October 15, 2015

Growing to the next level
Capital Markets Day 2015

Thomas Ebeling
TV Operations
Key achievements since last year’s Capital Markets Day

- Increased ratings: >29%
- Expanded lead: Δ 5.0% pts
- Secured top content
- Strengthened female
- Grew small channels: Σ +1.0% pts
- Leveraged digital
Best 9 months ratings performance in the last ten years …

Audience share (A14-49)
[9M, in %]

<table>
<thead>
<tr>
<th>Year</th>
<th>Audience Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>28.3</td>
</tr>
<tr>
<td>2007</td>
<td>27.9</td>
</tr>
<tr>
<td>2008</td>
<td>27.9</td>
</tr>
<tr>
<td>2009</td>
<td>28.6</td>
</tr>
<tr>
<td>2010</td>
<td>28.6</td>
</tr>
<tr>
<td>2011</td>
<td>28.6</td>
</tr>
<tr>
<td>2012</td>
<td>27.7</td>
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<tr>
<td>2013</td>
<td>27.6</td>
</tr>
<tr>
<td>2014</td>
<td>28.4</td>
</tr>
<tr>
<td>2015</td>
<td>29.5</td>
</tr>
</tbody>
</table>

Basis: All German TV households (Germany + EU), A 14-49 years, Mon-Sun, full day 3-3h; P7S1 w/o N24 & w/o 9live, sixx since Feb. 1, 2011, SAT.1 Gold since Jan. 17, 2013, ProSieben MAXX since Sept. 3, 2013

Source: AGF in cooperation with GfK/TV Scope/P7S1 TV Deutschland
... with a strong position in the German TV market ...

**Audience share**

- ProSiebenSat.1: 29.5%
-RTL: 24.5%

**Share of advertising**

- SevenOne Media: 44.5%
- RTL: 33.3%

1) Basis: All German TV households (Germany + EU), A 14-49 years, Mon-Sun, full day 3-3h; RTL Mediengruppe w/o RTL II minority; Source: AGF in cooperation with GfK/TV Scope/P7S1 TV Deutschland

2) Gross values; Source: Nielsen/SevenOne Media, Sales Steering & Market Insights
... and growing lead over key competitor

**Audience share**

<table>
<thead>
<tr>
<th>Year</th>
<th>Audience Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>27.6</td>
</tr>
<tr>
<td>2014</td>
<td>28.4</td>
</tr>
<tr>
<td>2015</td>
<td>29.5</td>
</tr>
</tbody>
</table>

+1.9%pts

<table>
<thead>
<tr>
<th>Year</th>
<th>Audience Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>26.4</td>
</tr>
<tr>
<td>2014</td>
<td>24.6</td>
</tr>
<tr>
<td>2015</td>
<td>24.5</td>
</tr>
</tbody>
</table>

-1.9%pts

**Delta**

<table>
<thead>
<tr>
<th>Year</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.2</td>
</tr>
<tr>
<td>2014</td>
<td>3.8</td>
</tr>
<tr>
<td>2015</td>
<td>5.0</td>
</tr>
</tbody>
</table>

Δ 5.0%pts

Basis: All German TV households (Germany + EU), A 14-49 years, Mon-Sun, full day 3-3h, SAT.1 Gold since Jan. 17, 2013, ProSieben MAXX since Sept. 3, 2013; RTL Mediengruppe w/o RTL II
Source: AGF in cooperation with GfK/TV Scope/P7S1 TV Deutschland
Outstanding performance driven by top content …

**Mega Blockbuster**  
e.g. Hänsel & Gretel: Hexenjäger (Mar. 1, 2015)

9M 2015 up to 24.4%

**Event series**  
e.g. The 100 (Jul. 22, 2015)

9M 2015 up to 22.8%

**Entertainment**  
e.g. Schlag den Raab (Sep. 12, 2015)

9M 2015 up to 22.5%

**Reality**  
e.g. Promi Big Brother (Aug. 27, 2015)

9M 2015 up to 22.5%

**Factual**  
e.g. Galileo Big Pictures (May 9, 2015)

9M 2015 up to 17.7%

**German fiction**  
e.g. Einstein (Mar. 24, 2015)

9M 2015 up to 13.8%

---

Source: AGF in cooperation with GfK/TV Scope/P7S1 TV Deutschland
...and increasing female audience share

**Female 14-49 yrs**

<table>
<thead>
<tr>
<th>Year</th>
<th>% 2014</th>
<th>% 2015</th>
<th>Change 2014-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28.5</td>
<td>30.4</td>
<td>+1.9% pts</td>
</tr>
</tbody>
</table>

**Female 14-29 yrs**

<table>
<thead>
<tr>
<th>Year</th>
<th>% 2014</th>
<th>% 2015</th>
<th>Change 2014-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32.7</td>
<td>34.1</td>
<td>+1.4% pts</td>
</tr>
</tbody>
</table>
Successfully leveraging digital synergies to drive viewer loyalty

**Successful digital TV offerings**

[H1 2015 vs. H1 2014]

- **7TV app** launched in May 2014; 7TV website and complementary SmartTV application launched in May 2015

**#1 TV company in German social media**

- ~25 million fans overall
- ProSieben = #1 TV fan page in Germany
- ~3 million followers overall
- ProSieben = #1 media channel in Germany
- ~500k followers overall
- “Topmodel” = #1 TV format in Germany

+43% Unique visits
+23% Page impressions
+58% Video views

Source: IVW, Webtrack, facebook.com, twitter.com, instagram.com, P7S1 TV Deutschland
TV will remain the lead medium with attractive online offerings and differentiated content as key success factors

**Online video market**
- New platforms/technologies drive customer experience and offer additional ways of content exploitation…
- …driving reach of TV related content

**TV/video consumption**
- TV to remain the lead medium/central fire place…
- …supported by second screen & social media
- Non-TV related consumption growing, but mainly on-top
- Relatively small PayVoD share

**Linear TV market**
- Continuing channel fragmentation with potential for specialized niche concepts
- Relevant Set variations
- Top formats & lighthouses essential for larger channels

**Content supply**
- Growing content supply due to extended provider landscape…
  - US majors & indies („traditional“)
  - International (co-)productions
  - Digital (e.g. MCNs)
- …but also increasing competition for top content
### Daily TV and video consumption

