



Speech by Thomas Ebeling

Chairman of the Executive Board of ProSiebenSat.1 Media AG

at the Annual General Meeting for the 2013 financial year

Munich, June 26, 2014

– convenience translation –

I. [Welcome to shareholders and Supervisory Board candidates]

Dear shareholders,

Dear shareholder representatives,

On behalf of the Executive Board of ProSiebenSat.1 Media AG, I welcome you to this year's Annual General Meeting.

This welcome of course also applies to the representatives of the media and the viewers watching on their screens today.

Ladies and gentlemen,

This Annual General Meeting is a special one in the history of our company. A year ago, you approved the consolidation of the different share classes; today, you are therefore fully entitled to vote as shareholders for the first time.

At the same time, you will elect our new Supervisory Board today. Our former majority owners KKR and Permira sold their remaining shareholdings at the beginning of this year and thus withdrew from our company entirely.

I would like to thank the former Supervisory Board members for the good work we did together. They always supported ProSiebenSat.1's strategy and thus enabled us to put the company on course for growth. They also arranged the transition to a new Supervisory Board with much foresight. At this juncture, I welcome the candidates in the room who have put themselves up for election to our Supervisory Board today. They will bring a good mix of industry and digital know-how as well as US expertise to our Supervisory Board, from which we will surely benefit as a

group. Dear shareholders, I would be delighted if you would support this proposal for the election of the new Supervisory Board.

II. [2009 to present: portfolio streamlining, leverage factor, new strategy, etc.]

With 97.5% of its shares freely traded, ProSiebenSat.1 is now one of the largest independent media companies in Europe – and one of the most successful. I would like to use this day to look back with you at the year 2013. But I would also like to briefly touch on the preceding financial years and take stock of what we have achieved so far.

Five years ago, I gave my first speech at an Annual General Meeting for ProSiebenSat.1. You will remember how difficult the financial situation was for our Group at this time: In my first week of work, the share price fell below one euro. The leverage factor was very high in relation to our profitability. And in the public's perception, we were a Group hit by crisis.

Five years later, the image of ProSiebenSat.1 is completely different: We are a fit and healthy company with a successful history of growth. For many media companies in Europe, we are an example of how to transform from a traditional TV group into a digital player. And for the future, investors and analysts believe we are capable of much more. How did we achieve this?

In the first years, it was mostly about solving urgent problems. At the same time, we developed a strong growth strategy for ProSiebenSat.1. This is now paying off for us as a company and for you as our shareholders.

Allow me to mention the most important measures that have led to the success we are enjoying today:

- We consistently cut our costs and significantly optimized the marketing strategy on the basis of a new sales model.
- Firstly, we successively withdrew from our TV and radio businesses in the Netherlands and Belgium. This measure has already allowed us to improve our leverage factor considerably.
- In the last two years, this was followed by the sale of the TV and radio stations in Scandinavia and Eastern Europe, because it became apparent that the greatest synergy and growth potential was offered by the linking of the German-speaking TV business with the digital business. We likewise used these sale revenues to reduce our level of debt.

But we did not restrict ourselves to restructuring measures; we also established new business areas at the same time:

- In the core business of TV, we succeeded in launching successful growth initiatives with additional free TV stations and new distribution revenues, especially in HD and basic pay TV.
- We established a broadly diversified digital entertainment business, which reflects all forms of modern and digital media use. As a media group, we are thus excellently equipped for the challenges of the future.
- With intelligent and innovative business models like media-for-revenue and media-for-equity, we laid the foundation for our extremely successful ventures business today. In a time when we did not have the financial flexibility for broad-based cash investments, we nonetheless used these two

models to establish an attractive e-commerce portfolio, which is now our strongest growth driver and offers excellent prospects.

- And we strengthened our business with a third pillar, meaning another source of income. Over the past four years, we have built up the Red Arrow Entertainment Group, an international group that develops, produces and successfully sells TV series and formats around the world.

