

CONVENIENCE TRANSLATION. FOR READING PURPOSES ONLY!

Joint Report of the Executive Board of ProSiebenSat.1 Media AG, Unterföhring, and the managing directors of ProSiebenSat.1 Digital & Adjacent GmbH (formerly: ProSieben Digital Media GmbH), Unterföhring, pursuant to sections 295, 293a of the German Stock Corporation Act (*Aktiengesetz*) regarding the Amendment Agreement dated March 31, 2014 to the Profit and Loss Transfer Agreement dated April 15, 2008

Pursuant to sections 295, 293a of the German Stock Corporation Act, the Executive Board of ProSiebenSat.1 Media AG and the managing directors of ProSiebenSat.1 Digital & Adjacent GmbH submit the following joint report:

1. Conclusion and Effective Date of the Amendment Agreement

ProSiebenSat.1 Media AG, Unterföhring, (the „**Controlling Entity**“ – *Organträger*) and ProSiebenSat.1 Digital & Adjacent GmbH, Unterföhring, (the „**Controlled Company**“– *Organgesellschaft*) concluded an amendment agreement on March 31, 2014 (the „**Amendment Agreement**“) to the Profit and Loss Transfer Agreement (*Gewinnabführungsvertrag*) existing between them dated April 15, 2008. This Amendment Agreement is subject to approval of the shareholders' meeting of the Controlling Entity and the shareholders' meeting of the Controlled Company. The Amendment Agreement will only be effective upon registration with the commercial register (*Handelsregister*) of the Controlled Company.

The Amendment Agreement will be presented for approval to the ordinary shareholders' meeting of the Controlling Entity on June 26, 2014. The shareholders' meeting of the Controlled Company already approved the Amendment Agreement on April 22, 2014 by notarized shareholder resolution.

2. Contracting Parties

2.1 ProSiebenSat.1 Media AG

The Controlling Entity is a stock corporation with its seat in Unterföhring, District of Munich, registered with the commercial register of the local court (*Amtsgericht*) of Munich under HRB 124169. The share capital of the Controlling Entity amounts to EUR 218,797,200.00 and is divided into 218,797,200 registered common shares. The common shares are admitted for trading in the sub-segment of the Regulated Market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

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with further post-admission obligations (*Prime Standard*) and at the Luxembourg Stock Exchange (*Bourse de Luxembourg*).

Pursuant to the Articles of Incorporation of the Controlling Entity, its corporate purpose is, in particular, to organize and broadcast television programs and to procure, manufacture and sell film and television productions and to purchase and grant rights of all kinds as well as merchandising and multimedia business.

The group of companies comprising the Controlling Entity and its subsidiaries and affiliated companies is managed by the Controlling Entity as group managing holding company. The core business of the group constitutes the advertisement-financed free TV. Furthermore, a diverse digital and ventures portfolio forms part of the group as well as an international production network. As parent company of the group of companies, the Controlling Entity centrally manages trans-sectoral key functions, such as distribution, license purchasing, accounting, controlling, corporate planning, human resources, finance, investor relations, legal affairs and corporate communications.

2.2 ProSiebenSat.1 Digital & Adjacent GmbH

ProSiebenSat.1 Digital & Adjacent GmbH is a limited liability company having its seat in Unterföhring, District of Munich, registered with the commercial register of the local court of Munich under HRB 109376. The registered share capital of the Controlled Company is EUR 52,000.00. The Controlling Entity is the sole shareholder of the Controlled Company. The name of the Controlled Company was changed from “ProSieben Digital Media GmbH” to “ProSiebenSat.1 Digital & Adjacent GmbH” by shareholders’ resolution dated December 6, 2013, registered with the commercial register of the company on December 27, 2013.

Pursuant to the Articles of Incorporation of the Controlled Company, its corporate purpose includes, but is not limited to, developing, marketing, and organizing any and all kinds of media and media services. ProSiebenSat.1 Digital & Adjacent GmbH is, *inter alia*, the sole shareholder of each of the following: (i) ProSiebenSat.1 Digital GmbH, a limited liability company having its seat in Unterföhring, District of Munich, registered with the commercial register of the local court of Munich under HRB 130417; (ii) EPIC Companies GmbH, a limited liability company having its seat in Berlin, registered with the commercial register of the local court of Charlottenburg under HRB 148526; (iii) SevenVentures GmbH, a limited liability company having its seat in Unterföhring, District of Munich, registered with the commercial register of the local court of Munich under HRB 177742; and (iv) ProSieben Travel GmbH, a limited liability company having its seat

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in Unterföhring, District of Munich, registered with the commercial register of the local court of Munich under HRB 208590. Collectively, the companies described above hold a material portion of the investments of the group in the digital and adjacent segment.

In the fiscal years 2011, 2012, and 2013, the Controlled Company generated (in Euro) the following annual surpluses or deficits before profit transfers and/or loss adjustments, as the case may be, in accordance with the rules and regulations of the German Commercial Code (*Handelsgesetzbuch*):

| | |
|-------------------|---------------|
| fiscal year 2011: | 12,312,497.08 |
| fiscal year 2012: | 27,009,930.56 |
| fiscal year 2013: | 27,914,853.46 |

3. Legal and Economic Considerations for the Conclusion of the Amendment Agreement

The Controlling Entity and the Controlled Company concluded a profit and loss transfer agreement (*Gewinnabführungsvertrag*) on April 15, 2008, which, after approval of the shareholders' meeting of the Controlling Entity and of the shareholders' meeting of the Controlled Company, became effective upon its registration with the commercial register of the Controlled Company on July 31, 2008 (the „**PLTA**“).

