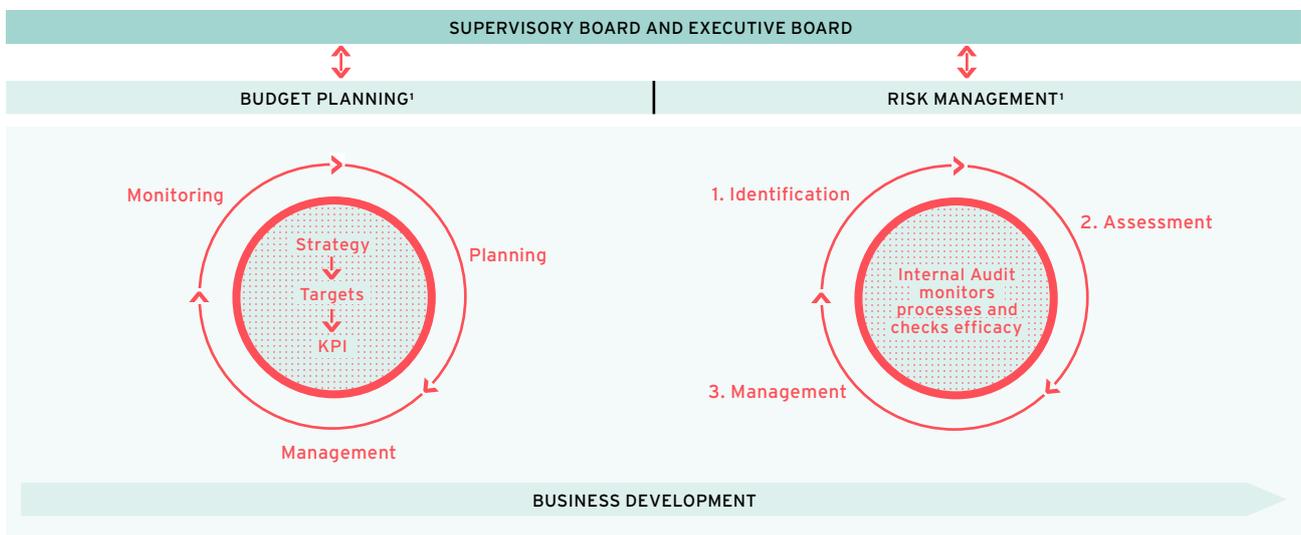
- > **Budget (operating plan for the year on a monthly basis):** In turn, multi-year planning forms the basis for the budget. The budgeted figures are also calculated in a bottom-up process, but the targets for individual financial and non-financial performance indicators are specified on a monthly basis.
- > **Monthly reporting and trend projections:** Trend projections are an important tool in planning during the year. They allow the Company's expected performance for the year to be calculated on the basis of the targets achieved to date and to be compared with the target figures that were originally budgeted. The aim is to identify potential discrepancies between the target and actual figures immediately and to implement the necessary countermeasures promptly.

Again in 2015, the Executive Board discussed the achievement of the short-term and long-term targets together with the Supervisory Board. Apart from the monthly reporting, potential risks are reported to the Group Risk and Compliance Officer on a quarterly basis. In particular, any changes to the early warning risk indicators during the year and over time are analyzed here. For example, the development of audience shares is an important early warning indicator. Additional growth opportunities and therefore potential positive deviations from projected targets are analyzed in parallel with risk management; they are taken into account in budget planning.



Risk and Opportunity Report, page 99.

Opportunity and Risk Management at ProSiebenSat.1



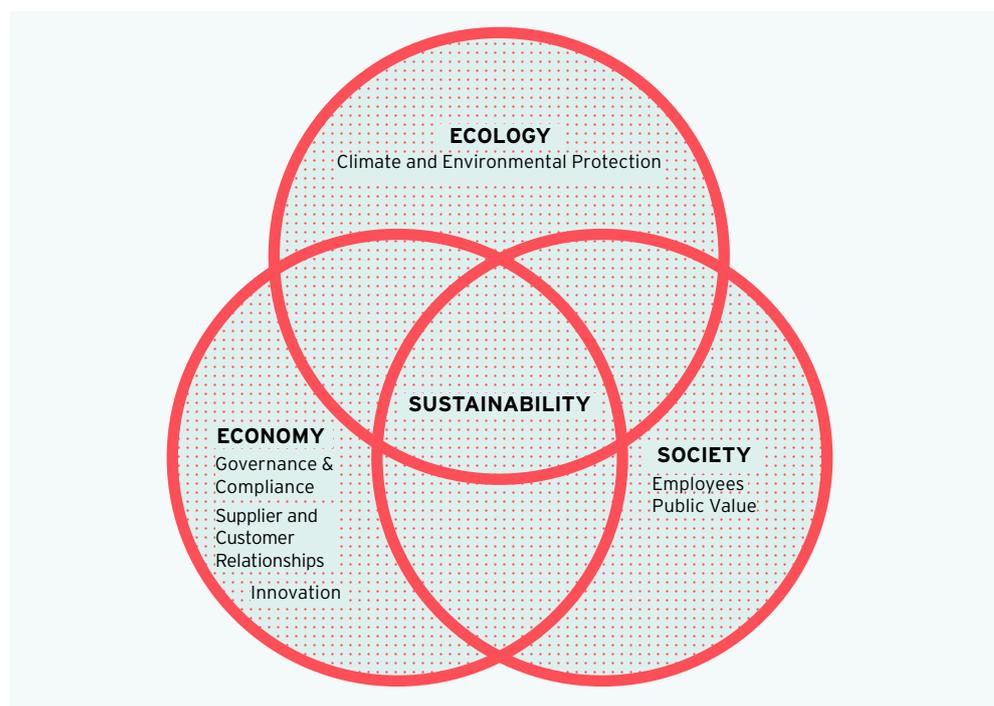
¹ Also refer to Annual Report from page 99 onwards

Sustainability

- > **Independent reporting is very important for ProSiebenSat.1 as a publishing company.**
- > **We are one of the most attractive employers in Germany and set great store by diversity.**
- > **ProSiebenSat.1 benefits from long-standing relations with the film industry.**
- > **ProSiebenSat.1 campaigns publicly and is launching the “SchoolsON” video competition with the support of the German Children and Youth Foundation (“Deutsche Kinder- und Jugendstiftung”).**

Companies that identify and use sustainability-related opportunities in a targeted manner can perform better on competitive markets. Taking sustainability aspects into account leads to optimized business strategies and competitive advantages that can in turn result in higher shareholder returns. ProSiebenSat.1 Group sees sustainability as a method of targeting holistic and lasting development of the Company’s economic, environmental and social performance. The individual dimensions of sustainability are mutually dependent. Below, we describe the fields of action and aspects that are particularly relevant to ProSiebenSat.1 as a media company. The figure below provides an overview:

Dimensions of sustainability and fields of action at ProSiebenSat.1



Governance & Compliance

Transparency and Independence

Transparent communication with the capital market and the public and independent reporting are very important for ProSiebenSat.1 as a publishing company. For this reason, ProSiebenSat.1 strives to ensure a trusting relationship with journalists and financial analysts and follows internal guidelines for preserving journalistic independence.

- > Our public relations and investor relations work is guided by the transparency guidelines of the German Corporate Governance Code. Accordingly, we communicate fully, promptly and frankly with journalists, investors, analysts, and shareholders, whereby the equal treatment of all market participants is our standard. We therefore provide detailed infor-



[www.prosiebensat1.com/
en/page/journalistische-
unabhaengigkeit](http://www.prosiebensat1.com/en/page/journalistische-unabhaengigkeit)

mation in German and English about our business activities, the ProSiebenSat.1 share, and the financial results on the Company website www.ProSiebenSat1.com.

- To protect journalistic independence and fundamental journalistic conditions, ProSiebenSat.1 Group formulated guidelines back in 2005, which all of our program creators in Germany are obliged to uphold. The “Guidelines for Ensuring Journalistic Independence” can be viewed on the corporate website. The media group’s journalists are free to shape their contributions and report independently of social, economic or political interest groups.

Youth Protection



[www.prosiebensat1.com/
en/page/jugendschutz](http://www.prosiebensat1.com/en/page/jugendschutz)

Youth protection officers make sure that ProSiebenSat.1 Group offers age-appropriate programming on TV and online. They are professionally independent and ensure that content that is inappropriate for children is broadcast only at the legally prescribed broadcasting times. At the same time, they guarantee technical methods of protection for the distribution of unsuitable content on the Internet. The youth officers are therefore involved early on in the production and purchase of programs at ProSiebenSat.1. At an early stage, they assess screenplays, accompany productions and formats, and compile reports. Independently, ProSiebenSat.1 Group’s TV and online editors receive regular training on youth protection requirements.

In addition to internal guidelines and training, we also campaign for youth protection via various organizations: The Company is represented on the Board of the Voluntary Self-Regulation of Television Association (Freiwillige Selbstkontrolle Fernsehen e.V., FSF) and the Board of the Voluntary Self-Monitoring of Multimedia Service Providers Association (Freiwillige Selbstkontrolle Multimedia-Diensteanbieter e.V., FSM). The FSF and FSM are organizations for the voluntary self-regulation of private television broadcasters and multimedia service providers and are recognized as independent supervisory bodies for television and the Internet by the Commission for the Protection of Minors in the Media (Kommission für Jugendmedienschutz, KJM). In addition, the Group is one of the first major providers of online games in Europe to be a member of the German Entertainment Software Self-Regulation Body (Vereinigung Unterhaltungssoftware Selbstkontrolle, USK).

Data Protection



[www.prosiebensat1.com/
en/page/verhaltenskodex](http://www.prosiebensat1.com/en/page/verhaltenskodex)

For a media company like ProSiebenSat.1, data protection is of particularly high importance, especially in light of advancing digitalization. ProSiebenSat.1 has set down the data protection principles in its data protection policy, the [Code of Compliance](#), and in additional guidelines.

We understand data protection as an important competitive aspect that influences the customers’, users’, viewers’, applicants’, employees’, and business partners’ trust in the products and brands of ProSiebenSat.1 Group and can thus have a long-term effect on the Group’s financial success. We respect and protect the privacy of all individuals who share their data with ProSiebenSat.1 Group. The Group therefore does not process or use any personal information without fully complying with applicable laws. ProSiebenSat.1 fully guarantees the right to be informed about the use of personal data and to request a necessary correction of this data. The same applies to the individual’s right to disallow the use of their personal information or to demand the deletion or blocking of this data.

Supplier and Customer Relationships

Attractive programming is one of the most important requirements for ProSiebenSat.1's long-term success with TV viewers, but also with users of our digital offerings and advertising customers. In order to secure a long-term supply of programming for the Group, the Group maintains close dialog with domestic and international film studios, as well as film and TV producers. ProSiebenSat.1 Group has long-term agreements with almost all major Hollywood studios and numerous film companies.

ProSiebenSat.1 Group's long-term agreements with major US studios



License acquisition across all forms of exploitation – from free TV and video-on-demand to mobile – is becoming ever more strategically significant for ProSiebenSat.1. We exploit program content via all of the Group's platforms and thus offer our viewers and users a comprehensive and attractive media service. In 2015, ProSiebenSat.1 extended its agreements with Twentieth Century Fox and Warner Bros., concluded new deals with NBCUniversal and Disney, and acquired extensive rights packages.



The Year 2015 at a
Glance, page 25.

- › Thanks to the extension of the master license agreement with Twentieth Century Fox, this Hollywood studio's films and series will continue to be shown on ProSiebenSat.1 Group's stations in the future. For the first time, the agreement also covers animated movies from the DreamWorks studio. In addition to exclusive free TV licenses, the rights package also includes exclusive rights for pay TV.
- › The extended license agreement with Warner Bros. secures ProSiebenSat.1 exclusive free TV rights to Hollywood blockbusters and hit TV shows that the US studio will produce in the years to come. In addition, ProSiebenSat.1 gains access to Warner's extensive library.
- › Moreover, ProSiebenSat.1 concluded a long-term content licensing deal with NBCUniversal for the first time in 2015. This secures the Group wide-ranging linear exclusive rights in Germany as well as catch-up rights to new US sitcoms and drama series from the Hollywood studio. In addition to exclusive free TV rights, the agreement also includes selected pay TV licenses.
- › Furthermore, the Group concluded a new master license agreement with Disney in 2015. The agreement gives ProSiebenSat.1 access to new Hollywood blockbusters and TV series from the Disney, Disney•Pixar, Lucasfilm, Marvel, and ABC Studios production companies. The broadcasting rights apply for ProSiebenSat.1 Group's free TV stations in Germany. In addition to free TV licenses, the agreement also includes selected pay TV and Subscription-Video-on-Demand (SVoD) rights for platforms such as maxdome.

The relationship with advertising customers is also an important success factor for ProSiebenSat.1. The Group generates the biggest share of its revenues from the sale of TV advertising time. In financial year 2015, the share was 60.5%. As advertising budgets are often granted on a very short-term basis, it is important to form a bond with advertising customers. In the core German market, the regional sales offices of the sales subsidiary SevenOne Media have principal responsibility for this. The focus is on intensive and tailored consultation as well as marketing and market research. In addition to maintaining the existing customer base, new customer business is also of economic importance to ProSiebenSat.1 Group. In 2015, the Group gained 139 new customers.



Opportunity Report,
page 116.

As well as the advertising industry, the consumers of our offerings, i.e. TV audiences and the users of our digital platforms, are also important stakeholders for us. In order to increase the success of the offerings and raise awareness of the brands, the Group therefore regularly invests in high-reach marketing campaigns. In 2015, marketing expenditure amounted to EUR 129.0 million (previous year: EUR 88.5 million). These include all expenses in relation to program and image communication with the exception of market research and PR activities. Key investment areas were online marketing measures, print advertisements, as well as events and fairs.

Direct interaction with viewers and users is also important. ProSiebenSat.1 runs 109 Facebook pages and 28 Twitter accounts relating to its TV brands. In addition, viewers can e-mail their questions about program content and suggestions or criticisms to the central viewer service department. In 2015, this department processed around 107,000 inquiries (previous year: around 100,000). The use of Facebook to make contact, again, grew significantly this year. Overall, half of the messages received (51%) came via the heavily frequented pages of the stations (previous year: 33%).

Innovation

In order to take the opportunities of digitalization and meet the future challenges in our dynamic industry environment, ProSiebenSat.1 is reinforcing its power of innovation with various measures. The primary objectives are to exploit innovative business ideas by cooperating with start-ups, to use new technologies in the advertising market, and to align the human resources strategy accordingly.

In 2015, ProSiebenSat.1 Group expanded its start-up business, including on an international level. Thanks to the expansion of its existing scouting network with the countries Great Britain, Denmark, Sweden, Poland and France, the Group can identify global trends and promising companies even faster. Previously, the Group was already represented by scouting offices in the US and Asia. The Group helps attractive companies enter the market in Germany and Europe. In this way, we are transposing our successful investment models to the global market in order to establish ourselves internationally as a media investor. The "European Media Alliance" project was also founded to give the Group's own start-ups the opportunity to expand into other European countries and there to obtain TV media from cooperation partners. For the first time, the partners of the European Media Alliance also took part in SevenVentures Pitch Day, which was held for the fourth time at the NOAH Conference in London; they provided additional media services for the funding format.

Since 2013, the Group has been promoting start-ups with the ProSiebenSat.1 Accelerator program. Through the close cooperation with company founders, we ensure that we can draw on trends and new technologies at an early stage. ProSiebenSat.1 holds investments in young enterprises via its subsidiary SevenVentures, which are supported via the media-for-revenue-share and media-for-equity investment models. In 2015, ProSiebenSat.1 launched a project to promote high-growth digital companies together with Axel Springer. The initiative aims to support innovative business ideas and start-ups in order to improve Germany's positioning as a digital location, including on an international level. Among other things,



The Year 2015 at a
Glance, page 25.

both partners acquired a minority interest in the US firm Jaunt, which specializes in the field of augmented reality. This provides new opportunities to make television advertising even more attractive for brand owners and viewers.

As well as the ventures business, innovation also plays a significant role in the TV advertising market. For this reason, the Group invested in the companies Virtual Minds and SMARTSTREAM TV in 2015. Another example of technological innovation in marketing is addressable TV. ProSiebenSat.1 has used it to introduce a new generation of TV advertising and link the reach of the mass medium television with target-group-specific online offerings. The technological standard Hybrid Broadcast Broadband TV, or HbbTV, allows users to press the "Red Button" on the remote control to gain access to additional digital offerings on smart TVs. For example, during an advertising spot they can call up the provider's microsite with further information at the touch of a button. In 2015, SevenOne Media combined this interactive function with the new special advertising form "SwitchIn" for the first time. The digital advertising window, which can be adjusted according to target group and geographical location, overlays a portion of the screen as soon as the viewer tunes in to a ProSiebenSat.1 station. The spot is only shown to members of the selected target group during the campaign period. ProSiebenSat.1 has already implemented 48 campaigns for 25 advertising customers with addressable TV.



Opportunity Report,
page 116.

In order to succeed in the long term, we also set great store by the ideas and creativity of our employees. In 2012, ProSiebenSat.1 therefore established a central department for innovation and technology trends in the Group. The team has since continuously analyzed innovations in the market and processed relevant information for the management and employees. Moreover, employees can try out cutting edge technologies like 3D printers, virtual reality glasses, and drones for themselves in the ProSiebenSat.1 Tech Innovation Lab. The goal of the initiative is to give knowledge of current trends and to provide a basis for innovation. In addition, Learning Expeditions are important measures for the promotion of our employees' innovative skills. In the one-week Learning Expeditions, ProSiebenSat.1 employees travel to international business regions in order to talk to representatives of large enterprises as well as researchers and academics. The initiative launched in 2011 and has become established at the Company. Around 250 employees have taken part so far.

Research and development

ProSiebenSat.1 Group does not carry out research and development (R&D) in the conventional sense of an industrial company. Therefore, the activities in this area do not fulfill the traditional definition of R&D, so more detailed information according to DRS 20 is not included in the Management Report.

Nonetheless, research does hold a position of high importance at ProSiebenSat.1 Group. We conduct intensive market research in every area relevant to our business activities and in every area in which the Company foresees growth potential. In 2015, expenses for Group-wide market research activities amounted to EUR 7.3 million (previous year: EUR 7.5 million). The various research units prepare investigations and analyses on advertising impact, on trends in the advertising market and digital sectors as well as on media usage and also assess economic and market projections. Those responsible in the Group use the results of the market analyses for operational and strategic planning. At the same time, market

data and analyses are an important basis for capably advising our advertising clients. With its studies, the Company provides advertisers with valuable knowledge for marketing and advertising planning, which constitute an important basis for investment decisions.

Program research also plays a decisive role in the program development phase. An important task is the assessment of international TV trends with regard to their potential for the German TV market. In addition, the research team regularly provides quantitative and qualitative studies and analyses of the ProSiebenSat.1 stations' programming. Among other things, new formats are tested with the aid of survey and audience screenings. The research department also carries out ad hoc tests on shows that have already been broadcast. Based on the results, we can adjust formats in the development phase and optimize TV programs that have already been broadcast, thus increasing success rates.



Technical Distribution,
Media Consumption and
Advertising Impact, page 57.

Climate and Environmental Protection

ProSiebenSat.1 Group's environmental commitment relates in particular to climate and environmental protection measures. ProSiebenSat.1 contributes to slowing climate change and protecting our environment by using resources sparingly and reducing CO₂ emissions. As a media group, ProSiebenSat.1 is not a member of the energy- and resource-intensive manufacturing industries with complex, global supply chains. Nevertheless, doing business on a sustainable basis along its entire value chain is important for the future corporate success of ProSiebenSat.1.



Corporate Strategy
and Vision, page 33.

At ProSiebenSat.1, the largest energy requirement results from the production of TV content and the distribution of television programming. The Company therefore fully converted its power supply at the Unterföhring location to use renewable energy back in 2012. This results in additional costs of around EUR 40,000 per year. In 2015, we made savings of around 60,000 kWh in electricity procurement with measures such as the switch to LED lighting and the modernization of the transformer technology. Annual total consumption is approximately 16 GWh.

Geothermal heating is also part of ProSiebenSat.1's supply concept, which focuses on safety, efficiency and environmental friendliness. The Group has used geothermal heat for several properties at the main site in Unterföhring since 2012. Three further buildings were added in 2015, which have since been supplied with geothermal heating by GEOVOL, operator of the local geothermal plant. The three buildings, which accommodate offices and a large cafeteria, are equipped with six transfer stations. Their power rating totals 2.6 megawatts.

Since summer 2015, two office buildings used by ProSiebenSat.1 at the Unterföhring site have also been air-conditioned in an environmentally friendly manner using geothermal heat. This innovation is made possible by an absorption refrigerator, which uses thermal energy and a solution of water and the salt lithium bromide to generate coldness. The absorption refrigerator replaced the previous air-conditioning system, which was powered by electricity. It has a refrigerating capacity of 200 kilowatts and provides air conditioning for around 4,500 square meters of office space.

In November 2014, the German government passed a law obliging large businesses to carry out energy audits. The "Act on Energy Services and Other Energy Efficiency Measures" serves to implement the EU Energy Efficiency Directive and to achieve German energy conservation targets. ProSiebenSat.1 performed an energy audit according to DIN EN 16247-1 in due time in 2015 and concluded it for all Group entities on the campus in Unterföhring in December. On the basis of the results of the audit, we will examine measures to further improve the Company's energy supply systems technologically, economically and ecologically.

Employees

Strategic Human Resources Work

ProSiebenSat.1 Group is taking the opportunities presented by digitalization and developing from a traditional TV provider into a broadcasting, digital entertainment and commerce powerhouse. The Group supports this process with numerous human resources measures that are derived from the strategy and that strengthen the Company's innovative power. As a media company, ProSiebenSat.1 Group is a classic "people business": Every day, our employees help ensure that the Group remains one of Europe's largest media companies with their talent, creativity, and dedication. In order to secure the future economic growth of ProSiebenSat.1 Group, we pursue a sustainable and responsible human resources strategy. We invest in a targeted way in the development, education, and training of our employees and offer them attractive career opportunities, performance-based remuneration models,

family-friendly working conditions, a comprehensive package for work-life balance, and a wide range of social benefits.

Development of Employee Numbers

Calculated on the basis of full-time equivalents, the Group had 5,584 employees as of December 31, 2015 (previous year: 4,210). The average number of full-time equivalents in the last year was 4,880 (previous year: 4,118). The increase of 762 average full-time equivalents or 18.5% is primarily due to the expansion of the digital business. The acquisitions of etraveli, Verivox, Flaconi and Collective Digital Studio made a particular contribution here. In the past financial year, this resulted in a personnel increase of 699 full-time equivalents in the Digital & Adjacent segment.



Major Events and Changes in the Scope of Consolidation, page 75.

Employees by segment¹

average full-time equivalents, 2014 figures in parentheses

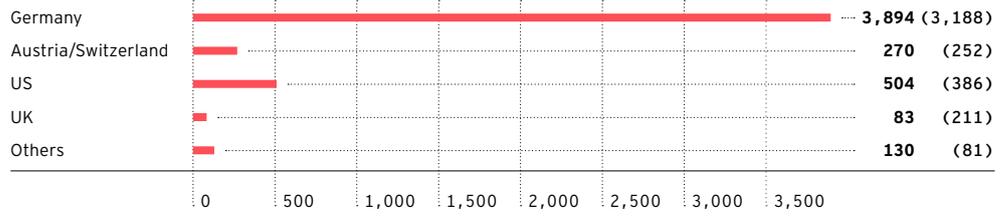


¹ The total amount of 4,118 average full-time equivalents throughout the Group contains 62 employees not allocated to a segment.

In 2015, ProSiebenSat.1 had an average of 4,164 employees in Germany, Austria, and Switzerland (previous year: 3,440 average full-time equivalents). This equates to growth of 21.1% year-on-year and an 85.3% share of the Group's total employees (previous year: 83.5%). The regional distribution of employees in 2015 was as follows:

Employees by region

average full-time equivalents, 2014 figures in parentheses



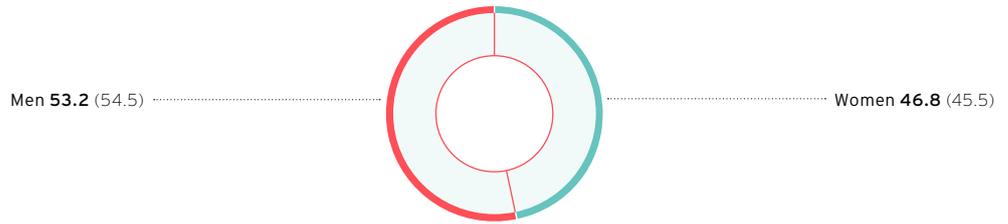
Due to the increase in employees, the personnel expenses recognized in the cost of sales, selling expenses and administrative expenses also rose. They increased to EUR 477.3 million in financial year 2015, which constitutes an increase of 21.9% or EUR 85.6 million compared to the previous year.

Diversity Management

ProSiebenSat.1 values its employees with the personal characteristics, talents and abilities that they bring to the Company. We are convinced that diverse teams are better able to solve complex tasks. A balance of men and women within the company and in management positions also contributes to diversity. In 2015, 46.8% of ProSiebenSat.1 employees were female (previous year: 45.5%) and 53.2% were male (previous year: 54.5%).

Proportion of women and men in the whole Group

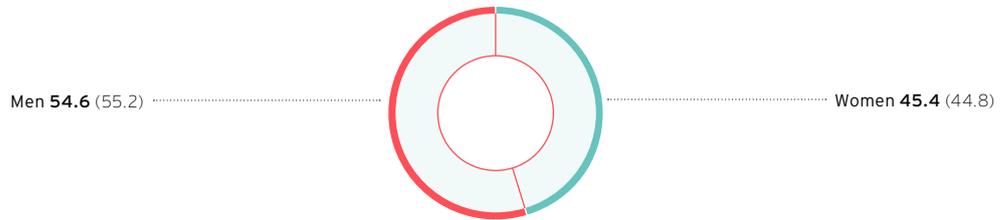
in percent, 2014 figures in parentheses



In the core market of Germany, the proportion of women was 45.4% (previous year: 44.8%) and thus on the level of the average proportion of women in German enterprises, which according to the Federal Office of Statistics was most recently 46.4% (2014).

Proportion of women and men in the German core market

in percent, 2014 figures in parentheses



The ratio of women in management positions was 29.0% (previous year: 29.9%), while 27.9% of managers in the core market of Germany were female (previous year: 29.0%). This figure also matches the average in German enterprises (Federal Office of Statistics 2014: 29%). To further promote balance, the Executive Board of ProSiebenSat.1 Media SE sets targets for the proportion of women on both management levels below the Executive Board in September 2015. The target is 15% for the first management level, 25% for the second management level. The targets are expected to be achieved by June 30, 2017.

For ProSiebenSat.1, diversity means that employees are hired purely on the basis of their skills. Factors such as gender, nationality, sexual orientation, and age play no role. In 2015, ProSiebenSat.1 employed people from around 50 different nations in Germany. The age pyramid also reflects diverse demographics, whereby the average age was 36.7 (previous year: 37.2).

Age pyramid

number of employees



Average age: 36.7

 www.charta-der-vielfalt.de/en/diversity-charter.html

Our corporate culture is characterized by openness and respect. Therefore, ProSiebenSat.1 Group signed the Diversity Charter in 2014. By joining this initiative, we underlined our commitment to creating a working environment free of prejudice and exclusion that promotes diversity among employees. In this context, the third Diversity Day was held in Germany on June 9, 2015; ProSiebenSat.1 supported the nationwide campaign day both in the company and in its programming. For example, the magazine show "taff" launched "Bleib fair," a large-scale social experiment about cyberbullying, and campaigned for openness to and acceptance of all cultures, creeds and sexual orientations.

Recruiting, Education and Training

 www.fascinating-people.de/en

In order to succeed in a highly dynamic industry environment in the long term, it is particularly important to ProSiebenSat.1 Group that its employees continue to develop and that the Group gains new, highly qualified talents as part of its growth strategy. In recruiting, the Group therefore takes various approaches: The digital recruiting methods include the Group's own career portal as a central platform, which was newly launched in 2014. In December 2014, the HR department introduced the job recommendation portal Talentry to the Group, which incentivizes employees to become active recruiters: Existing employees have the opportunity to recommend suitable candidates for vacant positions and receive a commission. The Group thus improved its position on the applicant market, especially with regard to technical job profiles. With over 900 registered users and around 2,000 recommendations since launch, Talentry has established itself as a successful recruiting tool.

 [Development of User Numbers, page 63.](#)

In addition, ProSiebenSat.1 uses the Viasto video platform as another recruiting system. The tool enables prerecorded video interviews with candidates. Pre-selection can thus be made more efficient and flexible when there are large numbers of applicants. Additionally, ProSiebenSat.1 uses different social media channels and operates an own talent community. In recent years, ProSiebenSat.1 has also established a recruiting team that proactively approaches talents on the market and maintains an external network. In total, the number of applications to ProSiebenSat.1 in Germany rose to 37,700 in 2015, a growth of 10.8% compared to the previous year (34,000).

At the same time, ProSiebenSat.1 continuously grooms qualified junior staff for the Group through various apprenticeships. In 2015, 190 apprentices worked in Germany at ProSiebenSat.1 (previous year: 185). This includes management trainees, trainees in TV, Online and PR, as well as apprentices in the following courses – audiovisual media, events, video and sound media design, and IT system integration. The Group also offers dual study programs in media and communications business, as well as accounting and controlling. ProSiebenSat.1 Group is taking a large part of its apprentices, management trainees, and trainees into full employment as the following chart shows:

Retention rate of apprentices, trainees and management trainees in Germany

in percent, 2014 figures in parentheses



Furthermore, the training of employees is of great importance at ProSiebenSat.1. In 2015, the Company further increased its budget in this area: In the past year, ProSiebenSat.1 Group's investments in education and training programs rose to EUR 3.6 million (previous year: EUR 3.0 million). Part of the investment goes to the ProSiebenSat.1 Academy as the central provider of training formats for employees and managers. The number of Academy events increased to 750 (previous year: 561); the number of participants rose by 16.4%. In total, 6,945 participants made use of training offers (previous year: 5,965).

In order to allow our employees to develop on a continuous basis, we have been offering them an extensive program at the ProSiebenSat.1 Academy since 2010. The various seminars on professional and personal development are derived from the corporate strategy and aligned to the qualification requirements of ProSiebenSat.1 employees. In 2015, internal training again especially focused on digital issues: The Company offered training courses such as "Digital Economy," "E-Commerce & Online Marketing" and "Lean Start-Up for User Experience." The objective is that employees understand digital megatrends and the latest technologies and that they estimate the importance for the own industry in order to develop new products and business models. In addition, the Group strengthens its employees' innovative power with various instruments such as Learning Expedition.



Innovation,
page 44.

Succession Planning and Executive Development

In addition to the continuous training and education of our employees, our success is also based on long-term succession planning. ProSiebenSat.1 Group uses the "Organization & Talent Review" (OTR) to identify talented and high-potential employees in the Company and to support them with individual development plans.

At the same time, ProSiebenSat.1 also uses the OTR to ensure long-term appointments to business-critical functions. The process was introduced in 2010. In 2015, 158 employees took part in the OTR (previous year: 201 participants).

All managers at ProSiebenSat.1 Group go through a development program with the modules "New Leader," "Performance," "Team," "Self-Management," and "Digital Leader." In 2014, the Group introduced "Digital Leader" as a new module to train management skills resulting from the digital transformation. Overall, 451 managers took part in the development offerings in 2015 (previous year: 219).

Performance-Based Compensation System

With performance-based compensation, ProSiebenSat.1 gives its employees an appropriate share in the Company's success. Our employees are managed on the principle of "Management by Objectives," drawing on a system that puts higher-level corporate objectives into more specific terms for both staff and management by systematically breaking down targets into segment, departmental, and individual goals. At annual assessment interviews, employees and their supervisors define personal targets for the financial year. These not only provide clear goals but also encourage motivation. The system of targets is tied to a

bonus plan calculated on the basis of individual target attainment and the EBITDA generated by the Company. Employees can achieve up to 200% of their individual target bonus.

For managers, the Company introduced the "Performance Development" program in 2010. The objective is to assess functional performance, manager conduct and business activity. The program is linked to a bonus system, and also entitles managers to receive a one-time payment of up to 200% of the individual target bonus. A further incentive system was initiated in 2012 – a share-based compensation plan (Group Share Plan) in which selected managers participate.

 Compensation Report,
page 8.

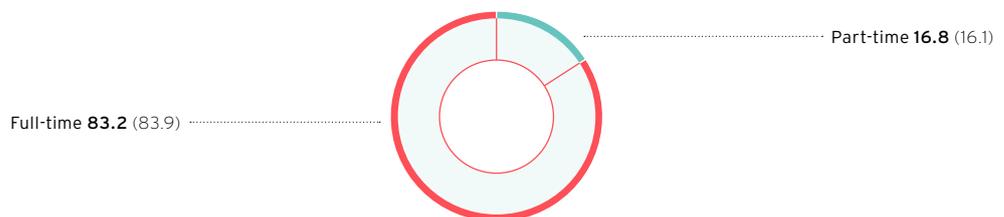
Work-Life Package

We offer an environment where our employees can best unify their private and professional lives. Therefore, employees of ProSiebenSat.1 Group are provided with an extensive work-life package, which supports them in particular in the areas of family, sports, and health. For over ten years, we have offered our employees an in-house day-care center that currently has 74 places. In 2015, the Group's investments in childcare rose to EUR 1.2 million (previous year: EUR 1.0 million). EUR 0.3 million went to the company day-care center and a new children's playground, EUR 0.9 million to care subsidies, which are paid to all employees whose pre-school age children receive care outside the home.

In addition, we make it easier to unify the professional and private lives and make a work-life balance possible with flexitime models, teleworking jobs, and part-time work. The new working hours model (FlexTime), which offers employees a generous flexitime arrangement as well as various opportunities for compensatory time off, has been in place since the start of 2015. In addition, the model governs mobile work at home and while traveling. In 2015, the proportion of part-time employees at ProSiebenSat.1 in Germany rose 16.8% (previous year: 16.1%). According to the Federal Office of Statistics, an average of 26.6% of employees of German enterprises worked part time in 2014. ProSiebenSat.1 employees can also make use of various short-term and long-term sabbaticals in order to integrate their career and personal life plans more individually. Moreover, the Group cooperates with an external service provider that facilitates childcare, concierge services, coaching in difficult life circumstances, and support in caring for family members.

Part-time and full-time employees in Germany

in percent, 2014 figures in parentheses



The ProSiebenSat.1 human resources work also focuses on health and sports. The Group offers its employees the opportunity to integrate movement and sporting activities into everyday working life. They can for example make use of an own sports room and an extensive course program on the Company campus. Since July 2015, employees of ProSiebenSat.1 Group at the Unterföhring site have also had the opportunity to hire bicycles and pedelecs under the salary conversion concept. The Group actively promotes the health and well-being of its employees and simultaneously contributes to climate protection and traffic optimization.

Employee Satisfaction and Employer Attractiveness

An important factor of a successful HR work is for us the satisfaction of the employees. The Company carried out its most recent employee survey in Germany, Austria and Switzerland in July 2014 in order to obtain a detailed assessment of the atmosphere and to identify potential areas of improvement. With a share of 70 %, the participation rate was again very high (2012: 70 %). The results show that there is a high level of satisfaction among ProSiebenSat.1 employees. Close to 60 % are proud to be working at ProSiebenSat.1. These high satisfaction values are also reflected in HR figures such as the staff turnover rate, which fell to 8.8 % in financial year 2015 (previous year: 9.7 %). Despite the decline in turnover, the average period of employment decreased to 5.5 years (previous year: 7.5). Last year, ProSiebenSat.1 saw a sharp rise in employee numbers due to various acquisitions; as a result the average period of employment fell in absolute terms.

Moreover, external evaluations also emphasize the appeal of our Group as an employer. ProSiebenSat.1 Group is one of Germany's most popular employers and has maintained its position at the top of the rankings for several years. In 2015, WirtschaftsWoche's employer ranking confirmed that ProSiebenSat.1 is not only in high demand among media professionals but also experts in other subjects – such as business administration and informatics. ProSiebenSat.1 also counts among Germany's top 100 employers in the "trendence Graduate Barometer", taking 24th place in the business edition and 30th in the IT edition. As in previous years, ProSiebenSat.1 was also among the top ten most popular employers in the "trendence Schülerbarometer 2015." Humanities students who took part in the "Universum Student Survey 2015" voted the Company into second place; ProSiebenSat.1 is one of the top 15 employers in Germany for young economists according to a Universum survey.

Public Value

ProSiebenSat.1 Group reaches around 42 million households every day with its TV stations and an additional more than 30 million users per month with its digital platforms. The distributed content helps to shape the opinions of viewers and users. We are conscious of this responsibility and use the large reach of our media to draw attention to important ecological, social and political issues. We have launched numerous initiatives in recent years and campaigned with lots of projects in 2015. The objectives of our public engagement are:

- > creating opportunities,
- > engaging culture,
- > communicating values, and
- > building knowledge.



Public Value 2015,
page 54.



[www.prosiebensat1.com/
en/page/vorstellung-und-
aufgaben-des-beirats](http://www.prosiebensat1.com/en/page/vorstellung-und-aufgaben-des-beirats)

Back in 2011, the Group placed its corporate responsibility activities in a larger social context and established an Advisory Board. The interdisciplinary body chaired by Bavaria's former Prime Minister Dr. Edmund Stoiber advises the media group on relevant socio- and media-political as well as ethical issues and provides suggestions regarding the Group's media offerings. In financial year 2015, the Advisory Board met three times. Members of the Executive Board and other decision-makers in ProSiebenSat.1 Group participated in these events.

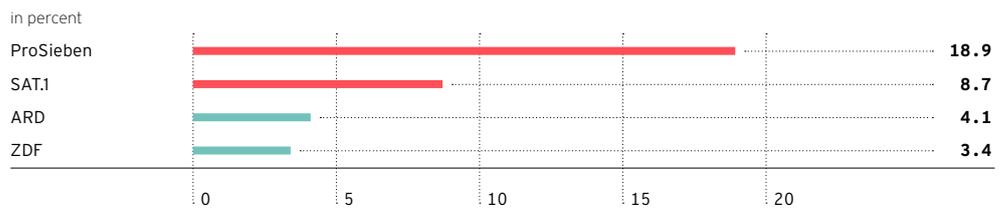


Public Value 2015,
page 54.

At the ProSiebenSat.1 Advisory Board's suggestion, ProSiebenSat.1 launched the "SchoolsON" video competition with the support of the German Children and Youth Foundation in 2015. The nationwide initiative was aimed at young people between the ages of 14 and 18 and called on them to produce TV and online reports alone or in groups. The objective was to actively give young people a closer understanding of how to deal with audiovisual media responsibly. To accompany the competition, ProSiebenSat.1 and the German Children and Youth Foundation provided students and educators with online tutorials and materials. They explained what should be considered when creating a report and also provided suggestions on how to integrate complex issues such as the protection of privacy and copyright into teaching. The "SchoolsON" initiative is part of the Advisory Board's current focus on "Digital Education."

Other projects such as "Green Seven" are also intended to familiarize young people with relevant issues. ProSiebenSat.1 as a media group has a key role to play here: Private stations like SAT.1 and ProSieben have been reaching considerably more young viewers than the public stations for many years. In addition, the Group is familiar with young peoples' lives and speaks their language. This factor is also a crucial advantage for the station group when communicating ecological, social and political issues: ProSiebenSat.1 can use its access to young people to raise the next generation's awareness of important issues.

TV station market shares among young viewers in 2015



Basis: 14-29 years, 24 hour (Mon. – Sun.).

Source: AGF in cooperation with GfK/TV Scope/SevenOne Media Committees Representation.

PUBLIC VALUE 2015

We reach several million people every day with our TV stations and digital platforms. Our content helps to shape opinions. We are conscious of this responsibility and use the reach of our media to draw attention to important ecological, social and political issues. In doing so, we are in pursuit of four goals: We want to offer opportunities, promote culture, communicate values, and build knowledge.

RED NOSE DAY

In April 2015, the 13th **"RED NOSE DAY"** (a) took place on ProSieben. According to the claim "giving makes you happy," famous faces such as Jerome Boateng, Wolfgang Joop, and Joko and Klaas appealed to viewers with numerous activities to donate for children in need. The employees of ProSiebenSat.1 Group also got involved for the good cause: In 2015, around 260 employees took part in the annual company run. ProSiebenSat.1 honored every kilometer run and particularly good run times with a cash donation. In total, the employees raised EUR 38,788 in donations this year. The Company has raised more than EUR twelve million in donations since Germany's best-known charity brand launched in 2003.



a

DIE ARCHE

"Die Arche e. V." (b) was founded in Berlin in 1995. The Christian children's and youth charity is now active at 20 locations in Germany, reaching over 4,000 children and young people. "Die Arche" (The Ark) supports children and young people, fosters their social skills and offers education and sports, healthy eating and individual counseling. A concept that ProSiebenSat.1 supported for six years. In 2015, all the income from "RED NOSE DAY" went to "Die Arche" for the first time. The initiative used the donations to finance the construction of the 20th "Die Arche" facility in Berlin-Treptow, which has offered children a new place to go since October 2015.



b



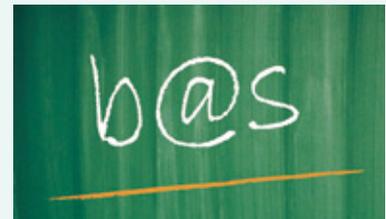
c

STARTSOCIAL

Many people have ideas about how to tackle social problems, but often come up against practical problems when trying to implement them. This is where the nationwide **"start-social"** (c) competition with the motto "help for helpers" comes in. For three months, experts from industry or social organizations coach founders of selected projects with their specialist knowledge. A jury then selects the 25 best initiatives; seven of them receive an award from patron and German Chancellor Angela Merkel. ProSiebenSat.1 Group has sponsored the competition as a co-founder since 2001 together with dedicated employees, who support numerous startsocial projects.