With this broad alignment, we achieved the turnaround and put ProSiebenSat.1 back on the right track. Allow me to give you three figures that typify this development very well:

- We successively improved the leverage factor, i.e. the ratio of net financial debt to recurring EBITDA of the last twelve months, and lowered it from 5.1 at the end of 2008 to 1.8 at the end of 2013. This puts our leverage factor today clearly at the lower end of our target range of 1.5 to 2.5.
- In March 2009, our share price was around 90 cents. We closed the 2013 financial year at EUR 36. We have thus multiplied the value of our company by forty.
- In 2009, we paid out two cents for a preference share; today, we are proposing EUR 1.47 per share to you. This corresponds to a payout ratio of 82.5%.

Ladies and gentlemen,

These figures speak for themselves. I am convinced that we have laid the foundation for long-term growth with these measures. TV remains at the heart of our strategy. We reach around 42 million TV households with our television stations in Germany, Austria, and Switzerland. This reach is our capital: We use it

to advance purposefully into new markets such as the e-commerce business by advertising new services on our own TV channels. We are systematically connecting all business areas and so promoting mutual growth. We have transformed ProSiebenSat.1 from a mere TV group into a broadcasting, digital entertainment and commerce powerhouse and will continue to consistently align everything we do with this strategy in future. With three strong segments – Broadcasting German-speaking, Digital & Adjacent and Content Production & Global Sales that are all growing profitably – we are in an excellent position.

III. [Awards, social commitment, thanks to employees]

Ladies and gentlemen,

We are delighted that our work in the previous years has consistently been awarded prizes: For our programming, for the quality of our annual reports and our investor relations work or for our attractiveness as an employer. ProSiebenSat.1 always takes a top position here, which we are particularly proud of.

This success entails obligations. It obliges us in particular to take social responsibility. This year, I would like to show you how we do that with a short film. Because in addition to our very good financial performance, I am proud of the conviction with which our company also fulfils its duty to society. See for yourself.

[Trailer “Public Value” presented by host Marc Bator]

Before I will talk about our business performance in 2013, I would like to thank our employees for their great performance. Their unique dedication has enabled ProSiebenSat.1 to become a success story today. A heartfelt thank you for your

efforts! My fellow Executive Board members and I know very well that the success of our Group would not be possible without the energy and passion of our employees. This is also reflected in the success record for you, our shareholders: In the past five years, we have generated a stock yield – i.e. the total of value increase and dividends paid – of around EUR 8.5 billion. This accounts to EUR 40 per share.

IV. [2013 financial year, Q1 2014]

But back to day-to-day business. 2013 was again a very successful year for ProSiebenSat.1. We again achieved highs in revenues and the operating result, the recurring EBITDA:

- Consolidated revenues increased by 10.6% year on year to EUR 2.605 billion on the basis of continuing operations. All three segments contributed to the double-digit growth, which was again most strongly driven by the Digital & Adjacent segment with a growth rate of 44.5%. Here, the digital commerce business in particular performed very dynamically with a triple-digit rise in revenues.
- Overall last year, the ProSiebenSat.1 Group already generated nearly a third of its revenues outside of the traditional TV advertising business. This shows that our diversification strategy is right and paying off.
- Our good revenue performance also resulted in improved earnings: Recurring EBITDA on the basis of continuing operations grew by 6.1% to EUR 790.3 million in 2013. And with an operating margin of 30.3%, ProSiebenSat.1 remains one of the most profitable independent media companies in Europe.

[Q1 2014]

At the start of 2014, we continued our profitable growth:

- All three segments continued to grow in the first quarter and thus increased consolidated revenues by 3.3% to EUR 581.1 million. With an increase of 9.5%, recurring EBITDA was well above the previous year's figure.
- In addition, we optimized our financing structure once again in April: We successfully placed a seven-year bond with a volume of EUR 600 million and concluded a new facilities agreement. This consists of an unsecured term loan of EUR 1.4 billion and a likewise unsecured revolving credit facility with a volume of EUR 600 million. Both have a term of five years. This not only underscores our very good financial development in previous years and our excellent standing in the capital market. By way of these measures, we will improve our financing costs and our cash flow before taxes over the next four years by approximately EUR 50 million in total.

Ladies and gentlemen,

You can see that our strategy is clearly focused on sustainable growth. I would now like to tell you briefly about which operating highlights formed the basis for this success in the past year.

[Operating highlights: Broadcasting German-speaking segment]

We group our TV stations in Germany, Austria and Switzerland and our distribution business with HD and basic pay TV in the Broadcasting German-speaking segment. Our investments of previous years are paying off here: In 2013, we continued to grow in our core business.