**Ad target group (A 14-49)**

<table>
<thead>
<tr>
<th></th>
<th>Classic linear TV</th>
<th>Online TV related (streaming &amp; catch-up)</th>
<th>Online non-TV related (including PayVoD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015E</td>
<td>177</td>
<td>31</td>
<td>9</td>
</tr>
<tr>
<td>2020E</td>
<td>171</td>
<td>50</td>
<td>38</td>
</tr>
</tbody>
</table>

**Young segment (A 14-29)**

<table>
<thead>
<tr>
<th></th>
<th>Classic linear TV</th>
<th>Online TV related (streaming &amp; catch-up)</th>
<th>Online non-TV related (including PayVoD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015E</td>
<td>117</td>
<td>33</td>
<td>12</td>
</tr>
<tr>
<td>2020E</td>
<td>98</td>
<td>60</td>
<td>29</td>
</tr>
</tbody>
</table>

- **Online video usage is incremental to TV related consumption**
- **We have already captured the online eyeballs with our strong Digital Entertainment portfolio and are well prepared for potential changes in video consumption**

1) Basis: All German TV households (Germany + EU)  
Source: AGF in cooperation with GFK, SOM projection
TV panel upgrade to adequately reflect video consumption

<table>
<thead>
<tr>
<th>Planned TV panel adaptations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>More TV usage situations</strong></td>
</tr>
<tr>
<td>Complete coverage of 2nd, 3rd, … TV sets</td>
</tr>
<tr>
<td>Upgrade of single household measurement</td>
</tr>
<tr>
<td><strong>Panel extension</strong></td>
</tr>
<tr>
<td>Inclusion of German-speaking non-EU foreigners (e.g. Turkish population)</td>
</tr>
<tr>
<td><strong>Live streaming</strong></td>
</tr>
<tr>
<td>In web browser</td>
</tr>
<tr>
<td>In mobile &amp; Smart TV apps (e.g. 7TV, Magine, Zattoo)</td>
</tr>
</tbody>
</table>

Measured reach in young segment (A 14-29): +10%

Measured reach in key target group (A 14-49): +5%
### Importance of TV supported by 2nd screen & social media

#### Importance of TV
- **86%** of daily video consumption is TV-related (A 14-49)
- **86%** say TV will increase or maintain importance
- **94%** adjust their living room furniture towards the TV set

#### 2nd screen & social media impact
- **50%** higher daily TV consumption of “multi-screeners”
- **61%** recommend ProSieben due to social media activities
- **38%** of social media users watched an herein advertised TV format

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1) Compared to “mono-screeners” (multi Screeners use >1 screen device)
2) Base: followers of P7 social media activities

Sources: Media Activity Guide 2015 (SevenOne, Forsa); Screen Life 2014 (Screenforce); Harris Interactive SocialLife 2014
Non-TV related online offerings with low additional reach ...

### TV & YouTube reach – A 14-49

<table>
<thead>
<tr>
<th>Segment</th>
<th>Monthly Reach (m)</th>
<th>Additional Reach through YouTube</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 14-29</td>
<td>11.5</td>
<td>+2.0%</td>
</tr>
<tr>
<td>A 14-49</td>
<td>31.2</td>
<td></td>
</tr>
<tr>
<td>A 14-29  &amp; YouTube</td>
<td>12.0</td>
<td>+4.7%</td>
</tr>
<tr>
<td>A 14-49  &amp; YouTube</td>
<td>31.8</td>
<td></td>
</tr>
</tbody>
</table>

### TV & YouTube reach – A 14-29

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>A 14-29</td>
<td>11.5</td>
</tr>
<tr>
<td>A 14-29  &amp; YouTube</td>
<td>12.0</td>
</tr>
</tbody>
</table>

Source: AGF in cooperation with GfK/TV Scope; Double Play data set; SevenOne Media calculations
... and PayVoD consumption expected to remain minor

**PayVoD consumption – A 14-49**

<table>
<thead>
<tr>
<th>2015E</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>217</td>
<td>259</td>
</tr>
<tr>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>98%</td>
<td>96%</td>
</tr>
</tbody>
</table>

**PayVoD consumption – A 14-29**

<table>
<thead>
<tr>
<th>2015E</th>
<th>2020E</th>
</tr>
</thead>
<tbody>
<tr>
<td>162</td>
<td>187</td>
</tr>
<tr>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>97%</td>
<td>95%</td>
</tr>
</tbody>
</table>

[Ø daily video viewing in min]

**Source:** AGF in cooperation with GfK/SevenOne Media “Media Activity Guide 2015”, SOM projection

**Basis:** All German TV households (Germany + EU)
Online/mobile usage is driving reach of TV related content

## Content reach: P7 linear TV + online/mobile

<table>
<thead>
<tr>
<th></th>
<th>[views in m]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Linear TV</strong> 1)</td>
<td>56.9</td>
</tr>
<tr>
<td><strong>Owned &amp; operated online</strong></td>
<td></td>
</tr>
<tr>
<td>+ Online live streaming 2)</td>
<td>1.0</td>
</tr>
<tr>
<td>+ Full episode catch-up 2)</td>
<td>17.7</td>
</tr>
<tr>
<td>+ Short clips 2)</td>
<td>12.4</td>
</tr>
<tr>
<td><strong>Total reach</strong></td>
<td>88.0</td>
</tr>
</tbody>
</table>

**+55% vs. TV only**

2) Channel websites + 7TV app (live-streaming w/o 7TV app)

Source: AGF in cooperation with GfK/TV Deutschland
Broad supply secures attractive content offering

<table>
<thead>
<tr>
<th>Traditional licensors</th>
<th>TV producers</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>US majors</td>
<td>Independent</td>
<td>National</td>
</tr>
<tr>
<td>Disney</td>
<td>ENDEMOL SHINE GROUP</td>
<td>filmpool</td>
</tr>
<tr>
<td>LIONSGATE</td>
<td>JANUS</td>
<td>STUDIO71</td>
</tr>
<tr>
<td>DreamWorks Studios</td>
<td>UFA</td>
<td></td>
</tr>
<tr>
<td>Regency</td>
<td>talpa</td>
<td></td>
</tr>
<tr>
<td>The Weinstein Company</td>
<td>UFA</td>
<td></td>
</tr>
<tr>
<td>FOX</td>
<td>RED ARROW ENTERTAINMENT GROUP</td>
<td>redseven</td>
</tr>
<tr>
<td>CBS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### The German TV market remains strong

