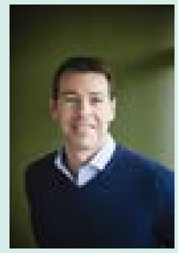
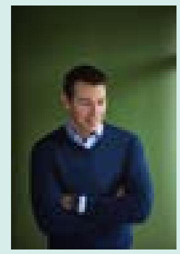
ProSiebenSat.1
Media AG





INNOVATION GROWTH NEW MARKETS

Annual Report 2014

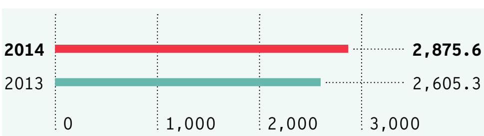
PROSIEBENSAT.1 AT A GLANCE

The ProSiebenSat.1 Group is one of the largest independent media corporations in Europe. Free TV financed by advertising is our core business. With the stations SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, and ProSieben MAXX, we are the number one in the German TV advertising market. We have tapped into an attractive new business area with the distribution of our television channels in HD quality. We are also Germany's leading video marketer on the internet. We operate maxdome, the biggest German video-on-demand portal, and provide our customers with the multi channel network Studio71 or the streaming app 7TV the best digital entertainment. In recent years, we have built a strong e-commerce portfolio, which is now one of our key growth drivers. In addition, our Group is represented by an international program production and distribution network in seven countries. This means ProSiebenSat.1 has a broad revenue and earnings basis.

In the 2014 financial year, we generated revenues of EUR 2.876 billion and recurring EBITDA of EUR 847.3 million. By 2018, we want to increase our revenues by a further EUR 1 billion compared to 2012. The growth segment Digital & Adjacent is then expected to contribute 25 % to 30 % of consolidated revenue. These medium-term financial goals are reflected in our strategy: We want to develop the ProSiebenSat.1 Group into a leading broadcasting, digital entertainment and commerce powerhouse.

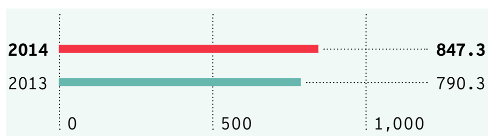
Revenues (I)

in EUR m



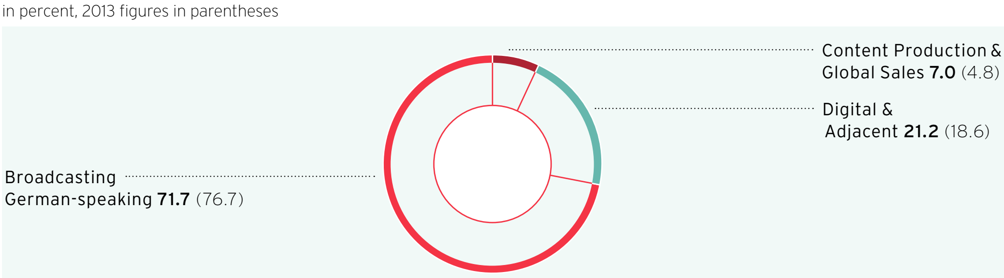
Recurring EBITDA (II)

in EUR m



Group revenue share by segment (III)

in percent, 2013 figures in parentheses



All information relates to continuing operations.

FORECASTS 2014	ACTUAL FIGURES 2014		FORECASTS 2015/2016
Revenues High single-digit increase (2013: EUR 2,605.3 million)	+10.4 %	**Revenues** **Increase** to EUR 2,875.6 million	**Revenues** Mid to high single-digit increase
Broadcasting German-speaking Slight increase (2013: EUR 1,997.8 million)	+3.2 %	**Broadcasting German-speaking** **Increase** to EUR 2,062.7 million	**Broadcasting German-speaking** Slight increase
Digital & Adjacent Significant increase (2013: EUR 483.7 million)	+26.3 %	**Digital & Adjacent** **Increase** to EUR 610.7 million	**Digital & Adjacent** Significant increase
Content Production & Global Sales Significant increase (2013: EUR 123.8 million)	+63.4 %	**Content Production & Global Sales** **Increase** to EUR 202.2 million	**Content Production & Global Sales** Mid to high single-digit increase
Recurring EBITDA Mid single-digit increase (2013: EUR 790.3 million)	+7.2 %	**Recurring EBITDA** **Increase** to EUR 847.3 million	**Recurring EBITDA** Mid single-digit increase
Broadcasting German-speaking Slight increase (2013: EUR 678.6 million)	+3.6 %	**Broadcasting German-speaking** **Increase** to EUR 702.8 million	**Broadcasting German-speaking** Slight increase
Digital & Adjacent Significant increase (2013: EUR 105.4 million)	+22.7 %	**Digital & Adjacent** **Increase** to EUR 129.3 million	**Digital & Adjacent** Significant increase
Content Production & Global Sales Significant increase (2013: EUR 10.6 million)	+80.1 %	**Content Production & Global Sales** **Increase** to EUR 19.1 million	**Content Production & Global Sales** Mid to high single-digit increase
Underlying net income High single-digit increase (2013: EUR 379.7 million)	+10.3 %	**Underlying net income** **Increase** to EUR 418.9 million	**Underlying net income** High single-digit increase
Leverage factor 1.5 - 2.5 (2013: 1.8)[1]	1.8[2]	**Leverage factor**	**Leverage factor** 1.5 - 2.5
German TV audience market[3] market leader ship	28.7 %	**German TV audience market** **Growth by 0.6 percentage points**	**German TV audience market** At least maintain or to slightly expand leading position