BUSINESS@SCHOOL

In 2015, ProSiebenSat.1 Group supported **"business@school"** (d), the education initiative from The Boston Consulting Group, for the first time. The objective of business@school is to strengthen the link between business and school. For a year, ProSiebenSat.1 employees coach students from tenth to twelfth grade at two Munich high schools and advise them on the implementation of their business ideas. The coaches support the students with their specialist knowledge and practical experience. They not only impart knowledge about methods and content, but also promote the students' qualifications as business founders.



d

SCHOOLS ON

In 2015, ProSiebenSat.1 launched the nationwide **"SchoolsON"** (e) initiative with the support of the German Children and Youth Foundation. For the first time, students and apprentices aged between 14 and 18 were called on to produce creative video reports for the TV shows "taff," "Galileo" or "ProSieben Newstime" alone or in groups. Alongside practical tips on filming, the competition mainly focuses on imparting media literacy. A total of 160 teams took part in "SchoolsON." The winning report in each category was broadcast on the respective show.



e



GREEN SEVEN

During the annual **"Green Seven"**-theme week (f), ProSiebenSat.1 Group uses its large reach to catch especially the young viewers' attention in order to promote a sustainable and environmentally friendly lifestyle. In the week from June 17 to 21, 2015, the ProSieben logo turned green for the seventh time. "Save the Bees" was the motto. It highlighted the bee which is threatened with worldwide extinction, and its extraordinary abilities. Even outside "Green Seven Week," ProSiebenSat.1 Group regularly provides space to environmental issues in its programs.

SOCIAL DAY

Social engagement and responsibility are a priority at ProSiebenSat.1. With **"Social Day,"** (g) we as a company want to provide a framework in which we can live this social responsibility together and help the less privileged. On October 8, numerous employees took this opportunity again and got involved in social Munich institutions during their working hours. For example, these included the Salesianum refugees' home, the foundation for blind women in Nymphenburg-Neuhausen, and the adventure playground in Neuhausen. The first Social Day at ProSiebenSat.1 was held in June 2013. Since then, 252 employees have taken part.



YOUNG LIONS

"Young Lions" is ProSiebenSat.1's support initiative for the filmmakers of tomorrow. With expertise, financial means, and sought-after broadcast time, the media group supports up-and-coming talent from the Baden-Württemberg Film Academy. This encourages young talents and gives them the chance to film extraordinary subject matter. In 2015, the TV station sixx showed three films from the next generation that were created in cooperation with the Film Academy under the label "Young Lions 7.1."

DIVERSITY DAY

On June 9, 2015, the "Diversity Charter" association organized the third nationwide **"Diversity Day"** (h). ProSiebenSat.1 supported the campaign day both in the company and on air. TV magazines such as "taff" and "Galileo" broadcast numerous reports on "Diversity Day" that showed why diversity and tolerance are fundamental to our society. For example, taff launched "Bleib fair," a large-scale social experiment about cyberbullying, and campaigned for openness to and acceptance of all cultures, creeds and sexual orientations.



FIRST STEPS AWARDS

ProSiebenSat.1 Group champions the next generation of filmmakers with numerous projects and initiatives and supports film schools all over Germany. The objective is to smooth the way for young people to enter the film and music business. The station group supports a total of seven institutions, including the Bayerische Akademie für Fernsehen (Bavarian Academy for Television) and the Hamburg Media School. ProSiebenSat.1 is also a co-founder of the **"FIRST STEPS Awards"** (i), which the German Film Academy awards every year to the best films produced by students graduating from German-language film schools. The award is the most prestigious prize for young talents in Germany and includes prize money of EUR 92,000. In September 2015, the "FIRST STEPS Award" was awarded for the 16th time at a big event in Berlin.

#MUNDAUFMACHEN – SPEAKING OUT

"#MUNDAUFMACHEN gegen Fremdenhass" (speaking out against xenophobia) – in a video message, Joko Winterscheidt and Klaas Heufer-Umlauf speak out clearly against racism and against stirring up hatred against refugees on Facebook. ProSiebenSat.1 Group stands resolutely behind the words of the two entertainers. The company expressed its position on the nascent hostility toward refugees in Germany by broadcasting the statement on the "SAT.1 Frühstückfernsehen," "ProSieben Newstime," and "taff" formats, among others, and simultaneously called on employees to donate items to the refugee charity Münchner Flüchtlingshilfe e.V.

Group Environment

- > **Digitalization is giving us additional growth prospects and creating new markets both for the sale of advertising time and for the production business.**
- > **Although new technologies are altering media use, TV remains the most important mass medium in Germany, and its quality is increasing thanks to additional functions such as TV in high definition (HD).**
- > **TV reach is gaining in significance in the diversity of media; investments in TV advertising therefore increase further in 2015. As the market leader, we are clearly benefiting from this.**
- > **Because of the high level of its use, television has the greatest advertising impact and is supplemented by the Internet as distribution channel.**
- > **In 2015, we extended our lead over our competitors in the TV market and achieved the best audience share in ten years; at the same time, we are continuously increasing our reach via digital platforms.**

Media-Political and Regulatory Environment

The German media landscape and the TV market in particular significantly differ from other European or English-speaking countries. In comparison, the TV market is tightly regulated and advertising opportunities are considerably more restricted than in the US, both in quantitative and qualitative terms.

At the same time, public broadcasters have large budgets. In Germany, they finance around 20 TV stations and approximately 60 radio stations with a budget of EUR 9.2 billion. In comparison, private providers operate over 280 TV stations and 270 radio stations (2014); their budget amounts to EUR 7.8 billion. The financing of public broadcasters is guaranteed by law via the license fee; their duty is to provide a "basic service to the population including information, education, culture and entertainment." Advertising revenues are a second revenue source for public broadcasters.



Opportunity Report,
page 116.

In recent years, the dual system has become financially unbalanced, as the income of public broadcasters has risen steadily: In 2000, the license fee still amounted to DM 28.25 or EUR 14.44; by 2015, it was EUR 17.50 per household.

The fee has been standardized since January 2014 and is raised per household, regardless of the type and number of devices. Prior to this, the license fee amount was based on the number of devices. The switch to the new model reflects the convergence of media: TV and radio are increasingly being used on the Internet. The new license fee model has led to a further increase in public broadcasters' income from license fees. Based on the declared financial requirements of broadcasters, additional income totaling EUR 1.5 billion is forecast for the period from 2013 to 2016.

However, private operators in Germany are competing not only with well-funded public broadcasters. The increasing market penetration of convergent devices is fundamentally changing the competitive situation for media companies: The wide range of services and transmission routes is growing in the wake of digitalization and competition with global providers is becoming more intense. ProSiebenSat.1 has positively embraced this development and identified numerous growth opportunities in this dynamic market development. This requires an equivalent competitive environment for all market participants. However, global providers such as Google or Facebook are currently not subject to the same statutory provisions and regulations in Germany. Copyright law or legal requirements for the protection of young people serve as examples here.



Technical Distribution,
Media Consumption and
Advertising Impact, page 57.



In addition, quantitative and qualitative restrictions make fair competition difficult, because TV in Germany is more tightly regulated than other media. This affects both the scope of advertising and its content: For example, time for German TV advertising is restricted to a maximum of twelve minutes per hour, while opportunities to place advertising in certain programs are limited.

In addition, private broadcasting is regulated by German media concentration legislation and programming restrictions. To ensure plurality of opinion, SAT.1, for example, has to finance regional programs for a total of five broadcast areas and has to broadcast these in parallel during prime time. The Interstate Broadcasting Treaty also places an obligation on some private operators to finance and broadcast programs from independent third-party companies. Legal proceedings are currently pending regarding SAT.1's controversial current obligation to broadcast these third-party programs.

A dialog about regional commercial breaks is also taking place: Last year, Federal States imposed new statutory restrictions. Different regional advertisements during television programs that can be received throughout Germany have been forbidden since January 2016. Exceptions can be regulated under state law in the individual Federal States. ProSiebenSat.1 Group has initiated legal proceedings against this regulation and offers its regional customers separate marketing models for national TV spots: At the same time, the company is continuing to develop technical possibilities. For instance, it will expand its offers for different regional forms of advertising via HbbTV.



Opportunity Report,
page 116.

Technical Distribution, Media Consumption and Advertising Impact

The range of transmission routes is becoming more diverse in the wake of the digital transformation, whereby television is gaining in attractiveness thanks to new ways to use it: Examples include digital television in high definition (HD), catch-up television via apps on mobile devices, and video-on-demand (VoD) on large TV screens. The use of these new services goes hand in hand with the expansion of broadband Internet connections and the growing number of satellite households in Germany:

- In 2015, the number of broadband Internet connections exceeded 30 million for the first time. It has therefore tripled within a space of ten years.
- Satellite connections are now available everywhere and are the most important distribution channel for television. The analog satellite signal was switched to digital five years ago. At the end of 2015, 17.07 million households in Germany received their TV programs via satellite (previous year: 17.15 million).

TV households in Germany by delivery technology

TV households	Potential in millions	Terrestrial	Cable	Satellite	IPTV
	(analog + digital)				
2014 ¹	36.71	1.38	16.59	17.15	1.59
2015 ²	37.03	1.30	16.09	17.07	2.56

Source: AGF in Collaboration with GfK/TV Scope.

¹ Information as of August 1, 2014.

² Information as of December 1, 2015.

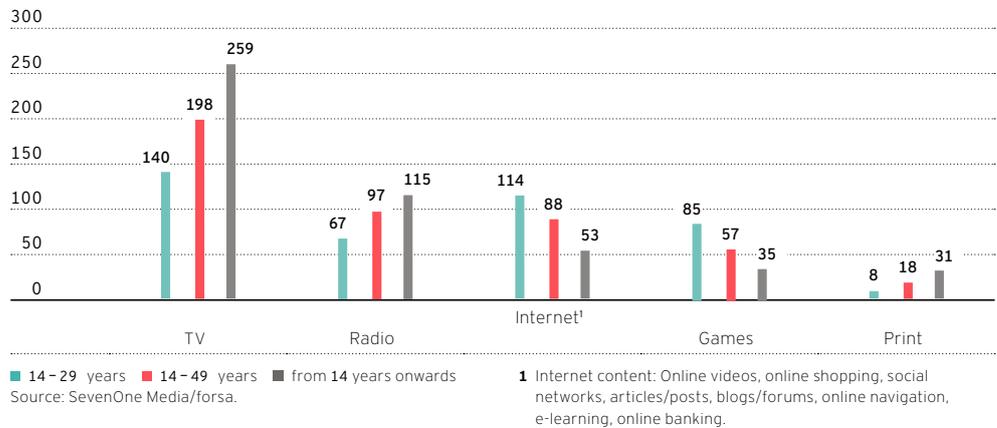


www.sevenonemedia.de/mag

The results of the "Media Activity Guide 2015" study carried out by forsa in March 2015 on behalf of the ProSiebenSat.1 advertising sales company SevenOne Media give a detailed insight into media usage in Germany: On average, people in Germany use media and media transmission channels for 557 minutes every day. Television remains the most popular and highly used medium; viewers aged over 14 years spend nearly half of their daily media use on television. Radio follows in second place with a daily use time of 115 minutes. Content-driven Internet use takes up 53 minutes of the time budget. Print media in particular have declined in importance among the younger target groups: 14- to 49-year-olds now spend 18 minutes per day reading newspapers and magazines.

Average daily use time

in minutes



Risk and Opportunity
Report, page 99.

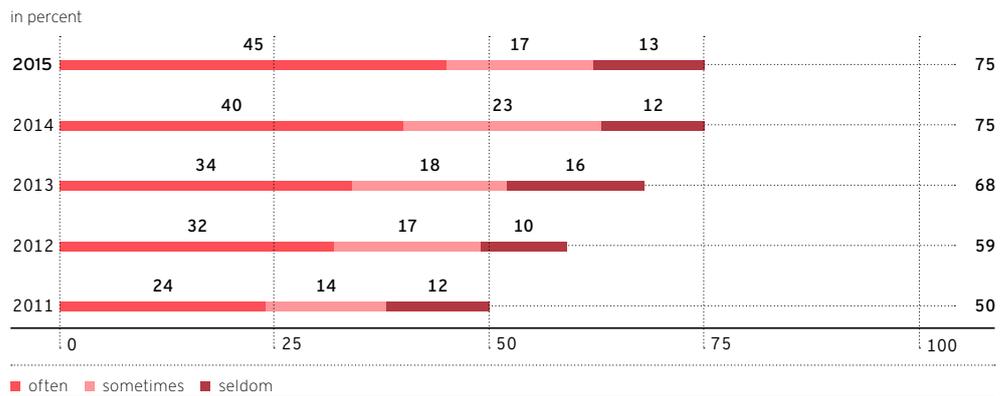
The data on television use are collected in Germany via measurement in a TV panel on behalf of the Arbeitsgemeinschaft Fernsehforschung (Working Group of Television Research, AGF). The data show that the time the group of viewers aged over 14 years spent watching television every day increased slightly again in 2015 to 237 minutes (previous year: 234 minutes). This further underscores the importance of TV as the number one medium in Germany. The following trends can be discerned:

- Linear TV consumption dominates the German market; in 2015 it was slightly over three hours per day in the audience group of 14- to 49-year-olds. This is connected to the fact that 70% of those surveyed see television primarily as a means to relax. So the basic function of television – known as the lean-back function – remains, supported by new services such as three-dimensional HD television. The majority of German households now have an HD-ready television set.
- Television is the most important supplier of video content: While the Internet is firmly incorporated into people's everyday lives – in 2015, the proportion of Internet users in Germany remained stable at 80% – 96% of TV consumption among people over 14 years old still takes place live at the moment of broadcast. Even young media consumers between 14 and 29 years old spend three quarters and thus the majority of their video use time with TV. With an average use of over 60 hours per month, private stations are watched the most by viewers aged over 14 years.
- Everyday media use is characterized by the parallel use of different entertainment devices. Parallel use also stimulates both the use and the advertising impact of TV: People who use multiple screens are not only more Internet-savvy, they are also more interested in TV content and watch 193 minutes of television every day, three minutes more than the average for their age group (14- to 49-year-olds). At the same time, nearly half of all Germans (43%) have purchased a product online having been prompted by TV content. That is four percentage points more than in the previous year. Around half of all Germans are inspired by TV to research products.



Development of the
Audience Market, page 60.

Parallel usage of TV and Internet



Basis: 14 - 49 years, use TV/Internet at least occasionally.
 Source: SevenOne Media/forsa, mindline media.

Television is the most important mass medium in Germany; on an average day in 2015, 50 million viewers in the age group over three years watched television. Thus, the monthly net reach is stable at a high level. At the same time, digitalization is increasing the relevance of advertising via TV spots compared to other media: TV advertising has the highest impact; no other medium can build up high reach in all target groups so quickly. And this has not changed in the wake of digitalization: According to Nielsen Media Research, the monthly net reach of leading Internet portals such as Google is in Germany only around half as high as that of German private stations. Television advertising is both efficient and effective: Video advertising on TV inspires brand loyalty among consumers and pays off for advertising in both the short and long terms. This is demonstrated by the "ROI Analyzer," a study that SevenOne Media published in 2014 together with GfK-Fernsehforschung and the GfK Verein. The study evaluated the effects of TV advertising on all purchase data from 30,000 German households over a year. The results showed that, across all brands investigated, a TV campaign will pay for itself after only one year, with an average return on investment (ROI) of 1.15. This figure increases to 2.65 after five years.

www.sevenonemedia.de/roi-analyzer1

The digital trend has a powerful influence on the media industry. In addition to the opportunities for use, refinancing models are also evolving. Paid services such as pay TV and VoD are also giving ProSiebenSat.1 Group additional growth prospects. Germany is a traditional free TV market, but pay VoD is growing dynamically all the same. At the end of 2015, the volume of the VoD market was EUR 187 million. New markets are emerging at the same time that are suited to TV advertising and are benefiting from the possibilities of the Internet as a distribution channel. For example, the e-commerce market in Germany grew by twelve percent in 2015 to a market volume of EUR 41.7 billion. Looking at the last five years, the market has grown by a total of about 60% and successively pulled share away from conventional commerce.

Opportunity Report, page 116.

Market Environment of the Production Business

The international program production and distribution network Red Arrow Entertainment Group generates more than two-thirds of its revenues in the US. With production revenues averaging USD 35 billion over the last five years, the US is the world's largest and most important TV market. The greatest demand is currently the one for English-language fiction programs. Around 400 TV series were broadcast in the US in 2015 alone. Four years earlier, in 2011, the number still was 211. This is partially due to the sharp increase in the number of free and pay TV channels. Thus, according to the association Privater Rundfunk und Telemedien e.V., an American household, receives an average of 189 programs. In 2008 it was 129. At the same time, the group of commissioners for high-quality productions has increased to include the operators of multinational streaming platforms such as Amazon and Netflix. In total, there were over 60 program buyers of fiction programs in the

The Year 2015 at a Glance, page 25.

fields of free TV, pay TV and video-on-demand in 2015. As a result, Red Arrow Entertainment Group's potential customer group in the US has become considerably larger. The ProSiebenSat.1 subsidiary is therefore continuing to direct its strategic focus – including when it comes to acquisitions – at the US market.

The high quality of Red Arrow formats is underscored by important industry awards:

Awards for Red Arrow Entertainment Group formats

Copenhagen TV Festival Awards	„Real Men“ (Best New Format) „Married At First Sight – Denmark“ (Best Factual Entertainment)
Monte Carlo Awards	„Lilyhammer“ (Steven Van Zandt: Best Actor in a Comedy Series) „Lilyhammer“ (Best European Comedy)
Real Screen Awards	„Booze Traveller U.S.“ (Category Lifestyle – Food, Karga Seven Pictures) „Epic Meal Empire U.S.“ (Category Lifestyle – Food, Collective Digital Studio)
RIA-galan TV Producers Awards	„Married At First Sight – Sweden“ (Best Online Programme)
Seoul International Drama Awards	„The Good Sister“ (Best TV Movie, Best Screenwriter)

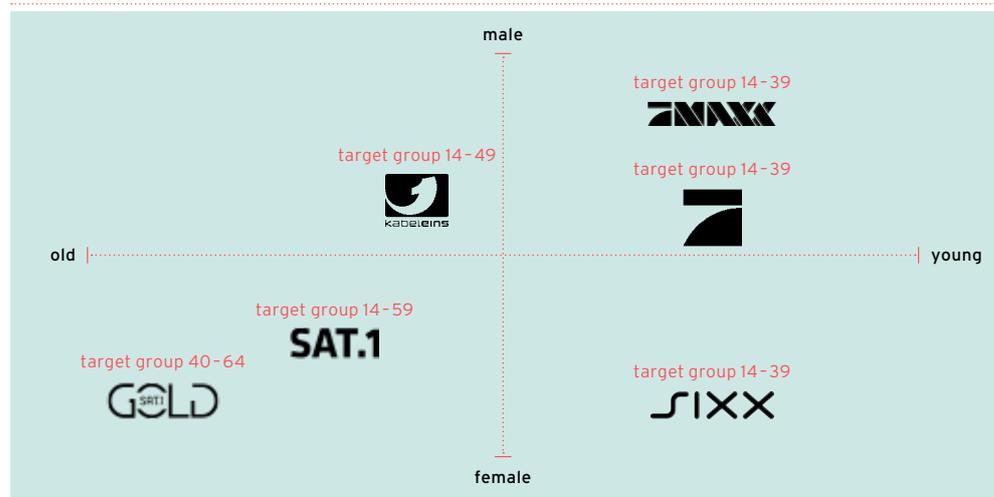
Development of the Audience Market

On the audience market, ProSiebenSat.1 Group has a complementary portfolio. In the past five years, the station group started three stations with the aim of reaching new target groups on the audience and TV advertising market. sixx and SAT.1 Gold are a successful example of this: The programs of these two stations are aimed specifically at female viewers since there is a particularly strong demand for this target group on the TV advertising market. Via the strategic expansion of the station portfolio, ProSiebenSat.1 has continuously increased its advertising market shares among women in recent years. Another advantage of complementary programming is efficient programming exploitation: Thanks to its broad station portfolio, the Group can fully make use of its extensive rights from license packages in a target group-oriented environment. In addition, short-term fluctuations in the market share of individual stations can be offset by the station group. With this strategy, ProSiebenSat.1 increased its market shares in all three countries in 2015 – in Germany, Austria and Switzerland.



The Year 2015 at a Glance, page 25.

Key target groups of the free TV stations





Comparison of Actual
and Expected Business
Performance, page 70.

On the core market of Germany, the six free TV stations ProSieben, SAT.1, kabel eins, sixx, SAT.1 Gold and ProSieben MAXX achieved a combined market share of 29.5% among viewers aged between 14 and 49 in 2015 (previous year: 28.7%). This represents a year-on-year increase of 0.8 percentage points and the highest combined market share in ten years. In 2015, the station group gained additional market shares in the female target group in particular, which is relevant to the advertising market; in addition, the newer TV stations SAT.1 Gold and ProSieben MAXX performed particularly well. ProSiebenSat.1 Group also further strengthened its leading market position: With a lead of 5.2 percentage points, ProSiebenSat.1's stations were once again well ahead of the stations marketed by IP Deutschland (RTL, VOX, n-tv, Super RTL and RTL Nitro) in 2015. Its direct competitor lost 0.4 percentage points year-on-year (previous year: 24.7%).

In 2015, the individual free TV channels of ProSiebenSat.1 Group developed in Germany as follows:

- ProSieben achieved a market share of 10.9% of viewers aged 14 to 49 (previous year: 11.0%). The station is a market leader in the relevant target group of 14- to 39-year-olds and has increased its competitive edge over its main rival RTL; here, ProSieben's audience share amounted to 15.2% (previous year: 15.4%).
- SAT.1's development was virtually stable with a market share of 9.5% in the relevant group of viewers aged 14 to 59 (previous year: 9.6%). In the 14 to 49 year old target group, the station exceeded the previous year's figure although shows such as "Mila" and "Newtopia" did not hit the viewer's tastes and were discontinued within a short space of time. The market share of 14- to 49-year-olds rose by 0.1 percentage points, amounting to 9.3%.
- kabel eins closed 2015 with an audience share of 5.3% among viewers aged between 14 and 49. This value was 5.5% in the previous year. In addition to the "Knochenbrecher" Tamme Hanken, program highlights also included Frank Rosin with his shows "Rosins Kantinen – Ein Sternekoche undercover" and "Rosin weltweit – andere Länder, andere Fritten."
- sixx increased its market share in the relevant target group of 14 to 39 year old women by 0.1 percentage points to 2.6%. Among 14- to 49-year-olds, the women's station achieved a stable market share of 1.4% (previous year: 1.4%). sixx was founded in 2010 and is now one of the most popular German television brands not only on TV but also on digital platforms such as Facebook and Twitter.
- SAT.1 Gold nearly doubled its market share among viewers aged between 14 and 49, achieving a market share of 1.3% (previous year: 0.7%). The result in the relevant target group of 40 to 64 year old women also demonstrates this year's success: At 2.3% over the year as a whole, this value was above the two percent mark for the first time (previous year: 1.2%).
- ProSieben MAXX also steadily increased its market share: The men's station ended the year with a market share of 1.2% (previous year: 1.0%); in the relevant target group of 14 to 39 year old men, the market share rose to 2.0% (previous year: 1.9%).



Content Highlights 2015,
page 65.



Development of
User Numbers, page 63.

2015 was also a successful year for the Austrian station group ProSiebenSat.1 PULS 4: SAT.1 Österreich, ProSieben Austria, kabel eins austria, sixx Austria, SAT.1 Gold Österreich, ProSieben MAXX Austria and PULS 4 posted a combined market share of 23.1% in the relevant target group of 12- to 49-year-olds (previous year: 21.7%). ProSiebenSat.1 PULS 4 is thus 1.4 percentage points above the previous year's figures and is the strongest private station group on the Austrian TV market. ProSieben Austria is the station that saw the strongest increase in 2015, with an annual market

share of 9.8%. Once again, PULS 4 closed the year as the strongest private TV station in Austria: It achieved 4.0% of viewers aged 12 to 49 (previous year: 4.1%) and 3.1% of viewers aged 12 and up (previous year: 3.6%). As a result, PULS 4 is the market leader among Austria's private full service broadcasters.

The Group is also pursuing a multi-station strategy in Switzerland. SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz and Puls 8 are stations that are included in the portfolio and aimed at different core target groups. The station Puls 8 has supplemented the portfolio since October 2015; its relevant target group comprises viewers aged between 20 and 49. Since then, the station has already achieved market shares of around 1% every month. Overall, the TV family reached a market share of 18.6% of viewers aged 15 to 49 in Switzerland (previous year: 17.3%).



The Year 2015 at a Glance, page 25.

ProSiebenSat.1 Group audience shares by country

in percent	Q4 2015	Q4 2014	2015	2014
Germany	29.4	29.8	29.5	28.7
Austria	24.5	22.7	23.1	21.7
Switzerland	18.4	18.6	18.6	17.3

Figures are based on 24 hours (Mon. – Sun.).

Germany: SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX; target group 14- to 49-year-olds; D + EU; source: AGF in cooperation with GfK/TV Scope 6.0/SevenOne Media Committees Representation. **Austria:** SAT.1 Österreich, ProSieben Austria, kabel eins Austria, sixx Austria, SAT.1 Gold Österreich, ProSieben MAXX Austria, PULS 4; target group 12- to 49-year-olds; source: AGTT/GfK

Fernsehforschung/Evogenius Reporting. **Switzerland:**

SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8 (since October 8, 2015); target group 15- to 49-year-olds; market shares refer to the German-speaking parts of Switzerland; D – CH; source: Mediapulse TV Panel.

HD user numbers are a second measurement parameter for the reach of our free TV stations. The number of users of the digital satellite platform HD+, via which private stations in Germany are distributed, increases continuously and notably. In Germany, the ProSiebenSat.1 HD stations amounted to 6.2 million users in 2015; in 2014 they were at 5.3 million. ProSiebenSat.1 Group also broadcasts its programs in HD quality in Austria and Switzerland. Many partnerships emphasize ProSiebenSat.1 Group's strategy of providing viewers attractive add-on programs such as HD television, and of offering their program across as many distribution channels as possible. In light of this, the company concluded many new contractual agreements in 2015, for instance, with the distribution platforms Couchfunk and Zattoo, the online platform TV Spielfilm and the cable network operator Unitymedia. These contracts for cooperation with distributors as well as for the distribution of programs through the platform HD+ increase the reach of ProSiebenSat.1's offerings. Thus, they offer us new refinancing models through which the Company generates recurring and non-cyclical revenues in addition to traditional TV advertising.



Technical Distribution, Media Consumption and Advertising Impact, page 57.

In addition to the high market shares achieved by stations owned by ProSiebenSat.1 Group in 2015, awards are an indicator of the popularity and quality of the shows we broadcast. The table below shows the most consequential prizes:

Awards for TV formats and co-productions

BAMBI	"Who Am I – Kein System ist sicher" ¹ (Film National) "Honig im Kopf" ¹ (Dieter Hallervorden, Til Schweiger: Special Jury Award)
Bavarian TV Award (Blue Panther)	"Die Ungehorsame" (Felicitas Woll: Best Actress in Television Films/Series)
Bavarian Film Award	"Stromberg – Der Film" ¹ (Christoph Maria Herbst: Audience Award) "Who Am I – Kein System ist sicher" ¹ (Best Director) "Frau Müller muss weg!" ¹ (Best Script)
German Comedy Award	"Pastewka" (Best Comedy Series) "Honig im Kopf" ¹ (Most Successful Cinema Comedy) Stefan Raab (Special Award)
German Film Award (Lola)	"Honig im Kopf" ¹ (Film with the Biggest Audience) "Who Am I – Kein System ist sicher" ¹ (Best Editor; Best Set Design; Best Sound Design)
German Camera Award	"Who Am I – Kein System ist sicher" ¹ (Nikolaus Summerer, Best Cinematography)
Fernsehfilm-Festival Baden-Baden (3sat Audience Award)	"Die Ungehorsame"
Jupiter Award	"Pastewka" (Best German TV Series) "Danni Lowinski" (Annette Frier; Best German TV Actress) "Honig im Kopf" ¹ (Best German Film; Lead Actor; Director) "Vaterfreuden" ¹ (Most Successful Film; Lead Actor; Director)
Golden Romy	"2 Minuten 2 Millionen – Die Puls 4 Start-Up-Show" (Best Program Idea) "Frau Müller muss weg!" ¹ (Best Cinema Film) "Honig im Kopf" ¹ (Most Popular Actor; Best Director; Best Producer of a Cinema Film)

¹ Co-production of ProSiebenSat.1 subsidiary SevenPictures.

Development of User Numbers

ProSiebenSat.1 Group has a comprehensive program repertoire of more than 60,000 hours of licensed US programming as well as exclusive local own and commissioned productions for its free TV stations. Attractive programs are the basis for success on the audience market. At the same time, we are extending our brands into the Internet and are pursuing the goal of using our stock of programming rights as efficiently as possible and increasing value via additional platforms and devices.

Utilization of program content



In financial year 2015, ProSiebenSat.1 web offerings reached around 32 million unique users per month (previous year: around 30 million unique users). The direct competitor IP Deutschland reached about 28 million unique users per month (previous year: around 27 million unique users). This finding is featured in a recent study by the Arbeitsgemeinschaft Online-Forschung (AGOF). Since August, the AGOF has been publishing "digital facts" in addition to these figures. For the first time, this cross-channel data indicates the total number of users aged 14 and up who have access to a service – regardless of whether this is done using an app, the mobile version or the desktop version of a website. With its online network, SevenOne Media is one of the sales companies in Germany and has the highest reaches in this measurement as well, with around 34 million unique users a month. With wetter.com, it operates the app with the highest number of users in Germany (4.6 million unique users). IP Deutschland reached around 28 million unique users.



The Year 2015 at a Glance, page 25.

Another essential component of ProSiebenSat.1's digital portfolio is the multi-channel network (MCN) Studio71, which was established in fall 2013. It is primarily funded by advertising and is increasing its video views on an ongoing basis. With more than 400 million video views per month and more than 38 million subscribers, Studio 71 is the leading MCN in Germany. Last June, ProSiebenSat.1 Group also acquired the majority in Collective Digital Studio (CDS), a leading MCN in the US. This was combined as part of the transaction with Studio71. As a result, the MCN was also established internationally: With more than 1,400 channels and currently more than 3.5 billion video views per month, it ranks among the top 5 of the biggest MCNs worldwide.



Business Development of the Segments, page 90.

In addition to advertising-financed online platforms, the Group also operates the VoD portal maxdome. The online video library generates revenues via pay-per-view and subscriptions and is available via traditional TV sets and PCs as well as mobile devices. In 2015, the number of subscription-video-on-demand (SVoD) users increased by 78 %, while video views were up by 81%. With over 60,000 titles, maxdome offers the most comprehensive content range in Germany.

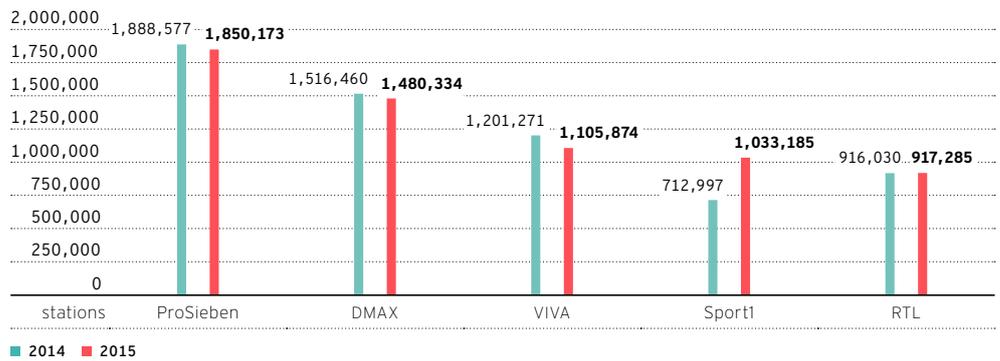
ProSiebenSat.1 is also continuing to develop well in the area of social media. At the end of financial year 2015, it had more than 25 million fans on Facebook. Once again, the science program "Galileo" and ProSieben's TV station and show pages were the most popular; ProSieben shows "Circus HalliGalli" and "TV Total" saw the largest increase in the number of fans.



In March 2015, Facebook deleted inactive accounts and associated likes on all fan pages. Against this backdrop, numerous Facebook pages lost fans compared to the previous year.

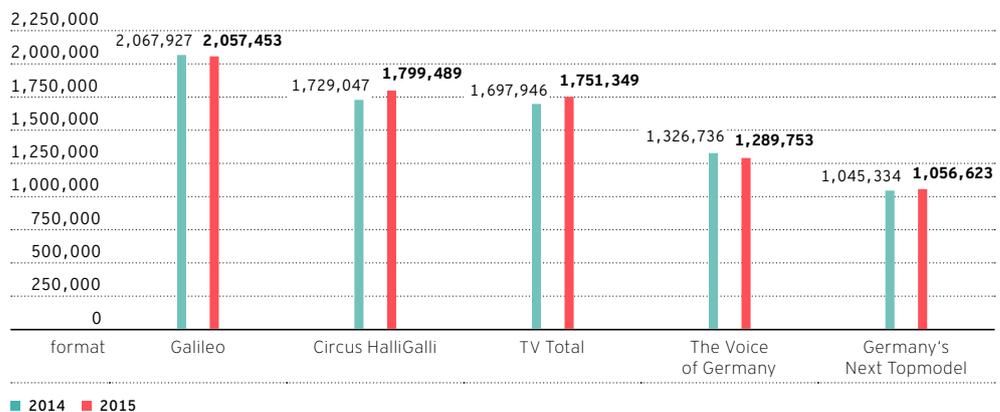
Top 5 station websites in Germany on Facebook

Number of fans



Top 5 formats of the ProSiebenSat.1 Group on Facebook

Number of fans





[www.twitter.com/
ProSieben](http://www.twitter.com/ProSieben)

ProSieben's Twitter account had over 1.5 million followers at the end of 2015. This is an increase of around 50%, allowing ProSieben to emphasize its leading position in social media communications. No other TV station has used Twitter so successfully. By way of comparison, RTL's Twitter account has around 460,000 followers. As the leading German media account, ProSieben exceeded the one million follower mark already in December 2014.



Content Highlights 2015,
page 65.

Social media activities are an important viewer and user relationship tool for ProSiebenSat.1. With the extension of TV content to the Internet and social networks, the aim is to expand its reach and offer advertising customers additional platforms. The successful format "Promi Big Brother" serves as an example here. In addition to the fixed time slot in TV, viewers and users are served with news, specially produced bonus material and interactive elements around the clock.

CONTENT HIGHLIGHTS 2015

In 2015, the stations and online formats of ProSiebenSat.1 impressed with exciting shows, extraordinary documentaries, successful proprietary formats and thrilling sport events. Thus, in 2015 the station group achieved the highest group market share for ten years.



EVERGREEN

In **"The Voice of Germany"** (a) the search for outstanding singing talent again delivered extraordinary and emotional music moments in 2015. On SAT.1 and ProSieben, the fifth season of the show again achieved very good market shares of up to 22.7% among viewers aged between 14 and 49 years. On average, 18.9% of viewers (14–49 years) watched Germany's best musicians.

WE LOVE TO ENTERTAIN YOU

ProSieben celebrated Saturday evenings with spectacular show highlights. **"TEAMWORK – Spiel mit deinem Star"** launched successfully with a 17.3% market share among viewers aged 14 to 39. In this show, four stars battle it out over twelve rounds to win EUR 100,000 or more for one of their fans. In **"Joko gegen Klaas – Das Duell um die Welt"** (b) the popular entertainers showed full commitment to the fight for the title of world champion. Up to 22.7% of 14- to 49-year-olds didn't want to miss it. **"Schlag den Raab"** achieved a high of 30.2% among viewers aged 14 to 49.



UNDER OBSERVATION

In 2015, another twelve celebrities spent another 15 days in one house: **"Promi Big Brother"** (c) began its third season and gave SAT.1 an outstanding season average of 17.9% and record market shares of up to 22.5% among 14- to 49-year-olds. After midnight, the program went into extra time on six and the Late Night Show with Jochen Bendel drew in an average of 4.9% of 14 to 49 year old viewers. The celeb-spectacular was completed by the web show **"Aaron live"** with last year's winner Aaron Troschke. The fourth season airs in 2016.



HAPPY BIRTHDAY

The TV fledgling sixx celebrated its birthday on May 7 and looked back on five years of mystery series, reality TV, celebrity news, fashion tips, food and factual formats. The women's station treated itself to a special gift with the in-house production **"Horror Tattoos – Deutschland, wir retten deine Haut"**: (e) With a market share of up to 4.1% among 14 to 49 year old viewers Germany's first cover-up casting show was a complete success. In the relevant target group of women aged 14 to 39, sixx reached market shares of as high as 8.4%.



THRILLING & CULINARY

On a mission in the animal kingdom: **"Bone-setter"** Tamme Hanken heals animals all over the world and provides insights into his impressive expert knowledge. Up to 8.5% of 14 to 49 year old kabel eins viewers followed the East Frisian on his journey. In addition, Frank Rosin was on a culinary mission: In **"Rosins Kantinen – Ein Sterne Koch undercover"** (d), the professional chef spruced up Germany's canteens. It was watched by up to 7.5% of 14 to 49 year old viewers.

SERVICE & CULT

SAT.1 Gold delivered current affairs, reports from all over the world and helpful real-life tests in its service magazines **"Focus TV Test"** (up to 1.3%, 14- to 49-year-olds), **"Lenßen live"** (up to 1.0%, 14- to 49-year-olds), and **"Lenßen klärt auf"** (up to 1.6%, 14- to 49-year-olds). Classic series like **"Bonanza"** (up to 8.2%; 14- to 49-year-olds) and **"Der Bulle von Tölz"** (up to 3.7%; 14- to 49-year-olds) also let viewers wallow in nostalgia.

PEAK RATINGS

Touchdown for ProSieben MAXX: The **National Football League (f)** earned the station market shares of up to 13.9% among 14 to 39 year old men. With a 2.3% daily market share on December 27, 2015, ProSieben MAXX also achieved the second-best value in its history. But thrilling series events like **"24 – Live Another Day"** (up to 4.9%, 14 to 39 year old men) and **"House of Cards"** (up to 3.8%, 14 to 39 year old men) also went down well with viewers.



COMEDY & CAPITAL

On PULS 4, Austria's top comedians cast a light on wasted taxes. In **"Bist Du deppert – Steuerverschwendung und andere Frechheiten" (h)** they presented 24 cases of money-wasting that cost the taxpayer around EUR 2 billion. The first season achieved an average market share of 7.2% among viewers aged 12 to 49. But contestants in **"2 Minuten 2 Millionen – Die Puls 4 Start-Up-Show"** had to convince not only the viewers. Young entrepreneurs presented their business ideas to top Austrian business people and tried to bring them on board as investors. On average, 5.8% of 12- to 49-year-olds tuned in to root for the business founders.

JUST THE NORMAL (MARRIAGE) MADNESS

The ten-part hit web series **"Der Lack ist ab" (j)** with Kai Wiesinger and Bettina Zimmermann generated more than 3 million video views on MyVideo in April. The project comprises 10-minute episodes taking a comical look at the challenges of modern family life and aging. The second season of the web series produced by ProSiebenSat.1 subsidiary 7NXT started in October. "Der Lack ist ab" is aimed at viewers aged 40 and older, who have often been neglected online before.



YOUNG AT HEART

Being old is for other people. Married couple **"Fässler-Kunz" (g)** is convinced of this as shown in the Swiss sitcom named after them. The couple is nearing retirement and constantly getting into embarrassing but always funny situations. The first season of the comedy on SAT.1 Schweiz lured up to 5.0% of 15- to 49-year-old viewers to their television screens.



#NETZFRAGTMERKEL – THE WEB ASKS MERKEL

Web star **LeFloïd (i)** alias Florian Mundt became the first YouTuber ever to interview German Chancellor Angela Merkel. The topics of the interview were what is important to people in Germany and what quality of life means to them. Since going online, the video has been viewed over 4.5 million times. LeFloïd has been with Studio71, ProSiebenSat.1's MCN, since June 2015 and is one of the most influential and well-known web stars in Germany.



Future Business and Industrial Environment, page 121.

Economic Development

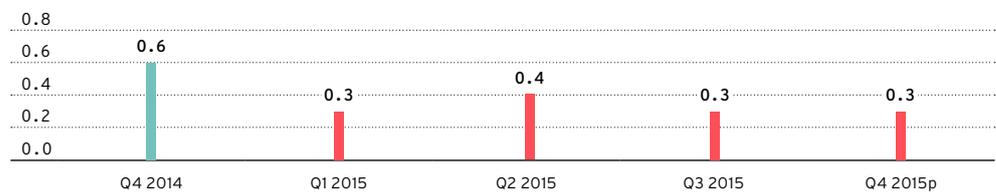
In 2015, the German economy grew by 1.7% in real terms compared to the previous year (previous year: 1.6%); for the fourth quarter, the ifo Institute and the Federal Statistical Office (Statistisches Bundesamt; Destatis) both expect growth of 0.3% quarter-on-quarter. Positive effects were provided in particular by private consumption, which grew by a robust 1.9%. In addition, government consumption – due to increased spending as a result of the migration of refugees, among other things – also contributed important growth stimuli. Moreover, low interest rates combined with a weak euro pushed exports. In contrast, business investments did not develop with the anticipated momentum: Despite favorable financing conditions and low commodity prices, propensity to invest fell short of expectations.

In the eurozone, the economy has stabilized further. In addition to the continuing expansionary monetary policy of the European Central Bank (ECB), private consumption, boosted by increased household incomes and low energy prices, provided significant growth stimuli. Against this backdrop, the ifo Institute expects real quarter-on-quarter growth of 0.4% in the fourth quarter of 2015 and a growth rate of 1.5% for 2015 as a whole (previous year: 0.9%).

The global economy grew more slowly in 2015 than was expected at the beginning of the year. Although the prospects for most industrialized nations were positive on the whole, because the global economy was supported in particular by the robust growth rates in the US, major emerging markets such as China fell considerably short of expectations. At the same time, the low commodity prices held back the economic development in Russia and Brazil. In addition, the global economy was negatively impacted by geopolitical developments and especially by the ongoing conflicts in Ukraine and Syria as well as terror attacks. In light of this, the International Monetary Fund (IMF) forecasts real growth of 3.1% for 2015 (previous year: 3.4%).