- **TV viewing expected to remain stable** in the coming years
- **High quality content** typically available on FTA TV
- **Lower Pay TV penetration**, limited willingness to pay
- **Online video consumption incremental** to TV viewing
- **Studio contracts** with **supporting rights** (incl. holdbacks)
- **Windowing and preference for German language** protect FTA TV and drive reach as well as monetization
**Key strategic initiatives for sustainable growth**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Broaden core channels and grow/launch small channels</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>Ensure future-ready program mix</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Secure top license content with attractive rights</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>Increase share of own content</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>Execute value-based production and other cost efficiency measures</td>
</tr>
<tr>
<td><strong>6</strong></td>
<td>Digitally enhance viewer experience to drive reach</td>
</tr>
</tbody>
</table>

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Protect and strengthen value proposition of channels and aggregation
Successfully broadening our channel portfolio …

**Broaden core channels**
- Increase female share: 10.9%
- Become younger: 9.4%
- Increase relevance: 5.3%

**Grow small channels**
- Focus on female: 1.4%
- Strengthen elder female: 1.4%
- Become broader: 1.1%

9M 2015 audience shares¹)

¹) Basis: All German TV households (Germany + EU), A 14-49 years, Mon-Sun, full day 3-3h
Source: AGF in cooperation with GfK/TV Scope/P7S1 TV Deutschland
... and continuing to launch new small channels

<table>
<thead>
<tr>
<th>Approach</th>
<th>Target groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative low cost, mono-thematic channels for stable target groups that are attractive for advertisers</td>
<td>Elderly/best agers</td>
</tr>
<tr>
<td></td>
<td>Families &amp; mainstream middle class</td>
</tr>
<tr>
<td></td>
<td>Females</td>
</tr>
<tr>
<td></td>
<td>Less digital Millennials</td>
</tr>
</tbody>
</table>
## Targeted program mix and strategy

### Targeted program mix 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensing (US/international)</td>
<td>~50%</td>
</tr>
<tr>
<td>Local lighthouse &amp; live formats</td>
<td>~15%</td>
</tr>
<tr>
<td>Repeatable quality entertainment &amp; reality formats</td>
<td>~15%</td>
</tr>
<tr>
<td>Content exchange/re-use</td>
<td>~10%</td>
</tr>
<tr>
<td>Local low cost innovations</td>
<td>~10%</td>
</tr>
</tbody>
</table>

### Program strategy

- Possibility for multi-channel & multi-slot usage of formats
- Broad (re-)utilization in mix with other formats
- High repeatability
- Multi-functionality to improve economics of lighthouses
- Increased share of own content

**Focus genres:** reality, factual, fiction & entertainment
Multi-functionality as a lever to improve lighthouse economics

Lighthouse efficiency increase – example “Celebrity Big Brother” on SAT.1

Complementary format on sixx

Ø 17.7% (up to 22.5%)

Online offerings

- 24/7 live feed
- Clips/catch-up
- Daily webshow & newsfeed

Content exchange & 3rd party sales

Ø 4.9% (up to 7.9%)

Basis: All German TV households (Germany + EU), A 14-49 years, Mon-Sun, full day 3-3h; only first runs
Source: AGF in cooperation with GfK/TV Scope/P7S1 TV Deutschland
Multi-year output deals secure high quality license supply

Examples

Key TV program already secured beyond 2019
Program rights management to protect our leadership position

Continuous optimization of acquisitions with…

...qualifiers to ensure top content inflow

...holdbacks & windowing terms to protect FTA with exclusivity

...additional rights (e.g. Pay TV, VoD, A-CH, sublicensing) for add. utilization & marketing

Multi-channel & strong digital platforms secure efficient windowing/monetization
Increase share of own content

**Own development & commissioning**
- Develop according to channel needs, control total rights & increase content sales potential

**International co-production**
- Increase production value and control of rights at reasonable costs

**Theatrical co-production**
- Secure feature film at early stage with more rights and top track record

Better programs with stronger control of rights

Examples

- #1 in Germany in 2014
Multiple cost efficiency measures in place

- Execute on *value based production* targets
- **Rebalance** commissioned portfolio
- Avoid *inefficient one-offs*
- **Minimize high-risk lighthouse** investments without payback
- **Increase** share of repeatable *quality entertainment & reality formats*
- Further **optimize programming**
- Maintain **healthy program stock**
- Cost efficient **big data content sourcing** through Content Cloud System
- **Push content sales** for external clients
- Use **innovative production facilities** to produce low cost TV formats
Digitally enhanced viewer experience to drive reach

2nd screen/digital entertainment

- Increase engagement through live streaming, periodic news feeds, web-only events & interactivity
- Make TV content viral & snackable (e.g. <120s teaser clips for mobile)
- Drive additional monetization
- Gain actionable customer insights

Channel websites

maxdome
MyVideo

Social media

- Leverage social talk to create „must see-appeal“ of formats
- Steer traffic/reach towards FTA and 2nd screen offerings
- Benefit from user generated content to increase „buzz“

Examples

Orchestration of platforms drives reach
Summary

TV remains strong in Germany

P7S1 continues to expand leadership in TV market

P7S1 is well positioned by combining its efficient channel/format mix with a digitally enhanced strategy

- Attractive mix of US content & cost-optimized local formats
- Efficient channel portfolio & genre mix
- Digitized broadcasting strategy
- Further cost optimization measures in place to mitigate content cost inflation
Growing to the next level
Capital Markets Day 2015

Thomas Ebeling
TV Ad Sales
Agenda

1. Key achievements
2. Continued TV market growth story
3. P7S1 leading the market
Key achievements since last year’s Capital Markets Day

1. **Net TV ad market**
   with solid growth

2. **TV increasing share**
   in media mix

3. **P7S1 with**
   increasing share of
   TV advertising

4. **Dynamic net price**
   increase in past 5
   years

5. **P7S1 with**
   leading
   ad sales
   innovations
### ProSiebenSat.1 with continued strong performance in 2015