- We launched two new free TV stations, SAT.1 Gold and ProSieben MAXX, and further extended our lead in the German audience market, as we are consistently reaching new target groups with our young stations in particular. In this context, I am delighted to inform you that our colleague Wolfgang Link will additionally assume the role as chairman of the management board of ProSiebenSat.1 TV Deutschland from July 1st 2014 on. He is an outstanding TV manager who has already given much impetus to our Group.
- Thanks to our broad station portfolio, we further strengthened our leading position also in the German advertising market and gained 120 new advertising customers. It is particularly pleasing that TV has further increased its significance as an advertising medium and enlarged its gross share in the German advertising market.
- In the Distribution division, the number of our HD and basic pay TV users increased again. Our distribution revenues grew by nearly 40%. This business area is increasingly becoming a relevant source of income for us – and strengthens our independence from the advertising market.

[Operating highlights: Digital & Adjacent segment]

In the Digital & Adjacent segment, which includes the business areas Online Video and Games, Music, as well as Ventures and Commerce, we have further enhanced our lead in many growth markets and strengthened our market position with strategic acquisitions. Allow me to briefly mention the most important points:

- With a gross market share of 48%, we were also in the Internet Germany's leading seller of video content in 2013.
- maxdome is Germany's video-on-demand provider number one, MyVideo is the strong number two in the online video market and we will develop our

multi-channel network Studio71 into a leading global player in this market via our stake in the American network “Collective Digital Studio”.

- In the Games division, we acquired the company Aeria Games Europe in early 2014 and thus climbed to number three among Europe’s online games publishers.
- In Digital Commerce, we established our own travel cluster via various investments in 2013, with which we are already today generating revenues of EUR 100 million a year.
- In addition, we continued to establish ourselves as a media investor in Germany through our advertising investment models media-for-revenue and media-for-equity. At the end of 2013, we had equity investments in over 40 e-commerce companies. With these innovative investment models, we offer promising start-ups advertising spots on our stations in return for a share in the company in question and/or in revenues. We have now completed the first media-for-equity exits and successfully sold our shares in some start-ups.
- And we have sold around 3.5 million records and marketed 60% of the German top 20 albums via our music label Starwatch Entertainment.

I would also like to pick out a topic from our digital business, the so called multi-channel networks. They have become a new growth area in the online video market. In 2013, we launched a multi-channel network ourselves and this year we took a share in the American company CDS. Our film explains why this will result in interesting growth opportunities for us:

[Trailer “Studio71” presented by host Nela Pangy Lee]

[Operating highlights: Content Production & Global Sales]

Let's come to our third segment, Content Production & Global Sales. Here, we succeeded in establishing the Red Arrow Group as an eminent player in the international TV production and distribution business.

- Red Arrow is now represented in nine countries with a network of 15 production companies and has expanded its presence in English-speaking markets in particular. We are involved in nine companies in the USA and Great Britain alone. This is enormously important for our business, as not only are the highest distribution and production margins achieved there, but English-speaking product is also in the greatest demand in the international TV market.
- For this reason, we are currently focusing on expanding our English-speaking fiction portfolio – with success. For example, the US network NBC has just bought the Red Arrow drama series “Odyssey”. Another important product for us is the ten-part crime series “Bosch”, which we are producing for Amazon. This is the second production for a US digital platform after “Lilyhammer” for Netflix. Red Arrow is thus one of the few German companies that have very quickly gained a foothold in this new, international production market.

V. [Future trends – effects on ProSiebenSat.1]

The key word “digital platforms” brings me to my next point. I would like to deal in somewhat more detail with the developments in our industry and the accompanying effects on our business.

It is reality that international players, through digitalization, have created their own parallel world of offerings alongside the established media. At the same time, digitalization especially offers our TV business enormous opportunities and possibilities. But first we'll let pictures do the talking. Start the film.

[Trailer "Media Usage" presented by host Aiman Abdallah]

Ladies and gentlemen,

Aiman Abdallah just demonstrated it: Television and the internet complement each other perfectly. TV benefits from the possibilities of digitalization like no other medium. On the condition that you recognize and make use of the business opportunities and do not settle into moaning mode.