Development of gross domestic product in Germany

in percent, change vs. previous quarter



Adjusted for price, seasonal and calendar effects; Source: Destatis, ifo economic forecast 2015-2017 from December 9, 2015; p = projection.



Economic Development, page 67.



Gross advertising expenditure allows only limited conclusions to be drawn about actual advertising revenues as it does not take into account discounts, self-promotion or agency commission. In addition, the gross figures from Nielsen Media Research also include TV spots from media-for-revenue-share and media-for-equity deals, which ProSiebenSat.1 does not assign to the Broadcasting German-speaking segment but rather to the Digital & Adjacent segment.

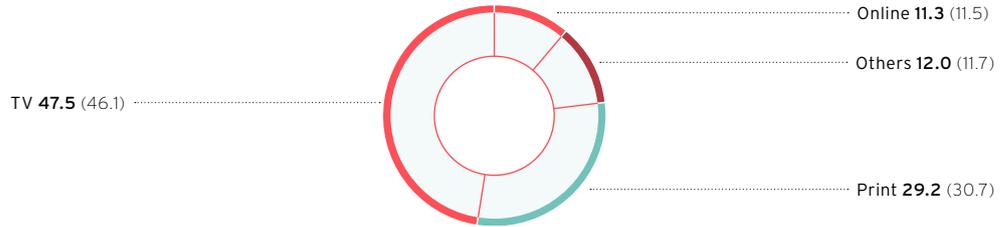
Development of the TV and Online Advertising Market

The TV advertising market reflects the generally positive domestic economy in Germany. According to Nielsen Media Research, gross TV advertising investment in 2015 as a whole increased by 7.0% to EUR 13.980 billion (previous year: EUR 13.068 billion). A large portion of the investment of EUR 4.678 billion (previous year: EUR 4.341 billion) was made in the fourth quarter, which simultaneously saw above-average growth of 7.8%.

In 2015, the gross market growth was particularly due to higher TV investment in the service (+30.9%), telecommunications (+17.1%) and trade (+13.6%) industries. At the same time, TV is continuing to grow in significance as an advertising medium: In the reporting period, television rose by 1.3 percentage points to 47.5% on a gross basis. By contrast, print lost ground, with its gross share decreasing by 1.5 percentage points to 29.2%. The gross market share of online media was virtually stable at 11.3% (previous year: 11.5%).

Media mix German gross advertising market

in percent, 2014 figures in parentheses



Source: Nielsen Media Research.



Business Development of Segments, page 90.

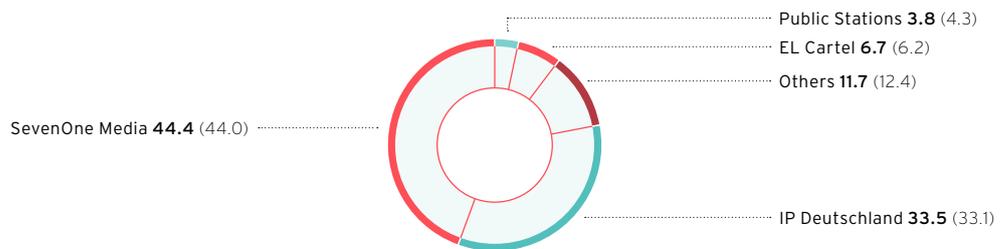
In this positive industry environment, ProSiebenSat.1 Group significantly increased its TV advertising revenues: In 2015, the Company grew by 7.8 % to EUR 6.201 billion in gross terms (previous year: EUR 5.754 billion) and thus grew stronger than the market. In the fourth quarter, which is especially important for the industry, ProSiebenSat.1 increased its TV advertising market shares by 9.6%; the Group raised the previous year's result from EUR 1.878 billion to EUR 2.059 billion. Against this backdrop, ProSiebenSat.1 also strengthened its lead over competitor IP Deutschland: In the fourth quarter of 2015, the Group had a market share of 44.0%, far ahead of the marketer of the RTL Group (33.7%). The Group also underscored its leading position with a market share of 44.4% in 2015 as a whole (previous year: 44.0%). Official data to the net advertising market will be published in May 2016 by the Association of German Advertisers (Zentralverband der deutschen Werbewirtschaft, ZAW). However, we assume that we have exceeded the positive market growth even on a net basis. Thus, we both expanded our new customer business and gained investment volume at the existing customer basis.



Company Outlook, page 123.

Shares German gross TV advertising market

in percent, 2014 figures in parentheses



Source: Nielsen Media Research.

Gross advertising spending also developed very positively in Austria and the German-speaking parts of Switzerland. In Austria, gross television advertising expenditure grew by 6.0 percentage points compared to the previous year, resulting in EUR 1.003 billion. ProSiebenSat.1 PULS 4 used the good market environment and increased its gross advertising market share to 36.9% (previous year: 35.4%). The market volume for Switzerland was CHF 1.237 billion (previous year: CHF 1.188 billion); this equates to growth of 4.1 percentage points. In this positive industry environment, the television advertising revenues of ProSiebenSat.1 Schweiz also increased; its gross market share rose to 28.9% (previous year: 25.7%).

Development of the relevant TV advertising markets for ProSiebenSat.1 Group

in percentage points	Change against previous year			
	Development of TV advertising market Q4 2015	Market share of ProSiebenSat.1 Q4 2015	Development of TV advertising market 2015	Market share of ProSiebenSat.1 2015
Germany	7.8	0.8	7.0	0.3
Austria	4.5	2.2	6.0	1.5
Switzerland	6.9	4.2	4.1	3.2

Germany: January – December, gross, Nielsen Media Research.
 Austria: January – December, gross, Media Focus.
 Switzerland: January – December, market shares are based on

gross data and refer to the German-speaking parts of Switzerland, Media Focus.



Nielsen Media Research designates gross figures for the online advertising market in Germany, excluding among others Google/YouTube, Facebook.

According to Nielsen Media Research the advertising market for in-stream video ads is continuing to develop very dynamically in Germany: In 2015, the market volume grew by 30.5% year-on-year to EUR 496.9 million on a gross basis (previous year: 380.8 million). In-stream video ads are forms of Internet video advertising shown before, after or during a video stream. By selling them, ProSiebenSat.1 Group generated gross revenues of EUR 214.7 million in the past financial year (previous year: EUR 184.5 million). This corresponds to a year-on-year increase of 16.4% and a gross market share of 43.2% (IP Deutschland: 32.7%). Overall, investments in online forms of advertising rose by 2.5% to EUR 3.328 billion (previous year: EUR 3.347 billion). In addition to in-stream videos, the online advertising market also includes display ads such as traditional banners and buttons.

Comparison of Actual and Expected Business Performance

- > **ProSiebenSat.1 makes a new record year and has achieved and in some cases even exceeded all of its financial targets announced for 2015.**
- > **At the same time, the combined market share among viewers aged between 14 and 49 rose to a ten-year high.**
- > **The Group is growing considerably in all segments and has therefore significantly increased its medium-term targets.**



Strategy and Management, page 33.

Expected Growth in 2015. ProSiebenSat.1 Group publishes its targets in the Annual Report and adjusts them during the year if necessary. Most recently, the Group raised its revenue forecast in October 2015 – from growth by a high single-digit percentage to growth by at least a low double-digit percentage:



Group Earnings, page 78.

In 2015, consolidated revenues increased by 13.4% to EUR 3.261 billion. As expected, all segments contributed to the profitable revenue growth; over the year as a whole, revenues performed particularly dynamically in the segments Digital & Adjacent (+38.6% vs. 2014) and Content Production & Global Sales (+29.7% vs. 2014). The Group's growth was mostly organic here, but it strengthened its position with acquisitions, too, which substantially sustain the profitable growth. Revenue growth in the Broadcasting German-speaking segment also met expectations at 4.3%.



Business Development of the Segments, page 90.

Against this backdrop, the operating earnings figures EBITDA, recurring EBITDA and underlying net income increased considerably and reached new record heights. The following table shows a multi-year overview:

Multi-year comparison of revenue and earnings performance

EUR m	2015	2014	2013	2012	2011
Revenues	3,260.7	2,875.6	2,605.3	2,356.2	2,199.2
EBITDA	881.1	818.4	757.8	680.4	652.5
Recurring EBITDA	925.5	847.3	790.3	744.8	725.5
Underlying net income	467.5	418.9	379.7	355.5	272.4

The financial position developed as planned in 2015: As of the end of the year, the leverage ratio was 2.1 times. Despite increased M&A measures it thus was within the target range. The Group therefore achieved or slightly exceeded all financial targets announced for 2014.



Development of the Audience Market, page 60.

The most important non-financial parameter of management control is the audience share in the core market of Germany. In 2015, the German station family increased its combined market share to 29.5% (previous year: 28.7%); this is the highest figure in ten years. ProSiebenSat.1's target was to at least maintain or to slightly extend its market lead in a fiercely competitive environment. This target was exceeded significantly.

Comparison of the actual and forecast business performance for the Group¹

EUR m	Actual figures 2014	Actual figures 2015	Change	Forecast 2015 ²
Revenues	2,875.6	3,260.7	+13.4%	Significant increase ¹
EBITDA	818.4	881.1	+7.7%	Mid single-digit increase
Recurring EBITDA	847.3	925.5	+9.2%	Mid single-digit increase
Underlying net income	418.9	467.5	+11.6%	High single-digit increase
Leverage	1.8	2.1	-/-	1.5 – 2.5
German audience market Market leadership	28.7	29.5	+0.8%pts	leading position or extend slightly

Comparison of the actual and forecast business performance for the segments¹

in percent	External Revenues		Recurring EBITDA		EBITDA	
	Forecast ²	Change 2015 vs. 2014	Forecast	Change 2015 vs. 2014	Forecast	Change 2015 vs. 2014
Broadcasting German-speaking	Slight increase	+4.3%	Slight increase	+4.5%	-/-	-/-
Digital & Adjacent	Significant increase	+38.6%	Significant increase	+31.6%	Significant increase	+20.7% ³
Content Production & Global Sales	Significant increase	+29.7%	Mid to high single-digit increase	+30.8%	-/-	-/-

¹ The figures relate to continuing operations. In the annual report 2014, ProSiebenSat.1 Group published its company outlook for 2015 from page 161 onwards; the Company specified and increased its revenue forecast for the Group in October 2015. Previously, ProSiebenSat.1 had expected revenue growth of a high single-digit percentage for the Group.

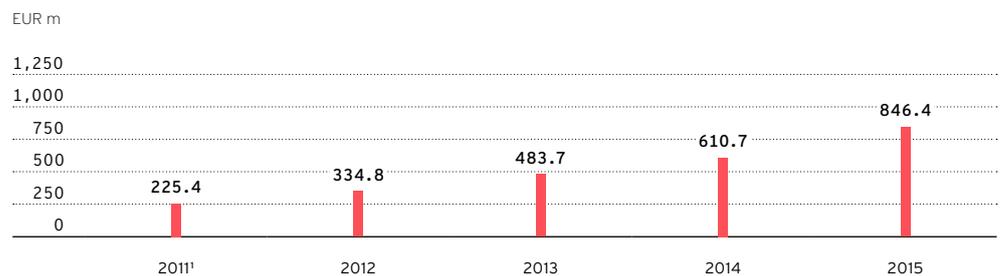
² Refers to percentage growth rates.

³ For the Group and the Digital & Adjacent segment EBITDA is an important parameter of management control.



Corporate Strategy and
Vision, page 33.

Expected Growth in 2018. ProSiebenSat.1 pursues a dual growth strategy and has formulated clear targets for all segments. The Company is targeting a balanced revenue ratio by 2018, when around 50% of consolidated revenues shall be generated with business models not primarily based on traditional TV advertising. These include revenues from the production and distribution of program content and from e-commerce portals. The Company also generates revenues from pay TV and video-on-demand (VoD) models. The Company advanced the expansion of some of these growth areas faster than expected in 2015, partly as a result of acquisitions. ProSiebenSat.1 achieved record revenues in the Digital & Adjacent segment. At the same time, the Group performed very positively in its core business of advertising-financed free TV and expects a favorable industry environment for TV advertising here in the medium term.

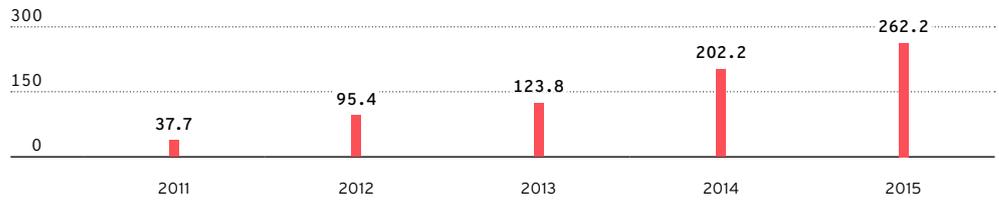
External revenues of Digital & Adjacent segment


¹ 2011 revenues adjusted for pay TV and 9Live revenues.



External revenues of Content Production & Global Sales segment

EUR m



Against this backdrop, the Company has raised its medium-term financial targets for 2018: ProSiebenSat.1 Group is now aiming for revenue growth of EUR 1.85 billion compared to financial year 2012. This is EUR 850 million more than originally expected. Consolidated revenues are thus expected to amount to EUR 4.2 billion in 2018. Recurring EBITDA is expected to rise by EUR 350 million to almost EUR 1.1 billion in the same period. ProSiebenSat.1 had previously aimed for an increase of between EUR 200 million and EUR 250 million compared to the base year 2012. ProSiebenSat.1 informed the capital market of the new medium-term forecast in October 2015. Further information is included in the [Company Outlook](#). As of the end of the year, the Group had achieved 48.9% of its medium-term revenue target and 51.7% of its expected recurring EBITDA growth. We are therefore on target.



Company Outlook,
page 123.

Major Influencing Factors on Earnings, Financial Position and Performance

- > **The economic data paint a positive picture; the growth in the TV business is also driven by structural change.**
- > **Digitalization is changing the economy and society; we are using the digital development and are growing sustainably in all segments.**
- > **The vast majority of our revenue and earnings growth is organic; acquisitions also accelerate our profitable growth.**
- > **ProSiebenSat.1 Group practices proactive financial management and uses attractive conditions on the financial markets.**

Impact of General Conditions on the Business Performance

ProSiebenSat.1 Group is constantly diversifying its portfolio, but over half of the increase in consolidated revenues and recurring EBITDA was again based on organic growth in 2015. ProSiebenSat.1's growth is driven by various factors and external underlying data. In addition to economic conditions, our business performance is influenced by digitalization above all.

The Company generates a large portion of its consolidated revenues from video advertising on TV. In 2015, they amounted to EUR 1,974.1 million (previous year: EUR 1,909.1 million) or 60.5% of total revenues (previous year: 66.4%). 88.4% of this was attributable to Germany, the principal revenue market (previous year: 89.2%). ProSiebenSat.1 is the leading advertising sales company here and also has the highest reach in the audience market.



Development of the Audience Market, page 60.

Reach is a key criterion for the pricing of advertising and therefore our budget planning. In 2015, the German TV stations achieved their highest market share in the 14 to 49 year old target group in ten years. The Group further increased its market presence particularly among female viewers, who represent an important target group for the advertising industry.



Planning and Management, page 36.



Economic Development, page 67.

We use audience shares to measure the reach of a TV show; they are therefore an important indicator in the internal management system. General economic and sector-specific data are also relevant to the calculation. Consumer spending by private households increased year-on-year in 2015 and accordingly had a positive effect on the investment decisions of our advertising customers. At the same time, structural changes accelerated market growth and stimulated prices: In comparison to other media, the relevance of TV advertising spots is increasing and gaining market share from print. On the basis of gross data, advertising expenditure for TV increased by 7.0%. Video advertising is also continuing to gain in digital media; in-stream videos grew by 30.5% (gross) in 2015.



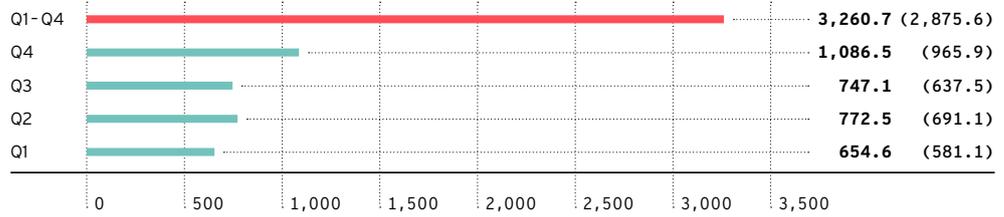
Development of the TV and Online Advertising Market, page 67.

The TV advertising market is growing solidly and supports our profitable revenue growth. Based on their close link to the economic environment, advertising markets react sensitively and often in a procyclical manner to macroeconomic developments. An important indicator in this respect is private consumption in Germany, which rose to a record level in 2015. ProSiebenSat.1 Group's revenue and earnings performance is also characterized by seasonal effects and especially the great significance of the fourth quarter: As both propensity to spend and television usage increase significantly in the run-up to Christmas, the Company generates a disproportionately high share of its annual TV advertising revenues in the final quarter. In total, the Group generates approximately a third of its annual

revenues and usually around 40% of its recurring EBITDA in the fourth quarter. This was – adjusted for acquisition effects – also true for the past year.

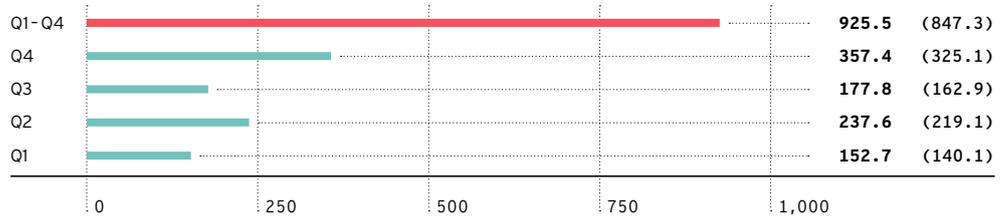
Revenues by quarter

EUR m, 2014 figures in parentheses



Recurring EBITDA by quarter

EUR m, 2014 figures in parentheses



ProSiebenSat.1’s aim is to establish additional business models in all segments and to grow more independently of seasonal or economic developments. In the core business, the distribution of TV stations in HD quality is an important factor for becoming more independent of the advertising sector and simultaneously participating in the dynamism of digital markets. The number of HD users increased again in 2015; as a result, ProSiebenSat.1 Group’s distribution revenues developed dynamically. Alongside this, ProSiebenSat.1 Group offers its viewers attractive entertainment online and on-demand and extends its reach with cooperation agreements and acquisitions. In 2015, for example, ProSiebenSat.1 internationalized its MCN portfolio and expanded its digital entertainment offering by acquiring Collective Digital Studio.

The digital entertainment market is growing considerably; we are benefiting from this and, among other things, increased the number of maxdome users in 2015. This change is being driven by broadband Internet connections with fast data transfer rates. Two trends are emerging which are an additional catalyst for our revenue growth: purchase decisions are frequently made online nowadays, so the e-commerce market is growing significantly and has lots of potential. The Internet is establishing itself as a sales channel and is also complemented synergistically by TV advertising. We are therefore systematically expanding our portfolio with e-commerce portals which extend our value chain and are suitable for marketing via video advertising on TV.

While macroeconomic conditions and industry-specific and structural effects can significantly influence our business performance, in some circumstances rising interests have no material impact on the earnings situation. The variable-interest loan liabilities are possibly hedged with various hedging instruments. As of December 31, 2015, the proportion of fixed interest was around 78% (previous year: 95%).

Due to our international business operations, exchange rate fluctuations could affect the Group’s financial situation. Currency effects could especially result from license agreements with US studios. However, the Group limits these currency risks by using derivative financial instruments. In addition, the Company generates the majority of its revenues in



Business Development of Segments, page 90.



Technical Distribution, Media Consumption and Advertising Impact, page 57.



Group Financial Position and Performance, page 83.

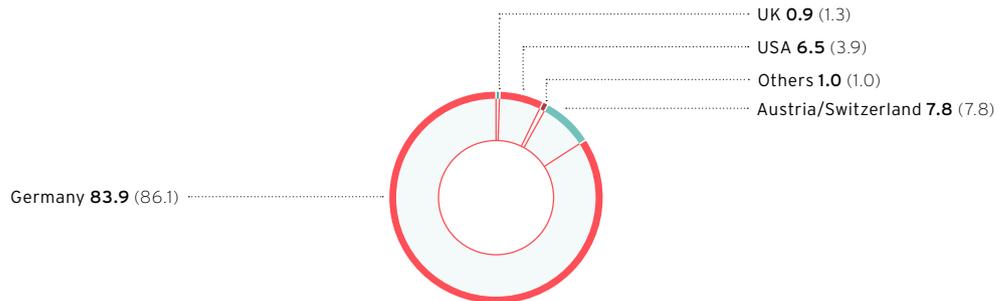
Germany and therefore in the eurozone; in 2015, ProSiebenSat.1 Group generated a total of 83.9% of its revenues in the core market of Germany (previous year: 86.1%). The remaining revenues were largely attributable to the US and Red Arrow's production business. Red Arrow significantly expanded its US business in 2015. The changes in the dollar exchange rate against the euro therefore had a positive effect on revenue development in the Content Production & Global Sales segment; the dollar gained in value against the euro over the course of the year.



Business Development of Segments, page 90.

Revenues by region

in percent, 2014 figures in parentheses



Management and Control, page 31.

Major Events and Changes in the Scope of Consolidation

Conversion into European Stock Corporation (SE)

The conversion of ProSiebenSat.1 Media AG into a European Stock Corporation (Societas Europaea, SE) became effective on July 7, 2015, with its entry in the commercial register. The shareholders had already approved the change in the legal form at the Annual General Meeting on May 21, 2015. The new legal form facilitates the increasing international focus of the Group's operations and supports its successful growth course.



Borrowings and Financing Structure, page 83.

Changes in the Financing Structure

ProSiebenSat.1 Group practices active financial management and uses the attractive conditions on the financial markets. In April 2015, the Group extended the maturities of its term loan and its revolving credit facility by one year to April 2020. In October 2015, ProSiebenSat.1 also increased the volume of the term loan by EUR 700.0 million to EUR 2.100 billion. The term loan increase serves for general corporate purposes.

Acquisitions and Expansion of the Digital and Production Portfolio

The Group's digital portfolio grew dynamically in 2015 as a result of M&A activities. The Company pursued different approaches and also made major acquisitions with an international focus. In addition to the units Ventures & Commerce and Digital Entertainment, ProSiebenSat.1 also expanded the US portfolio of Red Arrow. The most important changes in the scope of consolidation are reported below:



Corporate Strategy and Vision, page 33.



Company Outlook, page 123.

- In June 2015, ProSiebenSat.1 Group acquired 80.0% of the shares in Verivox GmbH via its subsidiary ProSiebenSat.1 Commerce (7Commerce). Verivox is the leading independent consumer portal for energy in Germany. The company has been fully consolidated since August and complements the new e-commerce vertical of "Online Comparison Portals." The Comparison Portal Vertical also includes moebel.de, 12Auto.de, and Preis24.de, the leading platform for mobile communications tariffs and smartphones. A total of more than 1.5 million deals were made via the comparison portals in 2015.



- > In addition, the US company Collective Digital Studio (CDS) was fully consolidated in the Digital & Adjacent segment in the third quarter of 2015. By way of a contract dated June 30, 2015, ProSiebenSat.1 acquired a majority interest in the entity. CDS is a leading multi-channel network (MCN) in the US and complements the Group's existing online video business: In fall 2013, ProSiebenSat.1 had already established its own MCN in the form of Studio71, which has since established itself as the largest network in the German-speaking region. 100.0 % of the shares in each entity were contributed to a holding company, in which ProSiebenSat.1 holds a 75.0 % stake. This acquisition emphasizes the aim of further strengthening the attractiveness of the digital entertainment portfolio and its international focus. In the context of the transaction, Studio71 and CDS were combined as a global MCN with over 3.5 billion video views per month and more than 350 million subscribers under the Studio71 brand.
- > In October 2015, ProSiebenSat.1 also acquired the majority interest in eTRAVELi Holding AB via a subsidiary of ProSieben Travel GmbH (7Travel), thereby internationalizing its activities in the e-commerce business. etraveli has been fully consolidated since December 2015. The Swedish company, headquartered in Uppsala, was established in 2007 and is a leading pan-European online travel agency for flights. The entity operates in 43 countries on four continents with brands such as Supersavertravel, Gotogate, Travelstart and Seat24. In addition, etraveli runs the air fare comparison portals Flygresor.se and Charter.se in Sweden. In October, the flight search engine ueberflieger.de launched in Germany. etraveli is ProSiebenSat.1's biggest international investment in the commerce sector to date and adds to the travel portfolio of the umbrella brand 7Travel.
- > ProSiebenSat.1 also targetedly expanded its portfolio and continued its expansion strategy in the Content Production & Global Sales segment in financial year 2015: In November 2015, Red Arrow Entertainment Group acquired a majority interest in the US production firm Karga Seven Pictures through the acquisition of Crow Magnon, LLC. The company is headquartered in Los Angeles. By making the acquisition, ProSiebenSat.1 is continuing its expansion in the US, the world's most important TV market. Karga Seven Pictures is already Red Arrow's sixth investment in the US after Half Yard Productions, Kinetic Content, Nerd TV, Fabrik Entertainment and Left/Right Productions and has been fully consolidated since November 2015.



The Year 2015 at
a Glance, page 25.

The following table gives an overview of selected portfolio measures of the Group. Further information on events in the past financial year is available under ["The Year 2015 at a Glance."](#)



Major portfolio measures and changes in the scope of consolidation in financial year 2015

Segment Broadcasting German-speaking	Launch of the new free TV station Puls 8 in Switzerland in October 2015
Segment Digital & Adjacent	<p>Increase of the majority interest in mydays Holding GmbH, operator of a leading Internet portal for experience gifts in Germany, in January 2015</p> <p>Founding of ProSiebenSat.1 Commerce GmbH in March 2015</p> <p>Increase of the investment in Flaconi GmbH, operator of the second-largest online shop for perfume, make-up and cosmetics in Germany, in March 2015 > Fully consolidated since April 2015</p> <p>Increase of the investment in Sonoma Internet GmbH, operator of the Internet portal amorelie.de, in March 2015 > Fully consolidated since April 2015</p> <p>Majority interest in Virtual Minds AG, a media holding company with specialist companies in the fields of media technologies, digital advertising and hosting, in June 2015 > Fully consolidated since September 2015</p> <p>Increase of the investment in SMARTSTREAM.TV, a service provider in the field of online advertising space optimization, in June 2015 > Fully consolidated since September 2015</p> <p>Increase of the investment in the US entity Collective Digital Studio (CDS), a leading multi-channel network (MCN) in the US, in June 2015 > Fully consolidated since August 2015</p> <p>Majority interest in Verivox GmbH, the leading independent consumer portal for energy in Germany, in June 2015 > Fully consolidated since August 2015</p> <p>Majority interest in eTRAVELI Holding AB, a leading pan-European air travel agency, in October 2015 > Fully consolidated since December 2015</p>
Segment Content Production & Global Sales	<p>Founding of the US company Ripple Entertainment, a digital hub in Los Angeles, in July 2015</p> <p>Majority interest in the production firm Karga Seven Pictures, a leading US producer and developer of factual entertainment formats, in November 2015 > Fully consolidated since November 2015</p>

Major portfolio measures and changes in the scope of consolidation in financial year 2014

Segment Broadcasting German-speaking	<p>Launch of the new free TV station ProSieben MAXX Austria in June 2014</p> <p>Launch of the new free TV station SAT.1 Gold Österreich in June 2014</p>
Segment Digital & Adjacent	<p>Majority interest in COMVEL GmbH, operator of the travel websites weg.de and ferien.de, in January 2014 > Fully consolidated since January 2014</p> <p>Founding of ProSiebenSat.1 Travel GmbH in February 2014</p> <p>Acquisition of the online and mobile games publisher Aeria Games Europe GmbH in April 2014 > Fully consolidated since April 2014</p> <p>Increase of the investment in Flaconi GmbH to 47.0% in July 2014</p> <p>Increase of the investment in moebel.de Einrichtung & Wohnen AG to 50.1% in July 2014</p> <p>Completion of the sale of Magic Internet Musik GmbH in August 2014 > Deconsolidation in August 2014</p>
Segment Content Production & Global Sales	<p>Majority interest in the US production company Half Yard Productions LLC in February 2014 > Fully consolidated since March 2014</p>

Group Earnings

- > 2015 was a new record year for ProSiebenSat.1, with revenues growing by 13.4% to EUR 3.261 billion.
- > ProSiebenSat.1 grows extremely solid in its core business of free TV, the Digital & Adjacent and Content Production & Global Sales segments develop dynamically, generating 34.0% of consolidated revenues.
- > Recurring EBITDA also reaches a new high of EUR 925.5 million, with underlying net income again exceeding the prior-year level despite higher tax expenses.
- > The financial result improves as a result of lower interest expenses, reflecting the Group's proactive financial management.



Business Development of the Segments, page 90.

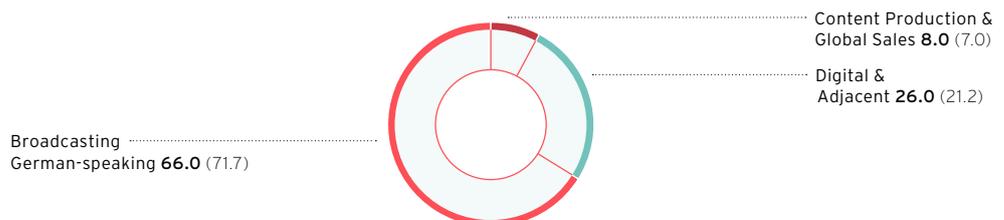
In 2015, ProSiebenSat.1 Group increased its consolidated revenues to EUR 3.261 billion. This corresponds to a year-on-year increase of 13.4% or EUR 385.0 million. All segments contributed to this development:

- > The **Broadcasting German-speaking** segment with the core business of advertising-financed TV recorded external revenue growth of 4.3% or EUR 89.3 million to EUR 2.152 billion. This corresponds to a share in consolidated revenues of 66.0% (previous year: 71.7%).
- > The **Digital & Adjacent** segment increased its revenues by 38.6% or EUR 235.7 million to EUR 846.4 million, again making the highest growth contribution. Acquisitions reinforced the profitable revenue growth in the Digital & Adjacent segment.
- > The **Content Production & Global Sales** segment also grew dynamically. It mainly generated organic growth, increasing its revenue contribution by EUR 60.0 million or 29.7% to EUR 262.2 million.

The Group's target is to become more independent from the core business of advertising-financed TV and especially to use additional revenue potential in the digital industry. This reflects the development of revenue shares by segment: In 2015, ProSiebenSat.1 Group continued to significantly increase the share of the two segments Digital & Adjacent and Content Production & Global Sales in consolidated revenues. Altogether, they contributed 34.0% or EUR 1.109 billion to consolidated revenues, compared with 28.3% or EUR 812.9 million in the previous year.

Group revenue share by segment

in percent, 2014 figures in parentheses



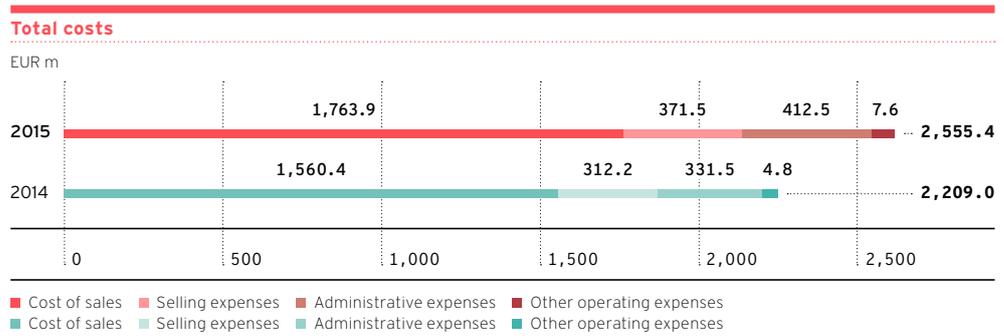
Other operating income amounted to EUR 24.7 million after EUR 27.9 million in the previous year.

ProSiebenSat.1 Group invests in markets with long-term prospects for growth and synergies. As a result, **total costs** again increased across all segments. They totaled EUR 2.555 billion, an increase of 15.7% or EUR 346.4 million compared to financial year 2014. Total costs, which comprise the cost of sales, selling expenses, administrative expenses and other operating expenses, were influenced by the following factors:

- > The majority of the cost increase was due to a rise in the **cost of sales** by 13.0% or EUR 203.4 million to EUR 1.764 billion. On the one hand, this was due to the expansion of the digital portfolio, with initial consolidations of various digital platforms in particular having an impact on the cost level. On the other hand, cost development was impacted by the larger business volume in the Content Production & Global Sales segment. Production business grew substantially in 2015, especially in the US.

The consumption of programming assets – the Group’s largest cost item – increased to EUR 895.5 million (previous year: EUR 867.8 million). This includes impairments of programming assets amounting to EUR 99.4 million (previous year: EUR 56.4 million).

- > **Selling expenses** increased by 19.0% or EUR 59.3 million to EUR 371.5 million. The increase in selling expenses also primarily reflects the portfolio expansion in the Digital & Adjacent segment. In addition to acquisitions, cost development was influenced by growth in the areas of Ventures & Commerce and video-on-demand (VoD). The Broadcasting German-speaking segment also saw a cost increase due to higher revenues.
- > **Administrative expenses** also increased significantly in the wake of the Group’s growth. They amounted to EUR 412.5 million; this equates an increase of 24.4% or EUR 80.9 million. One of the reasons for the rise in administrative expenses was the higher level of personnel expenses as a result of the acquisitions made.
- > **Other operating expenses** increased by EUR 2.8 million to EUR 7.6 million.



The Group has made various acquisitions in the past few months. In addition to the aforementioned effects, the development of total costs was therefore also impacted by amortization from purchase price allocations and non-recurring items. **Operating costs** adjusted for depreciation, amortization and non-recurring expenses amounted to EUR 2.355 billion (previous year: EUR 2.047 billion). This corresponds to an increase of 15.0% compared to financial year 2014. A reconciliation of operating costs from total costs is shown in the following table; the operating costs are the cost items that are relevant for recurring EBITDA:

Reconciliation of operating costs

EUR m	2015	2014
Total costs	2,555.4	2,209.0
Non-recurring expenses	49.7	38.2
Depreciation and amortization ¹	151.1	123.8
Operating costs	2,354.5	2,046.9

¹ Depreciation/amortization and impairment of other intangible assets and property, plant and equipment.

For ProSiebenSat.1 Group, **recurring EBITDA** adjusted for non-recurring items is a central key performance indicator for managing profitability. It increased to EUR 925.5 million as a result of the revenue momentum (previous year: EUR 847.3 million). This represents year-on-year growth of 9.2%.

The corresponding **recurring EBITDA margin** was 28.4% (previous year: 29.5%). The Broadcasting German-speaking segment with advertising-financed free TV business is characterized by an unchanged high margin of 33.0% (previous year: 32.9%) and is growing solidly. At the same time, the share of the Digital & Adjacent and Content Production & Global Sales segments in the Group's recurring EBITDA increased compared to the previous year as planned: They grew profitably and saw a significant double-digit increase in their earnings contribution; the segments accounted for recurring EBITDA of EUR 170.2 million (previous year: EUR 129.3 million) or EUR 25.0 million (previous year: EUR 19.1 million). In light of the higher absolute contribution of these two segments and its lower margin profile compared to the Broadcasting German-speaking segment, the Group's adjusted earnings margin declined slightly by 1.1 percentage points overall. Their margins diverge because of differences in the business models or earnings and cost structures and, in some cases, the degree of maturity of the individual portfolio companies, among others.

Consolidated EBITDA increased by 7.7% to EUR 881.1 million (previous year: EUR 818.4 million). It includes non-recurring items of EUR 44.4 million (previous year: EUR 28.9 million), which are mainly the result of M&A measures. A reconciliation of the operating earnings figures is as follows:

Reconciliation of recurring EBITDA from continuing operations

EUR m	2015	2014
Result before income taxes	603.6	560.1
Financial result	-126.4	-134.4
EBIT	729.9	694.5
Depreciation and amortization ¹	151.1	123.8
Thereof from purchase price allocations	32.3	19.9
EBITDA	881.1	818.4
Non-recurring items (net) ²	44.4	28.9
Recurring EBITDA	925.5	847.3

¹ Depreciation/amortization and impairment of other intangible assets and property, plant and equipment.

² Non-recurring expenses of EUR 49.7 million (previous year: EUR 38.2 million) less non-recurring income of EUR 5.3 million (previous year: EUR 9.3 million).

The **financial result** also continued to improve compared to 2014. It amounted to minus EUR 126.4 million after minus EUR 134.4 million in the previous year. The financial result is composed of the interest result, other financial result and income from investments accounted for using the equity method:

- The main reason for the improvement in the financial result of 6.0% or EUR 8.1 million was lower interest expenses. They declined by 7.9% or EUR 8.0 million to minus EUR 93.4



Borrowings and Financing
Structure, page 83.

million as a result of improved conditions for the existing syndicated facilities agreement. The Group practices proactive financial management and takes advantage of market windows of opportunity to secure attractive conditions for its financial debt instruments. In April 2015, the Company extended its existing syndicated facilities agreement by one year until 2020, thus securing favorable interest conditions.

- > The **other financial result** remained essentially unchanged year-on-year at minus EUR 39.0 million (previous year: minus EUR 39.4 million). This item contains a number of impairments on financial investments totaling EUR 62.9 million (previous year: EUR 30.3 million), including on shares in ZeniMax Media Inc. in the amount of EUR 23.1 million, in AliphCom Inc. (Jawbone) in the amount of EUR 19.4 million and in Odyssey Music S.A. (Deezer) in amount of EUR 10.0 million. This was offset in particular by the remeasurement of the interests in SMARTSTREAM.TV and Collective Digital Studio that were previously accounted for using the equity method.
- > **Income from investments accounted for using the equity method** increased to EUR 4.6 million (previous year: EUR 2.9 million).

As a result of the developments described above, **earnings before taxes** rose to EUR 603.6 million. This equates to a growth of 7.8% or EUR 43.5 million.

Income tax expense amounted to EUR 207.7 million (previous year: EUR 178.6 million); the tax rate was 34.4% (previous year: 31.9%). The increase in the tax rate was primarily attributable to the reassessment of tax risks in connection with open assessment periods for previous tax years. Another reason for the increase is non-tax-deductible consulting costs in connection with the recent increase in M&A activities.

Despite increased tax expense, net profit for the period after taxes increased by 4.6% to EUR 390.6 million; in financial year 2014, the corresponding profit figure amounted to EUR 373.5 million.

Underlying net income from continuing operations also increased significantly by 11.6% to EUR 467.5 million (previous year: EUR 418.9 million). Basic underlying earnings per share rose by 11.4% to EUR 2.19 (previous year: EUR 1.96). Specifically, the calculation of the underlying net income is as follows:

Reconciliation of underlying net income from continuing operations		
EUR m	2015	2014
Consolidated net profit after non-controlling interests	390.6	373.5
Amortization from purchase price allocations (after tax) ¹	22.0	13.4
Impairments on other financial investments	39.4	19.5
Reassessment of interests accounting for using the equity method in connection with first-time consolidations	-26.4	-/-
Reassessment of tax risks	19.6	-/-
Impairment of shares in ZeniMax Media Inc.	23.1	7.3
Release of deferred financing costs	-/-	5.4
Other effects	-0.8	-/-
Underlying net income	467.5	418.9

¹ Amortization from purchase price allocations before tax:
EUR 32.3 million (previous year: EUR 19.9 million).

The **result after taxes from discontinued operations** amounted to minus EUR 0.3 million in 2015 (previous year: EUR -27.1 million). The full income statement of discontinued operations is presented in Note 7 "Acquisitions and disposals."

Selected key figures of ProSiebenSat.1 Group for the 2015 financial year

EUR m	ProSiebenSat.1 continuing operations	
	2015	2014
Revenues	3,260.7	2,875.6
Operating costs ¹	2,354.5	2,046.9
Total costs	2,555.4	2,209.0
Cost of sales	1,763.9	1,560.4
Selling expenses	371.5	312.2
Administrative expenses	412.5	331.5
Other operating expenses	7.6	4.8
EBIT	729.9	694.5
Recurring EBITDA ²	925.5	847.3
Non-recurring items (net) ³	-44.4	-28.9
EBITDA	881.1	818.4
Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media SE	390.6	373.5
Underlying net income ⁴	467.5	418.9

Selected key figures of ProSiebenSat.1 Group for the fourth quarter of 2015

EUR m	ProSiebenSat.1 continuing operations	
	Q4 2015	Q4 2014
Revenues	1,086.5	965.9
Operating costs ¹	735.4	645.6
Total costs	809.0	694.2
Cost of sales	545.2	490.8
Selling expenses	124.2	99.8
Administrative expenses	135.3	101.8
Other operating expenses	4.3	1.8
EBIT	288.7	281.8
Recurring EBITDA ²	357.4	325.1
Non-recurring items (net) ³	-14.1	-8.2
EBITDA	343.3	316.9
Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media SE	138.5	167.8
Underlying net income ⁴	201.1	180.4

¹ Total costs excluding D&A and non-recurring expenses.

² EBITDA before non-recurring (exceptional) items.

³ Non-recurring expenses netted against non-recurring income.

⁴ Consolidated profit for the period after non-controlling interests from continuing operations, before the effects of purchase price allocations and other special items.

Explanation of reporting principles in the financial year 2015 respectively in the fourth quarter of 2015: The figures for the 2014 and 2015 financial years relate to those for continuing operations reported in accordance with IFRS 5, i.e. not including the contributions to revenues and earnings of operations sold and

deconsolidated in February 2014 (Hungary) and April/August 2014 (Romania). The income statement items of the entities concerned are grouped as a single line item, result from discontinued operations, and reported separately.