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TV ad market growth</strong>&lt;sup&gt;1)&lt;/sup&gt; (net)</td>
<td>~ +2-3%</td>
<td>~ +2-3%</td>
</tr>
<tr>
<td><strong>TV share of advertising market</strong>&lt;sup&gt;2)&lt;/sup&gt; (gross)</td>
<td>46.0%</td>
<td>44.4%</td>
</tr>
<tr>
<td><strong>Share of advertising P7S1</strong>&lt;sup&gt;1)&lt;/sup&gt; (gross)</td>
<td>44.5%</td>
<td>44.4%</td>
</tr>
<tr>
<td><strong>Net CPT P7S1 core channels</strong>&lt;sup&gt;1)&lt;/sup&gt;&lt;sup&gt;3)&lt;/sup&gt;</td>
<td>Mid single-digit increase</td>
<td>Mid single-digit increase</td>
</tr>
</tbody>
</table>

1) Jan. 01 – Sep. 30  
2) Jan. 01 – Aug. 31  
3) P7S1 core channels: SAT.1, ProSieben, Kabel eins

Source net TV ad market: SevenOne Media own estimate; Source gross TV & PS71: Nielsen Media Research, excluding search & other; Source net CPT: AGF/GfK, TV Scope, own calculation
Agenda

1. Key achievements
2. Continued TV market growth story
3. P7S1 leading the market
Mass reach becomes increasingly important in fragmented media landscape.

TV remains the last mass medium with increasing relative reach:
- Massive reach decline of print
- Complex and fragmented digital media landscape

Continued price increases possible due to increase of relative reach, overcompensating potential reach losses.

TV market growth correlated to German private consumption, continued positive outlook for German economy.
Why TV in Germany will continue its growth story (2/2)

TV is still strongly **undercapitalized vs. large German print market**

YouTube does not add significant incremental reach to TV, since its usage is skewed towards few heavy users and German TV covers the younger audience groups.

**Facebook** with limited professional content for video branding campaigns.

Regional, addressable and individualized TV offers significant upside potential.

Existing opportunities for new markets.
Solid growth potential for German net TV ad market

<table>
<thead>
<tr>
<th>Market drivers</th>
<th>Net market growth potential 2018 vs. 2014 [in EUR m]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic market growth/net price increase</td>
<td>1</td>
</tr>
<tr>
<td>National print cannibalization</td>
<td>2</td>
</tr>
<tr>
<td>Regional TV advertising</td>
<td>3</td>
</tr>
<tr>
<td>Individual TV premium advertising</td>
<td>4</td>
</tr>
<tr>
<td>New markets/new segments</td>
<td>5</td>
</tr>
<tr>
<td>Shift to digital video</td>
<td></td>
</tr>
<tr>
<td><strong>Overall growth potential</strong></td>
<td></td>
</tr>
</tbody>
</table>
TV ad market pushed by sound economic conditions

Net TV ad market, private consumption, GDP in Germany
[change in %]

<table>
<thead>
<tr>
<th>Year</th>
<th>Net TV ad market</th>
<th>Private consumption</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.8</td>
<td>1.8</td>
<td>0.4</td>
</tr>
<tr>
<td>2013</td>
<td>1.9</td>
<td>1.9</td>
<td>0.3</td>
</tr>
<tr>
<td>2014</td>
<td>2.7</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>2015E</td>
<td>3.4</td>
<td>1.8</td>
<td>1.8</td>
</tr>
</tbody>
</table>

- Net TV ad market: Ø growth since 2012: +2.3%
- Private consumption: Ø growth since 2012: +2.4%
- GDP: Ø growth since 2012: +1.0%

TV & private consumption: in current prices; GDP: price adjusted, chain-linked
Source: Net TV ad market: Magna Global (June, 2015); 2012-2014 Destatis as of Sept. 2015; 2015 Joint Economic Forecast Autumn 2015
German TV growth accelerates, yet still catch-up potential

Net TV advertising market Germany, UK and US
[indexed]

2010 2011 2012 2013 2014 2015E

German TV growth accelerates, yet still catch-up potential

CAGR 2010-14:

+1.7%
+3.1%
+2.7%
Ad intensity in US still three times higher than in Germany

TV advertising spend per capita 2014

[Germany vs. US, in USD (net)]

Germany with significant potential to catch up with U.S.
TV is the most effective and efficient medium

**Highest effectiveness**

**Advertising effectiveness**

1) Aided advertising recall, index 100 = without contact

<table>
<thead>
<tr>
<th>Medium</th>
<th>Net CPT ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>442</td>
</tr>
<tr>
<td>InStream Video</td>
<td>367</td>
</tr>
<tr>
<td>InPage / Display</td>
<td>190</td>
</tr>
<tr>
<td>Print</td>
<td>166</td>
</tr>
</tbody>
</table>

2) 2.65 average long-term ROI

**Attractive pricing**

<table>
<thead>
<tr>
<th>Medium</th>
<th>Net CPT ranges</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>50</td>
</tr>
<tr>
<td>Newspapers</td>
<td>40</td>
</tr>
<tr>
<td>Magazines</td>
<td>25</td>
</tr>
<tr>
<td>Online</td>
<td>0.5</td>
</tr>
</tbody>
</table>

1) Eye Square 2012, basis: n = 200, 14-64 years; 4 tested advertising campaigns per medium
2) SevenOne Media own estimate, based on Solon 2015

---

ProSiebenSat.1 Media SE | October 15, 2015 | 1) Eye Square 2012, basis: n = 200, 14-64 years; 4 tested advertising campaigns per medium 2) SevenOne Media own estimate, based on Solon 2015
TV in Germany is more price competitive compared to other European top TV nations

Ø Net-CPT (based on 20 seconds), adults [index]

- United Kingdom: 189
- France: 120
- Germany: 100

Source: DDS, ZAW/AGF GIK, IREP/Mediametrie, own calculations 2014
Brand advertising on TV most cost efficient

CPT comparison

<table>
<thead>
<tr>
<th>[A 14-39]</th>
<th>[A 40-69]</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>100</td>
</tr>
<tr>
<td>Magazines</td>
<td>112</td>
</tr>
<tr>
<td>Newspapers</td>
<td>210</td>
</tr>
<tr>
<td>Instream video</td>
<td>266</td>
</tr>
</tbody>
</table>