- Yes, the diversity and fragmentation of TV platforms is increasing. That is why we are founding new stations like ProSieben MAXX, SAT.1 Gold and sixx, strengthening our video-on-demand business at maxdome with new partners and expanding our Online Video business with strong content on MyVideo and Studio71.
- Yes, our audiences' viewing habits are changing. That is why we are developing new services to meet their new needs. Of course, in particular young people now often want to decide for themselves when and how they watch their favorite show. But equally, there are still a lot of viewers who lean back on the sofa in their living rooms at 8:15 pm and turn on the television. For us, this simply means that we must offer suitable solutions for different customer requirements. And we do this by consistently enhancing the mobile distribution channels for our programs: Via partnerships with mobile TV streaming providers like Zattoo and T-Entertain

– and above all via our own offering. With our new 7TV app, viewers have been able to receive the programs of our six channels on their smartphones and tablet PCs since June. And not just live, but up to seven days after broadcast. We make our content available on all screens and thus suit various viewing habits. Let me add that our large content portfolio is a clear advantage over purely online providers that have distribution channels but no or very little content of their own.

The second step is that we do not see the various new screens simply as display options. We develop separate offerings for the different screens and interlink them. We have no important TV format that we do not accompany with multi-screen activities on the Internet and social networks and supplement with appropriate cross-media advertising. Both the viewers and our advertising customers benefit from this digital expansion. And for us, it is another example of how we use digitalization to strengthen our core business with new business models.

It is digitalization in particular that is opening up new opportunities for us and our advertising customers. The intelligent combination of the individual channels – TV, online, mobile and social media – makes advertising convergent and interactive. We involve viewers directly and thus increase advertising impact considerably. In recent months, we have developed a so called “digital response portfolio” with many special advertising formats like our TVSmiles app, which enables a direct link between TV advertising and a second screen for the first time. Such campaigns are especially interesting for large companies like BMW and Opel, who already count among our customers in this area.

Today, more than nine million TV sets are already connected to the Internet; it is expected to be 16.5 million by 2016. TV is developing more and more into a

transaction medium via the second screen: We broadcast a TV spot, expand it to the Internet and the viewer can directly order a product there. This gives us access to a new area in the advertising market. And we are already going the next step: In spring, we took a stake in Shopkick, an US mobile shopping app. It is very easy: Every time a customer is entering a partner shop, he automatically collects bonus points. For retailers, their revenues and their foot traffic are thus increasing. In the US, Shopkick already has more than six million users and around 120 product and trade partners. We are about to close first partnerships in Germany – and are thus pushing our classic advertising business as well as our digital business.

[Google]

Ladies and gentlemen,

In the discussion about the future of our industry, there is currently no avoiding the debate that has flared up about the position of Google. You have surely kept track of who has spoken out and with which claims. At our Annual General Meeting two years ago, I already warned of the consequences if Google were to exploit its dominant market position in online search to privilege own offerings. I do not want to complain about this market position here. In my opinion, every company is itself responsible for whether and how it exploits the advantages of the digital world for its business. For me, it is about equal competitive conditions.

Television is one of the most strictly regulated sectors of all. However, today's situation is that different regulatory standards apply to offers that often merge on-screen. For example, Google does not have to comply with the same youth and data protection laws that we do, nor with the same license requirements or copyrights – or even with advertising time restrictions. Not to mention that Google

pays only little tax in Germany and does not contribute to the costs of the infrastructure that they are also using. This is unfair competition.

We therefore need convergent media regulation that guarantees all market participants fair competition across all media and jurisdictions.

Do not misunderstand me: I do not want a bulwark of regulation. I am arguing for as little regulation as possible, but as much as necessary. Politicians have now recognized that action is needed here and are discussing it at various levels in Germany and in Europe. Nonetheless, I want to address an appeal to everyone involved not to shelve these negotiations. Action urgently needs to be taken!

VI. [Growth targets 2015/2018, ventures internationalization]

Ladies and gentlemen,

Let us return to our operating business and our long-term growth strategy. A year ago, at this point I told you about our target of generating an additional EUR 600 million of revenue growth compared to 2010 by 2015. We have already achieved nearly 70% of this with the very good results for 2013, which I presented to you at the outset. Therefore, at the end of last year we decided to raise these financial targets considerably. Now, we want to increase our revenues by at least EUR 800 million by 2015, i.e. by EUR 200 million more than originally planned.