Group Financial Position and Performance

- > **ProSiebenSat.1 further optimizes its Group-wide corporate financing and increases the volume of the term loan to EUR 2.100 billion.**
- > **Leverage ratio remains in target range of 1.5 to 2.5 despite M&A measures.**
- > **Investment cash flow amounts to minus EUR 1.522 billion due to acquisitions.**
- > **Cash and cash equivalents rise by 56.1% to EUR 734.4 million, after a strong fourth quarter.**

Borrowings and Financing Structure



Analysis of Assets and Capital Structure, page 88.

As of December 31, 2015, ProSiebenSat.1 Group's debt capital amounted to EUR 4.374 billion (December 31, 2014: EUR 3.147 billion) and thus had a share of 82.3% in total assets (December 31, 2014: 80.7%). With 61.1% or EUR 2.674 billion, non-current financial liabilities had the largest share in debt capital (December 31, 2014: 62.7% or EUR 1.973 billion). Current financial liabilities amounted to EUR 1.1 million; there was no corresponding item on the previous year's reporting date.



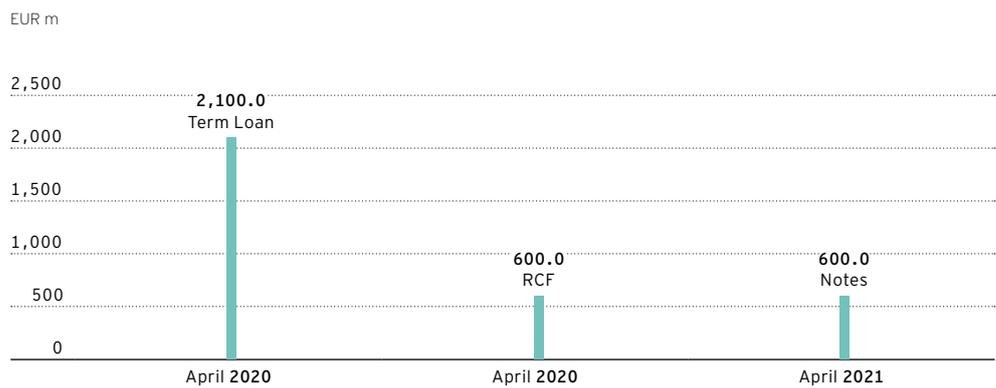
Major Events and Changes in the Scope of Consolidation, page 75.

As of December 31, 2015, the unsecured facilities agreement comprised a term loan of EUR 2.100 billion and a revolving credit facility (RCF) of EUR 600.0 million. In the second quarter of 2015, ProSiebenSat.1 Group extended its facilities agreement by one year to April 2020. The ProSiebenSat.1 Group pursues an active financial management and could benefit from the favorable market environment in the financial markets. Furthermore, the Group has unsecured notes in the amount of EUR 600.0 million, which are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7). The following graph provides an overview of debt financial instruments as of the 2015 closing date according to maturity:



Rating of ProSiebenSat.1 Group: Ratings represent an independent assessment of a company's credit quality. The rating agencies do not take ProSiebenSat.1 Group's facilities agreement or notes into account in their credit ratings.

Debt financial instruments and maturities as of December 31, 2015



Major Events and Changes in the Scope of Consolidation, page 75.

In October 2015, ProSiebenSat.1 increased the term loan by EUR 700.0 million to EUR 2.100 billion (December 31, 2014: EUR 1.400 billion). The term loan increase serves for general corporate purposes. The amounts of the other instruments have not changed compared to the same date of the previous year. As in the previous year, no drawings had been made on the RCF as of December 31, 2015.

Amounts drawn under the RCF and interest payable on the term loan are variable. ProSiebenSat.1 Group therefore hedges potential risks from changes of variable interest

rates with derivative financial instruments in the form of interest rate swaps and interest rate options. The hedge ratio or proportion of fixed interest remains high at approximately 78% (previous year: approx. 95%) in relation to the entire long-term financing portfolio. The average fixed-interest swap rate is still around 3.12% per annum. The fixed-rate coupon of the notes is 2.625% per annum.

ProSiebenSat.1 Group has also concluded lease contracts for property at the Unterföhring site. In line with IFRS, these are largely classified as finance leases. This real estate is capitalized as property, plant and equipment and the respective leasing obligations are recognized as other financial liabilities. The real estate leases end in 2019 at the earliest. There are also smaller-scale leases for technical equipment. ProSiebenSat.1 Group reported liabilities for finance leases totaling EUR 82.2 million as of December 31, 2015 (previous year: EUR 89.2 million). There were no other significant off-balance sheet financing instruments.

Group-wide corporate financing

On April 2, 2014, as part of a comprehensive refinancing, ProSiebenSat.1 Group concluded a new syndicated loan agreement for EUR 2.000 billion with a five-year term to April 2019. This new unsecured facilities agreement comprised a term loan of EUR 1.400 billion and a revolving credit facility of EUR 600.0 million. ProSiebenSat.1 also issued seven-year notes in the amount of EUR 600.0 million in the context of Group refinancing. The notes are also unsecured and will mature in April 2021.

The proceeds of the notes and the new term loan were used to repay the secured term loan in the amount of EUR 1.860 billion. The new term loan is also being used for general operating purposes.

In the financial year 2015, ProSiebenSat.1 extended the tenor of the facilities agreement by one year to April 2020 and increased the term loan from EUR 1.400 billion to EUR 2.100 billion.

The facilities agreement contains provisions that require ProSiebenSat.1 to comply with certain key financial figures (financial covenant), which are subject to regular reviews. Thus, ProSiebenSat.1 Group has to satisfy a certain ratio of the consolidated net debt to the consolidated EBITDA (as defined in the contract). ProSiebenSat.1 Group complied with the contractual requirements in financial year 2015.

In the event that the control over ProSiebenSat.1 Media SE changes by way of direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE by a third party ("change of control"), the lenders are entitled to terminate their participation in the facility and to demand repayment of outstanding amounts allocable to them within a certain period after the change of control takes place. If a negative rating event occurs following such a change of control, the note creditors are also entitled to call in their notes and demand repayment.



Takeover-Related Disclosures, page 17.



Analysis of Assets and Capital Structure, page 88.



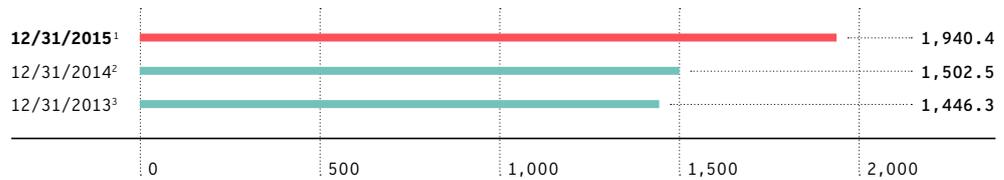
Comparison of Actual and Expected Business Performance, page 70.

Financing Analysis

Net financial debt is defined as total borrowings minus cash and cash equivalents and certain current financial assets. It amounted to EUR 1.940 billion as of December 31, 2015. Due to increased M&A activities, net financial debt rose by EUR 437.9 million compared to December 31, 2014. As of the end of the year, cash and cash equivalents amounted to EUR 734.4 million compared to EUR 470.6 million on December 31, 2014. The **leverage ratio** shows net financial debt in relation to recurring EBITDA of the last twelve months (LTM recurring EBITDA) and is a key indicator for Group-wide financial planning. It was 2.1 as of December 31, 2015. The ratio was at 1.8 times on December 31, 2014. Thus, ProSiebenSat.1 Group's leverage ratio is within the defined target range of 1.5 and 2.5 times.

Group net financial debt

EUR m



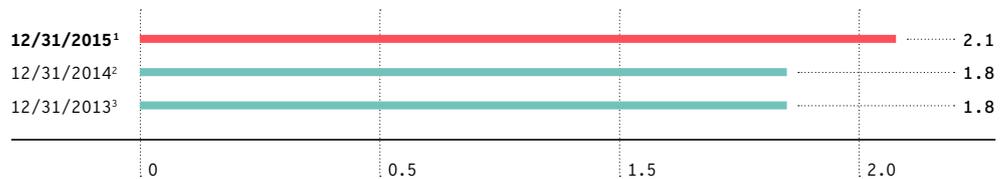
1 Financial liabilities (EUR 2,674.8 million) netted against cash and cash equivalents (EUR 734.4 million).

2 Financial liabilities (EUR 1,973.1 million) netted against cash and cash equivalents (EUR 470.6 million).

3 After reclassification of cash and cash equivalents of Eastern European operations. Financial liabilities (EUR 1,842.0 million) netted against cash and cash equivalents from continuing operations (EUR 395.7 million).

Ratio net financial debt to LTM recurring EBITDA (leverage ratio)

EUR m



1 Adjusted for the recurring EBITDA contribution of Eastern European operations. Ratio of net financial debt (EUR 1,940.4 million) to recurring EBITDA from continuing operations (EUR 925.5 million).

2 Adjusted for the recurring EBITDA contribution of Eastern European operations. Ratio of net financial debt (EUR 1,502.5 million) to recurring EBITDA from continuing operations (EUR 847.3 million).

3 After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for recurring EBITDA contribution from the Northern and Eastern European business. Ratio of net financial debt from continuing operations (EUR 1,446.3 million) to recurring EBITDA from continuing operations (EUR 790.3 million).

Principles and objectives of financial management

The Company's financial management is centrally run by the Group Finance & Treasury department. This department manages financial management throughout the Group and pursues the following objectives:

- > to secure the Group's financial flexibility and stability, in other words, maintaining and optimizing its funding ability,
- > to ensure that the entire Group remains solvent by managing its liquidity efficiently across the organization,
- > to manage its financial risks by using derivative financial instruments.

The Group financial management covers the capital structure management and Group-wide funding, cash and liquidity management, and the management of market price risks, counterparty risks and credit default risks. This includes the following tasks:

> **Capital structure:** In connection with capital structure management at ProSiebenSat.1 Group, managing financial leverage (leverage ratio) is given particular priority. The Group has defined a target range of 1.5 to 2.5 and takes into account factors such as the level of market receptivity, funding terms and conditions, flexibility or restrictions, diversification of the investor base and maturity profiles when choosing suitable financing instruments. ProSiebenSat.1 Group manages its funding on a centralized basis.

> **Cash and liquidity management:** As part of its cash and liquidity management, the Group optimizes and centralizes cash flows and secures liquidity across the Group. Cash pooling is an important tool here. Using rolling, Group-wide liquidity planning ProSiebenSat.1 Group captures and forecasts both operating cash flows and cash flows from non-operating activities, thus deriving liquidity surpluses or requirements. Liquidity requirements are covered either by existing cash positions or the revolving credit facility (RCF).

> **Management of market price risks:** The management of market price risks comprises centrally managed interest rate and currency management. Cash instruments as well as derivatives such as conditional and unconditional forward transactions are deployed. These instruments are used exclusively for hedging purposes and serve to limit the effects of interest and currency volatility to Group profit and cash flow.

> **Management of counterparty and credit default risks:** The management of counterparty and credit default risks centers on trading relationships and creditor exposure to financial institutions. When entering into trading transactions, ProSiebenSat.1 Group pays attention to ensuring that business is widely diversified involving counterparties of sufficiently high credit quality. For this purpose, the Group draws on external ratings supplied by international agencies. The Group's risk with respect to financial institutions arises primarily from its investment of cash and cash equivalents and from its use of derivatives as part of its interest-rate and currency management activities.


 Explanatory Notes on
Reporting Principles,
page 27.

Analysis of Liquidity and Capital Expenditure

ProSiebenSat.1 Group's cash flow statement shows the generation and use of cash flows. It is broken down into cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. Cash and cash equivalents shown in the cash flow statement correspond to cash and cash equivalents reported in the statement of financial position as of December 31, 2015, and December 31, 2014, respectively.

Cash flow statement

EUR m	Q4 2015	Q4 2014	2015	2014
Result from continuing operations	139.4	169.4	395.9	381.5
Result from discontinued operations	3.2	-18.4	0.3	-27.1
Cash flow from continuing operations	617.7	572.5	1,784.6	1,690.0
Cash flow from discontinued operations	-2.3	-2.3	-2.1	-4.6
Change in working capital	-46.8	9.9	-12.0	-12.2
Dividends received	0.4	0.1	6.6	5.7
Taxes paid	-57.9	-41.2	-177.8	-163.4
Interest paid	-18.2	-17.9	-81.5	-91.2
Interest received	0.5	1.8	0.6	2.1
Payments for financing costs from derivatives	-/-	-/-	-/-	-6.3
Cash flow from operating activities of continuing operations	495.7	525.2	1,520.5	1,424.8
Cash flow from operating activities discontinued operations	-0.1	-0.1	-1.7	19.5
Cash flow from investing activities of continuing operations	-418.8	-227.9	-1,521.7	-1,148.4
Cash flow from investing activities discontinued operations	16.7	-2.4	16.7	-25.2
Free cash flow from continuing operations	76.9	297.3	-1.2	276.5
Free cash flow from discontinued operations	16.5	-2.6	15.0	-5.7
Free cash flow (total)	93.4	294.7	13.8	270.7
Cash flow from financing activities of continuing operations	417.5	-2.7	242.1	-208.3
Cash flow from financing activities discontinued operations	-/-	-/-	-/-	-/-
Effect of foreign exchange rate changes of continuing operations on cash and cash equivalents	0.0	1.9	8.0	4.0
Effect of foreign exchange rate changes of discontinued operations on cash and cash equivalents	-/-	-/-	-/-	-0.3
Change in cash and cash equivalents	510.9	293.8	263.8	66.1
Cash and cash equivalents at beginning of reporting period	223.5	176.8	470.6	404.5 ¹
Cash and cash equivalents at end of reporting period	734.4	470.6	734.4	470.6

¹ Includes cash and cash equivalents from held for sale entities.

Cash flow from operating activities: In the financial year 2015, ProSiebenSat.1 Group generated an operating cash flow of EUR 1.521 billion compared to EUR 1.425 billion in the previous year. This equates to growth of 6.7%. The increase is partly attributable to the positive earnings performance. Lower interest payments also had an effect; these fell by 10.6% or EUR 9.7 million year-on-year to EUR 81.5 million. This decline is primarily attributable to improved conditions for the existing syndicated facilities agreement. Higher tax payments had a contrary effect. They amounted to EUR 177.8 million compared to EUR 163.4 million in the previous year.

Cash flow from investing activities: The core area of investing activities within ProSiebenSat.1 is the acquisition of programming rights. Cash outflow for the acquisition of programming rights amounted to EUR 943.9 million. This equates to an increase of 6.1% or EUR 54.2 million (previous year: EUR 889.7 million). The programming investments were mostly made in the Broadcasting German-speaking segment; 53% were with regards to the acquisition of licensed programming and 47% to commissioned productions. Along-

side the purchase of licensed formats and commissioned productions, the Group's programming supply is ensured by in-house formats. In-house formats are based on the development and implementation of own ideas and, unlike commissioned productions, are primarily produced for broadcasting in the near future. For this reason, they are recognized immediately as an expense in the cost of sales and are not considered an investment.



Group Earnings,
page 78.

In the past financial year, besides investments in programming assets, EUR 84.1 million was invested in other intangible assets, an increase of 26.6% or EUR 17.7 million compared to the prior year figure. By investing in other intangible assets, the Group primarily strengthened the segments Digital & Adjacent (56.5%) and Broadcasting German-speaking (31.5%). ProSiebenSat.1 mainly invested in internally generated intangible assets and from advance payments for intangible assets and software licenses. At EUR 38.4 million, investments in property, plant and equipment were 17.3% or EUR 5.7 million higher than the previous year's figure of EUR 32.8 million. Most of the investments (72.5%) were made in the Broadcasting German-speaking segment and related to technical equipment, leasehold improvements at the Unterföhring site and advance payments for property, plant and equipment.



Assets resulting from first-time consolidations are not reported as segment-specific investments. Funds used for the acquisition of the first-time consolidated companies are shown as "cash outflow from additions to the scope of consolidation."

At the same time, cash outflow from additions to the scope of consolidation increased considerably to EUR 425.6 million in 2015 (previous year: EUR 122.2 million). The cash outflow primarily reflects the portfolio expansions in the Digital & Adjacent segment, in which Verivox, etraveli and Collective Digital Studio were the largest acquisitions.

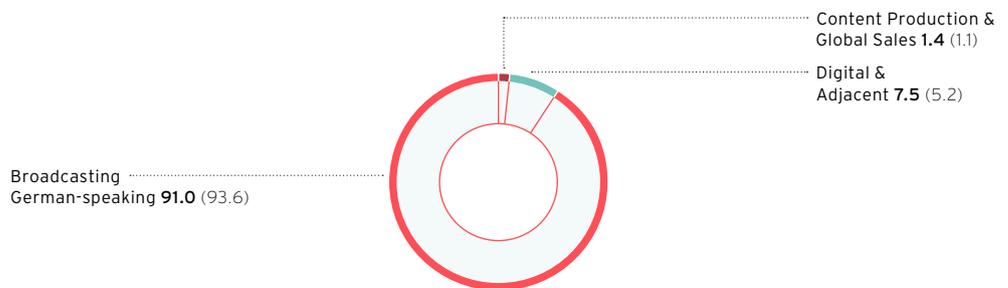
For financial year 2015, the described cash flows from investing activities resulted in a total investment cash flow of minus EUR 1.522 billion (+32.5% or EUR -373.4 million year-on-year). The following chart provides a breakdown of investments by segment:



Major Events and
Changes in the Scope of
Consolidation, page 75.

Investments by segment¹

in percent, 2014 figures in parentheses



¹ Investments by segment before M&A activities.

Free cash flow: Free cash flow fell to minus EUR 1.2 million in financial year 2015 (previous year: EUR 276.5 million). The decline is primarily attributable to the considerable increase in the volume of investment in connection with company acquisitions and investments.

Cash flow from financing activities: Cash flow from financing activities was EUR 242.1 million after cash outflow of EUR 208.3 million in the previous year. The payment of the dividend for financial year 2014 resulted in cash outflow of EUR 341.9 million in May 2015. This was offset by a net cash inflow of EUR 617.1 million particularly due to the increase of the term loan in October by EUR 700.0 million. The cash outflow for 2014 reflected the dividend distribution (EUR 313.4 million) and net cash inflow of EUR 116.3 million relating to refinancing measures. In April 2014, ProSiebenSat.1 concluded a new syndicated facilities agreement with a volume of EUR 2.000 billion at attractive conditions and repaid a portion of its loans; the Group issued a bond at the same time.



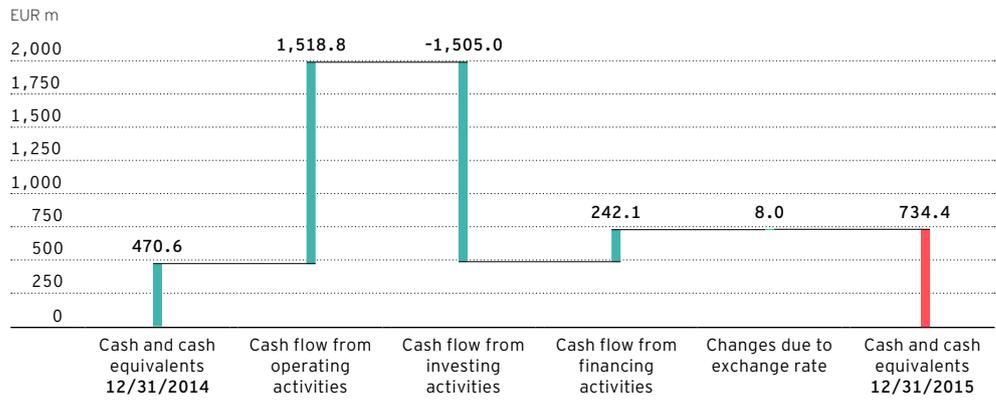
Borrowings and Financing
Structure, page 83.



Financing Analysis,
page 84.

Cash and cash equivalents: In financial year 2015, the overall cash flows described resulted in an increase of cash and cash equivalents compared to the previous year's reporting date. At EUR 734.4 million, the cash and cash equivalents were 56.1% or EUR 263.8 million higher than the previous year's figure of EUR 470.6 million. The Group reported particularly high inflow of cash and cash equivalents in the high-revenue fourth quarter; the figure amounted to EUR 510.9 million after EUR 293.8 million in the fourth quarter of 2014.

Changes in cash and cash equivalents

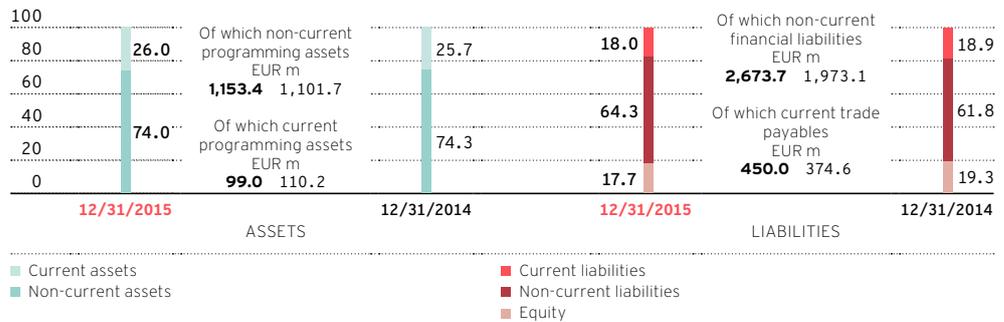


Analysis of Assets and Capital Structure

As of December 31, 2015, total assets amounted to EUR 5.317 billion compared to EUR 3.901 billion on December 31, 2014. The 36.3% increase primarily resulted from higher goodwill, other intangible and financial assets and a higher level of cash and cash equivalents.

Structure of the Statement of Financial Position

in percent



Major Events and
Changes in the Scope of
Consolidation, page 75.

Significant individual value changes to different items of the statement of financial position compared to December 31, 2014, are described below:

The **goodwill** recorded an increase of 58.0% to EUR 1.656 billion as of December 31, 2015 (December 31, 2014: EUR 1.048 billion). This is due to the first-time consolidation of the majority interests acquired in 2015, including Verivox, etraveli and Collective Digital Studio. Accordingly, the share of the goodwill in total assets increased to 31.1% as of December 31, 2015 (December 31, 2014: 26.9%).

As of December 31, 2015, **other intangible assets** increased by EUR 293.1 million to EUR 552.8 million (December 31, 2014: EUR 259.8 million). Main reasons for this were the purchase price allocations related to the acquisitions in the last financial year.

Non-current other financial and non-financial assets rose considerably by EUR 84.8 million to EUR 307.0 million as of December 31, 2015 (December 31, 2014: EUR 222.1 million). This was primarily the result of positive effects from currency hedges.

Non-current and current programming assets increased slightly compared to December 31, 2015. They increased by 3.3% and amounted to EUR 1.252 billion (December 31, 2014: EUR 1.212 billion). This equates to a 23.6% share of total assets (December 31, 2014: 31.1%). Alongside the goodwill, programming assets are among ProSiebenSat.1's most important assets.

Trade receivables increased by a total of 20.5% or EUR 65.2 million to EUR 383.3 million.

Current other financial and non-financial assets rose considerably to EUR 137.5 million (December 31, 2014: EUR 75.2 million). This equates to an increase of 82.8% or EUR 62.3 million, which is mainly attributable to positive effects from currency hedges.



Analysis of Liquidity and
Capital Expenditure,
page 86.

Cash and cash equivalents increased to EUR 734.4 million as of the reporting date, an increase of 56.1% or EUR 263.8 million.

In the reporting period, **equity** rose by 25.1% to EUR 943.1 million (December 31, 2014: EUR 753.9 million). A positive impact was made by the consolidated profit of EUR 396.2 million and the EUR 140.9 million increase in other accumulated equity. This was counteracted by the dividend payment of EUR 341.9 million. Despite the positive development, the equity ratio fell slightly to 17.7% (December 31, 2014: 19.3%) due to the increased debt capital. The Group continues to have a solid financial position.



Borrowings and Financing
Structure, page 83.



Major Events and
Changes in the Scope
of Consolidation, page 75.

As of December 31, 2015, **non-current and current liabilities and provisions** increased to a total of EUR 4.374 billion (December 31, 2014: EUR 3.147 billion), a rise of 39.0%. The increase is mainly due to the increase of the **term loan** by EUR 700.0 million in the fourth quarter of 2015. The outstanding contingent purchase price components for **majority interests** acquired in 2015 and deferred taxes from the purchase price allocations of the acquisitions also led to the increase.

As of December 31, 2015, there were no other major structural or quantitative changes of the statement of financial position year-on-year.

Accounting assumptions and estimates

When applying accounting principles, recognizing income and expenses and preparing balance sheet reports, assumptions and estimates need to be made to

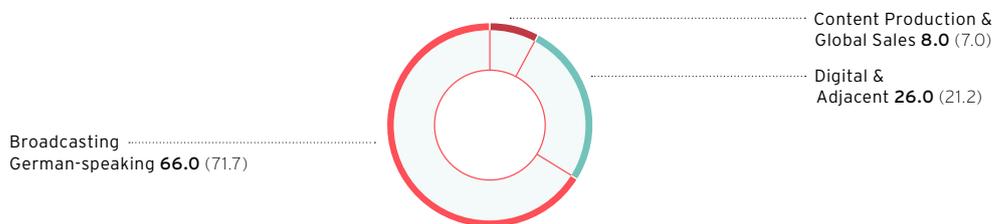
a certain extent. Detailed information on the use of assumptions and estimates are shown in Note 2 of the consolidated financial statements.

Business Development of the Segments

- > **The Broadcasting German-speaking segment grows highly profitable and increases the revenues from the sale of TV advertising time; at the same time the distribution business develops very dynamically.**
- > **In the Digital & Adjacent segment, organic growths strengthens the profitable revenue performance alongside acquisitions such as Verivox and Collective Digital Studio.**
- > **Revenue growth is primarily organic in the Content Production & Global Sales segment, with the production business in the US making the greatest contribution to revenues.**

Group revenue share by segment

in percent, 2014 figures in parentheses



Segment Broadcasting German-speaking

In financial year 2015, **external revenues** in the Broadcasting German-speaking segment increased to EUR 2.152 billion. This equates to an increase of 4.3% or EUR 89.3 million compared to the previous year. ProSiebenSat.1 Group invests consistently in its highly profitable advertising-financed TV business and strengthened its second revenue model in the form of HD program distribution.

Development of the TV and Online Advertising Market, page 67.

Development of the Audience Market, page 60.

The Group increased its revenues from the sale of TV advertising time in all markets in 2015, including Austria and the German-speaking part of Switzerland alongside the core market of Germany. In the female target group especially, ProSiebenSat.1 Group continued to expand its audience shares and adequately capitalized its leading position in the German market. The distribution revenues from free TV programs in high definition (HD) and the distribution of own pay TV channels increased at the same time.

The revenue momentum combined with efficient cost management resulted in an increase in **EBITDA** of 4.2% or EUR 29.1 million to EUR 715.9 million. **Recurring EBITDA** adjusted for non-recurring items increased at a similar level and amounted to EUR 734.3 million (+4.5% or EUR 31.5 million year-on-year). Against this backdrop, the **recurring EBITDA margin** increased slightly to 33.0% (previous year: 32.9%).

Key figures Broadcasting German-speaking segment

EUR m	2015	2014
Segment revenues	2,228.0	2,139.4
External revenues	2,152.1	2,062.7
Internal revenues	75.9	76.6
EBITDA	715.9	686.8
Recurring EBITDA	734.3	702.8
Recurring EBITDA margin ¹ (in %)	33.0	32.9

¹ Based on segment revenues.

Segment Digital & Adjacent

The **external revenues** in the Digital & Adjacent segment continued to increase from a high level in financial year 2015, reaching EUR 846.4 million. This equates to an increase of 38.6% or EUR 235.7 million compared to 2014. The profitable revenue growth was strengthened by acquisitions; here the full consolidations of Verivox and Collective Digital Studio made the greatest contributions to growth. In addition, the Group established a new commerce vertical called "Beauty & Accessories" and, in connection with this, acquired control in Sonoma Internet GmbH (Amorelie) and Flaconi GmbH in 2015. At the same time, the segment grew organically in a double-digit percentage range, with the video-on-demand (VoD) portal maxdome developing particularly dynamically alongside the Ventures business. The Travel Vertical and the advertising-financed online network also contributed to the revenue growth.

Costs rose as a result of the expanded business volume. In addition, cost development was influenced by non-recurring expenses. Against this backdrop, **EBITDA** increased by 20.7% or EUR 25.6 million to EUR 149.2 million. **Recurring EBITDA** adjusted for non-recurring items improved by 31.6% to EUR 170.2 million (previous year: EUR 129.3 million). The **recurring EBITDA margin** was 19.9% (previous year: 21.0%).



Major Events and
Changes in the Scope of
Consolidation, page 75.



Group Earnings,
page 78.

Key figures Digital & Adjacent segment

EUR m	2015	2014
Segment revenues	856.2	615.3
External revenues	846.4	610.7
Internal revenues	9.7	4.5
EBITDA	149.2	123.6
Recurring EBITDA	170.2	129.3
Recurring EBITDA margin¹ (in %)	19.9	21.0

¹ Based on segment revenues.

Segment Content Production & Global Sales

In the Content Production & Global Sales segment, **external revenues** increased by 29.7% to EUR 262.2 million (previous year: EUR 202.2 million). Revenue growth was largely organic in financial year 2015, with the production business in the US making the greatest contribution to revenues. In addition to the organic growth, the first-time consolidations of the US production firms Half Yard Productions and Karga Seven Pictures also had a positive impact. In recent years, ProSiebenSat.1 Group has expanded its production network internationally and established itself in the US in particular. The Company also achieved significant sales successes worldwide. Against this backdrop, changes in the dollar exchange rate against the euro also had a positive impact on revenue development.

The revenue growth also influenced earnings performance: Despite a growth-related increase in costs, **EBITDA** rose to EUR 21.4 million (previous year: EUR 16.0 million). **Recurring EBITDA** also grew by a considerable 30.8% or EUR 5.9 million to EUR 25.0 million. As in the previous year, the corresponding **recurring EBITDA margin** was 7.8%.



Major Events and
Changes in the Scope of
Consolidation, page 75.

Key figures Content Production & Global Sales segment

EUR m	2015	2014
Segment revenues	318.4	244.5
External revenues	262.2	202.2
Internal revenues	56.3	42.4
EBITDA	21.4	16.0
Recurring EBITDA	25.0	19.1
Recurring EBITDA margin¹ (in %)	7.8	7.8

¹ Based on segment revenues.



Overall Assessment of the Business Performance – Management View

For ProSiebenSat.1 Group, 2015 marked another year of profitable and capital-efficient growth in which we achieved or even exceeded our targets. But 2015 was a successful year not only in terms of growth figures. We also performed well financially, successfully continued our investment strategy and remained within the target range for the leverage ratio. We simultaneously used the favorable capital market conditions and further optimized our Group financing. At the time the Group Management Report was compiled, ProSiebenSat.1 Group was characterized by overall very good earnings, financial position and performance.

The German economy grew again in 2015; this encouraged our advertising customers to invest. At the same time, the market data for our digital portfolio were very positive: The in-stream advertising, video-on-demand and digital commerce industries grew dynamically. In this market environment, the Group closed 2015 again with record figures for revenues and operating earnings. All segments contributed to this:

Our TV business is highly profitable, it delivers continuous and solid growth. In 2015, we achieved the highest audience share for ten years. In the advertising market, we grew stronger than the rest of the field and benefited from continuing structural change in addition to the economic environment: Many print customers are moving their advertising budgets to television. In addition, growth was driven by our newer stations sixx, SAT.1 Gold and ProSieben MAXX.

In the Digital & Adjacent segment, we also closed the year with record revenues. The segment again develops very profitably with a margin of around 20%. We are also successful in the program production and distribution business: Red Arrow is growing dynamically and has continued to expand its portfolio strategically in the US.

Our Group's growth was largely organic; at the same time, we made important acquisitions that further accelerate our profitable growth. For example, we acquired a majority in Verivox, Germany's leading independent consumer energy portal, and strengthened our travel portfolio with the international air travel portal etraveli. This positive annual record and the good start into financial year 2016 confirm our strategy: We are continuing to develop ProSiebenSat.1 from a traditional TV provider into a broadcasting, digital entertainment and commerce powerhouse.

ProSiebenSat.1 Media SE (Explanations According to HGB)

- > **The Management Report of ProSiebenSat.1 Media SE is presented together with the Group Management Report as Combined Management Report for the first time.**
- > **The business development of ProSiebenSat.1 Media SE is influenced by the same economic environment and is subject to the same conditions regarding risks and opportunities as the Group.**

The annual financial statements of ProSiebenSat.1 Media SE are prepared in compliance with the provisions of the German Commercial Code and the supplementary provisions of the German Stock Corporation Act and the Articles of Association.

Business and Economic Environment

ProSiebenSat.1 Media SE is a management holding company that also conducts its own operating activities. It is responsible for management functions such as corporate strategy and risk management for ProSiebenSat.1 Group, investment administration and central financing tasks, and other service functions. Furthermore, ProSiebenSat.1 Media SE is the tax group parent for the majority of the domestic subsidiaries. Its material income results from subsidiaries' profit transfer agreements and internal services charged. In addition, revenues are generated in particular from the sale of ancillary programming rights.

The economic environment of ProSiebenSat.1 Media SE essentially corresponds to that of ProSiebenSat.1 Group and is described in detail in the section on the [Group's environment](#).



Group Environment,
page 121.

ProSiebenSat.1 Media SE as the parent company of ProSiebenSat.1 Group is integrated into the Group-wide risk management system. Further information and the description of the internal control system for ProSiebenSat.1 Media SE required according to Section 289 (5) HGB are presented in the [Risk Report](#).



Risk Report,
page 99.

The Management Declaration according to Section 289a HGB is publicly accessible on the Company's [website](#) and can be viewed in this Annual Report.



[www.prosiebensat1.com/
en/page/erklaerung-zur-
unternehmensfuehrung](http://www.prosiebensat1.com/en/page/erklaerung-zur-unternehmensfuehrung)

Significant Events in 2015

At the Annual General Meeting on May 21, 2015, the shareholders of ProSiebenSat.1 Media AG resolved to convert the Company into a European Stock Corporation (Societas Europaea, SE). The conversion of ProSiebenSat.1 Media AG into a European Stock Corporation (Societas Europaea, SE) became effective on July 7, 2015, with its entry in the commercial register. The new legal form has no impact on shareholders or the Group's corporate governance.



Borrowings and Financing
Structure, page 83.

In financial year 2015, the duration of the [syndicated loan agreement](#) was extended by one year to April 2020 and the term loan increased by EUR 700.0 million to EUR 2,100.0 million; all other material conditions remain unchanged. The loan agreement is unsecured and was made with an international banking group. The loan liabilities bear interest at a variable rate.

Earnings of ProSiebenSat.1 Media SE

Statement of income according to German GAAP (HGB)

EUR m	2015	2014
Revenues	37.9	30.8
Other operating income	140.8	135.9
Program and material expenses	37.7	40.5
Personnel expenses	72.9	78.6
Depreciation	11.2	9.3
Other operating expenses	142.8	117.9
Operating expenses	264.6	246.3
Investment income	773.1	681.1
Financial result	-80.8	-152.1
Income from ordinary activities	606.4	449.5
Taxes	172.8	149.2
Profit of the year	433.6	300.2
Profit carried forward	1,485.6	1,527.3
Balance sheet profit	1,919.2	1,827.5

Revenues at ProSiebenSat.1 Media SE increased in financial year 2015 by EUR 7.1 million or 23.1% to EUR 37.9 million. The year-on-year revenue upturn resulted primarily from higher revenues from the sale of ancillary programming rights and revenues from barter transactions.

Other operating income rose by EUR 4.9 million year-on-year to EUR 140.8 million. It primarily includes revenues from internal services charged and effects of currency translation.

Operating expenses amounted to EUR 264.6 million (previous year: EUR 246.3 million). Programming and material expenses (- EUR 2.8 million) and personnel costs (- EUR 5.7 million) decreased slightly in financial year 2015. The increase in other operating expenses to EUR 142.8 million (previous year: EUR 117.9 million) was primarily due to higher expenses from currency translation and hedging transactions.

Investment income, the balance of income from profit transfer agreements less expenses from loss absorption, increased by EUR 92.0 million to EUR 773.1 million. As a result of the positive business performance of the German subsidiaries, income from profit transfer agreements increased by EUR 84.3 million to EUR 896.7 million overall. At the same time, costs for loss absorption fell slightly year-on-year to EUR 123.6 million (previous year: EUR 131.2 million).

In financial year 2015, the **financial result** (interest income netted against interest expenses including write-downs of financial assets) improved by EUR 71.3 million to minus EUR 80.8 million. This is primarily due to the decline in interest expenses of EUR 56.7 million to EUR 90.0 million. The figure for 2014 was shaped by the full reversal of deferred financing costs of the replaced loans and the financing costs in 2014 totaling EUR 40.0 million which were recognized as expenses in financial result. Interest income fell by EUR 5.1 million to EUR 9.2 million in financial year 2015. This is due to the lower interest rates. Interest income from affiliated companies resulting from internal lending fell by EUR 3.0 million. Furthermore, the value for 2014 includes impairments of financial assets of EUR 19.9 million, which were no longer incurred in the reporting year.

As a consequence, **income from ordinary activities** rose by EUR 156.9 million to EUR 606.4 million. After deducting income taxes of EUR 172.8 million (previous year: EUR 149.2 million) and other taxes, ProSiebenSat.1 Media SE reports net income for the year of EUR 433.6 million in financial year 2015. This is a significant year-on-year growth of EUR 133.4 million.

ProSiebenSat.1 Media SE had no material **off-balance-sheet financing instruments** during the reporting year.

ProSiebenSat.1 Media SE has concluded rental contracts for property it uses at the Unterföhring site, which were classified as operating leases in accordance with HGB. These contracts are not due to expire before 2019.

Net Assets of ProSiebenSat.1 Media SE

Statement of financial position in accordance with German GAAP (HGB)

EUR m	12/31/2015	12/31/2014
ASSETS		
Intangible assets	0.7	1.0
Properties	55.9	51.7
Financial assets	5,637.9	4,882.6
Non-current assets	5,694.5	4,935.3
Receivables and other assets	1,161.8	1,155.7
Cash and cash equivalents	524.1	374.5
Current assets	1,685.9	1,530.2
Prepaid expenses	3.8	3.8
Active difference resulting from offsetting	0.6	0.8
Total assets	7,384.8	6,470.1
LIABILITIES AND EQUITY		
Equity	2,778.2	2,668.5
Provisions	90.9	64.5
Liabilities	4,499.7	3,705.4
Deferred tax liabilities	16.0	31.7
Total liabilities and equity	7,384.8	6,470.1

As of December 31, 2015, the **total assets** of ProSiebenSat.1 Media SE increased by 14.1% or EUR 914.7 million to EUR 7,384.8 million.

Non-current assets increased by 15.4% or EUR 759.2 million year-on-year to EUR 5,694.5 million as of December 31, 2015. The increase resulted from capital increases carried out at direct subsidiaries in the reporting year amounting to EUR 716.3 million; a second reason was the EUR 52.5 million increase in loans to affiliated companies.

Compared to December 31, 2014, **current assets** increased to EUR 1,685.9 million. The increase of 10.2% or EUR 155.7 million is primarily due to higher cash and cash equivalents; these increased by EUR 149.6 million year-on-year.

As of December 31, 2015, the **equity** of ProSiebenSat.1 Media SE increased by 4.1% or EUR 109.7 million year-on-year to EUR 2,778.2 million. The increase was the result of the net income for the financial year 2015 of EUR 433.6 million. In addition, the exercise of stock op-

tions amounting to EUR 10.4 million had a positive effect. However, the dividend distribution in May 2015 of EUR 341.9 million had a contrary effect.

As of December 31, 2015, the **equity ratio** amounted to 37.6% compared to 41.2% on the previous year's closing date. This development reflects the increase in total assets due to the new loan and the higher financial assets. In absolute figures, equity increased as of December 31, 2015 by EUR 109.7 million.

Provisions increased by EUR 26.4 million to EUR 90.9 million as of December 31, 2015. This was mainly due to the EUR 18.6 million increase in tax provisions.

Amounting to EUR 4,499.7 million, **liabilities** as of December 31, 2015, were EUR 794.3 million or 21.4% higher than in the previous year. The increase resulted mainly from the borrowing of the new loan of EUR 700.0 million and the EUR 56.1 million increase in trade accounts payable. In addition, liabilities to affiliated companies increased by EUR 42.5 million to EUR 1,490.8 million.

Financial Position of ProSiebenSat.1 Media SE

Cash management is performed centrally; Group cash flows are mostly pooled at ProSiebenSat.1 Media SE as the holding company via the implemented cash pooling system. Therefore the cash flow of the Group impacts the liquidity of ProSiebenSat.1 Media SE to a large degree.

For Group companies, especially the German TV stations, ProSiebenSat.1 Media SE acts as purchasing agent for programming assets. In financial year 2015, EUR 469.4 million (previous year: EUR 434.9 million) was spent on **investments in programming assets**. In 2015, ProSiebenSat.1 Media SE received from Group companies EUR 486.4 million (previous year: EUR 404.8 million) from the internal transfer of programming assets. As of December 31, 2015, the total future financial obligations from programming purchase agreements already concluded amounted to EUR 2,962.0 million (previous year: EUR 2,625.2 million).

In the reporting year, **cash outflows for purchases of intangible assets and tangible fixed assets** at the level of ProSiebenSat.1 Media SE amounted to EUR 15.2 million. This is a year-on-year increase of EUR 1.8 million.

For further information on the balance sheet and income statement, refer to the Notes to the annual financial statements of ProSiebenSat.1 Media SE.

Development of Employee Numbers

In financial year 2015, on average 564 people were employed at ProSiebenSat.1 Media SE, 485 employees as well as 79 apprentices, trainees and interns. In the previous year, on average 540 people were employed at ProSiebenSat.1 Media SE, 85 of whom were apprentices, trainees and interns.