Source: AGF, ma Presse 2014, AGOF Internet facts
Strengths of TV lead to further potential price upside

Net CPT development
[index: 2007 = 100]

- Combination of highest/fastest reach leads to top ROI for TV
- Mass reach becomes increasingly important vs. other channels:
  - Massive print reach decline
  - Complex/fragmented digital market
- TV will see increasing relative reach value
TV usage share above print while ad share lagging behind …

TV usage share\(^1\) clearly higher than print …

[share of usage, in %]

TV usage: 37%  
Print usage: 4%

… while TV advertising share\(^2\) still lagging behind

[net share of advertising, in %]

TV advertising: 22%  
Print advertising: 37%

1%pt increase in media mix equals
~EUR 60m net TV ad revenues for P7S1

---

1) Media usage 2014 (n = 1,501); based on Adults 14+ years; forsa, SevenOne Media
2) Magna Global (June, 2015), TV incl. Multichannel/Pay TV, Online including search (incl. Google) & other (incl. Facebook)
... which strongly differs from media mix in other countries

Share of advertising: TV vs. print 2014
[as % of total media]
EUR 1.6bn net national print spendings addressable by TV

German gross print advertising market 2014
[in EUR bn]

Not directly addressable 1)

- Daily newspapers: 4.8
- Magazines: 3.5
- Gross total: 8.3

Gross regional potential: 2.2
Gross core TV market potential: 3.2
Addressable net market for TV: 1.6

1) Not directly addressable: Media, B2B, classifieds, publishers, marketers, tobacco

Note: Print = newspapers and magazines only (excl. professional magazines)
Source: Nielsen Media Research (2014)/SOM Market Insights: own calculation
Net effect from print gain will drive TV ad market growth

- EUR 290m
- EUR 130m
- EUR 200-250m
- EUR 600m
- EUR 400m

2018 vs. 2014

Print

-4.8% CAGR

Digital video

CAGR

Display/social

CAGR

Search/classified

CAGR

ProSiebenSat.1 Media SE | October 15, 2015 | Estimate based on Magna Global (June, 2015). SevenOne Media own estimate
Several levers to address print advertising market

- Innovative TV packages for national print customers
- New channels to expand target groups
- Smart channels to attack niche segments
- Combined TV/mobile offer for large freesheets market
Limited catch-up risk of German digital ad revenues vs. US

Digital share of total net ad revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
<td>40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>US</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Magna Global (June 2015), SevenOne Media own estimate
Limited competition for branding budgets – only by digital video

Digital net ad revenues, by format
[in EUR m]

CAGR 2014-2018:

- Video: +35.0%
- Social: +36.2%
- Display: -3.0%
- Search: +10.9%
- Other

Comparison: TV and video ad market
[in EUR m]

2014: 95% of digital ad revenues not critical for TV

Despite high online ad intensity digital companies still spend 75% on TV

ProSiebenSat.1 Media SE | October 15, 2015 | Source: Magna Global (June 2015), SevenOne Media own estimate
TV is leading in reach and usage

Monthly net reach & usage duration

Monthly net reach

100%

50%

0

Internet

Private TV

ProSiebenSat.1
TV Deutschland

Google

facebook

YouTube

Total TV

Usage (hours/month)

50%

0

20

40

60

80

100

120

Basis: TV viewers 3+; Internet users 2+; March 2015
Source: AGF in cooperation with GfK, TV Scope, Nielsen Netview, B4P, SevenOne Media own estimate
Almost 50% of young Germans reached by TV every day

Daily TV net reach Germany

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Monthly net reach</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-29 years</td>
<td>48%</td>
</tr>
<tr>
<td>14-39 years</td>
<td>56%</td>
</tr>
<tr>
<td>14-49 years</td>
<td>62%</td>
</tr>
</tbody>
</table>

Note: Figures shown for 2014
Source: AGF in Cooperation with GfK, TV Scope (Mon-Sun, 3am-3am) Nielsen, AGF/GfK TV panel
In the US, attractive TV channels for young target group missing

Positioning age & gender: Full day, Ø 2014, top channels US

[in %; size of bubbles = Ø share % adults 14-49]

Note: Sample comprises of top broadcasting and cable networks
Source: AGF/GfK
Germany – especially P7S1 – has attractive TV channels for the young target group

Positioning age & gender: Full day, Ø 2014, top channels Germany

[in %; size of bubbles = Ø share % adults 14-49]
Strong TV viewing despite high YouTube penetration

If YouTube was a TV channel...
Comparison of Ø viewing time

1) A14-49; Source: SevenOne Media, Forsa 2015
Basis: n=3,032; Total TV incl. live streaming, recorded viewing and catch up
Source: SevenOne Media Online Video Usage Study 2015, Media Activity Guide 2015, SevenOne Media/forsa
YouTube with much lower reach and ad effectiveness

Ø Daily YouTube reach by time category

Adults 14+
[In %]

0 10 20 30 40 50

up to 1 min 1 - 2 min 2 - 3 min 3 - 4 min

Index

For reach in TV a viewer only counts with more than 1 min of viewing time

Ad comparison: Aided ad awareness

TV ads are...

+132 % more entertaining

+88% more sales stimulating

+75% more credible

1) Basis: Total reach adults 14+ in May 2015; Source: Double Play data/Media Activity Guide; own calculations/SevenOne Media/Media Strategy & Analytics
2) BFP2014 II/MDS/SevenOne Media. Basis: n=200 persons 14-64 yrs; 4 campaigns per media; source: Eyesquare/SevenOne Media/Advertising Research
YouTube usage heavily concentrated …

Low YouTube usage of broad majority, preferred target group for advertiser

2/3 of YouTube usage is generated by only 13.5% of heavy users

Share of YouTube users per usage
[in %]
100
75
50
25
0

YT heavy users

Almost heavy users

Majority of users

YouTube usage

YouTube users

33
86.5
9.6
3.9

National print cannibalization

Base: Adults 14+ years
Source: SevenOne Media Online Video Usage Study 2015

ProSiebenSat.1 Media SE | October 15, 2015
... by users which can be reached by TV

### YouTube heavy users watch more TV than average:

(index usage per day[^1])

