ProSiebenSat.1 Media AG
The power of television

**Explanations regarding agenda item 11**

**Conrad Albert**

**Member of the Executive Board, Chief Legal, Distribution & Regulatory Affairs Officer, ProSiebenSat.1 Media AG**

**at the Annual General Meeting for the 2013 financial year**

Munich, June 26, 2014

– convenience translation –

Ladies and gentlemen,

Now I have the opportunity to give you, in due brevity, a few legal explanations regarding today's agenda.

In Agenda Item 11, we ask you for your approval of the amendment of a total of 21 affiliation agreements that ProSiebenSat.1 Media AG has concluded with Group companies. The Executive Board and the management of the respective Group companies have provided a written report on each of these change agreements. However, we are obliged to give you an additional oral explanation:

All changes to the affiliation agreements are motivated by a change in the law in 2013. Among other things, the "Act to Amend and Simplify Company Taxation and Travel Expenses Law for Tax Purposes" redrafted Section 17 of the German Corporation Tax Act, which is relevant to affiliation agreements. In future, it will be necessary for the loss absorption governed by these agreements to occur with explicit reference to the provisions of the German Stock Corporation Act, Section 302, and for this reference to explicitly relate to this provision "in its current version".

There are three different types of affiliation agreement to be amended:

- Most of the affected agreements are **control and profit transfer agreements**.

- At certain Group companies, however, separate **profit transfer agreements** have also been concluded in the past, which had to be amended in the same way on the basis of the change in the law.

- Where **controlling agreements** are in place with individual Group companies, the contractual provisions were likewise amended. This is intended to prevent the loss absorption provisions in affiliation agreements from varying within our Group.

The 21 change agreements are therefore nothing more than formal amendments to the regulation on loss absorption and leave all other rights and obligations in the affiliation agreements essentially unaffected. The amendments thus serve to continue reaping the benefits of a fiscal entity for income tax purposes. To our Group's advantage, this means that Group companies' profits and losses can be apportioned for the purposes of corporate and trade tax and thus consolidated with the tax results of other Group companies.

The change agreements made are still subject to approval by the Annual General Meeting today and will only take effect when the Annual General Meeting gives its approval and they are entered into the respective Group companies' commercial registers.

For further details, especially the descriptions and key financial data of the affected Group companies please refer to the written reports that have been laid out here in the hall today.

Thank you for your attention.