Risks and Opportunities

The business performance of ProSiebenSat.1 Media SE is fundamentally subject to the same risks and opportunities as that of ProSiebenSat.1 Group. ProSiebenSat.1 Media SE participates in the risks of its subsidiaries and investments in line with its respective ownership interest. The risks and opportunities are described in the [Risk and Opportunity Report](#).



Outlook

Because of the interrelations between ProSiebenSat.1 Media SE and its subsidiaries, the outlook for ProSiebenSat.1 Group also largely reflects the expectations of ProSiebenSat.1 Media SE. Net income of ProSiebenSat.1 Media SE increased in 2015 significantly as expected. The growth of EUR 133.4 million to EUR 433.6 million reflects the positive development of results on Group level. The earnings development of ProSiebenSat.1 Media SE should be in alignment with the development of the Group, since the results of the subsidiaries will influence the investment result to a large degree. Therefore, the above remarks in the Outlook also apply to ProSiebenSat.1 Media SE. We assume that investment result will have a substantial influence on the profit of ProSiebenSat.1 Media SE.



Company Outlook

page 121.



Events After the Reporting Period

Here, we report on events which were relevant between the end of financial year 2015 and February 22, 2016, the date of authorization of this report for publication and forwarding to the Supervisory Board. The publication date of the Annual Report 2015 is March 15, 2016. Apart from the events described below, no further reportable events materially impacting the earnings, financial position and performance of ProSiebenSat.1 Group or ProSiebenSat.1 Media SE have occurred.

Majority Interest in Dorsey Pictures (Orion Entertainment)

Red Arrow Entertainment Group acquired a 60.0% share in the US production firm Dorsey Pictures (formerly Orion Entertainment) in January 2016. The investment and its subsidiaries have been fully consolidated and allocated to the Content Production & Global Sales segment since the acquisition. The company, based in Denver, is a leading US producer of non-scripted TV programs and branded entertainment offerings. The acquisition expands Red Arrow's US production network with new program genres such as "outdoor adventure," for which Dorsey is one of the world's biggest producers. Dorsey is already Red Arrow's seventh investment in the US.

Risk Report

- > **The overall risk situation is still contained.**
- > **We have an effective risk management system.**

Risk Management System

Risk is defined in this report as a potential future development or potential future event that could significantly influence our business situation and result in a negative deviation from targets or forecasts. The risk indicators that we have already taken into account in our financial planning or in the consolidated financial statements as of December 31, 2015, do not therefore come under this definition and are consequently not explained in this Risk Report.

ProSiebenSat.1 Group has established a systematic risk management system. It focuses on the Group's specific circumstances and covers all activities, products, processes, departments, equity interests and subsidiaries that could have an impact on our Company's business performance. The new corporate units are systematically included in the risk management system.

Risk management is divided into the following processing steps:

- > **Identification:** It starts by **identifying** material risks via a target/actual comparison. The decentralized risk managers are responsible for this. For this purpose, they are guided by early warning indicators defined for relevant circumstances and key figures.
- > **Assessment:** The relevant risks are **assessed** on the basis of a matrix: First, the circumstances are categorized on a five-step percentage scale in terms of the probability of their occurrence. Second, the extent of their possible financial impact is assessed; the financial equivalents are also divided into five steps. The aim is to classify the risk potential according to its relative significance as "high," "medium" or "low." In simplified terms, this risk matrix is as follows:

Risk classification		Probability				
		Very unlikely ≤ 10%	Unlikely > 10% ≤ 30%	Possible > 30% ≤ 50%	Likely > 50% ≤ 80%	Very likely > 80%
Impact in EUR thousand						
Very low	≤ 750	≤ 750	≤ 750	≤ 750	≤ 750	
Low	> 750 ≤ 3,000	> 750 ≤ 3,000	> 750 ≤ 3,000	> 750 ≤ 3,000	> 750 ≤ 3,000	
	> 3,000 ≤ 8,000	> 3,000 ≤ 8,000	> 3,000 ≤ 8,000	> 3,000 ≤ 8,000	> 3,000 ≤ 8,000	
High	> 8,000 ≤ 15,000	> 8,000 ≤ 15,000	> 8,000 ≤ 15,000	> 8,000 ≤ 15,000	> 8,000 ≤ 15,000	
	> 15,000	> 15,000	> 15,000	> 15,000	> 15,000	

■ Low risk ■ Medium risk ■ High risk

As well as classification, risk assessment also includes analyzing causes and interactions. Measures to counteract or minimize risks are included in the quantification (net assessment).



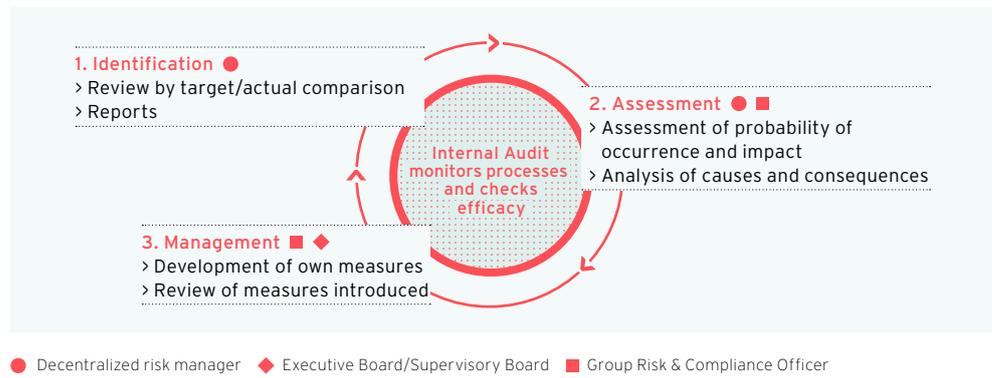
Intragroup Management System, page 37.

In order to obtain the most precise view of the risk situation possible, however, opportunities are not taken into account. We record these in budget planning.

- > **Management: Risk management** aims to use appropriate measures to reduce the probability of occurrence of potential losses and to limit or decrease possible losses. Countermeasures are developed and initiated as soon as an indicator reaches a certain tolerance limit.

Risk control completes this processing step. The defined measures and risks are documented and tracked in reports throughout the year.

Risk management process



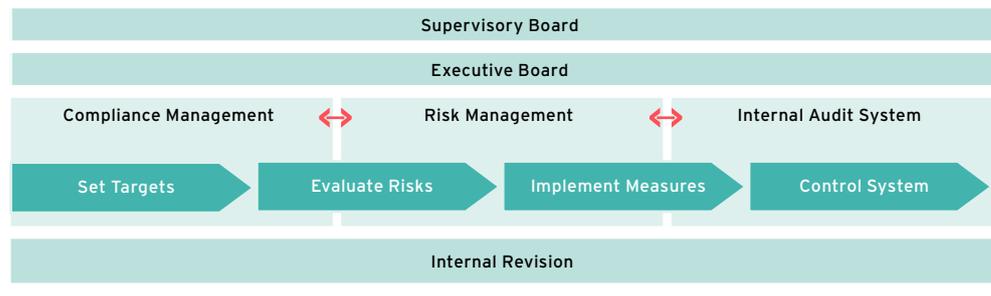
Clear decision-making structures, standardized guidelines and a methodical approach are a fundamental requirement for secure risk handling across the Group. At the same time, processes and organizational structures must be flexible enough to allow us to respond appropriately to new situations at all times. This is why the regular classification of risks occurs locally, in the various corporate units:

- > **Decentralized risk managers:** The **risk managers** record the risks from their respective area of responsibility according to the standard Group system described. They document their results in an IT database every quarter.
- > **Group Risk and Compliance Officer:** The **Group Risk and Compliance Officer** reports the risks documented in the database to the **Executive Board and Supervisory Board** every quarter. Relevant risks arising at short notice are reported immediately. In this way, the Executive Board and Supervisory Board regularly receive all decisive analyses and data at an early stage in order to be able to respond proactively.

The Risk and Compliance Office supports the various corporate units not only in identifying risk at an early stage. It also ensures the efficacy and timeliness of the system by training the decentralized risk managers and continuously monitoring the scope of risk consolidation.

Moreover, the Internal Audit unit regularly reviews the quality and regularity of the risk management system. It reports the results directly to the Group CFO.

Risk management system



The audit of the risk management system generated a positive result again in 2015. The system itself did not change in the past financial year. The basis for the audit is the Risk Management Manual. It summarizes company-specific principles and reflects the internationally recognized frameworks for enterprise risk management and internal control systems from COSO (Committee of Sponsoring Organizations of the Treadway Commission).

Development of Risk Clusters
Risk Categories and Overall Risk Situation

Our overall risk situation remains limited. It is largely unchanged year-on-year, although some of the individual risk clusters have increased or decreased slightly compared to December 31, 2014:

Development of risk clusters and the overall risk situation of the Group as of December 31, 2015

Change 2015 vs. 2014

→	→	→	→	→	*	↗	↗	↓	→
External Risks	Sales Risks	Content Risks	Technological Risks	Personnel Risks	Investment Risks	Financial Risks	Compliance Risks	Other Risks	Overall risk situation

→ Unchanged ↗ Slightly increases ↑ Increased ↘ Slightly decreased ↓ Decreased or no longer relevant * New risk category

The assessment of the overall risk situation is the result of an aggregate analysis of the Group's main risk clusters – "operating risks," "financial risks," "compliance risks," and "other risks." Due to their thematic diversity, we also subdivide operating risks into external risks, sales risks, content risks, technological risks, personnel risks, and investment risks. The main risk clusters comprise various individual risks in turn.

To assess the overall risk situation, we start by classifying all individual risks as part of the quarterly assessment process and aggregate them into clusters. In doing so, we use the matrix described above. The clusters are weighted in turn to reflect their significance for the Group. To make the process easier to understand, descriptions of the individual risks and explanations of their categorization are provided on the following pages. These are not necessarily the only risks that the Group faces. However, we are not currently aware of any additional risks that could impact our business activities, or we consider them as not material.

Operating Risks

Operating risks

	Impact	Probability	Significance	Changes vs. previous year
EXTERNAL RISKS				
Macroeconomic risks	High	Possible	Medium	Unchanged
General industry risks (media usage behavior)	Very high	Unlikely	Medium	Unchanged
SALES RISKS				
Media convergence	High	Possible	Medium	Unchanged
Selling advertising time	Very high	Unlikely	Medium	Unchanged
Online advertising: Ad blockers	High	Possible	Medium	Unchanged
Audience shares	High	Unlikely	Medium	Unchanged
CONTENT RISKS				
License purchases	Medium	Very unlikely	Low	Unchanged
Commissioned and in-house productions	Medium	Unlikely	Low	Unchanged
TECHNOLOGICAL RISKS				
Broadcasting equipment and studio operations	Low	Unlikely	Low	Unchanged
IT risks	Low	Unlikely	Low	Unchanged
PERSONNEL RISKS				
	Medium	Unlikely	Low	Unchanged
INVESTMENT RISKS				
Risks from majority interests	Medium	Unlikely	Low	New
Risks from minority interests	Medium	Unlikely	Low	New

Our experience in the media sector, clear organizational structures and qualified staff enable us to deal with operating risks appropriately and implement effective measures for risk reduction. We tackle operational challenges with systematic efficiency controlling and ongoing market and competitive analysis, among other things. In addition, we optimize our risk profile by consistently investing in growth areas to reduce our dependency on individual markets and simultaneously leveraging digitalization as a growth opportunity for our TV and online business.

External Risks

The development on the German TV advertising market is our most important planning assumption. In addition to economic growth, we include industry-specific data such as the high reach of TV in our economic considerations.

Macroeconomic risks. ProSiebenSat.1 analyzes economic and market developments continuously and assesses them systematically as part of risk management. The contractual agreements with our advertising customers are also an important indicator for budget planning and risk assessment.



Future Business and Industrial Environment, page 121.

Growth forecasts by industry experts for the German net TV advertising market are optimistic. This also applies to online advertising, with in-stream videos in particular continuing to rise strongly. We are also expecting a favorable industry environment and base our assumption first on structural change in the German advertising market: TV and online are gaining market share as a result of digitalization, while print advertisements are becoming less relevant. Furthermore, the domestic economy is developing positively overall. In the main revenue market of Germany, advertising spending is likely to increase in parallel.

Economic forecasts naturally entail certain insecurities, which could, depending on their extent, also have an impact on advertising budgets. The short-term nature and seasonality of budget allocation also influence planning security. We have therefore left the risk significance unchanged compared with 2014 and continue to estimate this category as medium risk. We continue to rate high negative consequences from the general economic conditions as possible.



Future Business and
Industrial Environment,
page 121.

ProSiebenSat.1 pursues a dual growth strategy and is diversifying its risk profile in all segments. Reaching new target groups is a central component in the economically sensitive TV segment. With sixx, it has succeeded, for example, in appealing sufficiently to female viewers, who represent an important target group for the advertising industry, and consequently in releasing additional advertising budgets. At the same time, short-term falls in market share can be offset via the multi-channel portfolio with its complementary channel positioning and compensated at Group level. We are also investing consistently in new growth markets such as HD distribution and consequently also in business areas, which can be funded independently of advertising revenues, in the Broadcasting German-speaking segment. In 2015, the Group already generated 39.5% of its revenues outside the TV advertising business. In the medium-term, we aspire to a harmonious distribution of revenues; 50% of revenues are expected to come from sales of TV advertising time.

General industry risks (media usage behavior). Digitalization is accelerating technological change throughout the world and in virtually every industry. Media use is also changing. Thanks to digitalization, today's transmission routes for video content are far more diverse than they were even a few years ago and offer viewers a range of additional viewing options such as Time Shifted TV or video-on-demand. Among other things, these offerings allow viewers to download films at the time of their choosing or on the go. Regardless of the radio signal, viewers can also follow the TV program that is currently being broadcast online via apps on tablets or smartphones - live wherever they are. However, the new forms of use only account for a small proportion overall: 96% of TV consumption among viewers aged 14 and over in Germany still takes place via live use at the time of the broadcast.



Opportunity Report,
page 116.

Overall, digital change is taking place more slowly in Germany than in other countries and is following different patterns. The broad offering of free TV financed by advertising is a structural feature of the German market. Unlike the US or Scandinavian countries, a majority of stations can be received free in Germany and the quality of their programs is high. This is reflected in the number of pay TV and VoD subscriptions. While only 20% of viewers currently subscribe to pay TV programs in Germany, in the US it is around 85% of households. VoD offerings are used by 7% of households in Germany compared with approximately 45% in the US. Willingness to pay for additional offers is even greater in Scandinavia; market penetration of pay TV stands at 86% to 96%.

Television is the most important mass medium in Germany; monthly net reach is stable at a high level. Accordingly, 50 million viewers aged 3 and above watched television on an average day in 2015. At the same time, we assume that video use overall will increase sharply. One reason for this development is the increasing availability of faster and cheaper mobile Internet connections, which will encourage easy use of TV content on smartphones or tablets. In addition, TV content will be distributed via stations' catch-up services, meaning that we are forecasting that viewers aged between 14 and 49 will use TV content via all platforms and transmission routes for 257 minutes in total in 2020. This figure was 216 minutes in 2015. Of this figure, 176 minutes was attributable to traditional viewing in front of a TV set.



Corporate Strategy and
Vision, page 33.

The basic function of TV remains the same. According to the Media Activity Guide, the majority of Germans prefer to watch television in "lean-back mode"; accordingly 70% of those questioned would like to lean back and relax when watching television. As in 2012, there is therefore at least one TV set in 95% of German households today. Consequently, the number of sets remains constantly high. However, the sets themselves are developing via technical innovations such as the possibility of receiving HD as well as larger screens – and improving in quality. Patterns of use such as the parallel consumption of TV and Internet are also commonplace; some 45% of 14+ to 49-year-olds often use their smartphones for

surfing the Net while watching TV. These market data and research results show that mobile devices are part of everyday media usage, but they are not replacing the TV set. Rather, they are used as second screens and fulfill additional functions such as the online search or communication via social media channels. This form of parallel media use is also influencing the advertising industry, with e-commerce companies benefiting most notably from the interaction of TV and Internet and the advertising impact of TV in Germany increasing further.



Technical Distribution,
Media Consumption and
Advertising Impact, page 57.

Against this backdrop, ProSiebenSat.1 is very well positioned to exploit digital development as an opportunity for growth: The company is the market leader in the German audience market in the advertising-relevant target group of 14 to 49 year old viewers and also offers its station in HD in addition to free TV offerings in SD quality. At the same time, ProSiebenSat.1 developed a digital entertainment offering at an early stage and serves new media usage habits with the online video portal maxdome or the 7TV app. We already reach more than 30 million users via digital services today. By inference, we still consider material risks from a change in media use to be unlikely to materialize. In the event of a fundamental change, however, we cannot completely rule out a very high financial impact on our core business and thus the entire Group. We therefore rate this as a medium risk overall.

Sales Risks

Media convergence. No other technology has spread as quickly in a period of only three years as smartphones and tablets. In 2012, these devices were still a niche product in Germany, today they are practically ubiquitous. This development reflects users' desire to use media everywhere and, in particular, when traveling. In the process, the once strong ties between content and end devices are coming undone, the boundaries between genres are becoming blurred. Today, radio is also received via Internet, newspapers are read online in many cases. This means that digitalization is encouraging the convergence of media, the same content is now used on various channels on different devices. This development is being driven by broadband Internet connections with fast data transfer rates.



Opportunity Report,
page 116.

In view of the increasing number of end devices and the resultant increase in digital media offerings, questions are repeatedly asked about the future relevance of traditional television. However, the current results of research by the Media Activity Guide, a comprehensive study carried out by forsa on behalf of the ProSiebenSat.1 advertising sales company SevenOne Media, again reveal a converse picture for Germany. New forms of video use are supplementing television instead of substituting it. Entertainment devices such as smartphones and tablets are, accordingly, used in addition to the TV set. Parallel use is not having an adverse impact on linear television either. Almost all 14- to 49-year-olds use more than one screen medium (96%). However, people who use several screens are not only more on-line-savvy. They are also more interested in television and spend 193 minutes every day watching TV. This is three minutes more than the average in their age group. The additional screens are also used to watch TV programs without TV sets. Among viewers aged 14 and above, around 4% of TV use is attributable to new methods such as live streams or TV sticks connected to PCs and laptops (previous year: Also around 4%).

Nevertheless, the high market penetration of convergent devices entails risks for ProSiebenSat.1: TV and online may not only be used complementarily and the consumption of video content on more and more new multimedia devices may rise. Convergence may also lead to TV usage falling in future. This could in turn have a negative impact on advertising customers' willingness to invest and thus negatively affect prices for TV advertising.

Although we are not currently seeing substitution, we believe it is possible that this risk may materialize. Therefore, we cannot rule out high effects on our revenue or earnings performance and continue to classify potential losses from media convergence as medium risk. For this reason, we will continue investing in the expansion of both our TV and digital businesses and making use of possibilities for growth offered by the integration of the two business areas.

Selling advertising time. In 2015, the ProSiebenSat.1 Group extended its lead in the German TV advertising market and moderately increased its prices for advertising space again. Our customer base comprises companies from a wide range of industries. This diversified portfolio helps to compensate for declines in investment in individual sectors. In addition, the ProSiebenSat.1 Group is consistently developing its new customer business. New stations and business models like the sale of free TV advertising space according to the media-for-revenue-share and media-for-equity principle are important growth measures in this context. In this way, the company frees up additional advertising budgets while making efficient use of its own programming and advertising inventory. The medium-term objective is to increase the share of TV advertising in the overall advertising market.

In the vast majority of cases, we do not conclude advertising contracts directly with the advertising companies. Instead, media agencies function as intermediaries, which become direct contract partners for our sales company SevenOne Media GmbH. The market for TV advertising time is characterized by concentrated structures both on the demand and supply side. On the demand side, there are essentially seven large associations of media agencies, which usually consist in turn of many smaller agencies. They are faced on the supply side primarily by the two private broadcasting groups, ProSiebenSat.1 and RTL, and the public television stations. Because of this and the high attractiveness of television and its relevance as the number one medium in the media mix, the business relationship formally concentrated on a few agencies does not give rise to any notable economic risk. Similarly, we have not identified any material default or liquidity risks because of the association structure described above and the short billing cycles of at most one month.



Economic Environment
and Advertising Market,
page 67.

If advertising budgets were to decline, the price level in the selling of advertising time fall or customers default, this could have very high consequences for the Group's revenue and earnings performance. We are observing a further increase in the intensity of competition on the German advertising market. Nonetheless, we continue to classify risks from marketing our TV advertising time as medium risks and believe they are unlikely to materialize. In order to identify potential losses early, we analyze the competitive environment as well as our advertising revenues and advertising market shares regularly. By comparing projections and actual figures with the corresponding prior-year values, budget deviations can be identified and countermeasures such as cost adjustments or changes in program planning and price policy can be quickly implemented as well.

Online advertising: Ad blockers. In connection with the sale of online advertising, ad blockers represent a sales risk. These programs, often offered as browser plug-ins and now as apps for end devices prevent advertising from being displayed. The ProSiebenSat.1 Group has taken various measures to limit this risk: The company has introduced technical means that can effectively prevent the ad blockers from functioning. At the same time, we are raising our users' awareness with education campaigns, such as Stromberg-AdUcate. In addition, ProSiebenSat.1 has filed an application for an injunction against the most widespread ad blocker in Germany (AdBlock Plus); the proceedings are currently being held at the Munich Upper Regional Court. However, further spread of ad blockers is possible; this could have a high

impact on the success of the online advertising business. Overall, we rate the total risk for the ProSiebenSat.1 Group as a medium risk.



Development of the
Audience Market,
page 60.

Audience shares. The German TV family closed the year on 29.5%, which is an increase year-on-year of 0.8% and at the same time the best audience share in the core market for ten years. Audience shares are an important figure for the management of the Group and at the same time a key indicator for early risk detection. They firstly reflect whether programming meets the taste of the audience. As a result, they measure the appeal of broadcasts and indicate their profitability. Second, they document the reach of an advertising spot and are consequently a means of documenting our performance for our advertising customers. Viewer shares are part of pricing and may therefore also entail sales risks.

Changes in market share are closely monitored and analyzed daily on the basis of data from the Working Group of Television Research (AGF). In this way, we are able to measure the success of our formats and if necessary to take countermeasures at any time. In addition to quantitative analyses, qualitative studies are also an important control instrument. Program research at ProSiebenSat.1 cooperates closely with various institutes on this. ProSiebenSat.1 commissions them to carry out regular telephone and online interviews and group discussions with viewers in Germany. In this way, stations obtain direct feedback from their audience and thus can optimize and further develop their programs on an ongoing basis.

On the basis of these ongoing market analyses, ProSiebenSat.1 Group has built up talents in recent years that are popular and successful with young viewers. At the same time, the Group has established a station portfolio of complementary TV stations that address different core target groups and have specific programming profiles. Possible market share weaknesses at individual TV stations can thus be offset by the others. In the last few months, the newer ProSiebenSat.1 stations, such as SAT.1 Gold or ProSieben MAXX, have continuously increased both their technical reach and their audience market shares. At the same time, the performance of the large stations is stable overall. ProSieben is the market leader in its relevant target group. With shows such as "The Voice of Germany" or "Circus Halli-Galli" the station is setting standards and becoming a pioneer in the German programming landscape. It can be assumed that established station brands like ProSieben and SAT.1 will continue to dominate the market due to their name recognition and their image. The fragmentation of previous years was driven in particular by the opportunities of digital distribution. We are now seeing signs that the fragmentation is easing off.

On the basis of these developments, we believe it is unlikely that this risk will materialize. However, a considerable decline in audience market shares could inherently have a high impact on our revenue and earnings performance. We therefore continue to classify this as a medium risk.

Content Risks

Content-specific risks are categorized as low overall. The ProSiebenSat.1 Group has an extensive portfolio of rights, because it works closely with more than 100 renowned licensors. At the same time, Red Arrow is achieving dynamic growth and has, as planned, expanded its portfolio in the Anglo-American region. The aim is to achieve a balance between licensed programming and local productions.



Sustainability,
page 41.

License purchases. Exclusivity and novelty are characteristics of the quality of interesting program formats. Therefore, the ProSiebenSat.1 Group uses exclusive agreements in the form

of contractual blocking periods (hold-back clauses) to protect its rights against other licensees and program licensing forms. In order to stay informed about trends and new productions at an early stage, our purchasing department is also in constant dialog with national and international licensors. Nonetheless, we cannot completely rule out future risks from license purchases, but we consider them very unlikely. In this event, a medium impact on our earnings performance would be conceivable. Overall, we classify this as a low risk. We base our assessment on the following issues:



Financial risks,
page 109.

The ProSiebenSat.1 Group is exposed to currency risks when purchasing program licenses, because it acquires many of its feature films and series from the major US studios. The Group limits this risk with derivative financial instruments.



The Year 2015 at
a Glance, page 25.

As well as exchange rate fluctuations, price increases could also influence license purchases and therefore our business performance. On the buying market, the company is in competition with other players, including well-funded international competitors with their own VoD platforms based in the US. However, the ProSiebenSat.1 Group has a diversified supplier base and contracts with all major US studios. Apart from close business relationships with licensors, a high purchasing volume and the Group's strong negotiating position secure exclusive programs on attractive conditions. In addition, programming contracts are often signed some years before production and broadcast. This guarantees our supply of programming in the long term. Nonetheless, the competition for attractive content could intensify further as a result of growing competition from international market participants and new digital offers. In addition, individual purchases are becoming a more frequent necessity, especially for small TV stations, since their programming is very specifically targeted.

Moreover, signing programming contracts early does not have only advantages. It also harbors a certain potential risk with regard to future program formats if their quality and success is not as expected. In this event, it might be necessary to invest in additional programming. To proactively minimize this risk, we therefore only make long-term programming agreements with film studios and production companies with an appropriate reputation and successful track record. In any case, we have also identified a low potential loss in connection with the currently high proportion of US programs on our free TV stations. US formats such as "NavC CIS" or "The Big Bang Theory" are hugely popular and achieve large audience shares in Germany.

Commissioned and in-house productions (local productions). Commissioned and in-house productions are designed specifically for individual stations and thus strengthen the recognition value of a station. Because reference figures such as ratings are sometimes unavailable, the prospects for the success of local formats tend to be less certain than for licensed formats that have already been successful in other countries or in the movie theaters. The ProSiebenSat.1 Group therefore focuses on an individual and generally balanced mix of licensed programs as well as commissioned and in-house productions.



Sustainability,
page 41.

In order to assess the appeal of its in-house productions as reliably as possible, ProSiebenSat.1 conducts intensive market analysis. Researchers accompany the development of new program formats using a wide range of different methods, in many cases as early as the concept or screenplay stage. So-called Real-Time-Response tests (RTR) are a frequently used instrument. They are deployed when initial sequences or a pilot episode are available for new TV programs. When programs are screened, test persons document their response and reactions using a type of remote control, with accuracy down to the second and in real time.

Another measure to limit risk is the internal format management process, whereby the program goes through several approval stages from development to implementation in order to ensure quality and success.

Although we believe it is unlikely that risks connected to local productions will materialize, we cannot completely rule out a medium negative impact on our revenue and earnings performance. Overall, we classify this risk as low.

Technological Risks

Ensuring uninterrupted transmission has high priority for the ProSiebenSat.1 Group. This also applies to system failures and data protection. In the light of extensive measures, we continue to classify the technological risks described in more detail below as low. Accordingly, we consider they are unlikely to materialize and their possible effects on the Group's revenues and earnings performance as low.

Broadcasting equipment and studio operations. Damage to studio and broadcasting equipment can have financial consequences for our core business of TV: In the event of temporary failures or program changes at short notice, advertising customers could make guarantee and goodwill claims. We counter this risk with a comprehensive security plan. Back-up systems guarantee a broadcasting process without interruptions, even in cases of malfunction. The redundancy systems are kept at separate locations, with multifaceted protection and are operable remotely if necessary. The basic infrastructure for the power supply at the Unterföhring location was fully modernized in 2014. Ongoing maintenance and upgrades when needed keep the systems constantly up-to-date. The automation of technical processes contributes to minimizing risk. The ProSiebenSat.1 Group has a digitalized transmission operation and has transferred the content of the TV stations and online offerings to a shared platform. With its digital pool of materials, the Group has not only set the benchmark in the media industry, but has reduced dependency on manual processes. The company has also leveraged time, quality and cost advantages through doing so.

IT risks. The growing complexity of the system architecture presents the Group with various challenges: The Failures of systems, applications, or networks are as much potential risks as violations of data integrity and data confidentiality. At the same time, the constantly rising level of information processing and networking as well as evolving technologies are first increasing complexity in the interplay of people, processes, and technology; second, there is increasing vulnerability within entity-wide information processing. Targeted attacks show that politically, economically, or ideologically motivated groups represent a growing challenge. The Group is therefore implementing an information security management system (ISMS), which ensures structured, risk-based, and comprehensive protection for the Group's information assets. The effectiveness of the security standards is examined regularly by the Internal Audit department.

Drills of crisis scenarios help to simulate potential weaknesses and further improve the IT system. In order to prevent losses, the Group has multiple computer centers at separate locations, which assume each other's tasks in the event of a system failure. The ProSiebenSat.1 Group also invests on an ongoing basis in hardware and software, in firewall systems and virus scanners, and establishes various access authorizations and controls. In 2015, the Group again subjected all relevant business applications to extensive tests, which confirmed a good degree of maturity.

In addition, unforeseeable events such as natural disasters, attacks or accidents could also have an adverse impact on production processes. Clear responsibilities and instructions are

crucial, especially in an emergency. For this reason, the ProSiebenSat.1 Group has planned measures for dealing with emergencies and established a crisis management organization. For example, a guide to protecting events has been drafted and implemented to protect live events. Evacuations may also be part of these safeguards, as was the case for the transmission of the finale of “Germany’s Next Top Model by Heidi Klum” in May 2015.

Personnel Risks

In the course of digitalization and the expansion of the Ventures division, the need for qualified specialists and managers is rising, particularly in the growth areas of the Group. This is why we have expanded our recruitment program: The number of suitable applicants was considerably improved in terms of quantity and quality through the standardization of the application procedure, an optimized careers site for mobile devices and target-group-specific events.

Competition for talent in the industry is high – targeted appeals for applicants and close relationships with universities are therefore crucial. We also focus on educating our employees and developing their skills in line with requirements. This also includes the targeted recruitment of talented juniors as part of our Group-wide talent management system. The aim is to implement succession planning for key positions at an early stage and ensure that expertise is retained within the Group. At the same time, the Group has continually expanded the in-house ProSiebenSat.1 Academy’s offerings and developed company-specific support programs such as the learning expeditions. In addition, work-life-balance measures and attractive remuneration models generate long-term loyalty on our employees’ part and make ProSiebenSat.1 a preferred employer. This is reflected in HR figures such as the unchanged long average period of employment; the results of our employee survey and various external studies also attest the attractiveness of the ProSiebenSat.1 Group as an employer.

Against this backdrop, we continue to classify personnel-specific risks as low. We cannot exclude personnel risks entirely, however, we consider they are unlikely to materialize; their financial manifestation would be medium at most.

Investment Risks

ProSiebenSat.1 Group practices active portfolio management with various M&A approaches. This includes acquisitions on the basis of taking majority and minority interests. Acquisitions open up new opportunities for growth and increased efficiency, while facilitating access to new markets. At the same time, investments entail risks with potential financial implications. Investments are therefore subject to a continuous monitoring process, which includes testing for impairment. Alongside profitability, majority interests in particular also entail risks with regard to integrating the acquired companies. However, we consider the materialization of risks from majority interests as unlikely. Their potential financial impact would be medium, meaning that we classify this risk as low overall. We also assess risks from investments via a minority interest as unlikely and classify them as low. They can have a medium impact at most. We invest with media services particularly with start-ups, extending our portfolio in this way, also without deploying large amounts of cash and with limited business risk.

Financial Risks

The ProSiebenSat.1 Group uses various financing instruments: In addition to a term loan, the company has access to a revolving credit facility. The bond market provides a further source of finance. We pursue a proactive financing policy and have extended the term of our term loan on attractive conditions during the year and, at the same time, increased the volume in the light of the good conditions on the money market. We ended the year with net financial debt of EUR 1.940 billion; the leverage ratio was at 2.1 and therefore within the target corridor.



Employees,
page 46.



Opportunity Report,
page 116.



Borrowings and Financing
Structure, page 83.

The Group is exposed to various financial risks in its operating business and especially due to the borrowings described above. The great share of financial risks is still classified as low. Due to developments on the market, it is only the interest risk which has changed. This classification is shown below, with the following table providing an overview. For more information on the hedging instruments, measurements and sensitivity analyses together with a detailed description of the risk management system in reference to financial instruments, refer also to the notes to the consolidated financial statements.

Financial risks

	Impact	Probability	Significance	Change vs. previous year
Financing Risk	Very high	Very unlikely	Low	Unchanged
Counterparty Risks	High	Very unlikely	Low	Unchanged
Interest rate risks	Medium	Possible	Medium	Slightly increased
Currency risks	Medium	Unlikely	Low	Unchanged
Liquidity risk	Very high	Very unlikely	Low	Unchanged

Interest and foreign exchange volatility or the default of lenders could considerably impair the financing situation and liquidity of the Group. We counter these risks with extensive measures and use derivatives for hedging purposes.

The assessment and management of financial risks is coordinated centrally. Group Finance & Treasury is responsible for this. The Group unit monitors developments on the markets systematically, from which it deduces potential opportunities and losses and regularly assesses the risk situation; the requisite measures are defined in close collaboration with the Executive Board of ProSiebenSat.1 Media SE. The Finance & Treasury unit is audited annually by Internal Audit as part of risk management. The last audit again generated a positive result and confirmed the efficacy of the system. Principles, tasks, and responsibilities are defined on a Group-wide basis and regulated via binding guidelines for all subsidiaries of the ProSiebenSat.1 Group.

Financing Risk

The optimization of capital efficiency is a key objective of our financing policy. This is why the Group monitors the money and capital markets continuously and assesses developments as part of risk management. A second objective in addition to cost efficiency consists of guaranteeing access to sufficient funding at any time.

The availability of existing borrowing depends in particular on compliance with specific contractual conditions. These include standard market covenants, which are also subject to regular and systematic assessment.

Violations of covenants could have a very high impact on our financial position and earnings performance. However, we see materialization as very unlikely and classify the financing risk as low overall. The financial covenants were complied with once again in 2015; on the basis of our current corporate planning, a violation in the future is not foreseen either.

Counterparty Risks

Counterparty risks could have a high impact on our earnings performance and financial position. However, as in the previous year, due to the measures taken, we rate the probability of the occurrence of counterparty risks as very unlikely and the risk as low overall. The Group

 Borrowings and Financing Structure, page 83.

concludes finance and treasury transactions exclusively with business partners which meet high credit rating requirements. The profile of counterparties is systematically and continuously monitored in this connection. In addition to monitoring credit standing, ProSiebenSat.1 limits the probability of occurrence of default risks through a broad diversification of its counterparties. The conditions for the conclusion of finance and treasury transactions is governed by uniform regulations across the Group contained in a directive.

Interest Rate Risks

We assess the significance of interest risks as medium, and their probability as possible. This increase in the significance of the interest risk compared to the previous year is a result of the current negative interest rate environment. Should this risk materialize, it could have a medium impact on our earnings performance and financial position. ProSiebenSat.1 Group uses interest rate swaps and interest rate options to hedge its variable-interest term loans against increases in interest rates caused by the market. The hedge ratio of interest rates is high; as of December 31, 2015, 78% of the entire non-current financing portfolio was hedged with interest rate derivatives (previous year: 95%). In addition – albeit to a far lesser extent – there could also be a negative impact from interest rate trends in connection with cash drawings on the revolving credit facility. However, as of December 31, 2015 and on the previous-year reporting date, the RCF was undrawn.

Currency Risks

We classify currency risks as low. Risks from currency fluctuations can arise if revenues are generated in a different currency from the related costs or capital expenditure (transaction risk). This is particularly relevant for license purchasing at ProSiebenSat.1: The Company concludes most of its license agreements with production studios in the United States and generally fulfills the financial obligations resulting from these in US dollars. The Group manages this risk by using derivative financial instruments, primarily currency forwards. As of December 31, 2015, the hedge ratio in terms of a seven-year period was at 74.8%. Because of the high hedge ratio, we rate the impact as medium. At the same time, we believe it is unlikely that this risk will materialize.

Liquidity Risk

The lack of available funds and consequently the ability to service liabilities sufficiently at any time could have very high financial consequences. Liquidity is therefore managed centrally through a cash management system. The expected liquidity headroom serves as an indicator for the early identification of risk. This is calculated and assessed by comparing currently available funds with budgeted figures, taking into account seasonal influences.



Analysis of Liquidity and
Capital Expenditure,
page 86.

At the end of the year, the Group had cash and cash equivalents of EUR 734.4 million (previous year: EUR 470,6 million); in addition, a revolving credit facility in the amount of EUR 600 million guarantees sufficient liquidity. It is therefore very unlikely that risks will arise from liquidity shortfalls. We still rate this category as a low risk.

Disclosures on the internal controlling and risk management system in relation to the (consolidated) reporting process (section 289 no. 5 of the German Commercial Code and section 315 (2) no. 5 of the German Commercial Code) with explanatory notes

The internal controlling and risk management system in relation to the (consolidated) reporting process is intended to ensure that transactions are appropriately reflected in the consolidated financial statements of ProSiebenSat.1 Media SE (prepared in line with the International Financial Reporting Standards, IFRS) and that assets and liabilities are recognized, measured and presented appropriately. This presupposes Group compliance with legal and company regulations. The scope and focus of the implemented systems were defined by

the Executive Board to meet the specific needs of the ProSiebenSat.1 Group. They are regularly reviewed and updated as necessary. Nevertheless, even appropriate and properly functioning systems cannot offer any absolute assurance that all risks will be identified and controlled. The company-specific principles and procedures to ensure that the Group's single-entity and consolidated reporting is effective and correct are described below.

Goals of the risk management system in regard to financial reporting processes

The Executive Board of ProSiebenSat.1 Media SE views the internal controlling system with regard to the financial reporting process as an important component of the Group-wide risk management system. Controls are implemented in order to provide an adequate assurance that in spite of the identified risks inherent in recognition, measurement and presentation, the single-entity and consolidated financial statements will be in full compliance with regulations. The principal goals of a risk management system in regard to single-entity and consolidated reporting processes are:

- > To identify risks that might jeopardize the goal of providing single-entity and consolidated financial statements and management report that comply with regulations.
- > To limit risks that are already known by identifying and implementing appropriate countermeasures.
- > To analyze known risks as to their potential influence on the single-entity and consolidated financial statements, and to take these risks duly into account.

In addition, in the reporting year we updated our process descriptions and our risk control matrices. The focus here was on standardizing the descriptions and establishing effective control mechanisms. These updates combined with regular tests on the basis of samples were part of the PRIME project. Since then, they have been an integrated part of the internal controlling

and risk management system in relation to the (consolidated) reporting process. On the basis of the test results there is an assessment of whether the controls are appropriate and effective. Any deficiencies in the controls are eliminated, taking into account their potential impact.

Structural organization

- > The material single-entity financial statements that are incorporated into the consolidated financial statements are prepared using standardized software.
- > The single-entity financial statements are then consolidated to form the consolidated financial statements using modern, highly efficient standardized software.
- > The financial statements of the main individual entities are prepared in compliance with both local financial reporting standards and the Group's accounting and reporting manual based on IFRS, which is available via the Group intranet to all employees involved in the reporting process. The individual companies included in the consolidated financial statements provide their financial statements to Group Accounting in a defined format.
- > The financial systems employed are protected with appropriate access authorizations and controls (authorization concepts).
- > The entire Group has a standardized plan of accounting items, which must be followed in recording the various classes of transactions.
- > Certain matters relevant to reporting (e.g. expert opinions with regard to pension provision) are determined with the assistance of external experts.
- > The principal functions of the reporting process – accounting and taxes, controlling, and finance & treasury – are clearly separated. Areas of responsibility are assigned without ambiguity.
- > The departments and other units involved in the reporting process are provided with adequate resources in terms of both quantity and quality. Regular professional training sessions are held to ensure that financial statements are prepared at a consistent and reliable level of quality.
- > An appropriate system of guidelines (e.g. accounting and reporting manual, intercompany transfer pricing guideline, purchasing guideline, travel expense guideline, etc.) has been set up and is updated as necessary.
- > The efficiency of the internal controlling system in regard to processes relevant to financial reporting is reviewed on a sample basis by the Internal Audit unit, which is independent of the process.

Disclosures on the internal controlling and risk management system in relation to the (consolidated) reporting process (section 289 no. 5 of the German Commercial Code and section 315 (2) no. 5 of the German Commercial Code) with explanatory notes continued

Process organization

- > For the planning, monitoring, and optimization of the process of compiling the consolidated financial statements, there is a user-friendly web-based tool that includes a detailed calendar and all important activities, milestones, and responsibilities. All activities and milestones are assigned specific deadlines. Compliance with reporting duties and deadlines is monitored centrally by Group Accounting.
- > In all accounting-related processes, controls are implemented such as the separation of functions, the dual-control principle, approval and release procedures, and plausibility testing.
- > Tasks for the preparation of the consolidated financial statements are clearly assigned (e.g. reconciliation of intragroup balances, capital consolidation, monitoring of reporting deadlines and reporting quality with regard to the data of consolidated companies, etc.). Group Accounting is the central point of contact for specific technical questions and complex accounting issues.
- > All material information included in the consolidated financial statements is subjected to extensive systematic validation to ensure the data is complete and reliable.
- > Risks that relate to the (consolidated) accounting process are recorded and monitored continuously as part of the risk management process described in the Risk Report.

Compliance Risks

General Compliance

The objective of compliance is to ensure seamless management at all times and in all respects. Possible violations of legal statutory regulations and reporting obligations, infringements against the German Corporate Governance Code or insufficient transparency in corporate management can jeopardize conformity to the rules. For this reason the ProSiebenSat.1 Group has established a Code of Compliance across the whole group, which provides employees with specific rules of conduct for various professional situations. Another effective measure to prevent possible compliance infringement is staff training on specific topics such as antitrust issues or the correct way to deal with insider information. Employees also receive systematic training on issues such as data protection, antitrust legislation and bribery.