<table>
<thead>
<tr>
<th></th>
<th>Index Usage per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>YT heavy user</td>
<td>111</td>
</tr>
<tr>
<td>Average TV user</td>
<td>100</td>
</tr>
</tbody>
</table>

[^1]: Average person, 14-49 yrs., Q1 2015

Source: SevenOne Media Online Video Usage Study 2015, Media Activity Guide 2015, SevenOne Media/forsa
Social daily usage stagnating, but higher fragmentation

Time spent on social networks
[global daily average use, in hrs]

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hrs</td>
<td>1.61</td>
<td>1.67</td>
<td>1.72</td>
<td>1.69</td>
</tr>
</tbody>
</table>

Top growth performers 2014: social platforms

- Growth in members (in %)
- Growth in active users (in %)

- **Pinterest**: 54% growth in members, 97% growth in active users
- **Tumblr**: 35% growth in members, 95% growth in active users
- **Instagram**: 32% growth in members, 47% growth in active users
- **LinkedIn**: 20% growth in members, 38% growth in active users

Very fragmented market with new platforms growing fastest.
Millennials’ media usage strongly shifts to TV after career start

Millennials (aged 14-34): Ø daily TV, online & online video usage

[Diagram showing usage in min]

- Pupils: 14-19 yrs., students, pupils; students/apprentices: 20-34 yrs., students, apprentices, young professionals: 20-34 years, working part time or full time
- Source: TV: AGF TV Scope / Online: Media Activity Guide 2015 SevenOne Media/forsa
Two big new opportunities

**Approach**

**Target segments**

- New geographic target groups

**HbbTV 1.0**

- Overlay products

**HbbTV 2.0**

- Spot replacement

**Future Platforms**

- Spot replacement & product bundles

**Regional**

- Premium pricing for…
  - … targeted audience groups
  - … advertisers less focused on fast reach but more on hyper-specific targeting

**Individualized Targeting**
Additional EUR 1.7bn regional spendings addressable by TV

### German print, radio and out-of-home gross advertising market 2014

[In EUR bn]

<table>
<thead>
<tr>
<th>Category</th>
<th>Gross Total</th>
<th>Not Directly Addressable(^1)</th>
<th>Gross Total Adjusted</th>
<th>Not Addressable for Regional</th>
<th>Gross Regional Potential</th>
<th>Net Regional Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outdoor</td>
<td>1.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Radio</td>
<td>1.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Magazines</td>
<td>3.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daily newspapers</td>
<td>4.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11.2</strong></td>
<td></td>
<td><strong>7.9</strong></td>
<td><strong>4.4</strong></td>
<td><strong>3.5</strong></td>
<td><strong>1.7</strong></td>
</tr>
</tbody>
</table>

\(^1\) Not directly addressable: Media, B2B, classifieds, publishers, marketers, tobacco

Note: Print = newspapers and magazines only (excl. professional magazines)

Source: Nielsen Media Research (2014)/SOM Market Insights: own calculation

EUR 600m from radio and outdoor ad market addressable on top of regional print ad potential of EUR 1.1bn
### Several levers to address regional potential

<table>
<thead>
<tr>
<th>Option</th>
<th>Short-term</th>
<th>Long-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing solution: cable spot overlay</td>
<td>✓</td>
<td>✗</td>
</tr>
<tr>
<td>National spots with regional discount</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>SAT.1 regional windows</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>HbbTV 1.0 non-spot products</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>HbbTV 2.0 spot overlay</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>IPTV spot overlay (cooperation req.)</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Mobile live stream targeting (e.g. 7TV)</td>
<td>✗</td>
<td>✓</td>
</tr>
</tbody>
</table>

*Potential ban 2016*

---

Reconfirming market potential by 2018 at **EUR 50m**
First cases of regional TV advertising realized, but ban impending for 2016

Approved by Federal Administrative Court

Political ban in the broadcasting law impending for 2016

High market demand for regional TV ads

First successful pilot cases set up in NRW, Hessen and BW

Client build-up 2015

Q3 2015: All other transmission areas of Kabel Deutschland (all other regions)
We are innovation leader in addressable TV
Fast growing HbbTV will allow regionalization

Existing products, HbbTV 1.0

Digital overlays on TV signals
• Red Button TV Spot with regional overlay & microsite
• Red Button SwitchIn (microsite program layover when switching to P7S1 channel)
• Red Button CutIn (layover during linear program, testing)

HbbTV 2.0 starting 2016

Linear TV spot replacement/overlay

HbbTV penetration

Number of connected TV sets in Germany

[in m]

1) Excluding Digital TV receiver and DVD/Blu-Ray receiver

Source: GfK Retail; P7S1 estimates
Microsite with videos and store locator

Automatic display of all stores nearby

Store websites linked via QR Codes

First regional overlay on national spot via HbbTV geo-targeting

Successful pilot case
Product launch completed

In Q4 2015 client on top bookings of full product range
Addressable TV will develop more accurate targeting

**Targeting approach**

- **Regional**
  - Established products

- **Audience targeting**
  - Planned

**IP address linked to …**

- … directly available data
  - Regional data

- … demographic data
  - Purchase power (income)
  - Size of household
  - …

- … predictive data
  - Browser history data
  - Other real time data
Linking TV and Digital to develop superior targeting products

Digital
User-specific data across all P7S1 digital assets in a unified data pool

IP address

42m
TV household reach in D-A-CH

32m
Unique Users

Buying intent Topic affinities
Data Management Platform

Source: SOM own calculation
New segments and budget types to support TV growth

**Betting and lottery market potential**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015E</th>
<th>2016E</th>
<th>2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>40</td>
<td>60</td>
<td>82</td>
</tr>
</tbody>
</table>

+105%

**Other new customer segment budgets**

- **Sales**
  - Win promotion budgets for TV

- **Charity**
  - Discover mass reach effect

- **Recruiting/HR**
  - Support recruitment campaigns

- **Healthcare**
  - New business & innovation

- **Corporate PR**
  - Support PR & event campaigns
Individualized TV targeting offers opportunities

New advertising segments addressable through attractive individualized TV targeting

- Better cannibalize print
- Better products vs. digital
- New niche customers for TV
Agenda

1. Key achievements
2. Continued TV market growth story
3. P7S1 leading the market
We increasingly capitalize our audience share gains from new channels