The existing PLTA serves, in particular, the creation and the maintenance of a fiscal unity for income tax purposes (*ertragsteuerliche Organschaft*) pursuant to sections 14, 17 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*). A fiscal unity for income tax purposes allows for the allocation of profits and losses of the Controlled Company to the Controlling Entity for purposes of corporate income tax (*Körperschaftsteuer*) and trade tax (*Gewerbsteuer*) and, thereby, consolidating them with the results of other group companies which are also part of the fiscal unity for income tax purposes at the group level. To this end, the PLTA must comply with the requirements of section 17 of the German Corporate Income Tax Act.

Section 2 of the PLTA stipulates the following regarding the loss assumption (*Verlustübernahme*):

„The Controlling Entity is obliged to make up any loss for the year otherwise accrued during the term of the agreement to the extent it is not made up by withdrawing amounts from the other revenue reserves

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which have been deposited during the term of the agreement. Section 302 AktG applies accordingly."

The German Act on the Amendment and Simplification of the Taxation of Enterprises and the Tax Treatment of Travel-Expenses Law (*Gesetz zur Änderung und Vereinfachung der Unternehmensbesteuerung und des steuerlichen Reisekostenrechts*) dated February 20, 2013, amended the wording of section 17 sentence 2 no. 2 of the German Corporate Income Tax Act. In order to provide for the recognition of a fiscal unity for income tax purposes with companies in the legal form of a limited liability company under German law (*GmbH*), with respect to new profit and loss transfer agreements concluded after February 26, 2013 or amendments of existing profit and loss transfer agreements made after February 26, 2013, it is necessary that the contractual loss assumption is agreed by way of a reference to the statutory provision of section 302 of the German Stock Corporation Act "in its respective currently effective version" (*„in seiner jeweils gültigen Fassung“*) (so called "dynamic reference" – *dynamischer Verweis*).

In its current version, the PLTA does not contain such a dynamic reference which refers to the "respective currently effective version" of section 302 of the German Stock Corporation Act.

Against this background, the PLTA, by way of the Amendment Agreement and while maintaining the existing fiscal unity between the Controlling Entity and the Controlled Company, shall be adapted to the new statutory requirements in such a way as to now (exclusively) govern the loss assumption by way of the legally required dynamic reference to section 302 of the German Stock Corporation Act.

4. Explanation of the Provisions of the Amendment Agreement

Pursuant to section 1 of the Amendment Agreement, the provisions regarding the loss assumption in section 2 of the PLTA is amended in such a way as to now refer to the provisions of section 302 of the German Stock Corporation Act "in its respective currently effective version". Therefore, section 2 of the PLTA shall be revised as follows:

"With regard to the loss assumption, the provisions of section 302 of the German Stock Corporation Act apply accordingly in its respective currently effective version."

This amendment maintains the tax advantages of the fiscal unity for income tax purposes connected to the PLTA. A corresponding amendment in the context of future (other) amendments of the PLTA will not be required.

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Pursuant to section 2 of the Amendment Agreement, the remaining parts of the PLTA remain unmodified. Therefore, the Amendment Agreement is limited to the formal adaptation of the provisions regarding the loss assumption and essentially leaves all other rights and obligations of the PLTA unchanged. With regard to sections 291 para. 1 and 2, 294 para. 2 in connection with section 295 para 1 sentence 2 of the German Stock Corporation Act, which apply accordingly to controlled companies in the legal form of limited liability companies (*GmbH*), section 3 of the Amendment Agreement provides that the Amendment Agreement is concluded subject to approval of the shareholders' meeting of the Controlling Entity and the shareholders' meeting of the Controlled Company and becomes effective only after registration with the commercial register of the Controlled Company.

5. No Audit, no Annual Compensation and no Cash Consideration

An audit of the Amendment Agreement as well as of the amended Profit and Loss Transfer Agreement by one or several expert auditors according to sections 295, 293b of the German Stock Corporation Act has not been conducted and will not be conducted as the Controlling Entity is the sole shareholder of the Controlled Company.

In the absence of outside shareholders of the Controlled Company, the PLTA as well as the Amendment Agreement do not provide for stipulations on an annual compensation according to section 304 of the German Stock Corporation Act and on a cash consideration according to section 305 of the German Stock Corporation Act.

6. Display of Documents

Starting at the time of convocation of the shareholders' meeting, pursuant to sections 295, 293f of the German Stock Corporation Act, further documents will be displayed for inspection and will be available on the website of ProSiebenSat.1 Media AG. The documents will also be displayed for inspection in the shareholders' meeting of the Controlling Entity itself.

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Unterföhring, this May 12, 2014

ProSiebenSat.1 Media AG

by:

(signed)

Thomas Ebeling
Chairman of the Executive Board

(signed)

Axel Salzmann
Member of the Executive Board

(signed)

Conrad Albert
Member of the Executive Board

(signed)

Heidi Stopper
Member of the Executive Board

(signed)

Dr. Christian Wegner
Member of the Executive Board

ProSiebenSat.1 Digital & Adjacent GmbH

by:

(signed)

Dr. Christian Wegner
Managing Director

(signed)

Dr. Markus Frerker
Managing Director

(signed)

Sylvia Neubauer
Managing Director

(signed)

Dr. Ralf Schremper
Managing Director