In order to prevent possible infringements, the ProSiebenSat.1 Group also implemented a Compliance Board constituted of legal experts, Internal Audit staff and employees of operating units. The task of the Compliance Board is to identify conceivable illegal actions at an early stage and initiate appropriate countermeasures. Another function of the Compliance Board is to introduce safeguards against possible external threats such as acts of sabotage. For a television group with a high level of public awareness, the issue of company protection is extremely important. For this reason, the ProSiebenSat.1 Group has taken various measures in order to realize comprehensive security of operating equipment. This includes state-of-the-art access control technology and qualified security staff.



Technological risks,
page 108.

The work of the Compliance Board is managed centrally by the Group Risk and Compliance Officer. His task is to keep abreast of legal developments and any changes in international legislation so as to be able to initiate suitable measures in due time. To bolster the Compliance organization, additional decentralized structures have been implemented. Regular exchanges of experience and information about current trends in different corporate areas have reduced the level of risk. The processes were analyzed by an independent consultant. The result of

this risk assessment demonstrated that the Compliance processes in place are effective. In respect to implementing current antitrust law, ProSiebenSat.1 was assessed as “best in class.”

In view of our effective compliance structures, we believe it is unlikely that this risk will occur, but cannot completely rule out a medium negative impact on the Group's earnings performance. Accordingly, we classify the Group's risk from general compliance as low. As a result, this risk category is unchanged year-on-year.

Other Legal Risks

Regulatory risks. Any unforeseen changes to the regulatory or legal environment could have an impact on individual business activities. The ProSiebenSat.1 Group is exposed in particular to various risks in connection with tightened regulations with regard to advertising, forms of advertising, broadcasting licenses or competitions. The company actively monitors all relevant developments and is in constant contact with the regulators concerned, to ensure that its interests are taken into account as far as possible. Against this backdrop, we rate the occurrence of risk from the regulatory or legal environment as unlikely and classify this risk as low overall. However, we cannot completely rule out a medium negative impact on our earnings performance and, in particular, earnings in the Broadcasting German-speaking segment, if this risk nevertheless materializes.

Changes in tax risks in 2015. In financial year 2015, ProSiebenSat.1 Group reassessed tax risks in connection with share-based payment models that are fulfilled by issuing shares and in connection with open assessment periods in previous tax years that led to an increase in tax expenses in the financial year. We have rated the significance of the risk arising from other discretionary tax matters as low with a possible probability of occurrence and a potentially low impact.

In addition to these regulatory and tax risks, legal disputes can considerably damage our business, our reputation, and our brands as well as cause costs. These include guarantees, injunctions or actions for damages. Financial implications may also arise from a change in a legal opinion or interpretation thereof. The individual risks are categorized below; Note 33 “Contingent liabilities” in the notes to the consolidated financial statements contains more information.

Compliance risks

	Impact	Probability	Significance	Change vs. previous year
General Compliance	Medium	Unlikely	Low	Unchanged
OTHER LEGAL RISKS				
Regulatory risks	Medium	Unlikely	Low	Unchanged
Claims for disclosure and actions for damages by RTL 2 Fernsehen GmbH & Co. KG and El Cartel Media GmbH & Co. KG	Medium	Possible	Medium	Unchanged
Section 32a German Copyright Act ("Bestseller", non fiction)	Cannot be assessed	Possible	Medium	Unchanged
Tax risks in connection with the disposal of subsidiaries in Sweden:				
– with respect to the Swedish tax authorities	Very high	Possible	High	Unchanged
– with respect to the Dutch tax authorities	Very high	Unlikely	Medium	Unchanged
Guarantees from the disposal of the Belgian TV activities	Very high	Very unlikely	Low	Unchanged
Changes to tax risks in 2015	Low	Possible	Low	New

We see different levels of impact for the potential financial consequences of individual legal and media policy changes as well as legal offenses, since the differences between compliance risks are in some cases considerable. We limit these risks first via close cooperation with legal experts. Second, we encourage Group compliance structures and targeted training of employees to ensure they comply with these.

Other Risks

Risks in Connection with the Disposed Eastern European Operations

There were still receivables due from the purchasers of units that were sold as part of the disposal of Hungarian and Romanian operations in 2015; these resulted from a purchase price loan and a working capital facility (Hungary) and a deferred purchase price component (Romania). ProSiebenSat.1 Group also granted a bridge loan for the Hungarian operations in 2015. The loans and purchase price receivable were subject to impairment risks during the year in the event that the business operations did not generate sufficient cash funds. The Group also provided guarantees for license agreements between the Hungarian and Romanian television stations and Universal Studios, CBS and Programs for Media totaling EUR 32.5 million. The loans, the purchase price receivable and the guarantees for license agreements due from the purchaser of the Hungarian operation were settled through a resale of the shares. The economic effect therefore took place within the past 2015 financial year. The purchase price receivable from the sale of the Romanian TV station Prima-TV of EUR 3.8 million was impaired in full in 2015. ProSiebenSat.1 Group was released from the guarantees for license agreements against payment. Therefore, the risk no longer applies in relation to the two transactions.

Opportunity Report

- > **Growth potential is identified via budget planning.**
- > **The structural change in the German advertising market offers great opportunities; furthermore, we provide ourselves access to new markets and target groups through portfolio enhancements.**

Opportunity Management



Risk Report,
page 99.

Organizationally, we have fulfilled all the requirements needed to guarantee that the risk situation is presented and handled transparently, that potential losses are limited and that action is taken early. ProSiebenSat.1 Group has also implemented effective processes to identify and manage opportunities.

In ProSiebenSat.1 Group, the management of opportunities is centrally organized and controlled by the "Strategy & Operations" department. The department is in close contact with the individual operational units; it thus gains a detailed insight into the business situation. In addition, market and competitive analyses and the exchange of knowledge with external experts serve as important sources for identifying growth potential for ProSiebenSat.1 Group.



Planning and
Management, page 36.

Opportunity management is part of the intragroup management system: The defined opportunities are summarized in the strategy plan and incorporated into the planning process during the annual strategy meeting. Relevant opportunities are prioritized, specific objectives are derived, and measures and resources for operational target attainment are determined.

We have already incorporated growth opportunities in our targets for 2016 or in our medium-term planning for 2018 whose probability of occurrence we consider very high. Further information is available in the Company Outlook. There are also opportunities that have not yet been budgeted for and could consequently result in a positive deviation from forecasts or targets. In particular, this potential can arise from a change in general conditions or our market position. Strategic decisions can also promote additional growth that has not yet or not yet fully been budgeted for. We report on this additional growth potential below.



Company Outlook,
page 123.

Overview of potentials and opportunities

	Budgeted growth potentials	Additional opportunities
Development of general conditions	<ul style="list-style-type: none"> > TV has high growth potential both compared to other media and internationally; TV is complemented synergistically by online media. > Growing distribution of paid-content models like video-on-demand (VoD), HD use grows dynamically. 	<ul style="list-style-type: none"> > General conditions or market shares change more rapidly or more favorably than expected.
Corporate strategic decisions	<ul style="list-style-type: none"> > Value creation through diversification and especially expansion of the Commerce & Ventures portfolio. 	<ul style="list-style-type: none"> > Acquisitions alone or with strategic partners. > Expansion of the station family.

Further Opportunities from Development of General Conditions



Development of the Audience Market, page 60.

The reach of TV as a medium and the development of ProSiebenSat.1 stations' audience shares form an important basis for advertising customers' decisions on budget allocation. In 2015, we increased audience shares in all German-speaking TV markets and consolidated our leading position in the core market of Germany. Since it was founded in 2000, ProSiebenSat.1 Group has pursued a multi-station strategy and now covers nearly all demographic target groups. We therefore expect to continue consolidating our position.



Future Business and Industry Environment, page 121.

The advertising industry's investment behavior is also significantly influenced by external factors, especially macroeconomic developments: The advertising market grew solidly in 2015. Low unemployment rates and rising real incomes created positive stimuli in private consumption. These factors in turn encouraged the advertising industry to invest and stimulated prices for TV advertising. The external environment is also expected to continue developing positively, so we again based our budget planning for the German TV advertising market in 2016 on a low single-digit percentage growth rate. Since our target attainment correlates closely with the development of the TV advertising market, a deviation from this important planning assumption could accelerate our profitable growth significantly.



Company Outlook, page 123.

In addition to macroeconomic data, ProSiebenSat.1 Group also considers structural developments in its calculations. In the wake of digitalization, advertisers are increasingly shifting their budgets from print to video advertising. In this context, ProSiebenSat.1 has identified a total market potential of EUR 2.7 billion. Video advertising on TV or online platforms can create a strong emotional connection to a brand. At the same time, the multi-sensory appeal through images and sounds makes the brand more memorable than print advertising does, for example. TV advertising is proven to have the highest and most sustainable return on investment (ROI), since TV spots build up high reach within a short space of time. With usage of 46%, TV is the most important mass medium in Germany.



Technical Distribution, Media Consumption and Advertising Impact, page 57.

Television is continuously growing in relevance as an advertising medium, but it has not fully capitalized on its reach so far: 34% of advertising budgets were allocated to print in 2015, although only 6% of the total media usage time accounts to print. In contrast, TV advertising's investment volume – on the basis of data from Magna Global – amounted to 23%. In many other countries, the budget allocation is reversed; in the US, for example, the majority of advertising investments are already allocated to TV. A similar structural change to the one in the US is also emerging in Germany. According to Nielsen Media Research, TV has increased its advertising market share by 4.1 percentage points gross in the last five years, while print has lost 7.7 percentage points. The high proportion of advertising via digital media in Germany, at around 30%, is already similar to that in the US. Nonetheless, TV still has a lot of catching up to do as an advertising medium. National peculiarities such as the high reach of free TV in Germany increase the relevance of the television category further.



Risk Report, page 99.

We assume that a gain in advertising market share of one percentage point for TV could increase our net advertising revenues by EUR 60 million. We are actively using this growth potential and acquired numerous new customers for the medium of TV last year (2015: 139). The Group conducts extensive market research studies and in particular analyzes which program environments are not yet occupied for print advertising customers in the television market. In connection with this, ProSiebenSat.1 has expanded the TV portfolio with target-group-specific stations such as sixx, SAT.1 Gold and ProSieben MAXX. ProSiebenSat.1 will carry on pursuing this multi-station strategy: For fall 2016, the start of a purely free TV documentary station is planned which will broadcast documentaries and reports on various

topics. Thus, the station addresses older male viewers who are interested in history, politics, nature, and technology.

Another important lever for acquiring advertising customers, especially companies that have previously relied mostly on print media, are models for regionally adapted or customized advertising. The technical capability to modulate TV advertising regionally is supplied by "Hybrid Broadcast Broadband TV" (HbbTV). The availability of the technical standard is developing dynamically. According to GfK, over 16 million HbbTV-ready sets have been sold in Germany since 2011. In the medium term this figure is expected to rise to over 25 million. The quality of TV systems has been enhanced by integrating Internet functions, which has given the advertising market new opportunities to approach customers via HbbTV, for example. As well as providing greater opportunities to address target groups more precisely, HbbTV combines the advantages of television with the interactive possibilities of the Internet: viewers can order the advertised products directly via their remote control. Large HD screens are also contributing to the fact that TV is becoming increasingly attractive. The number of HD households is rising steadily. In 2018, ProSiebenSat.1 expects around 9 million households to pay for an HD program package. If HD spreads more rapidly than expected, this would positively affect our target attainment. By 2018, we want to increase consolidated revenues by a total of EUR 1.85 billion to EUR 4.2 billion; revenues of around EUR 155 million are to come from distribution, especially of HD. We are extending our reach via cooperation agreements with distributors as well as via additional platforms and forms of exploitation for our content.



Development of
User Numbers, page 63.

New distribution models such as the distribution of programs via the HD+ platform offer us substantial growth opportunities, as we generate recurring revenues independently of the economy here. Since 2011, the Company has taken a share in the technical service fees that viewers pay to distributors for HD quality television. At the same time, willingness to pay for attractive additional offers such as video-on-demand is growing. The number of pay-VoD subscriptions is expected to increase by 140 % by 2018; this equates to a market volume of EUR 575 million. This trend will benefit from broadband Internet access with high data transmission rates and the rising use of mobile devices. Nearly 80% of Germans are already online; 65% have a smartphone.



Technical Distribution,
Media Consumption and
Advertising Impact, page 57.

The general data described paint a positive picture overall. If the relevant market conditions or our competitive position develop better than expected, this could be additional stimulus for the growth of the Group. The Group is the leading video marketer for TV and online advertising in Germany and has also established an attractive offering in the video-on-demand segment with maxdome. ProSiebenSat.1 will also pursue strategic measures in all growth areas in the future in order to actively promote the digital trend and to build on its market position. In 2015, ProSiebenSat.1 Group acquired the first customers for regional advertising via HbbTV and increased its reach via platforms such as the 7TV app; other important steps included the acquisitions of SMARTSTREAM.TV and Virtual Minds. The companies are pioneers in the field of digital advertising technology: SMARTSTREAM.TV for digital video advertising products; Virtual Minds has an AdTech ecosystem for the automated real-time delivery of digital advertising inventory. We have thus laid the foundations for automated, data-driven display and video marketing in Germany.



Major Events and
Changes in the Scope of
Consolidation, page 75.

The regulatory environment also yields opportunities; for example, additional revenue sources could result from a reduction of advertising offered by public broadcasters. Due to a change to the Interstate Broadcasting Treaty, a sponsorship ban already came into force at the start of 2013, which applies on public television on workdays after 8 p.m. and on Sundays and public holidays, with the exception of large sports events. The Broadcasting



Basic Principles of Media
Policy and Regulatory
Environment, page 56.

Commission of the German Federal States is currently negotiating further changes in view of the current development of fees. A decision is also to be made on the issue of a general advertising ban and other structural modifications. The additional volume resulting from a ban on advertising for the public broadcasters could amount to up to EUR 300 million a year for private operators.

Further Opportunities from Corporate Strategic Decisions

The digital transformation is shaping the media sector more than most other industries. The options for receiving television are much more diverse than they were just a few years ago; television is being watched on different screens. At the same time, second screens such as tablets and smartphones are changing consumer behavior: More and more people are ordering products online while they watch television. Nearly half of all Germans have now purchased a product directly online because of TV advertising. The impulse from TV prompting an online search has proven particularly strong for brands that have their own online shop. For this reason, e-commerce firms are increasingly shifting their advertising budgets from online to TV.



Technical Distribution,
Media Consumption and
Advertising Impact, page 57.

The e-commerce market is growing dynamically and has high potential; in Germany, around EUR 1,200 per online shopper per year is spent for online purchases. ProSiebenSat.1 Group is expanding its portfolio with e-commerce firms in a targeted fashion and has identified various sectors as strategically relevant. The Group is pursuing various M&A approaches. Key investment criteria include prospects for profitability and potential synergies. Synergies are based on the potential to pool resources efficiently. In addition, ProSiebenSat.1 generates value increases from the prospective investments' strong affinity with TV as an advertising medium and the highest possible interconnectivity with the existing digital portfolio.



Corporate Strategy and
Vision, page 33.

While ProSiebenSat.1 has expanded its portfolio primarily through smaller investments or the media-for-equity and media-for-revenue-share business models in recent years, the Group made larger acquisitions in 2015. The acquisition of etraveli serves as an example here. The objective of the transaction is to expand the Travel Vertical internationally. ProSiebenSat.1 sees great growth prospects in this sector; the online market for air travel alone was worth EUR 9 billion in 2015. Internet travel offerings address a broad audience and particularly lend themselves to video advertising because of their theme. This is an important cornerstone of the Group's M&A strategy. Using TV and online advertising, ProSiebenSat.1 can rapidly raise awareness of brands and thereby also increase the revenue growth of the companies in question at a relatively low cost and without high cash investments.

The Group will continue to use this competitive advantage in the future for the expansion and internationalization of its portfolio. Consolidation effects from M&A measures are only recognized in the budget once the transactions are concluded, so they entail a great degree of additional potential. The Group has already budgeted for profitable revenue growth of over EUR 200 million in 2016 in connection with the expansions of the scope of consolidation. In addition to etraveli, the full consolidation of Verivox in particular will have a positive effect on our revenue performance. Our growth targets for 2018 include the recently acquired majority interests; further major acquisitions would result in additional potential. ProSiebenSat.1 Group has not only achieved its medium-term growth targets since 2011, but repeatedly exceeded them. The Company most recently raised its 2018 targets in fall 2015; ProSiebenSat.1 grew faster or more significantly than originally expected in all segments.



Corporate Strategy and
Vision, page 33.



Company Outlook,
page 123.

Overall Assessment of the Opportunity and Risk Situation – Management View

The Group is market leader in the German TV market, is successfully exploiting its extensive reach as an investment currency and is augmenting its value chain to increase value in all segments with digital offerings. Our digital business developed dynamically and profitably in 2015; its revenue contribution is set to increase by EUR 1.2 billion by 2018. At the same time, we grow solidly in the free TV business and expect revenues in the Broadcasting German-speaking segment to increase by EUR 375 million in the mid-term. Thus, the company features a broad revenue base.

ProSiebenSat.1 pursues a dual strategy and is benefiting from the increasing number of digital devices. However, the media industry is subject to constant market change and, not least as a result of global digitalization, intense competition. Therefore, the identification and management of potential opportunities is just as important for our Group as the recognition and controlling of potential risks.

ProSiebenSat.1 Group has effective control systems to deal with risks early and consistently. We estimate that there are no risks for either year covered by the forecast that, individually or in combination with other risks, could have a material or lasting adverse effect on the earnings, financial position and performance. The identified risks pose no threat to the Company as a going concern, even looking into the future. As of the date of the preparation of this report, therefore, the Executive Board still considers the overall risk situation as limited and manageable. There has been no fundamental change in the overall risk situation compared with December 31, 2014; we still rate the majority of the issues presented in the latest Annual Report as low risk. The overall opportunity situation has not changed either.

Future Business and Industry Environment

- › **In 2015, private consumption reaches a record level and is also portraying a positive climate for 2016; however, the non-European area continues to entail economic risks.**
- › **The growth forecasts of industry experts for video advertising on TV and in digital media are positive.**
- › **In addition to a good domestic economy, TV in particular benefits from the structural shift in the advertising market, in parallel e-commerce offerings gain relevance in the course of digitalization.**



Economic Development,
page 67.

In 2015, the German economy grew by 1.7%; the prospects for 2016 are similarly positive: The ifo Institute predicts that the gross domestic product (GDP) will grow by 1.9% in 2016 and 1.7% in 2017. Private consumer spending, supported by favorable labor market conditions and rising income, is still a significant growth driver. The government is also likely to make a substantial contribution to growth thanks to its sound budget situation. However, the economic weakness of major emerging markets and numerous geopolitical uncertainties are dimming businesses' export prospects. Export-oriented companies could therefore be less willing to invest despite the still expansionary monetary policy and favorable financing conditions.

For the eurozone, the European Commission anticipates sound growth of 1.7% in real terms compared to 2015. Alongside an ongoing fall in unemployment, rising incomes and positive effects from the low price of crude oil, private consumption is also likely to be a major driver of the European economy. In addition, the comparatively low exchange rate of the euro against the US dollar may again provide important growth stimuli.

On the other hand, economic experts see risks outside Europe: Besides geopolitical tensions arising in Russia and the Middle East, the economic development in major emerging markets currently entails the greatest risk to the global economy. Above all, the further development of China and the strained economic situation in Russia and Brazil could impact the development of the economy. At the same time, the low price of crude oil strains on the economy of major oil exports. In contrast, the economy in advanced industrial nations such as the US or the eurozone is likely to increase slightly. Against this backdrop, the International Monetary Fund (IMF) expects the global economy to grow by 3.4% in 2016.

The prospects for the German TV advertising market remain positive. Since its development is closely related to the current and expected general economic situation, the TV advertising market is continuing to benefit from the favorable consumer climate in Germany. With a share in GDP of roughly 54%, private consumption is the most important macroeconomic expenditure component. It is therefore an important indicator for the TV advertising market as well. In addition to a sound economic environment, the TV advertising market is also benefiting from structural changes: The relevance of TV as an advertising medium is increasing as a result of digitalization; together with online, this category is continuously gaining market share from print. The growth prospects for the German TV advertising market are accordingly positive: With a stable economy and further structural gains, the net German TV advertising market is likely to exceed the previous year's high level again in 2016. The institutes currently anticipate net growth in the low to mid single-digit percentage range (WARC: +4.3%, ZenithOptimedia: +2.5%, Magna Global: +4.3%). ProSiebenSat.1 expects the market to grow by 2% to 3% in net terms. The Group also expects to grow in line with the market over the year as a whole.



Development of the TV
and Online Advertising
Market, page 67.

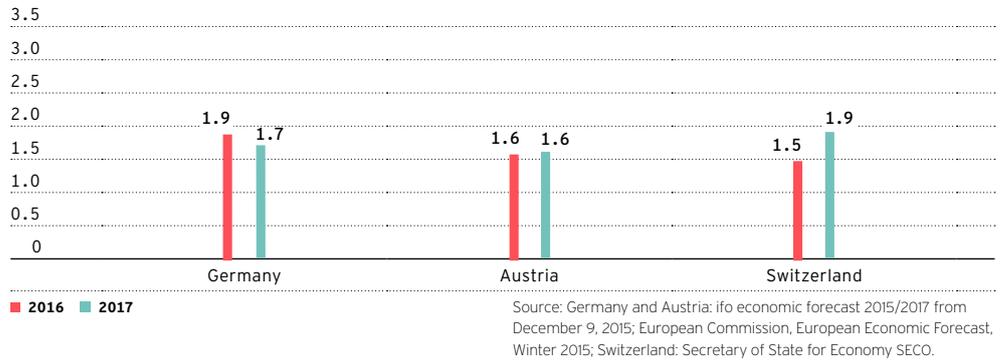


Technical Distribution,
Media Consumption and
Advertising Impact,
page 57.

The prospects are also positive for digital media: In-stream video advertising is likely to develop dynamically and drive the growth of the online advertising market. For 2016, the institutes anticipate net growth of nearly 8% (WARC: +7.1%, ZenithOptimedia: +7.6%, Magna Global: +7.7%). Video-on-demand (VoD) will also continue its significant growth. The number of pay-VoD subscribers relevant to ProSiebenSat.1 is expected to grow by an annual average of 140% by 2018; this equates to a market volume of EUR 575 million. Digital commerce also promises double-digit growth rates in the medium term, as more and more products and services are being purchased online. Digitalization means that not only media consumption but also many other areas of our lives are increasingly shifting onto the Internet. This forms a strong basis for the growth of our digital entertainment and digital commerce offers.

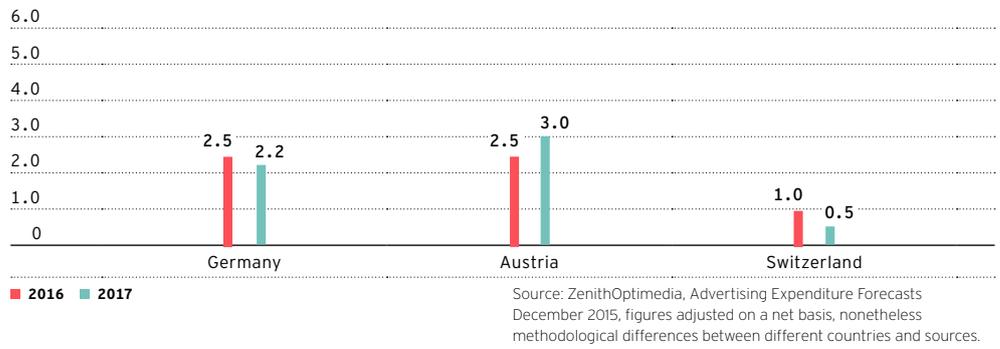
Forecasts for real gross domestic product in countries important for ProSiebenSat.1

in percent, change vs. previous year



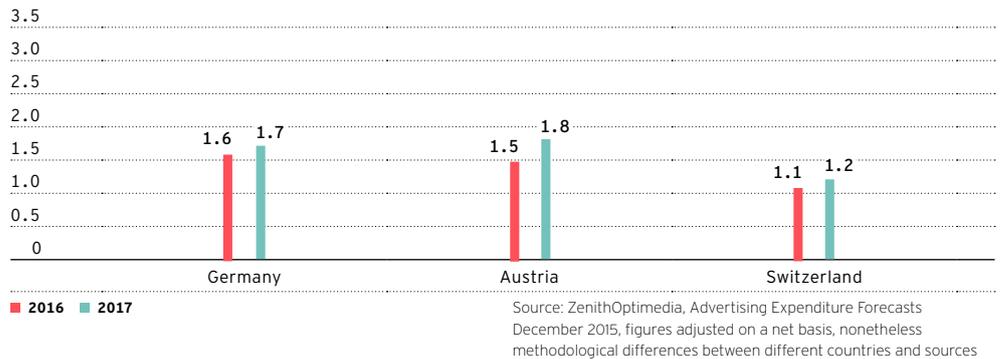
Forecast development of the TV advertising market in countries important for ProSiebenSat.1

in percent, change vs. previous year



Forecast development of the overall advertising market in countries important for ProSiebenSat.1

in percent, change vs. previous year



Company Outlook

- > **We expect to continue our profitable revenue growth in all three segments and increase consolidated revenues by more than ten percent.**
- > **The Digital & Adjacent segment contributes the highest growth share for our medium-term targets until 2018 with the very dynamic Ventures & Commerce business.**
- > **In addition to ongoing economic stimuli, we base our forecast on the success of our dual strategy.**

Basis of the Forecast

Planning assumptions. According to the ifo Institute's forecast, Germany remains on course for stable growth due to the ongoing positive consumer climate. The generally positive economic prospects are likely to lead to another increase in spending on TV and online advertising; digital commerce is also expected to keep growing and maintain its momentum in a solide economic environment. Against this backdrop, we are again expecting growth of 2 % to 3 % for the German TV advertising market, which is our largest revenue market. Our planning is therefore somewhat more conservative than the research institutes' forecasts. We expect to grow in line with the market. Alongside the volume of investment in advertising, an important planning assumption is the success of our stations. We therefore take the development of our shares in the audience market into account in our business planning. The German station family has concluded 2015 with the highest audience share in ten years. We assume that we will be able to consolidate our leading market position at a high level, but do not rule out a slight decrease in ratings for 2016. In the upcoming year are two major sporting events, which are primarily broadcast by the public stations. At the same time, increasing prices for TV advertising are likely to be realized. The fragmentation of media usage means that television's high reach is becoming increasingly valuable for advertisers. Our newer stations in particular are increasingly able to better capitalize on their reach. This also applies to our digital platforms.

Explanatory notes on the forecast. There are framework agreements in place with a large number of our advertising customers in the Broadcasting German-speaking segment, which stipulate certain order volumes and the conditions underlying these. Advertising customers use the program preview as an important basis for making decisions about their advertising investments for the subsequent months. In so-called program screenings, ProSiebenSat.1 Group informs its customers about the strategy of the station planning as well as planned formats twice a year. As is customary in this business, the final budgets are confirmed on a month-by-month basis, sometimes in the very short term. Only then is the full volume transparent. Furthermore, additional advertising budgets are granted at short notice towards the end of the year. Due to this limited visibility characteristic of the TV business, we partly disclaim quantitative forecasts for the planning years 2016 to 2017 below. Instead, we will make qualified, comparative statements; the described degrees of change "slight increase," "mid single-digit increase," "mid to high single-digit increase," "high single-digit increase" and "significant increase" are based on the expected change on the previous year as a percentage.



Future Business and
Industry Environment,
page 121.



Planning and
Management, page 36.

The disclosures made in the Company Outlook section are based on the planning adopted by the Executive Board and Supervisory Board in February 2016. In addition, our statements are guided by current economic data; these are based on our knowledge at the time of preparation of the report.

Expected Group and Segment Revenue and Earnings Performance

Revenue and earnings forecast 2016 to 2017. We had a positive start to the financial year 2016 in all segments and continue to expect a favorable business and economic climate. In addition to organic growth, revenue growth will be strengthened by additions to the portfolio. ProSiebenSat.1 has budgeted for profitable revenue growth of over EUR 200 million in 2016 in connection with the acquisitions in the past financial year. In total, we expect consolidated revenues to increase by more than ten percent for 2016 against the backdrop of the strengthened M&A activities. In 2017, consolidated revenues are likely to grow by a high single-digit percentage. In addition to ongoing economic stimuli, we base this forecast on the success of our strategy in the TV and digital business. We closed 2015 with revenues of EUR 3.261 billion.

The Group is investing in sustainable growth in all segments and is diversifying its revenue portfolio. The related cost increase will be offset by further high growth in revenues; we therefore forecast EBITDA and recurring EBITDA to increase by a mid to high single-digit percentage in 2016 and 2017. We also expect underlying net income to grow mid to high single-digit percentage in these periods.

For ProSiebenSat.1 as a diversified Group, the priority is to achieve profitable growth and generate the highest possible returns on purchase prices paid for acquisitions. In its TV segment, the Group is growing with a recurring EBITDA margin of more than 30%; at the same time, the Company is generating a continuously increasing earnings contribution in the Digital & Adjacent and Content Production & Global Sales segments, which have a lower margin profile due to structural reasons. Against this backdrop, we expect a slight decline in the Group earnings margin overall. However, this is likely to remain above average compared to our relevant European peers. The following table provides an overview of the relevant forecast figures for the Group:

Forecast for Group key figures – 2-year view

EUR m	2015	2016	Forecast ¹ respectively 2017
Revenues	3,260.7		Significant increase respectively high single-digit increase
EBITDA	881.1		Mid to high single-digit increase
Recurring EBITDA	925.5		Mid to high single-digit increase
Underlying net income	467.5		Mid to high single-digit increase
Leverage ²	2.1 ²		1.5 – 2.5

¹ Percentage change vs. previous year. ² Adjusted for the LTM recurring EBITDA of Eastern European operations.



Significant Events and
Changes in the Scope of
Consolidation, page 75.



Strategy and Management,
page 33.



Business Development of
the Segments, page 90.



Future Business and
Industry Environment,
page 121.

The ProSiebenSat.1 Group is growing profitably in all three segments; for 2016 and 2017, we expect the following revenue and earnings performance in the segments:

- Broadcasting German-speaking segment:** In the TV segment, we want to continue our solid and highly profitable growth. In the next two forecast periods, we therefore expect another slight increase in revenues and earnings. ProSiebenSat.1 Group benefits from the fact that it has successively expanded its complementary station family in the last few years and established a second business model in the form of distribution. In addition to a favorable economic environment, the ongoing structural change is having a positive effect on advertising revenues: Many print customers are moving their advertising budgets to television. The newer stations are capitalizing on their reach increasingly adequately and obtaining new customers for the medium of TV.

- > **Digital & Adjacent segment:** The dynamic growth in the Digital & Adjacent segment is likely to continue: For 2016 and 2017, we are therefore planning another significant revenue increase; revenue growth will lead to a similarly significant increase in recurring EBITDA and EBITDA. We are the leading marketer for video advertising and are successively enlarging our customer base. In this context, we have also identified a new growth prospect in the market for digital out-of-home advertising. At the same time, we want to consolidate our competitive position in attractive digital entertainment markets and further establish and internationalize verticals in the Ventures & Commerce business. This strategy comprises acquisitions and strategic alliances; they make it easier to access new markets and contain additional growth potential.

- > **Content Production & Global Sales segment:** In the Content Production & Global Sales segment, we have used acquisitions in important TV markets such as the US and the UK in recent years to establish ourselves as one of the major players in the production and distribution business. In 2015, Red Arrow further increased its presence in the US, expanded its English-language fiction portfolio and promoted business with digital companies. We will continue this successful strategy; revenues and recurring EBITDA are expected to gain a significant increase in the next two years.

Forecast for segment key figures – 2-year view

EUR m	2015		Forecast ¹ 2016 and 2017	
	External revenues	Recurring EBITDA	External revenues	Recurring EBITDA
Broadcasting German-speaking	2,152.1	734.3	Slight increase	Slight increase
Digital & Adjacent	846.4	170.2	Significant increase	Significant increase
Content Production & Global Sales	262.2	25.0	Significant increase	Significant increase

¹ Percentage change vs. previous year.

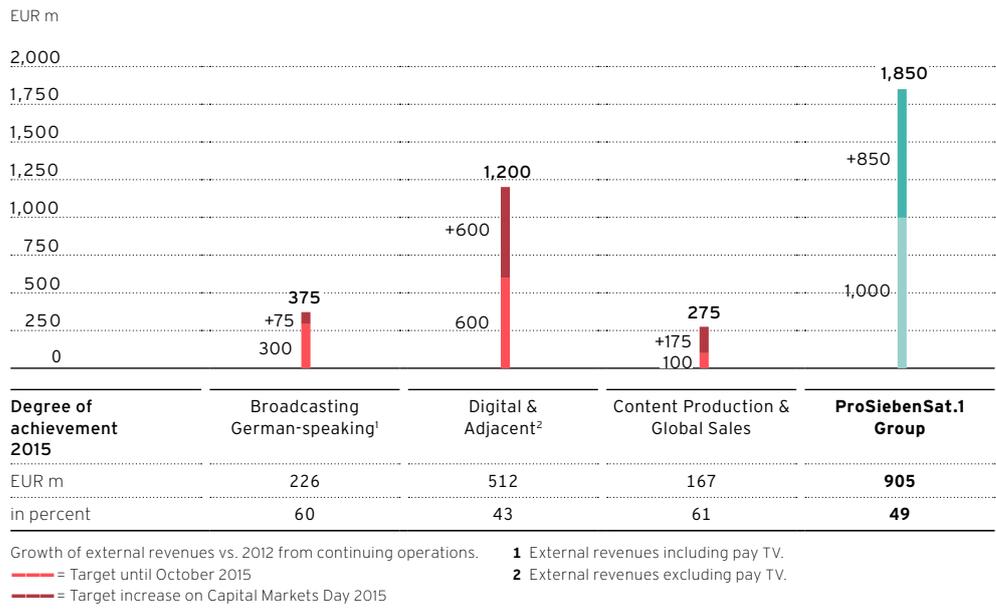
Medium-term revenue and earnings targets. ProSiebenSat.1 has identified the greatest potential and synergy in the interlinking of the high-reach TV offering and its digital activities. The Group is therefore diversifying its business areas and becoming increasingly independent from the seasonality of individual markets, especially the TV advertising market. In the medium term, we are aiming at an even distribution of revenues by 2018 and want to generate around 50% of revenues outside the TV advertising business.



Comparison of Actual and Expected Business Performance, page 70.

ProSiebenSat.1 has informed the capital market in October 2015 about the new medium-term targets: For 2018, we expect consolidated revenues of EUR 4.2 billion; this is an increase by EUR 1.85 billion compared to 2012. The highest share of growth will be generated by the Digital & Adjacent segment with its very dynamic Ventures & Commerce business. Recurring Group EBITDA is expected to rise by EUR 350 million to nearly EUR 1.1 billion at the same time. These growth targets include the recently acquired majority interests such as in Verivox and etraveli. The graphic below shows an overview of the expected revenue contributions from each segment:

Revenue growth targets 2018 and degree of achievement 2015



Future Financial Position and Performance

As of December 31, 2015, with an equity ratio of 17.7 % and a leverage ratio of 2.1, the Group had an efficient balance sheet and capital structure. The Group optimized its financing further and profited from attractive conditions by extending the duration of the facilities agreement to 2020 and increasing the term loan to EUR 2.100 billion. The Group has good liquidity and financial scope for investments.

The ProSiebenSat.1 Group will continue its multi-station strategy in the TV segment and invest around EUR 900 million a year in programming assets and the expansion of the stations. We will also continue our M&A strategy. With idle advertising inventory worth more than EUR 1.5 billion (gross), we have a second investment currency that allows us to expand our portfolio and build up new brands with capital efficiency and without high cash investment. Despite its M&A activity, the Group will also continue to adhere to its target range for the leverage ratio of 1.5 to 2.5.

The ProSiebenSat.1 Group lets its shareholders participate in the Company's growth appropriately. We therefore intend to continue our earnings-oriented dividend policy and distribute an annual dividend of 80 % to 90 % of underlying net income. For 2015, we will propose a dividend of EUR 1.80 per common share (previous year: EUR 1.60). This represents an expected payout of EUR 386 million or 82.5 % of underlying net income. This results in an attractive dividend yield of 3.8 % (previous year: 4.6 %) compared to the closing price of the ProSiebenSat.1 share at the end of 2015.

Borrowings and Financing Structure, page 83.

Corporate Strategy and Vision, page 33.

Opportunity Report, page 116.

Overall Assessment of Future Development – Management View

We are looking ahead to 2016 with confidence: We are growing dynamically thanks to the high reach of our TV stations and the consistent cross-linking of the TV portfolio with our digital offerings. The forecasts for the television business and our digital markets are positive. Against this backdrop, we expect consolidated revenues and the operational performance indicators EBITDA, recurring EBITDA and underlying net income to further increase in 2016. All segments will again contribute to this: In the TV segment, we want to continue generating solid growth at market level; in the Digital & Adjacent and Content Production & Global Sales segments we anticipate a considerable increase in revenues. In the medium-term, we are targeting consolidated revenues of EUR 4.2 billion by 2018, EUR 850 million more than originally planned. Recurring EBITDA is expected to rise to almost EUR 1.1 billion in the same period. Acquisitions will also accelerate profitable revenue growth in the future. At the same time, we are adhering to a target range for the leverage ratio of 1.5 to 2.5 times.

Our aim is to continuously increase the value of the Company and establish new revenue drivers from which our shareholders will profit in the long term. Free advertising time on TV gives us an additional investment currency. It enables us to invest in growth efficiently and without high amounts of cash while distributing an attractive dividend. We pay out around 80% to 90% of underlying net income as a dividend every year. We will continue to adhere to this shareholder-friendly dividend policy in the future.



Balance sheet



Balance sheet

Balance sheet as of December 31, 2015

EUR	12/31/2015		12/31/2014	
ASSETS				
A Fixed assets				
I. Intangible assets				
1. Licenses, trademarks and patents as well as licenses to such assets and rights for a consideration	709,207.00		951,039.00	
2. Advances paid on intangible assets	0.00	709,207.00	30,450.00	981,489.00
II. Property, plant and equipment				
1. Buildings on land owned by others	43,579,486.52		43,344,210.52	
2. Other equipment, fixtures, furniture and equipment	5,282,888.50		4,610,222.24	
3. Advances paid on tangible assets under construction	7,024,086.35	55,886,461.37	3,752,134.16	51,706,566.92
III. Financial Assets				
1. Interests in Group companies	5,498,643,849.52		4,782,351,538.22	
2. Loans to Group companies	118,158,330.67		65,649,696.15	
3. Interests in associated companies	880,927.91		986,278.71	
4. Long-term investments	1,374,004.00		1,262,608.08	
5. Other loans	18,824,238.80	5,637,881,350.90	32,311,635.52	4,882,561,756.68
		5,694,477,019.27		4,935,249,812.60
B Current assets				
I. Receivables and other current assets				
1. Trade accounts receivable	34,350,705.99		22,597,388.66	
2. Receivables from Group companies	1,095,056,075.91		1,075,974,484.82	
3. Receivables from companies in which equity investments are held	1.00		127.39	
4. Other assets	32,365,728.34	1,161,772,511.24	57,115,885.54	1,155,687,886.41
II. Cash, cash at banks		524,137,223.87		374,513,097.13
		1,685,909,735.11		1,530,200,983.54
C Prepaid expenses		3,767,604.42		3,818,470.25
D Active difference resulting from offsetting		624,512.00		854,149.00
		7,384,778,870.80		6,470,123,415.39



Balance sheet as of December 31, 2015

EUR	12/31/2015	12/31/2014
LIABILITIES AND SHAREHOLDERS' EQUITY		
A Equity		
I. Subscribed capital	218,797,200.00	218,797,200.00
./. Nominal amount of treasury shares	-4,579,400.00	-5,178,600.00
Issued share capital	214,217,800.00	213,618,600.00
II. Capital reserves	644,747,757.81	627,352,570.42
III. Distributable profit	1,919,228,460.75	1,827,547,109.66
	2,778,194,018.56	2,668,518,280.08
B Provisions		
1. Pension provisions and similar obligations	3,123,967.00	2,634,690.82
2. Tax provisions	36,486,808.88	17,905,455.44
3. Other provisions	51,277,079.74	43,971,613.98
	90,887,855.62	64,511,760.24
C Liabilities		
1. Bond	600,000,000.00	600,000,000.00
2. Liabilities to banks		
a. Loan liabilities	2,100,000,000.00	1,400,000,000.00
b. Interest liabilities	7,308,388.89	6,653,800.00
3. Deposits received	1,728,733.36	557,571.95
4. Trade accounts payable	248,613,638.84	192,535,310.51
5. Liabilities to Group companies	1,490,768,040.09	1,448,265,369.04
6. Other liabilities		
- thereof for taxes EUR 39,514,708.85 (previous year: EUR 43,155,391.95)	51,209,266.65	57,266,239.86
	4,499,628,067.83	3,705,278,291.36
D Deferred income	102,766.98	104,833.16
E Deferred taxes	15,966,161.81	31,710,250.55
	7,384,778,870.80	6,470,123,415.39



Income Statement

Income Statement

Income Statement for the period from January 1 to December 31, 2015

EUR	2015		2014	
1. Revenues		37,881,492.96		30,846,150.17
2. Other operating income		140,854,048.55		135,930,704.11
thereof from currency conversion EUR 45,849,642,91 (previous year: EUR 7,612,460,82)				
3. Programming and material expenses				
a) Cost of licenses, transmission fees and materials	36,482,767.39		39,748,419.03	
b) Aufwendungen für bezogene Leistungen	1,186,783.04	37,669,550.43	770,860.24	40,519,279.27
4. Personnel expenses				
a) Wages and salaries	66,033,352.48		72,591,359.47	
b) Social security contributions and other employee benefits				
- thereof for old age pensions EUR 1,324,556.00 (previous year: EUR 757,079.23)	6,884,220.47	72,917,572.95	6,000,324.39	78,591,683.86
5. Amortization and depreciation of tangible assets and intangible assets		11,203,404.96		9,262,548.65
6. Other operating expenses				
- thereof from currency conversion EUR 35,950,018.71 (previous year: EUR 24,157,014.61)		142,838,004.84		117,921,469.24
7. Income from profit transfer agreements		896,669,498.23		812,400,988.37
8. Other interest and similar income				
- thereof from Group companies EUR 8,129,218.17 (previous year: EUR 11,126,461.51)		9,208,220.16		14,346,173.35
9. Impairments on interests in Group companies		0.00		19,871,276.45
10. Expenses from loss absorption		123,588,857.26		131,205,085.82
11. Interest and similar expenses				
- thereof from group companies EUR 102,165.33 (previous year: EUR 2,582,904.57)				
- thereof from accumulation EUR 775,777.00 (previous year: EUR 684,961.00)		89,964,706.26		146,664,105.11
12. Income from ordinary business activities		606,431,163.20		449,488,567.60
13. Income taxes				
- thereof income from deferred taxes EUR 15,804,896.73 (previous year: expenses from deferred taxes EUR 5,273,692.85)		172,760,918.40		149,119,584.52
14. Other taxes		72,653.71		127,193.05
15. Result of the year		433,597,591.09		300,241,790.03
16. Profit carried forward from the previous year		1,485,630,869.66		1,527,305,319.63
17. Distributable profit		1,919,228,460.75		1,827,547,109.66



Notes to the Financial Statements
for Financial Year 2015



Notes to the Financial Statements for Financial Year 2015

General Disclosures

At the Annual General Meeting on May 21, 2015, the shareholders of ProSiebenSat.1 Media AG approved the conversion of the Company into a European Stock Corporation (Societas Europaea, SE). It was entered into the commercial register on July 7, 2015.