**Relative share of TV ratings vs. relative share of TV advertising**

- **Share of TV ratings (P7S1\(^1\) vs. RTL\(^2\))**
  - 55% in 2015 YTD
  - 52% in 2014

- **Share of TV advertising (P7S1\(^1\) vs. RTL\(^2\))**
  - 55% in 2015 YTD

**Net share of TV advertising**

- [Graph showing net share of TV advertising from 2012 to 2015 YTD]

---

1. P7S1: SAT.1, ProSieben, kabeleins, sixx, P7Maxx, SAT.1Gold
2. RTL: RTL, Vox, Super RTL, n-tv, Nitro
Focus on innovation & digital extension

**Innovative ad concepts**

- **360° conception**
  Sales concepts according to market needs

- **Digital conception**
  Customized concepts for TV & online

- **Content Marketing**
  Advertorial content that is integrated over all platforms (digital, TV & social)

- **Thematic ad breaks, theme weeks/days**
  Special packaging & exclusive positioning

- **Live spots**
  TV spots with life action

**Unique digital TV extension portfolio**

- **TV brand extension with TVSMILES**
  Extends TV campaigns directly to mobile

- **TV retail extension**
  Combined TV/shopkick offer

- **Freesheets with marktguru.de**
  Extend TV with mobile free sheets

- **HbbTV**
  Brand engagement on first screen

- **Talenthouse/magisto**
  Brand engagement campaigns
P7S1 offering the whole range of content marketing – opportunities in a large growth segment

Content Marketing service by SevenOne AdFactory

Address market demand for end-to-end content marketing services

Deliver powerful ideas and creativity integrated into a holistic content strategy

Leverage existing content portfolio and produce new contents to the needs of our customers

Add reach through own TV/digital portfolio and 3rd party network

Scale through Marketing budgets

Conception

Licenses, production

Media

Analytics as a service

Supports content production (CMS), distribution & reach generation, reports & data, Ad Tech, offers continuous campaign optimization

80% of companies will invest into content marketing by 2018
Offering content across all touchpoints of the customer journey

1) Based on market share sixx/ Pro7MAXX cumulated, measured in relevant campaign period 2015
We already cover all future advertiser needs

Reach

Emotional branding

Social interaction

Commercial interaction
Launch of Marktguru: A new commerce connector

- Interactive brochure
- Sales basket
- Theme worlds
- Nearest POS
- Product search
- POS visit
- Online shop
- Product search

TV reach boost

Attention → Impulse → Interaction with offers → Transaction
MINI Cooper: First German Instagram-based TV spot

Take a picture

Post it on Instagram at #miniblockbuster

Show on TV
### Summary

1. TV with strongest and proven ROI due to highest and fastest reach
2. TV will further win budgets from print – digital is fragmented
3. The US TV market is different and not focused on youngsters
4. YouTube and Facebook are not adding significant incremental reach to TV
5. We will further grow TV as an innovation driver in new markets and segments
Growing to the next level
Capital Markets Day 2015

Conrad Albert
Distribution
Executive summary

Performance

- Strong growth maintained
  - Growth continuity for revenues (+29%\(^1\)) and rec. EBITDA contribution
  - HD subscriptions +19%\(^1\)

- Unique maxdome-TV bundle products
  - Bundles with Unitymedia and Tele Columbus

- Distribution expansion with terrestrial and digital deals
  - Platform proliferation, e.g. DVB-T2, TV Spielfilm, Couchfunk

Outlook

- Target confirmation
  - Revenue growth of +EUR 100m to EUR 155m in 2018
  - HD subscriptions 2018: 9.2m

- Long-term growth potential
  - Analog melt-down by 2018
  - UHD and further technology developments
  - Encryption of SD after 2022
Distribution delivers strong growth and confirms CMD target 2018

- **Double-digit revenue growth** over the years will be maintained

- **HD growth** will continue – UHD screen push in 2016, DVB-T2 HD-only launch in 2017, analog melt-down 2016/17

- Additional pay offerings via **OTT**

- Ongoing growth of **mobile and streaming offerings**
Distribution in Germany – historically dominated by large players

- Quasi-monopolistic players with stable market shares

Note: HH = households; DVB-T2 expected to be launched in 2017
Source: Astra TV monitor; Telekom publications; P7S1 own assumptions
New platforms create opportunities beyond incumbents

Platforms since 2014 (mobile, apps)

- **Broadcaster**
  - Platforms so far complementary, no cord-cutting
  - Improved negotiation leverage for P7S1

- **Aggregators**
  - Potential for additional revenues and/or reduction of distribution costs

- **Telcos**
Free-TV distribution via cable and satellite remains dominant

### Substitution restrictions of OTT/mobile TV

- **High speed broadband access**<sup>1)</sup>
  - i.e. metropolitan areas >90%, rural areas ~50%

- **Mobile tariffs**<sup>2)</sup>
  - not enough capacity for “everywhere TV”

- **Heavy usage**
  - broadband infrastructure not yet ready

### Mid-term development

- **Mobile tariffs without data limitations for TV** – e.g. Deutsche Telekom first mover

- **Wireless online video consumption**
  - i.e. in home

- **Restrained broadband upgrade**
  - vectoring to increase capacity for rural areas

---

1) >16Mbits for multi-usage of wireless TV per household  
2) 2GB equivalent to ~90 minutes TV streaming

Source: Breitbandatlas of BMVI (Bundesministerium für Verkehr und Infrastruktur); IHS; corporate webpages of telco providers
Growth upside from technical evolution and regulatory relief

Technological development creates added value for the consumer and generates monetization opportunities.

Encryption of SD signal 2022 onwards possible, with new bundle and monetization options.