We are even going one step further. We have set ourselves the target of increasing our revenues from continuing operations by EUR 1 billion compared to 2012 by 2018. In particular, we see potential for additional revenues in the Digital & Adjacent segment, which is expected to contribute 25% to 30% to consolidated revenues by that point.

In order to meet this ambitious target, we must focus even more sharply on intelligently linking our business areas and offerings. We call that “connecting the dots.”

Only if we continue investing consistently in innovative digital business models and using our TV strength to position those successfully as brands, we can make use of the synergies and thus generate competitive advantages.

As our digital business plays a special role in our strategy as the biggest growth driver, I want to give you more precise insight into what we have planned for the future of the Digital Commerce business.

The next step for us is internationalization.

- We are systematically searching all over the world for promising start-ups and have therefore established scouting offices in the USA, Asia, India and Israel.
- When we identify interesting companies there, we try to participate in them via our media-for-revenue or media-for-equity model. This means: We become a partner of an international company and at the same time enable its market entry in one of the most important markets worldwide: Germany.
- In this way, we are exporting our successful investment model to the global market and will also be able to establish ourselves as a media investor internationally.
- At the same time, we are bringing new business models to Germany as we actively support international start-ups with our expertise and media power.

According to this model, we already launched two international partnerships in 2014: with the creative platform Talenhouse and the already mentioned shopping

app service Shopkick. Our strategic goal is to also use the successful media investment model internationally in order to further expand the ProSiebenSat.1 portfolio and to bring new innovative companies and business ideas to Germany.

VII. [Outlook 2014]

Dear shareholders,

To close, I would like to give you a specific outlook for the current financial year.

First things first: We will continue to grow in all three segments in 2014.

In the Broadcasting German-speaking segment, we have three primary goals for 2014, to ensure that our revenues grow above the previous year's level:

- We want to maintain our position in the audience market, if not build on it, despite the soccer World Cup broadcast by ARD and ZDF.
- We want to increase our advertising revenues in line with the expected market growth. Overall, we are seeing an increasing shift of advertising budgets in our favor, i.e. from print to TV.
- And we want to continue advancing the mobile distribution of our programs.

Overall, our goal is to increase revenues in the Broadcasting German-speaking segment by a low single-digit percentage.

In the Digital & Adjacent segment this year, we will concentrate on

- strengthening our leading position in the Digital Entertainment business, and thus our income from online video advertising,
- and promoting our digital commerce business. To do so, we are establishing additional strong clusters, such as home & living and beauty & lifestyle, in

the mold of our travel cluster and, as just explained, making use of increasing numbers of international investments.

In this way, we will continue our dynamic growth in the digital business in 2014, and we expect double-digit growth rates again on the basis of revenues.

As for the Content Production & Global Sales segment, we are accelerating the creative link between the individual subsidiaries of the Red Arrow Entertainment Group, in order to continue impressing the market with a strong portfolio of fiction and show formats, and strengthening our presence in the digital production business. At the same time, we are of course keeping our eyes peeled for additional strategic creative partners.

Here, too, we are planning to achieve double-digit revenue growth at the end of the year.

We are confident that 2014 will go down as another record year: Overall, we expect a considerable increase in consolidated revenues of a mid- to high-single-digit percentage as well as a further increase in recurring EBITDA.

VIII. [Conclusion]

Ladies and gentlemen,

Today, I have presented you how successfully we have grown in recent years and which strategic direction our company has taken: For us, digitalization is a major opportunity, and we are making systematic use of it for our business.

For television, the digital transformation has ushered in a new and positive era: Its appeal is undiminished and it can use new technologies to reach more people than

ever before. We are benefiting from this because we are extending our content and brands onto all new platforms and making television an interactive experience.

At the same time, we have entered new business areas that have emerged due to digitalization. We now have a diversified digital portfolio, which we are establishing with our customers through advertising on our TV stations. We are continuing to advance this unique business model and thus setting a course toward further sustainable growth in the future for the whole company. I am certain that this is the right direction for ProSiebenSat.1.

I am looking forward to continuing down this road with your support.

Thank you for your attention.