ProSiebenSat.1 Media SE (formerly: ProSiebenSat.1 Media AG) is a publicly traded stock corporation under European law and registered at Munich District Court, Germany, (HRB 219 439) as a group parent company trading under the name ProSiebenSat.1 Media SE. The registered common share is listed in Germany at the stock exchange in Frankfurt am Main and at the stock exchange in Luxembourg (Bourse de Luxembourg). The Company is headquartered in Unterföhring. Its address is ProSiebenSat.1 Media SE, Medienallee 7, 85774 Unterföhring, Germany.

Basis and methodology

The annual financial statements of ProSiebenSat.1 Media SE were prepared in compliance with the relevant requirements of the German Commercial Code and the German Stock Corporation Act.

In the income statement, the historically employed cost of production method has been retained.

The accounting methods applied in the previous year were mostly applied unchanged.

ProSiebenSat.1 Media SE prepares and publishes the annual financial statements in euro.

Due to rounding, it is possible that individual figures in these financial statements do not add exactly to the totals shown and that the percentage figures given do not reflect exactly the absolute figures they relate to.

In March 2015, the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE jointly issued the annual Declaration of Compliance with the German Corporate Governance Code, as required under Section 161 of the German Stock Corporation Act (AktG), and made it permanently available to the shareholders of ProSiebenSat.1 Media SE on the ProSiebenSat.1 Media SE website (www.prosiebensat1.com).

Accounting policies

Intangible assets acquired for consideration are capitalized at cost and are amortized on a straight-line basis over no more than ten years. Unscheduled write-downs are taken if a permanent impairment of value can be expected. Internally generated intangible non-current assets are not recognized.

Tangible fixed assets are valued at cost, less straight-line depreciation based on wear and tear. Unscheduled write-downs are taken if a permanent impairment of value can be expected. Assets with acquisition costs of up to EUR 150 are recognized in full as expenses in the year of acquisition. Assets with acquisition costs of between EUR 150 and EUR 1,000 are combined into a single item, which is depreciated on a straight-line basis over five years.

Buildings on land not owned by the Company are depreciated over their normal useful life or, if shorter, the term of the lease. Other facilities, as well as office furniture and equipment, are depreciated over a term of three to 20 years, depending on the item in question.

Financial assets are recognized at cost or at their lower fair value if the impairment is expected to be permanent. If the reasons for a permanent impairment no longer apply, write-ups to the acquisition cost are taken in compliance with the rules for recovery of value.

Receivables and other assets are measured at their nominal amount or, if applicable, at cost or at their lower fair value on the reporting date. In the valuation of receivables and other current assets, adequate allowances have been made to cover known risks through valuation allowances.

Credit balances at banks are shown at their nominal value. Short-term foreign currency balances and liabilities are converted at the exchange rates on the reporting date.

Treasury stock is deducted from equity in accordance with Section 272 (1a) of the German Commercial Code.

Expenses for the stock option plan and stock awards are allocated to the capital reserves in accordance with Section 272 (2) No. 2 of the German Commercial Code. The capital reserve is built up proportionally during the period the employees carry out work. The stock options issued are measured on the date granted in accordance with the binomial model from Cox/Ross/Rubinstein, which measures stock awards at fair value on the date granted.

Assets that are exclusively for the meeting of pension obligations and inaccessible to all other creditors are measured at fair value. These assets are offset by the respective underlying obligation. If there is an excess of obligations, it is recognized as a provision. If the value of the assets exceeds the value of the obligations, it is recognized as active difference resulting from offsetting.

Pension provisions and similar obligations are measured at the amount payable deemed necessary according to prudent business judgment. This amount payable is calculated using actuarial techniques in accordance with the Projected Unit Credit Method. They are calculated on the basis of biometric data from the 2005 G guideline tables prepared by Prof. Dr. Klaus Heubeck, using an interest rate of 3.89 %, based upon a standard remaining term of 15 years and a pension trend of 0.0 % to 1.0 % a year. The interest component of pension expenses is reported under interest and similar expenses after netting with interest income from plan assets.

Tax provisions and other provisions are to be measured at the expected amount payable deemed necessary according to prudent business judgment, taking into account price and cost increases. Long-term provisions (remaining term of more than a year) are to be discounted at the average market interest rate of the past seven financial years appropriate for the duration, which is calculated and published by Deutsche Bundesbank.

Liabilities are measured at their amount payable as of the closing date.

ProSiebenSat.1 Media SE uses derivative financial instruments to hedge against risks of changes in interest rates and foreign exchange rates in its operating activities, and in the resulting financing needs. If there is a direct hedging relationship, hedge accounting is applied to the derivative financial instruments together with their underlying transaction in accordance with Section 254 of the German Commercial Code. If there is no sufficient hedging relationship, the hedging transactions are measured under the principle of unequal treatment of losses and income; in other words, provisions are formed for negative market values, but positive market values are not recognized.

If there are differences between the valuations of intangible assets, liabilities, prepaid expenses and deferred items under German commercial law and fiscal law, which are expected to decline in future financial years, any overall surplus of deferred tax liability which remains after offsetting is recognized on the balance sheet, taking into account the loss and interest carried forward. An overall surplus of deferred tax assets arising after offsetting is not recog-



nized by exercising the option of Section 274 (1) Sentence 2 of the German Commercial Code. Deferred tax assets are netted out to the extent that they correspond to the existing deferred tax liabilities as of the closing date.

Loss and interest carried forward and tax credits are taken into account to the extent that they are expected to be offset or used within the next five years. Temporary differences between the measurement of intangible assets, liabilities, prepaid expenses and deferred items of consolidated tax group subsidiaries under German commercial law and fiscal law are included if there are expected to be tax burdens and tax relief from reducing the respective temporary differences at the tax group parent, ProSiebenSat.1 Media SE.

Deferred taxes are measured on the basis of the applicable corporate tax rate and according to the local business income tax assessment rates of the income tax consolidation group of ProSiebenSat.1 Media SE. Corporate tax, the solidarity surcharge and local business income tax resulted in a tax rate for the last financial year of 28 %.

Receivables and liabilities in foreign currencies with a remaining term of up to one year are measured at the exchange rate on the closing date. Foreign currency receivables with a remaining term of more than one year are converted at the exchange rate on the booking date or the lower exchange rate on the closing date; foreign currency liabilities with a remaining term of more than a year are converted at the exchange rate on the booking date or the higher exchange rate on the closing date.

Notes to the Balance Sheet

Fixed assets

Changes in fixed assets can be found at the end of these Notes in the statement of changes in fixed assets.

Financial assets

The ProSiebenSat.1 Media SE Group of companies is listed at the end of these Notes.

In financial year 2015, shares in affiliated companies increased by EUR 716.3 million to EUR 5,498.6 million, in particular because of contributions to the capital reserve at subsidiaries.

No write-downs were made on financial assets in financial year 2015 (previous year: EUR 19.9 million). In the previous year, EUR 11.6 million was attributable to carrying amounts of investments in German holdings on the basis of impairment tests and EUR 8.3 million to long-term loans.

Loans to affiliated companies involve intragroup loans that are not expected to be repaid within a year.

Long-term securities include shares in investment funds that serve to cover pension obligations and that do not fulfill the conditions for netting out with pension provisions in accordance with Section 246 (2) Sentence 2 of the German Commercial Code.

Other loans essentially comprise loans to the landlords of the properties at Gutenbergstraße 1–3, Gutenbergstrasse 4, and Medienallee 7 at the Unterföhring site.

Receivables and other assets

EUR m	Dec 31, 2015		TOTAL 12/31/2015	Dec 31, 2014		Total 12/31/2014
	REMAINING TERM 1 year or less	more than 1 year		REMAINING TERM 1 year or less	more than 1 year	
Trade accounts receivable	32.3	2.0	34.3	17.6	5.0	22.6
Receivables from Group companies	1,095.1	-/-	1,095.1	1,076.0	-/-	1,076.0
Receivables from companies in which equity investments are held	0.0	-/-	0.0	0.0	-/-	0.0
Other assets	29.4	3.0	32.4	51.3	5.8	57.1
Total	1,156.8	5.0	1,161.8	1,144.9	10.8	1,155.7



Receivables from affiliated companies comprise receivables under profit and loss transfer agreements (EUR 877.3 million; previous year: EUR 812.4 million), short-term loan receivables (EUR 36.6 million; previous year: EUR 97.0 million), cash pooling receivables (EUR 50.9 million; previous year: EUR 44.9 million), and receivables from internal transactions (EUR 130.3 million; previous year: EUR 121.7 million).

The other current assets primarily comprise advance payments made on licenses of EUR 19.8 million (previous year: 36.7 million) and corporate tax credits with a term of more than one year of EUR 3.0 million (previous year: EUR 5.8 million).

Prepaid expenses and deferred items

As at December 31, 2015, prepaid expenses mainly included the discount from the bond issued in financial year 2014, which is amortized over the term of the bond.

Deferred taxes

The following overview details the balance sheet items that include deferred tax receivables and deferred tax liabilities for the income tax consolidation group of ProSiebenSat.1 Media SE:

Deferred taxes		
EUR m	Deferred tax assets	Deferred tax liabilities
Intangible assets	9.3	0.0
Fixed assets	0.4	-/-
Financial assets	0.2	-39.1
Programmin assets	10.1	-/-
Receivables and other current assets	0.1	-0.6
Active difference resulting from offsetting	-/-	-0.2
Provisions	4.2	0.0
Liabilities	0.5	-0.9
Total	24.8	-40.8
Netting	-24.8	24.8
Balance	0.0	-16.0

Deferred tax assets and tax liabilities are calculated using a combined tax rate of corporate tax, the solidarity surcharge, and local business income tax of 28%, which is derived from a weighted average of the tax rates of the subsidiaries. Temporary differences to financial assets are measured at an effective tax rate of 1.4%.



The surplus deferred tax liabilities calculated are recognized in accordance with Section 274 of the German Commercial Code.

Equity

Subscribed capital

The subscribed capital of ProSiebenSat.1 Media SE was EUR 218,797,200 as of the closing date. It consisted of 218,797,200 registered common shares with a pro rata amount of the share capital of EUR 1.00 per share. As of December 31, 2015, the capital issued amounted to EUR 214,217,800, as the Company held 4,579,400 (previous year: 5,178,600) common shares.

Equity development in 2015

EUR m	Subscribed capital	Capital reserves	Balance Sheet profit	Total Equity
December 31, 2014	213.6	627.4	1,827.5	2,668.5
Paid dividends	-/-	-/-	-341.9	-341.9
Profit of the year	-/-	-/-	433.6	433.6
Exercise of stock options	0.6	9.8	-/-	10.4
Expenses for stock options and stock awards	-/-	7.6	-/-	7.6
December 31, 2015	214.2	644.8	1,919.2	2,778.2

Authorized capital

By resolution of the Annual General Meeting on July 23, 2013, authorized capital was created with a corresponding amendment of Article 4 (amount and division of share capital) of the articles of incorporation. Subject to the consent of the Supervisory Board, the Executive Board is accordingly authorized to increase the Company's share capital on one or more occasions on or before July 22, 2018, by not more than EUR 109,398,600, in return for contributions in cash and/or in kind, by issuing new common shares. The shareholders must be granted the legal pre-emptive rights to the new shares.

Treasury stock

In accordance with a resolution of the Annual General Meeting of May 21, 2015, the Company is authorized, subject to the consent of the Supervisory Board, to acquire the Company's own shares in an amount of up to 10 % of the Company's share capital at the time the authorization was granted or - if lower - the time the authorization is exercised up to May 20, 2020, in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act. Together with other own shares owned by or attributable to the Company according to Sections 71a et seq. of the German Stock Corporation Act, no more than 10 % of the share capital may be attributable to the shares acquired on the basis of this authorization at any time.

The authorization of May 21, 2015, allows the Executive Board, with the Supervisory Board's consent, to exercise its right for any legally permissible purpose, in particular to serve stock options with subscription rights on common



shares of ProSiebenSat.1 Media SE that are issued as part of the stock option program to serve share bonuses and employee participation programs.

In financial year 2011, 2,500,000 shares in preferred stock were acquired at an average price of EUR 13.01 to secure the stock option plan and stock awards. In financial year 2009, 4,900,000 shares in preferred stock were acquired at an average price of EUR 3.14. In financial year 2008, 1,127,500 shares in preferred stock were acquired at an average price of EUR 13.40. In financial years 2012 to 2015, no treasury stock was acquired. In financial year 2013 the classes of shares were merged to common shares, whereby the number of acquired preferred stocks corresponds to the number of common shares.

In financial year 2015, because of option holders' exercise of stock options, ProSiebenSat.1 Media SE sold 599,200 of the Company's own common shares at an average strike price of EUR 17.42. In the previous year, 528,800 of the Company's own common shares were sold to option holders in the context of exercising stock options after receiving the average option price of EUR 13.53.

ProSiebenSat.1 Media SE thus held 4,579,400 (previous year: 5,178,600) of its own common shares as of December 31, 2015. This is equivalent to 2.1 % (previous year: 2.4%) of the share capital.

Capital reserves

Capital reserves amounted to EUR 644.8 million (previous year: EUR 627.4 million). These reserves include premiums from the new stock issue in financial year 1997 and the capital increase in 2004 as well as the cumulative effects on results arising in connection with the granting of stock options of the corresponding Long Term Incentive Plans (LTIPs) and with stock awards and the effects from the exercise of stock options.

Distributable profit

Last financial year, under a resolution adopted at the Annual General Meeting on May 21, 2015, a dividend of EUR 341.9 million was paid out to shareholders from ProSiebenSat.1 Media SE's distributable profit of EUR 1,827.5 million as of December 31, 2014. This figure represents a distribution of EUR 1.60 per common share.



Provisions

EUR m	12/31/2015	12/31/2014
Provisions for pension and similar obligations	3.1	2.6
Subtotal	3.1	2.6
Tax provisions	36.5	17.9
Subtotal	36.5	17.9
Personnel provisions	12.4	20.6
Provision for outstanding invoices	18.8	11.0
Other miscellaneous provisions	20.1	12.4
Subtotal	51.3	44.0
Total	90.9	64.5

Other miscellaneous provisions include provisions for inefficiencies related to valuation units of EUR 6.0 million (previous year: EUR 0.0 million) as of December 31, 2015.

Pension provisions were recognized for obligations to provide future benefits for active and former members of the Executive Board of ProSiebenSat.1 Media SE and their survivors.

Pensions provisions balance sheet presentation

EUR m	12/31/2015	12/31/2014
Pension obligations before offsetting	20.8	16.7
Fair value of designated assets	18.3	14.9
thereof designated assets exceeding pension obligations	0.6	0.8
Pension provisions as per balance sheet	3.1	2.6

The acquisition costs of the plan assets amounted to EUR 18.5 million (previous year: EUR 15.3 million). In connection with offsetting expenses and income from discounting the obligation and expenses and income from the plan assets, interest expenses of EUR 0.8 million (previous year: EUR 0.7 million) were offset by income from the reversal of write-downs amounting to EUR 0.2 million (previous year: EUR 0.3 million), the resulting balance was recognized under interest expenses.

The tax provisions were formed primarily for corporate income tax and trade tax. The potential impact of a current tax audit has been taken into account.



Liabilities

EUR m	Dec 31, 2015 REMAINING TERM			TOTAL 12/31/2015	Dec 31, 2014 REMAINING TERM			Total 12/31/2014
	1 year or less	From 1 to 5 years	More than 5 years		1 year or less	From 1 to 5 years	More than 5 years	
Liabilities to banks								
a) Loan liabilities	-/-	2,100.0	-/-	2,100.0	-/-	1,400.0	-/-	1,400.0
b) Interest liabilities	7.3	-/-	-/-	7.3	6.7	-/-	-/-	6.7
Bond	-/-	-/-	600.0	600.0	-/-	-/-	600.0	600.0
Deposits received	1.7	-/-	-/-	1.7	0.5	-/-	-/-	0.5
Trade accounts payable	187.3	61.3	-/-	248.6	163.2	29.3	-/-	192.5
Liabilities to Group companies	1,490.8	-/-	-/-	1,490.8	1,448.3	-/-	-/-	1,448.3
Other liabilities	51.2	-/-	-/-	51.2	57.3	-/-	-/-	57.3
TOTAL	1,738.3	2,161.3	600.0	4,499.6	1,676.0	1,429.3	600.0	3,705.3

In April 2014, in connection with comprehensive refinancing, a new syndicated loan agreement was concluded for EUR 2,000.0 million. This five-year loan agreement originally comprised a bullet loan of EUR 1,400.0 million and a revolving credit facility (RCF) with a volume of EUR 600.0 million. In financial year 2015, the duration of the syndicated loan agreement was extended by one year to April 2020 and the term loan increased by EUR 700.0 million to EUR 2,100.0 million; all other material conditions remain unchanged. The loan agreement is unsecured and was made with an international banking group. The loan liabilities bear interest at a variable rate. The revolving credit facility can be used for general operating purposes. As of December 31, 2015, no drawings had been made on it.

In addition, ProSiebenSat.1 Media SE issued a seven-year unsecured bond in financial year 2014 for EUR 600.0 million with a coupon of 2.625 % maturing in April 2021. It is listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7).

Liabilities to affiliated companies include in particular liabilities from cash pooling (EUR 1,341.3 million, previous year: EUR 1,295.2 million), liabilities from internal transactions (EUR 25.9 million, previous year: EUR 21.9 million) and liabilities from profit and loss transfer agreements (EUR 123.6 million, previous year: EUR 131.2 million).



Notes to the Income Statement

Revenues

Revenues are generated for the most part in Europe outside Germany and derive primarily from the sale of ancillary programming rights.

Because the Companies predominately function as a holding company, no further break-down of revenues by business segment or geographic segment has been provided.

Other operating income

The income relating to other periods that is included under other operating income amounting to EUR 5.8 million (previous year: EUR 15.3 million) relates primarily to the reversal of provisions (particularly in relation to personnel) and in financial year 2014 the reversal of bad debt reserves recognized in previous years.

Other operating income of EUR 135.1 million (previous year: EUR 120.6 million) particularly includes income from services charged to other Group companies and currency effects.

Programming and material expenses

Expenses for licenses, transmission fees and materials of EUR 36.5 million (previous year: EUR 39.7 million) primarily include transmission fee expenses and satellite rental, which are passed on to other companies within the Group.

Other operating expenses

In addition to expenses relating to other periods of EUR 0.3 million (previous year: EUR 1.3 million), the other operating expenses of EUR 142.8 million (previous year: EUR 117.9 million) particularly include charges passed on by Group companies, rent and other office expenses, legal and consulting fees, and currency effects.

Result from profit transfer agreements

Income from profit transfer agreements of EUR 896.7 million (previous year: EUR 812.4 million) include primarily transferred profits of the German Free-TV stations amounting to EUR 709.8 million (previous year: EUR 660.8 million). Expenses from loss absorption amounted to EUR 123.6 million in 2015 (previous year: EUR 131.2 million).



Interest and similar expenses

Interest and similar expenses include interest on an allocation of EUR 0.8 million to pension provisions (previous year: EUR 0.7 million). In addition, reversals from prepaid expenses were recognized in profit and loss in the previous year due to the restructuring of loan liabilities. The transaction costs for new financing measures are fully expensed to profit and loss.

Income taxes

In addition to the taxable income generated by the Company itself, ProSiebenSat.1 Media SE has a tax liability for the tax assessment bases attributable to the subsidiaries affiliated with it under profit and loss transfer agreements for tax purposes (tax group).

Taxes on income include expenses relating to other periods of EUR 14.5 million (previous year: expenses relating to other periods of EUR 7.1 million).

Other Information

Contingent liabilities

EUR m	12/31/2015	12/31/2014
Contingent liabilities from guarantees	5.3	4.8
(thereof amounts due to Group companies)	(5.3)	(4.8)

Liabilities from guarantees are predominantly related to credit guarantees for affiliated companies.

On the basis of ongoing risk assessment of the contingent liabilities entered into and considering all knowledge gained up to the preparation of the annual financial statements, ProSiebenSat.1 Media SE expects that the obligations underlying the contingent liabilities can be fulfilled by the relevant principal debtors. Therefore, the risk of utilization of contingent liabilities is estimated to be low.

Other financial obligations

EUR m	due in following year	due in 2nd to 5th year	due after 5th year	Total 12/31/2015	Total 12/31/2014
Program assets	395.2	2,026.7	540.1	2,962.0	2,625.2
(thereof amounts due to Group companies)	0.0	0.0	0.0	0.0	0.0
Distribution	38.5	98.4	45.5	182.4	151.0
(thereof amounts due to Group companies)	0.0	0.0	0.0	0.0	0.0
Leasing and rental commitments	15.6	47.0	5.1	67.7	79.5
(thereof amounts due to Group companies)	0.0	0.0	0.0	0.0	0.0
Other obligations	26.1	7.2	0.0	33.3	64.2
(thereof amounts due to Group companies)	15.5	0.0	0.0	15.5	50.7
TOTAL	475.4	2,179.3	590.7	3,245.4	2,919.9

Purchase commitments from program assets result from contracts for the acquisition of film and series licenses concluded before December 31, 2015 and commissioned programs. The majority of the contracts are concluded in US dollars.

Financial obligations for satellite rental, obligations under contracts for terrestrial transmission facilities and cable feed charges are reported under Distribution.

Leasing and rental commitments particularly include building leases for office and editorial space at the sites in Unterföhring. The terms of the major contracts end between 2019 and 2023.

Other liabilities essentially comprise obligations for other third-party service agreements and memberships.



Contingent liabilities

In accordance with the regulations of the German Commercial Code and the principles of proper accounting, there are transactions that are not to be shown on the balance sheet. At ProSiebenSat.1 Media SE, these mainly include leasing contracts and contracts for outsourcing operational functions. The latter relate primarily to IT functions. These transactions do not have a significant financial impact on ProSiebenSat.1 Media SE. No significant risks or rewards from these transactions on ProSiebenSat.1 Media SE's financial position can be identified.

By sale and purchase agreement of April 20, 2011, ProSiebenSat.1 Group sold its Belgian TV operations to De Vijer NV ("DV"). ProSiebenSat.1 Media SE acted to guarantee the disposal. On the basis of alleged infringements of the accounting and rental contract guarantee included in the purchase agreement, DV has asserted claims for damages against the Company. The contractually agreed maximum liability from all guarantees totals EUR 19.8 million. On the basis of a further review and the resulting reassessment of the factual and legal situation, ProSiebenSat.1 Media SE considers this risk very unlikely to materialize. In this regard, no provision was recognized as of December 31, 2015.

Average number of employees during the year

	2015	2014
Employees	485	455
Trainees, volunteers and interns	79	85
TOTAL	564	540

Share-based remuneration

Stock option plan

As of December 31, 2015, ProSiebenSat.1 Media SE had two stock option plans. The Long Term Incentive Plan 2008 (LTIP 2008) was introduced by approval of the Annual General Meeting on June 10, 2008, and the Long Term Incentive Plan 2010 (LTIP 2010) was adopted by the Annual General Meeting on June 29, 2010.

Overview stock option plan

	LTIP 2008 Cycle 2009	LTIP 2010 Cycle 2010	LTIP 2010 Cycle 2011	TOTAL All Cycle
As of January 1, 2015	9,250	154,300	970,300	1,133,850
Options exercised in 2015	5,750	128,800	464,650	599,200
Options expired or forfeited in 2015	3,500	0	17,250	20,750
As of December 31, 2015	0	25,500	488,400	513,900
Thereof vested on December 31, 2015	-/-	25,500	339,250	
Minimum exercise price in EUR	0.00	13.62	17.96	
Absolute exercise hurdle in EUR	0.00	17.71	23.35	
Maximum exercise gain in EUR	20.00	27.24	35.92	
Vesting period*	12/31/09	12/31/10	12/31/11	
End of exercise period	12/31/15	12/31/16	12/31/17	

* LTIP 2008 and 2010: Earliest end of vesting period for the first fifth of issued options (each additional fifth is one year later)

The stock option plans are share-based remuneration, whereby ProSiebenSat.1 Media SE holds the option on the type of settlement. Since ProSiebenSat.1 Media SE currently has no obligation to provide a cash alternative, the options are recognized as remuneration by using equity instruments. Each stock option carries the right to purchase one share of ProSiebenSat.1 Media SE stock in return for payment of an exercise price.

Rights to shares

As of December 31, 2015, there were four programs with rights to shares at ProSiebenSat.1 Media SE, the Group Share Plans 2012, 2013, 2014 and 2015.

In the fourth quarter of the 2015 financial year, the members of the Executive Board, other selected managers, and employees of ProSiebenSat.1 Group were again granted rights to shares in the form of our new Group Share Plan 2015. The basic structure and the mechanisms for exercising the rights are largely the same as those of the Group Share Plans 2012 to 2014.

All programs involve long-term remuneration instruments developed by ProSiebenSat.1 Media SE for members of the Executive Board, other selected managers, and employees of ProSiebenSat.1 Group. The introduction of the Group Share Plan was approved by the Annual General Meeting on May 15, 2012. Each involves a share bonus, whereby ProSiebenSat.1 Media SE holds the option on the type of settlement. Since ProSiebenSat.1 Media SE currently has no obligation to provide a cash alternative to the remuneration, the options are recognized as remuneration by using equity instruments. As the structure of the plans is identical in many respects, several points below will refer to just one plan, and any differences will be explained separately.

As part of the Group Share Plan, performance share units ("PSUs," "virtual shares") are issued to the plan participants. They entitle the plan participants to obtain common shares in ProSiebenSat.1 Media SE after the term of the plan.

There is a holding period of at least four years from the start of the year the common shares were granted. The number of common shares actually awarded at the end of the holding period depends on the attainment of predefined EBITDA and net income targets and can vary between 0 and 150.0%.

The PSUs are measured at fair value on the date granted to the plan participants. This value is derived from the value of the common shares to be received after the term of the plan and equates to the market value of the underlying shares. Because there is no entitlement to receive share dividends during the term of the plan, the fair value is reduced by the fair value of the expected dividends. The corresponding dividend deductions were derived from the dividend history of ProSiebenSat.1 Group so far.

Group of beneficiaries

In all four programs, the performance share units are intended exclusively for members of the Executive Board of ProSiebenSat.1 Media SE, management members, and other selected managers and employees of ProSiebenSat.1 Media SE and its dependent Group entities. The individual beneficiaries and the number of performance share units to be granted to them are defined by the Executive Board of ProSiebenSat.1 Media SE with the consent of the Supervisory Board or – if members of the Executive Board are affected – by the Supervisory Board.



Minimum thresholds and performance targets

After the end of each year of the four-year holding period, a quarter of the PSUs awarded become vested. A requirement for this is that Group net income is generated in the year in question and ProSiebenSat.1 Group's EBITDA does not fall below a defined minimum.

The performance target for the Group Share Plans 2012 to 2013 is the cumulative EBITDA target attainment over a four-year plan period, with reference to financial years 2012 to 2015 for the Group Share Plan 2012 and financial years 2013 to 2016 for the Group Share Plan 2013. The performance target for the Group Share Plans 2014 and 2015 is annual target attainment, with reference to financial years 2014 to 2017 for the Group Share Plan 2014 and financial years 2015 to 2018 for the Group Share Plan 2015.

The number of physical shares that the plan participants receive at the end of the four-year plan period for each performance share unit depends on the respective target attainment. The Supervisory Board can change each Group Share Plan's rate of conversion of virtual into physical shares by plus/minus 25.0% for the Executive Board in order to reflect individual performance. In addition, if a surplus dividend is distributed, the number of PSUs is adjusted by a corresponding dilution ratio. The conversion factor and any surplus dividend dilution ratio are applied as of the date the performance share units are converted into shares.

In all plans, the conversion takes place after the publication of the Annual Report for the final year of the four-year holding period and once consent has been obtained from the plan participants. This means there is a holding period for the common shares of at least four years from the start of the year they were granted under all programs.

The following table provides information on the individual Group Share Plans of ProSiebenSat.1 Media SE:

Overview Group Share Plans

	GSP 2012	GSP 2013	GSP 2014	GSP 2015
Performance Share Units as of January 1, 2015	453,270	352,499	384,300	-/-
Granted performance share units in 2015	-/-	-/-	-/-	153,224
Forfeited performance share units in 2015	5,065	23,719	48,030	206
As of December 31, 2015	448,205	328,780	336,270	153,018
Grant date*	November 1, 2012	September 9, 2013	September 15, 2014	December 1, 2015
Fair Value at grant date in EUR	20.65	31.70	31.18	48.77
Vesting period	2012 until 2015	2013 until 2016	2014 until 2017	2015 until 2018

* Share price at grant date less dividend reduction

Professional fees of the independent auditor

The information required under Section 285 No. 17 of the German Commercial Code regarding the total fees charged by our independent auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, in financial year 2015 is provided in the consolidated financial statements of ProSiebenSat.1 Media SE as of December 31, 2015.

Derivative financial instruments

ProSiebenSat.1 Media SE is exposed to a variety of financial risks through its business operations and financing requirements. These risks are managed by the Group Finance & Treasury central area as part of financial risk management. The goals of financial risk management are to ensure solvency and manage market price risks in a riskadequate manner. The derivative financial instruments used here serve exclusively to hedge existing risks and are not used for speculation purposes.

The market value of interest rate swaps is calculated by discounting the expected future cash flows. The market values of interest rate caps, swaptions, and currency options are calculated based on option price models reflecting the current market situation. The market values of currency forwards are derived from the forward exchange rate set by the market. Other methods may lead to deviations.

The nominal and market values of derivative financial instruments held by ProSiebenSat.1 Media SE as of December 31, 2015, are shown below:

Nominal and Market Value of derivative financial instruments

	Year of maturity			Nominal amount	Market value
	2016	2017 - 2020	from 2021	12/31/2015	12/31/2015
	USD m	USD m	USD m	USD m	EUR m
Currency hedging					
Currency forwards	584.5	1,395.0	390.0	2,369.5	236.3
Currency options	45.0	50.0	-/-	95.0	3.9
Interest hedging					
Interest hedging	150.0	1,350.0	-/-	1,500.0	-52.2

The derivative financial instruments reportable under the German Commercial Code are recognized under the following items on the balance sheet at the indicated carrying amounts. These financial instruments are used for hedging purposes, but are not part of a macro hedge according to Section 254 of German Commercial Code.



Balance sheet presentation of derivative financial instruments

EUR m	Other assets		Liabilities to banks		Other provisions	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Currency forwards	-/-	-/-	-/-	-/-	0.4	-/-
Currency options	3.5	-/-	-/-	-/-	-/-	-/-
Interest cap	0.0	0.0	-/-	-/-	-/-	-/-
Interest swaps	-/-	-/-	4.4	4.2	6.0	-/-
Total	3.5	0.0	4.4	4.2	6.4	0.0

Macro hedges to hedge foreign currency risk

ProSiebenSat.1 Media SE concludes a significant portion of its license agreements with production studios in the U.S. ProSiebenSat.1 Media SE fulfills its financial obligations for purchasing these program rights in U.S. dollars. Exchange rate fluctuations between the EUR and the USD may therefore adversely impact ProSiebenSat.1 Media SE's financial and earnings situation. The low volume of receivables and liabilities in other currencies or for other purposes results in negligible currency risk.

ProSiebenSat.1 Media SE pursues a Group-wide portfolio approach. The term foreign currency exposure includes the total volume of all future U.S. dollar payments which result from existing license agreements and will be due within a period of seven years. As part of foreign currency management, ProSiebenSat.1 Media SE employs various derivatives and original financial instruments to hedge against currency fluctuations. These include currency forwards, currency options and currency holdings (spot currency positions) in U.S. dollars.

Derivative financial instruments which fulfill the accounting prerequisites of a hedging relationship are reported under hedge accounting, in accordance with Section 254 of the German Commercial Code. ProSiebenSat.1 Media SE's gross foreign currency exposure is combined with the opposing currency hedging transactions into one portfolio macro hedge. The underlying and hedging transactions are each measured using the respective underlying cash flows for this purpose.

The following table shows the Company's net foreign currency exposure:

Risk of foreign currency analysis

	12/31/2015	12/31/2014
	USD m	USD m
Gross foreign currency exposure	-3,366.0	-2,983.2
Hedge accounting	2,255.0	1,845.4
Held for trading	209.5	197.0
Currency holdings	6.2	1.6
	2,470.7	2,044.0
Netto-Exposure	-895.3	-939.2
Hedge ratio	73%	69%

Macro hedges to hedge interest rate risk

ProSiebenSat.1 Media SE understands interest rate risk as the risk of rising financing costs caused by an increase in the interest rate. ProSiebenSat.1 Media SE is exposed to interest rate risk through its floating interest rate financing loans. ProSiebenSat.1 Media SE has therefore hedged these loans via interest rate swaps. In the case of interest rate swaps, floating-rate interest payments are exchanged for fixed-rate interest payments. These are used to compensate for future, floating-rate and thus uncertain interest payments on the loans by replacing those payments with fixed-rate interest payments. Interest rate options (e.g. interest rate caps, swaptions) are another hedging instrument. As the buyer of an interest rate option, ProSiebenSat.1 Media SE has the right, but not the obligation, to swap future floating-rate interest payments for fixed-rate interest payments. These are used to compensate for future, floating-rate interest payments on the loans by replacing those payments with fixed-rate interest payments, if the latter are favorable for ProSiebenSat.1 Media SE. However, because the interest derivatives serve exclusively to hedge interest rate risk, there is no intention to close out.

As of December 31, 2015, there were interest rate swaps with a total volume of EUR 1,300.0 million (previous year EUR 1,300.0 million) and an interest rate cap of EUR 200.0 million, which hedged interest rate risk until 2016. In addition, ProSiebenSat.1 Media SE has further interest rate hedges with a nominal volume totaling EUR 1,350.0 million, which will hedge interest rate risk in the subsequent period from 2016 to 2018. EUR 850.0 million of this is attributable to interest rate swaps and EUR 500.0 million to interest rate swaptions. In August 2015, the SE concluded forward transactions amounting to EUR 500.0 million to hedge interest rate risk in the period from 2018 to 2020.

Medium and long-term liabilities from financing instruments as of December 31, 2015, amounted to EUR 2,700.0 million (previous year: EUR 2,000.0 million). This means the hedging ratio/proportion of fixed interest as of December 31, 2015, is roughly 78% (previous year: 95%).

Executive Board and Supervisory Board

The members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE are listed at the end of these Notes, together with their memberships on other statutorily required supervisory boards and comparable bodies.

Details on the individual remuneration of members of the Executive Board and the Supervisory Board, in accordance with Section 285 (1) No. 9 (a) Sentences 5 to 8 of the German Commercial Code, can be found in the information in



the Compensation Report, which forms part of the condensed management report. The compensation system of the Executive Board is described in detail there.

The members of the Executive Board participate in a ProSiebenSat.1 Media SE stock option plan (the Long-Term Incentive Plan, or LTIP), which was first introduced in 2005 and was most recently renewed in 2010. For the first time, members of the Executive Board do not qualify for LTIP 2010 (2010 cycle and 2011 cycle). Therefore, under LTIP 2010, no stock options were issued to Executive Board members who were active at that time. In financial year 2015, the members of the Executive Board who were active as of the closing date exercised or disposed of a total of 0 (previous year: 193,000) stock options.

The Company has neither extended loans to nor assumed guaranties or warranties for the members of the Executive Board.

Compensation paid to the members of the Executive Board of ProSiebenSat.1 Media SE came to EUR 12.4 million in the reporting year (previous year: EUR 12.5 million). This remuneration includes a variable component totaling EUR 9.0 million (previous year: EUR 9.1 million) and benefits totaling EUR 0.1 million (previous year: EUR 0.1 million). Furthermore the members of the Executive Board received a one-time third-party compensation of EUR 59.7 million. Expenses from share-based remuneration amounted to EUR 3.5 million in the reporting year (previous year: EUR 3.7 million). For further details we refer to the Compensation Report, which is included in the condensed management report.

The total compensation for the former Executive Board members Heidi Stopper and Axel Salzmann amounted to EUR 2.9 million in financial year 2015. In the previous year, remuneration of EUR 0.2 million was paid to departed Executive Board members.

ProSiebenSat.1 Media SE set recognized pension provisions totaling EUR 10.8 million (previous year: EUR 7.7 million) before netting with plan assets for pension commitments to members of the Executive Board who were in office at December 31, 2015. Provisions totaling EUR 10.0 million (previous year: EUR 9.0 million) before netting with plan assets were set aside at December 31, 2015, for pension obligations to former members of the Executive Board.

The accrued entitlement to pension benefits as of December 31, 2015 was EUR 13.5 million (previous year: EUR 10.0 million) for members of the Executive Board in office in financial year 2015. This includes entitlements from deferred compensation of EUR 9.1 million (previous year: EUR 6.3 million). The accrued entitlement to pension benefits for departed Executive Board members was EUR 5.1 million (previous year: EUR 4.6 million). This includes entitlements from deferred compensation of EUR 1.4 million (previous year: EUR 1.4 million). Pension payments of EUR 0.3 million (previous year: EUR 0.3 million) were made to former members of the Executive Board in 2015.

Payments to the Executive Board – except for pension entitlements – are all payable within short terms.

Expenses for the Supervisory Board of ProSiebenSat.1 Media SE came to EUR 1.4 million in the year under review (previous year: EUR 1.0 million).

The compensation of the Supervisory Board is set in the articles of incorporation of the Company.

The Supervisory Board compensation was changed at the Annual General Meeting on June 26, 2014, and incorporated into the articles of incorporation of ProSiebenSat.1 Media AG. The new compensation system for the Supervisory Board applied for the first time for the tenures of the Supervisory Board members elected at the Annual General Meeting on June 26, 2014. By resolution of the Annual General Meeting on May 21, 2015, on the conversion of the Company into an



SE, this compensation system was carried over unchanged into the articles of incorporation of ProSiebenSat.1 Media SE and therefore also applies to the Supervisory Board members of ProSiebenSat.1 Media SE. The compensation system is as follows:

Members of the Supervisory Board receive fixed annual compensation for each full financial year of their membership of the Supervisory Board. The fixed compensation amounts to EUR 250,000 for the Chairman of the Supervisory Board, EUR 150,000 for the Vice Chairman and EUR 100,000 for all other members of the Supervisory Board. The Chairman of a Supervisory Board committee receives additional fixed annual compensation of EUR 30,000; the additional fixed annual compensation for the Chairman of the Audit and Finance Committee amounts to EUR 50,000. Members of the Supervisory Board also receive fixed annual compensation of EUR 7,500 for membership in a Supervisory Board committee. In addition, members of the Supervisory Board receive a meeting honorarium of EUR 2,000 for each meeting attended in person. For the Chairman of the Supervisory Board, the meeting honorarium amounts to EUR 3,000 for each meeting attended in person. In the event of multiple meetings held on one day, the meeting honorarium is only paid once. No performance-based variable compensation is granted.

The current members of the Supervisory Board guaranteed the Supervisory Board in a "Self-Commitment" to use each 20% of their annually fixed compensation, in accordance with §14 (1) and (2) of the articles of incorporation (before tax deduction), to annually buy common shares of ProSiebenSat.1 Media SE and hold them for a period of four years, but for the period of their membership in the Supervisory Board of ProSiebenSat.1 Media SE at the longest; in case of reelection, the obligation to hold common shares applies to the single terms of office. With this Self-Commitment to invest in and hold ProSiebenSat.1 common shares, the members of the Supervisory Board want to underline their interest in long-term, sustainable company success.

Altogether, the current members of the Executive Board and Supervisory Board directly held 157,345 common shares (previous year: 155,000 common shares) of ProSiebenSat.1 Media SE as of December 31, 2015. This is equivalent to 0.1% of the share capital (previous year: 0.1%).

Pursuant to Section 15a of the German Securities Trading Act (WpHG) and Paragraph 6.6 of the German Corporate Governance Code, members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE must disclose securities transactions relating to ProSiebenSat.1 shares. In addition, securities transactions of close relatives are also subject to disclosure.

In financial year 2015, a total of six transactions were reported to ProSiebenSat.1 Media SE in which six members of the Supervisory Board purchased a total of 2,345 common shares of ProSiebenSat.1 Media SE. In financial year 2014, a total of two transactions were reported to ProSiebenSat.1 Media SE in which members of the Supervisory Board sold a total of 85,000 common shares of ProSiebenSat.1 Media SE, and one transaction in which a member of the Supervisory Board purchased a total of 3,000 common shares of ProSiebenSat.1 Media SE. ProSiebenSat.1 Media SE disclosed these transactions without delay on its website (www.prosiebensat1.com) pursuant to Section 15a of the German Securities Trading Act.