Analog melt-down of remaining approximately 5.6m cable households supports HD conversion.
Our key strategic initiatives

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HD subscriptions – drive further growth</td>
</tr>
<tr>
<td>2</td>
<td>Encryption – first time encrypted terrestrial distribution in HD with DVB-T2</td>
</tr>
<tr>
<td>3</td>
<td>Mobile distribution – new deals for offering full distribution to our audience</td>
</tr>
<tr>
<td>4</td>
<td>Bundling – negotiate bundling deals with our platform partners</td>
</tr>
<tr>
<td>5</td>
<td>Digital distribution – partner with leading global players</td>
</tr>
</tbody>
</table>
## Increasing number of households subscribe to HD technology

### HD FTA subscribers

<table>
<thead>
<tr>
<th>Year</th>
<th>HD Subscribers [in m]</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2012</td>
<td>1.8</td>
</tr>
<tr>
<td>FY 2012</td>
<td>2.8</td>
</tr>
<tr>
<td>H1 2013</td>
<td>3.7</td>
</tr>
<tr>
<td>FY 2013</td>
<td>4.2</td>
</tr>
<tr>
<td>H1 2014</td>
<td>4.8</td>
</tr>
<tr>
<td>FY 2014</td>
<td>5.3</td>
</tr>
<tr>
<td>H1 2015</td>
<td>5.7</td>
</tr>
<tr>
<td>2018E</td>
<td>9.2</td>
</tr>
</tbody>
</table>

### HD penetration

<table>
<thead>
<tr>
<th>Year</th>
<th>HD Penetration (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>4.5%</td>
</tr>
<tr>
<td>FY 2013</td>
<td>7.1%</td>
</tr>
<tr>
<td>FY 2014</td>
<td>9.3%</td>
</tr>
<tr>
<td>FY 2015</td>
<td>10.6%</td>
</tr>
<tr>
<td>FY 2016</td>
<td>12.1%</td>
</tr>
<tr>
<td>FY 2017</td>
<td>13.4%</td>
</tr>
<tr>
<td>FY 2018</td>
<td>14.4%</td>
</tr>
<tr>
<td>2018E</td>
<td>23.0%</td>
</tr>
</tbody>
</table>

### HD growth levers

1. Platforms will grow HD through **hard bundling** and **upselling**
2. Analog melt down/digital HH increase
   - ~1m potential HD households
3. Continued **technical evolution** (HD/UHD screens) push HD take rate
4. **Conversion of HD free users** into paying subscribers (focus on satellite)
5. **HD push measures** initiated by P7S1 to sustain HD growth

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1) HD pay penetration based on total TV households in Germany (39.6m)

Source: Astra TV Monitor
# HD growth measures support positive development

<table>
<thead>
<tr>
<th>Product</th>
<th>Sales power</th>
<th>Consumer (re-)purchasing stimulus</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mobile/OTT HD product development</td>
<td>• Preis24.de bundle HDSL&lt;sup&gt;1)&lt;/sup&gt;</td>
<td>• P7S1 TV spot</td>
</tr>
<tr>
<td>• Bundle product, e.g. with maxdome bundle</td>
<td>• Mydays HD+/UHD integration</td>
<td>• Industry-wide TV spot (VPRT&lt;sup&gt;2)&lt;/sup&gt;)</td>
</tr>
<tr>
<td>• Hardware cooperation projects: TV sets with integrated HD+ receiver</td>
<td>• HD+ B2B sales force power increased</td>
<td>• Free HD period in 10/2015</td>
</tr>
<tr>
<td>• DVB-T2: new HD population 2017ff</td>
<td>• HD+: money-back campaign</td>
<td>• Crawl on SD channels</td>
</tr>
<tr>
<td></td>
<td>• Cross-selling of HD on P7S1 assets, e.g. 7Travel</td>
<td>• Sky bonus program (free month) for new HD+ subscribers</td>
</tr>
</tbody>
</table>

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<sup>1</sup> HDSL is a product bundle combining HD and DSL

<sup>2</sup> Association of private broadcasting and telemedia (Verband Privater Rundfunk und Telemedien, VPRT)
**DVB-T2 – “HD only” platform launches in 2017**

**Milestone deal**, converting terrestrial distribution into first time monetization for broadcasters

**“HD only” product**, with technical access fee bundled into DVB-T2 product

**All P7S1 HD channels** on air with launch
Growing mobile reach for linear channels

**Independent mobile TV aggregators**

- Germany’s **strongest EPG brand** launched live stream
- **Mobile TV app**, launch of private broadcasters’ streams
- **First mobile TV aggregators in Germany**

**Incumbents’ mobile streaming products**

- Mobile TV app\(^2\) for Telekom’s **mobile customers**, no data volume restrictions
- TV app for all **T-Entertain/IPTV customers**, available through WLAN and for mobile customers
- Mobile TV for all **Unitymedia TV households**

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1) Average unique users, AGOF figures Q1 2015
2) Contract re-newed in Q1 2015

Note: T-Entertain includes private and business customers

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1) Addressable user base
2) Addressable customer base
Exclusive hard bundling deals for maxdome

**maxdome**

- First SVoD hard bundling deal: maxdome as fixed component of Unitymedia’s tariffs
- Available for Horizon, Horizon Go and all connected Unitymedia households

**maxdome**

- SVoD hard bundling of maxdome with Tele Columbus
- Available via new Set-Top Box, online app and for all connected Tele Columbus households

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1) Total TV households in Germany: 39.6m; addressable households through maxdome bundling deals: 8.8m (Unitymedia: 7.1m; Tele Columbus: 1.7m) – upside through recent merger activities: primacom (1.1m households) and pepcom (0.8m households)
Strong coverage of leading digital entertainment platforms

<table>
<thead>
<tr>
<th>Company</th>
<th>Android TV app store</th>
<th>Smart TV market penetration</th>
<th>Pre-installed on all new devices sold since 2015</th>
<th>Additional integration in app recommendation area for all TV devices sold since 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google</td>
<td>✓ (1st page)</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Samsung</td>
<td>✓ (1st page)</td>
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<td>Philips</td>
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<td>✓</td>
</tr>
<tr>
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<td>before Q3/2016</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Amazon</td>
<td>✓ (1st page)</td>
<td></td>
<td>before Q3/2016</td>
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</tr>
<tr>
<td>Apple Inc.</td>
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<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Microsoft</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Excerpt of key partnerships

1) Android TV app store available on Smart TVs of Sony; Philips and Sharp 2) Samsung Smart TV market penetration based on IHS market study 2015 3) Pre-installed on all new devices sold since 2015; additionally integrated within app recommendation area for all TV devices sold since 2012
Outlook

CMD target confirmation of EUR 155m revenues in 2018

HD subscriptions growth continues with targeted 9.2m households in 2018

Further growth opportunities, e.g. from UHD, SD encryption possibility 2022 onwards