Group affiliation

As in the previous year, ProSiebenSat.1 Media SE had no reportable group affiliation as of December 31, 2015.

Notification of voting rights

According to Section 160 (1) No. 8 of the German Stock Corporation Act, disclosures must be made regarding the existence of investments that ProSiebenSat.1 Media SE has been notified of in accordance with Section 21 (1) or (1a) of the German Securities Trading Act.

The table below shows the reportable investments for which notification was given in financial year 2015. In each case, the information was taken from a reporting entity's most recent notification to the Company. All voting rights notifications were published by ProSiebenSat.1 Media SE in financial year 2015 in accordance with Section 26 (1) of the German Securities Trading Act and are available on the Company's website (<http://www.prosiebensat1.de/de/investor-relations/publikationen/stimmrechtsmitteilungen>).

Please note that the details regarding the investment as a percentage and number of voting rights may now be out of date.

Notification voting rights in financial year 2015

Notifying party	Date of reaching, exceeding or falling below the threshold	Reporting threshold	Notification pursuant to WpHG	Shareholding in %	Number of voting rights
TAM UK Holdings Limited, London, GB	02/13/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2, §22 Abs. 1 S. 1 Nr. 1	2.9998	6,563,571
TC Financing Limited (formerly: Threadneedle Holdings Limited), London, GB	02/13/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2, §22 Abs. 1 S. 1 Nr. 1	2.99	6,543,743
Threadneedle Asset Management Holdings Limited, London, GB	02/13/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2, §22 Abs. 1 S. 1 Nr. 1	2.9998	6,563,571
Threadneedle Asset Management Limited, London, GB	02/13/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6	2.99	6,543,743
Threadneedle Holdings Limited (formerly: Threadneedle Asset Management UK Ltd) London, GB	02/13/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2, §22 Abs. 1 S. 1 Nr. 1	2.9998	6,563,571
Threadneedle Asset Management Holdings SARM, Luxembourg, Luxembourg	02/13/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2, §22 Abs. 1 S. 1 Nr. 1	2.9998	6,563,571
BlackRock International Holdings, Inc., Wilmington, Delaware, USA	04/24/2015	Exceeding 3%	§§21 Abs. 1, 22	3.02 ¹	6,610,514
BR Jersey International Holdings L.P., St. Helier, Jersey, Canal Islands	04/24/2015	Exceeding 3%	§§21 Abs. 1, 22	3.02 ¹	6,610,514
Ameriprise Financial, Inc., Minneapolis, Minnesota, USA	04/29/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2, §22 Abs. 1 S. 1 Nr. 1	2.99	6,539,097
Massachusetts Financial Services Company (MFS), Boston, Massachusetts, USA	05/15/2015	Falling below 3%	§§21 Abs. 1, 22	2.36	5,158,108
Sun Life Assurance Company of Canada – U.S. Operations Holdings, Inc., Wellesley Hills, Massachusetts, USA	05/15/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	2.36	5,158,108
Sun Life Financial (U.S.) Holdings, Inc., Wellesley Hills, Massachusetts, USA	05/15/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	2.36	5,158,108
Sun Life Financial (U.S.) Investments LLC, Wellesley Hills, Massachusetts, USA	05/15/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	2.36	5,158,108
Sun Life Financial Inc., Toronto, Canada	05/15/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	2.36	5,158,108
Sun Life Global Investments Inc., Toronto, Canada	05/15/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	2.36	5,158,108



Notification voting rights in financial year 2015

Notifying party	Date of reaching, exceeding or falling below the threshold	Reporting threshold	Notification pursuant to WpHG	Shareholding in %	Number of voting rights
Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston, Massachusetts, USA	05/15/2015	Falling below 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	2.36	5,158,108
BlackRock Group Limited, London, GB	05/27/2015	Exceeding 3%	§§21 Abs. 1, 22	3.0004 ¹	6,564,799
Capital World Growth and Income Fund, Los Angeles, Kalifornien, USA	07/10/2015	Falling below 3%	§21 Abs. 1	2.74	6,000,494
Norges Bank (the Central Bank of Norway), Oslo, Norway	08/03/2015	Falling below 3%	§21 Abs. 1	2.99	6,542,344
Blackrock Investment Management (UK) Limited, London, GB	09/03/2015	Exceeding 3%	§§21 Abs. 1, 22	3.09 ¹	6,766,958
Invesco Advisers Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3%	§§21 Abs. 1, 22 Abs. 1 S.1 Nr. 6	3.33 ²	7,277,589
Invesco Group Services Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	3.33 ³	7,277,589
Invesco Holding Company Limited, Henley-on-Thames, GB	11/20/2015	Exceeding 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	3.33 ³	7,277,589
Invesco Management Group Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	3.33 ³	7,277,589
Invesco North American Holdings Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	3.33 ³	7,277,589
IVZ Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	3.33 ³	7,277,589
IVZ UK Limited, Henley-on-Thames, GB	11/20/2015	Exceeding 3%	§§21 Abs. 1, 22 Abs. 1 S. 1 Nr. 6 i.V.m. §22 Abs. 1 S. 2	3.33 ³	7,277,589
BlackRock, Inc.	11/26/2015	N/A ⁴	§§21, 22	7,63	16,688,589
Invesco Ltd., Hamilton, Bermuda	12/03/2015	Exceeding 5%	§§21, 22	5.06	11,071,434
Ministry of Finance on behalf of the State of Norway, Oslo, Norway	12/17/2015	Exceeding 3%	§§21, 22	2,99	6,536,032

¹ According to the notification December 4, 2015 the voting rights of BlackRock, Inc. are below 3%.

² According to the notification of Invesco Ltd. of December 10, 2015 the voting rights of Invesco Advisers, Inc. are 3.27%.

³ According to the notification of December 10, 2015 the voting rights of Invesco Ltd. are below 3%.

⁴ Notification pursuant to §41 Abs. 4f WpHG



Statement of changes in fixed assets in fiscal year 2015

EUR	Acquisition and production cost				As of Dec 1, 2015
	As of Jan 1, 2015	Additions	Reclassifications	Disposals	
I. Intangible assets					
1. Licenses, trademarks and patents as well as licenses to such assets and rights for a consideration	7,223,068.60	319,282.41	30,450.00	1,553,347.82	6,019,453.19
2. Advances paid on intangible assets	30,450.00	0.00	-30,450.00	0.00	0.00
	7,253,518.60	319,282.41	0.00	1,553,347.82	6,019,453.19
II. Property, plant and equipment					
1. Buildings on land owned by others	98,588,549.48	5,771,488.39	3,491,235.68	478,309.12	107,372,964.43
2. Other equipment, fixtures, furniture and equipment	14,453,755.67	2,292,954.74	9,690.00	590,138.71	16,166,261.70
3. Advances paid on tangible assets under construction	3,752,134.16	6,772,877.87	-3,500,925.68	0.00	7,024,086.35
	116,794,439.31	14,837,321.00	0.00	1,068,447.83	130,563,312.48
III. Financial assets					
1. Interests in Group companies	5,038,999,812.67	759,370,578.68	0.00	43,605,266.38	5,754,765,124.97
2. Loans to Group companies	65,649,696.15	82,450,930.45	0.00	29,942,295.93	118,158,330.67
3. Interests in associated companies	1,064,312.61	0.00	0.00	183,384.70	880,927.91
4. Long-term investments	2,023,643.35	111,395.92	0.00	0.00	2,135,039.27
5. Other loans	40,611,635.52	4,660,502.90	0.00	26,447,899.62	18,824,238.80
	5,148,349,100.30	846,593,407.95	0.00	100,178,846.63	5,894,763,661.62
	5,272,397,058.21	861,750,011.36	0.00	102,800,642.28	6,031,346,427.29

EUR	Amortization, depreciation and write-downs				As of Dec 1, 2015
	As of Jan 1, 2015	Additions	Write-up	Disposals	
I. Intangible assets					
1. Licenses, trademarks and patents as well as licenses to such assets and rights for a consideration	6,272,029.60	591,564.41	0.00	1,553,347.82	5,310,246.19
2. Advances paid on intangible assets	0.00	0.00	0.00	0.00	0.00
	6,272,029.60	591,564.41	0.00	1,553,347.82	5,310,246.19
II. Property, plant and equipment					
1. Buildings on land owned by others	55,244,338.96	8,994,861.07	0.00	445,722.12	63,793,477.91
2. Other equipment, fixtures, furniture and equipment	9,843,533.43	1,616,979.48	0.00	577,139.71	10,883,373.20
3. Advances paid on tangible assets under construction	0.00	0.00	0.00	0.00	0.00
	65,087,872.39	10,611,840.55	0.00	1,022,861.83	74,676,851.11
III. Financial assets					
1. Interests in Group companies	256,648,274.45	0.00	0.00	526,999.00	256,121,275.45
2. Loans to Group companies	0.00	0.00	0.00	0.00	0.00
3. Interests in associated companies	78,033.90	0.00	0.00	78,033.90	0.00
4. Long-term investments	761,035.27	0.00	0.00	0.00	761,035.27
5. Other loans	8,300,000.00	0.00	0.00	8,300,000.00	0.00
	265,787,343.62	0.00	0.00	8,905,032.90	256,882,310.72
	337,147,245.61	11,203,404.96	0.00	11,481,242.55	336,869,408.02



Statement of changes in fixed assets in fiscal year 2015

in Euro	Carrying amounts	
	As of Dec 1, 2015	As of Dec 31, 2015
I. Intangible assets		
1. Licenses, trademarks and patents as well as licenses to such assets and rights for a consideration	709,207.00	951,039.00
2. Advances paid on intangible assets	0.00	30,450.00
	709,207.00	981,489.00
II. Property, plant and equipment		
1. Buildings on land owned by others	43,579,486.52	43,344,210.52
2. Other equipment, fixtures, furniture and equipment	5,282,888.50	4,610,222.24
3. Advances paid on tangible assets under construction	7,024,086.35	3,752,134.16
	55,886,461.37	51,706,566.92
III. Financial assets		
1. Interests in Group companies	5,498,643,849.52	4,782,351,538.22
2. Loans to Group companies	118,158,330.67	65,649,696.15
3. Interests in associated companies	880,927.91	986,278.71
4. Long-term investments	1,374,004.00	1,262,608.08
5. Other loans	18,824,238.80	32,311,635.52
	5,637,881,350.90	4,882,561,756.68
	5,694,477,019.27	4,935,249,812.60

Members of the Executive Board of ProSiebenSat.1 Media SE

Thomas Ebeling CEO	CEO since March 1, 2009	Responsibilities: TV Germany (SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX), Group Content, Group Program Strategy & Development, Content Production & Global Sales, Sales & Marketing, Corporate Communication and Human Resources Mandates: Bayer AG (member of the supervisory board) Lonza Group AG (member of the supervisory board)
Dr. Gunnar Wiedenfels CFO	CFO since April 1, 2015	Responsibilities: Group Operations & IT, Group Controlling, Group Finance & Investor Relations, Accounting & Taxes, Internal Audit and Administration
Conrad Albert	Member of the Executive Board since October 1, 2011	Responsibilities: Legal, Distribution & Regulatory Affairs, Pay-TV and Content Acquisition, Corporate Security and Shareholder & Boards Management
Dr. Christian Wegner	Member of the Executive Board since October 1, 2011	Responsibilities: Digital & Adjacent, Ventures & Commerce, Digital Entertainment, Adjacent
Dr. Ralf Schremper	Member of the Executive Board since April 1, 2015	Responsibilities: Investments & Strategy, Mergers & Acquisitions
Axel Salzmann CFO	Member of the Executive Board from Mai 1, 2008 until March 31, 2015 CFO from July 1, 2008 until March 31, 2015	Responsibilities: Group Operations & IT, Group Controlling, Group Finance & Investor Relations, Accounting & Taxes, Internal Audit and Administration Mandates: TLG Immobilien AG (member of the supervisory board)

Members of the Supervisory Board of ProSiebenSat.1 Media SE¹

Dr. Werner Brandt Chairman	Member of the Supervisory board of ProSiebenSat.1 Media AG since June 26, 2014/ of ProSiebenSat.1 Media SE since Mai 21, 2015 (Consultant)	Mandates: RWE AG (non-executive), QIAGEN N.V. (non-executive), Osram Licht AG (non-executive), Deutsche Lufthansa AG (non-executive)
Dr. Marion Helmes Vice Chairman	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since Mai 21, 2015 (Consultant)	Mandates: NXP Semiconductors N.V. (non-executive)
Lawrence Aidem	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since Mai 21, 2015 Our Film Festival, Inc. (Fandor) (President, CEO)	Mandates: none
Antoinette (Annet) P. Aris	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since Mai 21, 2015 INSEAD (Adjunct Professor of Strategy)	Mandates: Thomas Cook PLC (non-executive), Jungheinrich AG (non-executive), ASR Netherlands N.V. (non-executive), ASML N.V. (non-executive)
Adam Cahan	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since Mai 21, 2015 Yahoo Inc. (Senior Vice President Video, Design & Emerging Offerings)	Mandates: none
Angelika Gifford	Member of the Supervisory Board of ProSiebenSat.1 Media AG and of ProSiebenSat.1 Media SE since Mai 21, 2015 Hewlett Packard GmbH (General Manager)	Mandates: Rothschild & Co. S.C.A., Paris (non-executive)
Erik Adrianus Hubertus Huggers	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014/of ProSiebenSat.1 Media SE since Mai 21, 2015 Vevo LLC (President, CEO)	Mandates: none
Ketan Mehta	Member of the Supervisory Board of ProSiebenSat.1 Media SE since November 24, 2015 Allen & Company LLC (Managing Director)	Mandates: none
Prof. Dr. Rolf Nonnenmacher	Member of the Supervisory Board of ProSiebenSat.1 Media SE since Mai 21, 2015 (German Certified Public Auditor)	Mandates: Continental AG (non-executive), Covestro AG (non-executive), Covestro Deutschland AG (non-executive)
Philipp Freise	Member of the Supervisory Board of ProSiebenSat.1 Media AG from March 7, 2007 until July 7, 2015 and of ProSiebenSat.1 Media SE from Mai 21, 2015 until July 31, 2015 Kohlberg Kravis Roberts & Co. Partners LLP (Partner)	Mandates: Fotolia Holdings Inc. (non-executive), Scout 24 Schweiz AG (non-executive), Omnimedia AG (non-executive), Arago GmbH (non-executive)
Prof. Dr. Harald Wiedmann	Member of the Supervisory Board of ProSiebenSat.1 Media AG from March 7, 2007 until July 7, 2015 Gleiss Lutz Hootz Hirsch Partnerschaftsgesellschaft von Rechtsanwälten und Steuerberatern (German Certified Public Auditor, Tax Adviser, Attorney at Law)	Mandates: DO Deutsche Office AG (non-executive), Universal-Investment GmbH (non-executive)

¹ The supervisory board of ProSiebenSat.1 Media AG existed parallel to the supervisory board of ProSiebenSat.1 Media SE until the transformation in ProSiebenSat.1 Media SE became effective on July 7, 2015



List of holdings according to § 285 No.11 HGB of ProSiebenSat.1 Media SE as of December 31, 2015

Name of company	Location	Relation-ship	Holding**	Currency***	Equity*	Annual result*	Foot-note
Germany							
12Auto Group GmbH	Unterföhring	indirect	100.00	EUR	1,355,568.9	388,102.3	
7NXT GmbH	Berlin	indirect	100.00	EUR	N/A	N/A	2)
7NXT Health GmbH	Berlin	indirect	100.00	EUR	N/A	N/A	2)
7NXT Video GmbH	Berlin	indirect	100.00	EUR	N/A	N/A	2)
7Screen GmbH	Unterföhring	indirect	100.00	EUR	N/A	N/A	2)
7Stories GmbH i.G.	Unterföhring	indirect	100.00	EUR	N/A	N/A	2)
9Live Fernsehen GmbH	Unterföhring	direct	100.00	EUR	520,487.6	0.0	1)
Active Agent AG	Freiburg im Breisgau	indirect	100.00	EUR	183,478.2	0.0	1)
ADITION technologies AG	Düsseldorf	indirect	100.00	EUR	687,150.3	0.0	1)
Advopedia GmbH	Unterföhring	indirect	70.00	EUR	27,494.7	-21,648.1	
Aeria Games GmbH (formerly Aeria Games Europe GmbH)	Berlin	indirect	100.00	EUR	23,644,440.0	-11,912,162.7	
COMVEL GmbH	Munich	indirect	100.00	EUR	-2,142,728.3	-3,666,647.5	
Discavo GmbH	Berlin	indirect	100.00	EUR	368,453.0	-2,186,029.4	
DOSB New Media GmbH	Hamburg	indirect	57.50	EUR	-267,422.2	-794,354.5	
EPIC Companies GmbH i.L.	Berlin	indirect	100.00	EUR	N/A	N/A	2)
Fem Media GmbH	Unterföhring	indirect	100.00	EUR	399,780.0	0.0	1)
Flaconi GmbH	Berlin	indirect	100.00	EUR	N/A	N/A	2)
Gymondo GmbH	Berlin	indirect	100.00	EUR	742,486.4	-1,929,819.9	
i!2 GmbH	Linden	indirect	100.00	EUR	N/A	N/A	2)
lokalisten media GmbH	Unterföhring	indirect	100.00	EUR	385,791.0	0.0	1)
MAGIC Internet GmbH	Berlin	indirect	100.00	EUR	562,819.2	-229,289.8	
MAGIC Internet Holding GmbH	Berlin	indirect	100.00	EUR	6,225,388.7	0.0	1)
markt guru Deutschland GmbH	Munich	indirect	90.00	EUR	N/A	N/A	2)
maxdome GmbH	Unterföhring	indirect	100.00	EUR	25,000.0	0.0	1)
Maximilian Online Media GmbH	Linden	indirect	100.00	EUR	N/A	N/A	2)
MMP Event GmbH (formerly MMP Veranstaltungs- und Vermarktungs-Gm- bH)	Cologne	indirect	60.00	EUR	915,647.0	887,491.0	
moebel.de Einrichten & Wohnen AG	Hamburg	indirect	50.10	EUR	9,826,457.9	1,980,367.1	
mydays Event GmbH	Munich	indirect	100.00	EUR	-350,097.9	-16,169.9	
mydays GmbH	Munich	indirect	100.00	EUR	-29,538,885.4	-6,540,838.5	
mydays Holding GmbH	Munich	indirect	100.00	EUR	656,224.3	-54,869.2	
myLoc managed IT AG	Düsseldorf	indirect	100.00	EUR	4,239,045.7	0.0	1)
P7S1 Erste SBS Holding GmbH	Unterföhring	direct	100.00	EUR	431,194,390.1	0.0	1)
P7S1 Zweite SBS Holding GmbH	Unterföhring	direct	100.00	EUR	107,755,609.9	0.0	1)
Petobel GmbH i.L.	Berlin	indirect	100.00	EUR	N/A	N/A	2)
Preis24.de GmbH	Düsseldorf	indirect	84.60	EUR	824,491.4	1,589,172.4	
ProSieben Travel GmbH	Unterföhring	indirect	100.00	EUR	185,025,000.0	0.0	1)
ProSiebenSat.1 Accelerator GmbH	Unterföhring	indirect	100.00	EUR	1,333,653.0	-1,347.0	
ProSiebenSat.1 Achte Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	26,317.2	0.0	1)
ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	N/A	N/A	2)
ProSiebenSat.1 Adjacent Holding GmbH	Unterföhring	indirect	100.00	EUR	29,805,323.8	0.0	1)
ProSiebenSat.1 Applications GmbH	Unterföhring	indirect	100.00	EUR	2,025,000.0	0.0	1)
ProSiebenSat.1 Broadcasting GmbH (formerly ProSiebenSat.1 Vierzehnte Verwaltungsgesellschaft mbH)	Unterföhring	direct	100.00	EUR	25,000.0	0.0	1)
ProSiebenSat.1 Commerce GmbH	Unterföhring	indirect	100.00	EUR	2,931,260.1	-543,739.9	
ProSiebenSat.1 Digital & Adjacent GmbH	Unterföhring	direct	100.00	EUR	284,186,755.6	0.0	1)



List of holdings according to § 285 No.11 HGB of ProSiebenSat.1 Media SE as of December 31, 2015

Name of company	Location	Relation-ship	Holding**	Currency***	Equity*	Annual result*	Foot-note
ProSiebenSat.1 Digital Content GmbH	Unterföhring	indirect	100.00	EUR	N/A	N/A	2)
ProSiebenSat.1 Digital GmbH	Unterföhring	indirect	100.00	EUR	74,468,755.7	0.0	1)
ProSiebenSat.1 Erste Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	25,000.0	0.0	1)
ProSiebenSat.1 Fünfzehnte Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	25,000.0	0.0	1)
ProSiebenSat.1 Games GmbH	Unterföhring	indirect	100.00	EUR	35,025,330.2	0.0	1)
ProSiebenSat.1 Licensing GmbH	Unterföhring	indirect	100.00	EUR	1,702,061.7	0.0	1)
ProSiebenSat.1 Neunzehnte Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	N/A	N/A	2)
ProSiebenSat.1 Pay TV GmbH	Unterföhring	indirect	100.00	EUR	N/A	N/A	2)
ProSiebenSat.1 Produktion GmbH	Unterföhring	indirect	100.00	EUR	8,977,724.6	0.0	1)
ProSiebenSat.1 Siebzehnte Verwaltungsgesellschaft mbH	Unterföhring	direct	100.00	EUR	N/A	N/A	2)
ProSiebenSat.1 TV Deutschland GmbH	Unterföhring	direct	100.00	EUR	976,835,274.5	0.0	1)
ProSiebenSat.1 Welt GmbH	Unterföhring	indirect	100.00	EUR	-41,545.4	0.0	1)
PS Event GmbH	Cologne	indirect	67.00	EUR	68,170.2	97,769.3	
PSH Entertainment GmbH	Unterföhring	indirect	100.00	EUR	2,925,248.5	0.0	1)
RapidApe GmbH i.L.	Berlin	indirect	100.00	EUR	152,279.8	63,185.4	
Red Arrow Entertainment Group GmbH	Unterföhring	direct	100.00	EUR	81,779,606.2	0.0	1)
Red Arrow International GmbH	Unterföhring	indirect	100.00	EUR	125,000.0	0.0	1)
RedSeven Entertainment GmbH	Unterföhring	indirect	100.00	EUR	25,000.0	0.0	1)
SAM - Starwatch Artist Management GmbH	Unterföhring	indirect	100.00	EUR	192,433.9	0.0	1)
SAM Sports - Starwatch Artist Management GmbH	Hamburg	indirect	75.00	EUR	-267,634.4	-292,634.4	
Sat.1 Norddeutschland GmbH	Hannover	indirect	100.00	EUR	24,874.3	0.0	1)
SAT.1 Satelliten Fernsehen GmbH	Unterföhring	indirect	100.00	EUR	443,610,156.8	0.0	1)
Seven Scores Musikverlag GmbH	Unterföhring	indirect	100.00	EUR	26,000.0	0.0	1)
SevenGames Network GmbH	Berlin	indirect	100.00	EUR	30,250.0	0.0	1)
SevenOne AdFactory GmbH	Unterföhring	indirect	100.00	EUR	30,000.0	0.0	1)
SevenOne Brands GmbH	Unterföhring	indirect	100.00	EUR	5,168,298.7	0.0	1)
SevenOne Capital (Holding) GmbH	Unterföhring	indirect	100.00	EUR	1,883,827.4	-70,172.9	
SevenOne Investment (Holding) GmbH	Unterföhring	direct	100.00	EUR	3,318,254.4	-745.9	
SevenOne Media GmbH	Unterföhring	indirect	100.00	EUR	5,771,714.3	0.0	1)
SevenPictures Film GmbH	Unterföhring	indirect	100.00	EUR	2,268,319.5	0.0	1)
SevenVentures GmbH	Unterföhring	indirect	100.00	EUR	25,515,000.0	0.0	1)
SilverTours GmbH	Freiburg im Breisgau	indirect	74.90	EUR	6,843,215.9	6,818,215.9	
SMARTSTREAM.TV GmbH	Munich	indirect	80.00	EUR	3,216,145.5	2,792,784.1	
Sonoma Internet GmbH	Berlin	indirect	75.00	EUR	513,350.2	-3,436,602.6	
Starwatch Entertainment GmbH	Unterföhring	indirect	100.00	EUR	14,920,652.8	0.0	1)
Studio 71 GmbH	Berlin	indirect	100.00	EUR	2,956,405.2	0.0	1)
Sugar Ray GmbH	Unterföhring	indirect	100.00	EUR	25,000.0	0.0	1)
TopTarif Internet GmbH	Berlin	indirect	100.00	EUR	N/A	N/A	2)
TROPO GmbH	Hamburg	indirect	100.00	EUR	-8,956,383.5	-2,838,394.9	
tv weiss-blau Rundfunkprogrammanbieter GmbH	Unterföhring	indirect	100.00	EUR	1,027,000.0	0.0	1)
TVRL GmbH	Cologne	indirect	100.00	EUR	-1,553.8	170.8	
Valmano GmbH	Berlin	indirect	51.00	EUR	1,942,649.7	-736,921.3	
Verivox Finanzvergleich GmbH	Heidelberg	indirect	100.00	EUR	N/A	N/A	2)
Verivox GmbH	Heidelberg	indirect	100.00	EUR	N/A	N/A	2)
Verivox Holding GmbH	Unterföhring	indirect	80.00	EUR	N/A	N/A	2)

List of holdings according to § 285 No.11 HGB of ProSiebenSat.1 Media SE as of December 31, 2015

Name of company	Location	Relation-ship	Holding**	Currency***	Equity*	Annual result*	Foot-note
Verivox Versicherungsvergleich GmbH	Heidelberg	indirect	100.00	EUR	N/A	N/A	2)
Virtual Minds AG	Freiburg im Breisgau	indirect	51.38	EUR	7,555,933.6	1,770,371.6	
VX Sales Solutions GmbH	Heidelberg	indirect	100.00	EUR	N/A	N/A	2)
wer-weiss-was GmbH	Unterföhring	indirect	100.00	EUR	6,565,869.7	0.0	1)
wetter.com GmbH	Konstanz	indirect	100.00	EUR	5,995,356.6	4,497,511.5	
yieldlab AG	Hamburg	indirect	100.00	EUR	569,122.9	246,446.2	
Associated companies							
Batch Media GmbH	Berlin	indirect	45.00	EUR	37,306.3	429,402.1	
Covus Ventures GmbH	Munich	indirect	44.12	EUR	N/A	N/A	2)
eFashion Boulevard GmbH	Georgsmarienhütte	indirect	30.00	EUR	-2,118,943.0	-299,923.4	
mov.ad GmbH	Munich	indirect	25.20	EUR	243,614.3	-166,703.1	
mytic myticket AG	Berlin	indirect	20.00	EUR	N/A	N/A	2)
Stylight GmbH	Munich	indirect	22.08	EUR	N/A	N/A	2)
Tejado GmbH	Oldenburg	indirect	20.69	EUR	N/A	N/A	2)
The ADEX GmbH	Berlin	indirect	25.20	EUR	117,064.0	-944,725.8	
VG Media Gesellschaft zur Verwertung der Urheber- und Leistungsschutzrechte von Medienunternehmen mbH	Berlin	indirect	29.54	EUR	419,826.3	0.0	
Vitafy GmbH	Munich	indirect	29.05	EUR	-29,097.5	-1,068,818.5	
Deutscher Fernsehpreis GmbH	Cologne	indirect	25.00	EUR	307,901.6	-5,766.0	
Armenia							
Markt guru LLC	Jerevan	indirect	100.00	AMD	55,962,000.0	39,195,000.0	
Belgium							
Satelliet Sushi BVBA	Mechelen	indirect	100.00	EUR	N/A	N/A	2)
Sultan Sushi BVBA, in vereffening	Mechelen	indirect	100.00	EUR	N/A	N/A	2)
Denmark							
Snowman Productions ApS	Copenhagen	indirect	100.00	DKK	1,670,879.0	-48,707.0	
Hong Kong							
Red Arrow International Ltd.	Hong Kong	indirect	100.00	HKD	N/A	N/A	2)
Israel							
July August Communications and Productions Ltd.	Tel Aviv	indirect	76.00	ILS	2,046,000.0	1,398,000.0	
Metacafe Ltd.	Tel Aviv	indirect	100.00	ILS	N/A	N/A	2)
ProSiebenSat.1 Israel Ltd.	Tel Aviv	indirect	100.00	ILS	N/A	N/A	2)
The Band's Visit LP	Tel Aviv	indirect	55.00	ILS	N/A	N/A	2)
Associated company							
Seven Days LP	Tel Aviv	indirect	50.00	ILS	N/A	N/A	2)
Jersey							
Scandinavian Broadcasting System (Jersey) Ltd.	Jersey	indirect^	100.0	GBP	362,668.0	N/A	



List of holdings according to § 285 No.11 HGB of ProSiebenSat.1 Media SE as of December 31, 2015

Name of company	Location	Relation-ship	Holding**	Currency***	Equity*	Annual result*	Foot-note
Luxembourg							
P7S1 Broadcasting S.à r.l.	Luxembourg	indirect	100.0	EUR	66,625,713.0	386,969,054.0	
Netherlands							
P7S1 Broadcasting Europe B.V.	Amsterdam	indirect	100.00	EUR	53,413,000.0	9,527,000.0	
P7S1 Broadcasting Holding I B.V.	Amsterdam	indirect	100.00	EUR	4,080,000.0	78,452,000.0	
P7S1 Nederland B.V.	Amsterdam	indirect	100.00	EUR	429,000.0	-117,000.0	
SuperSaver Travel B.V.	Amsterdam	indirect	100.00	EUR	N/A	N/A	2)
Norway							
Marco Polo Travel AS	Oslo	indirect	100.00	NOK	N/A	N/A	2)
Snowman Productions AS	Oslo	indirect	100.00	NOK	747,552.0	-4,333,555.0	
Finland							
OY SRG Finland Ab	Helsinki	indirecte	100.0	EUR	N/A	N/A	2)
Austria							
Austria 9 TV GmbH	Vienna	indirect	100.00	EUR	11,250.0	500.0	
AUSTRIA 9 TV GmbH & Co. KG	Vienna	indirect	100.00	EUR	-4,380,202.7	0.0	1)
ProSieben Austria GmbH	Vienna	indirect	100.00	EUR	37,992.8	2,309.6	
ProSiebenSat.1 Puls 4 GmbH	Vienna	indirect	100.00	EUR	22,177,035.4	16,752,252.6	
Puls 4 TV GmbH	Vienna	indirect	100.00	EUR	33,970.8	938.0	
PULS 4 TV GmbH & Co. KG	Vienna	indirect	100.00	EUR	2,600,109.6	0.0	1)
SAT.1 Privatrundfunk und -programmgesellschaft m.b.H	Vienna	indirect	51.00	EUR	7,172,249.4	6,894,398.3	
SevenVentures Austria GmbH	Vienna	indirect	100.00	EUR	1,373,084.9	856,088.6	
Visivo Consulting GmbH	Vienna	indirect	51.05	EUR	35,025.0	-16,914.7	
Romania							
MyVideo Broadband S.R.L.	Bucarest	indirect	100.00	RON	N/A	N/A	2)
Sweden							
100 Code AB	Stockholm	indirect	100.00	SEK	35,704.0	-14,296.0	
7Travel Flights HoldCo AB	Stockholm	indirect	98.76	SEK	N/A	N/A	2)
eTRAVELi Holding AB	Stockholm	indirect	100.00	SEK	N/A	N/A	2)
eTRAVELi (publ) AB	Stockholm	indirect	100.00	SEK	N/A	N/A	2)
European Travel Interactive Group Holding AB	Stockholm	indirect	100.00	SEK	N/A	N/A	2)
Hard Hat AB i likvidation	Stockholm	indirect	100.00	SEK	73,520.0	-4,777,805.0	
Scanworld Travel Partner AB	Uppsala	indirect	100.00	SEK	N/A	N/A	2)
Seat24 Travel AB	Uppsala	indirect	100.00	EUR	N/A	N/A	2)
Snowman Productions AB	Stockholm	indirect	100.00	SEK	12,606,800.0	-1,489,501.0	
Svenska Resegruppen AB	Uppsala	indirect	100.00	SEK	N/A	N/A	2)
Svenska Resenätverket AB	Stockholm	indirect	100.00	SEK	N/A	N/A	2)
Ueberflieger AB	Uppsala	indirect	100.00	SEK	N/A	N/A	2)



List of holdings according to § 285 No.11 HGB of ProSiebenSat.1 Media SE as of December 31, 2015

Name of company	Location	Relation-ship	Holding**	Currency***	Equity*	Annual result*	Foot-note
Switzerland							
ADITION Schweiz GmbH	Locarno	indirect	100.00	CHF	104,637.7	138,317.2	
mydays (Schweiz) AG	Küsnacht ZH	indirect	100.00	CHF	N/A	N/A	2)
ProSieben Puls 8 TV AG	Zurich	indirect	100.00	CHF	317,813.9	132,949.1	
Sat.1 (Schweiz) AG	Küsnacht ZH	indirect	60.00	CHF	7,467,026.3	6,234,620.6	
SevenOne Media (Schweiz) AG	Küsnacht ZH	indirect	100.00	CHF	19,101,586.4	18,442,228.2	
SevenVentures (Schweiz) AG	Baar	indirect	100.00	CHF	235,090.5	30,813.8	
Verivox Schweiz AG	Lucerne	indirect	100.00	CHF	N/A	N/A	2)
Associated companies							
fineartmultiple AG	Lucerne	indirect	32.50	CHF	N/A	N/A	2)
Goldbach Media (Switzerland) AG	Küsnacht ZH	indirect	22.96	CHF	23,866,592.1	23,236,131.9	
swiss radioworld AG	Zurich	indirect	22.96	CHF	3,024,702.8	2,398,079.6	
United Kingdom							
ADITION UK Ltd.	Cullompton	indirect	74.00	GBP	N/A	N/A	2)
CPL Productions Ltd.	London	indirect	100.00	GBP	70,298.0	25,157.0	
Endor (Esio Trot) Ltd.	London	indirect	100.00	GBP	215,062.0	215,061.0	
Endor (HBJ) Limited	London	indirect	100.00	GBP	1.0	0.0	
Endor (T&T) Ltd.	London	indirect	100.00	GBP	1.0	0.0	
Endor (Will) Ltd.	London	indirect	100.00	GBP	N/A	N/A	2)
Endor Productions Ltd.	London	indirect	51.00	GBP	-509,861.0	-191,110.0	
European Radio Investments Ltd.	London	indirect	100.00	EUR	11,367.0	4,652,052.0	
LHB Ltd.	London	indirect	68.25	GBP	-66,348.0	23,995.0	
New Entertainment Research and Design Ltd.	London	indirect	100.00	GBP	-1,435,654.0	-791,897.0	
P7S1 Broadcasting (UK) Ltd.	London	indirect	100.00	EUR	4,827,923.0	-28,305,739.0	
ProSiebenSat.1 Digital Content GP Limited	London	indirect	75.00	GBP	N/A	N/A	2)
ProSiebenSat.1 Digital Content LP	London	indirect	75.00	GBP	N/A	N/A	2)
Red Arrow Entertainment Ltd.	London	indirect	100.00	GBP	-385,570.0	-1,659,964.0	
Red Arrow International-UK Limited	London	indirect	100.00	GBP	N/A	N/A	2)
Romanian Broadcasting Corporation Ltd.	London	indirect	100.00	EUR	-90,286.0	15,730,620.0	
Studio 71 UK Limited	London	indirect	100.00	GBP	N/A	N/A	2)
Associated companies							
Nit TV Limited	London	indirect	50.01	GBP	N/A	N/A	2)
United Artists Media Group RA UK Limited	London	indirect	50.00	GBP	-20,902.0	-20,904.0	
United States of America							
8383 Productions, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
95 Ends LLC	New York	indirect	100.00	USD	N/A	N/A	2)
Aeria Games Inc	Wilmington	indirect	100.00	USD	N/A	N/A	2)
By Dint Productions LLC	New York	indirect	100.00	USD	N/A	N/A	2)
Collective Digital Studio (Canada), Inc.	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Collective Digital Studio GP, LLC	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Collective Digital Studio, LP	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Crow Magnon, LLC	Wilmington	indirect	60.00	USD	N/A	N/A	2)
Delirium TV LLC	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Digital Air, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Digital Atoms, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)



List of holdings according to § 285 No.11 HGB of ProSiebenSat.1 Media SE as of December 31, 2015

Name of company	Location	Relation-ship	Holding**	Currency***	Equity*	Annual result*	Foot-note
Digital Bytes, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Digital Cacophony, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Digital Demand LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
Digital Diffusion, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Digital Echo, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Digital Fire, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Fabrik Entertainment, LLC	Wilmington	indirect	51.00	USD	9,504.0	970,137.0	
Fred Channel, LLC	Beverly Hills	indirect	70.00	USD	N/A	N/A	2)
Fortitude Production Services, LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
Fourteenth Hour Productions, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
GTG Production Services, LLC	Los Angeles	indirect	100.00	USD	N/A	N/A	2)
Half Yard Productions LLC	Wilmington	indirect	65.00	USD	N/A	N/A	2)
HB Television Development LLC	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Hold Fast Productions LLC	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Karga Seven Pictures, LLC	Los Angeles	indirect	100.00	USD	N/A	N/A	2)
Kenilworth Productions, Inc.	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Kinetic Content LLC	Dover	indirect	51.00	USD	-92,167.0	1,089,624.0	
Kinetic Content Publishing LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
Kinetic Operations LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
Kinpro LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
KinPro Music Publishing LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
Left/Right Holdings, LLC	Dover	indirect	60.00	USD	29,611,549.0	4,304,480.0	
Left/Right, LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
Moving TV LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
NAR Pictures, LLC	Los Angeles	indirect	100.00	USD	N/A	N/A	2)
Nerd TV LLC	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Node Productions, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Pacific View TV, LLC	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Pave Network, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Prank Film, LLC	Beverly Hills	indirect	100.00	USD	N/A	N/A	2)
Production Connection LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
ProSiebenSat.1 Digital & Adjacent Inc.	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Red Arrow International, Inc.	Wilmington	indirect	100.00	USD	-1,171,464.0	3,772,202.0	
Ripple Entertainment, LLC	Wilmington	indirect	100.00	USD	N/A	N/A	2)
Three Tables Music LLC	Dover	indirect	100.00	USD	N/A	N/A	2)
WDSP LLC	New York	indirect	100.00	USD	N/A	N/A	2)
Associated companies							
ZeniMax Media Inc.	Wilmington	indirect	6.83	USD	621,977,324.0	-81,245,663.0	
Bloody Disgusting, LLC	Beverly Hills	indirect	49.00	USD	N/A	N/A	2)

1) Result after profit and loss transfer

2) No information available, company was founded, merged or in liquidation in 2015

* Unless otherwise stated, the equity and annual result figures correspond to the most recent available verified financial statements (financial year January 1, 2014 to December 31, 2014).

** The holding percentage displays the participation of the direct shareholder(s).

***The following exchange rates were applicable for equity and the annual result:

1 Euro corresponds to	Spot rate 12/31/2014	Average rate 2014	1 Euro corresponds to	Spot rate 12/31/2014	Average rate 2014
AMD	577.26	551.12	ILS	4.72	4.75
CHF	1.20	1.21	NOK	9.04	8.36
DKK	7.45	7.45	RON	4.48	4.44
GBP	0.78	0.81	SEK	9.40	9.10
HKD	9.43	10.31	USD	1.22	1.33



Unterföhring, February 22, 2016

Thomas Ebeling
Chief Executive Officer

Dr. Gunnar Wiedenfels
Chief Financial Officer

Conrad Albert
Member of the Executive Board - Legal, Distribution & Regulatory Affairs

Dr. Christian Wegner
Member of the Executive Board - Digital & Adjacent

Dr. Ralf Schremper
Member of the Executive Board - Strategy & Investments

Responsibility Statement

To the best of our knowledge we certify that, in accordance with the applicable reporting principles, the financial statements give a true and fair view of profit or loss, the financial position and the assets and liabilities of the Company, and the management report for the Company, which has been combined with the Group management report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Unterföhring February 22, 2016



Thomas Ebeling (CEO)



Dr. Gunnar Wiedenfels (CFO)



Conrad Albert Member of the Executive Board (Legal, Distribution & Regulatory Affairs)



Dr. Christian Wegner Member of the Executive Board (Digital & Adjacent)



Dr. Ralf Schremper Member of the Executive Board (Strategy & Investments)

Auditor's Report

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and its report on the position of the Company and the group prepared by the ProSiebenSat.1 Media SE, Unterföhring, for the business year from 1 January to 31 December 2015. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

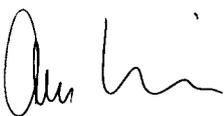
We conducted our audit of the annual financial statements in accordance with § 317 HGB [„Handelsgesetzbuch“: „German Commercial Code“] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development.

Munich, 24 February 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft



Sailer
Wirtschaftsprüfer
[German Public Auditor]



Schmidt
Wirtschaftsprüfer
[German Public Auditor]



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The ProSiebenSat.1 Group on the Internet

This and other publications are available on the Internet, along with information about the ProSiebenSat.1 Group, at www.ProSiebenSat1.com

Forward-looking statements

This report contains forward-looking statements regarding ProSiebenSat.1 Media SE and the ProSiebenSat.1 Group. Such statements may be identified by the use of such terms as “expects,” “intends,” “plans,” “assumes,” “pursues the goal,” and similar wording. Various factors, many of which are outside the control of ProSiebenSat.1 Media SE, could affect the Company’s business activities, success, business strategy and results. Forward-looking statements are not historical facts, and therefore incorporate known and unknown risks, uncertainties and other important factors that might cause actual results to differ from expectations. These forward-looking statements are based on current plans, goals, estimates and projections, and take account of knowledge only up to and including the date of preparation of this report. Given these risks, uncertainties and other important factors, ProSiebenSat.1 Media SE undertakes no obligation, and has no intent, to revise such forward-looking statements or update them to reflect future events and developments. Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations reflected here are reasonable, ProSiebenSat.1 Media SE assumes no liability and offers no warranty as to the completeness, correctness, adequacy and/or accuracy of any information or opinions contained herein.