All information relates to continuing operations. The forecasts reflect the percentage change vs. previous year.

1 After reclassification of cash and cash equivalents from the Eastern European business. Adjusted for LTM recurring EBITDA from the Northern and Eastern European business.

2 Adjusted for LTM recurring EBITDA from the Eastern European business.

3 Relevant target group of 14 to 49 year olds.

KEY FIGURES OF THE PROSIEBENSAT.1 GROUP (IV)

in EUR m	2014	2013
Revenues	**2,875.6**	2,605.3
Revenue margin before income taxes (in %)	**19.5**	20.2
Total costs	**2,209.0**	1,961.9
Operating costs[1]	**2,046.9**	1,835.8
Consumption of programming assets	**867.8**	858.7
Recurring EBITDA[2]	**847.3**	790.3
Recurring EBITDA margin (in %)	**29.5**	30.3
EBITDA	**818.4**	757.8
Non-recurring items[3]	**-28.9**	-32.6
EBIT	**694.5**	668.9
Financial result	**-134.4**	-142.0
Profit before income taxes	**560.1**	526.9
Consolidated net profit (after non-controlling interests)[4]	**346.3**	312.1
Profit from discontinued operations (net of income taxes)	**-27.1**	-47.6
Underlying net income[5]	**418.9**	379.7
Basic earnings per share (underlying)	**1.96**	1.78
Investments in programming assets	**889.7**	860.2
Free cash flow	**276.5**	330.1
Cash flow from investing activities	**-1,148.4**	-1,018.3

in EUR m	12/31/2014	12/31/2013
Programming assets	**1,211.9**	1,201.6
Equity	**753.9**	584.1
Equity ratio (in %)	**19.3**	16.4
Cash and cash equivalents	**470.6**	395.7
Financial liabilities	**1,973.1**	1,842.0
Leverage[6]	**1.8**[10]	1.8[8]
Net financial dept	**1,502.5**	1,446.3[9]
Employees[7]	**4,210**	3,590

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 net profit attributable to shareholders of ProSiebenSat.1 Media AG including discontinued operations.
5 Consolidated profit for the period attributable to shareholders of ProSiebenSat.1 Media AG before the effects of purchase price allocations and additional special items.
6 Ratio net financial debt to recurring EBITDA in the last twelve months.
7 Full-time equivalent positions as of reporting date from continuing operations.
8 After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for the LTM recurring EBITDA contribution of Northern and Eastern European operations.
9 After reclassification of cash and cash equivalents of Eastern European activities.
10 Adjusted for the LTM recurring EBITDA contribution of Eastern European operations.

Explanation of reporting principles in the 2014 financial year/fourth quarter of 2014: The figures for the 2014 financial year relate to those for continuing activities 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 operations in question are grouped together as a single line item, result from discontinued operations, and are reported separately. In addition to the operating earnings generated by the operations in Hungary and Romania by the time of their respective deconsolidations, the result from discontinued operations shown after taxes for the 2014 financial year also includes the corresponding results of deconsolidation. The figures for the financial year 2013 for the income statement and the statement of cash flows have been presented on a comparable basis. The figures in the previous year's statement of financial position were not adjusted.

< AUSGEWÄHLTE KENNZAHLEN AUF EINEN BLICK

ProSiebenSat.1

INNOVATION GROWTH NEW MARKETS

Innovation is what drives us. We invest in the digital future and tap into new markets with attractive offers – in our core segment TV, in the digital business, as well as in program production and distribution. Thus, we seize growth opportunities in a targeted way and benefit from the dynamic development of new business areas in the long term.

The past five years have shown that this strategy pays off. We already achieved our revenue targets for 2015 at the end of 2014. The Group is growing steadily and with great profitability.

We continue to build upon this strong foundation: We will push the integration of our business units, transfer successful business concepts to other countries, and tap into further markets. Step by step, we are implementing our vision of a Broadcasting, Digital Entertainment and Commerce Powerhouse.

Annual Report 2014

CHAPTER A

To Our Shareholders

CHAPTER B

Group Management Report

CHAPTER C

Consolidated Financial Statements

CHAPTER D

Additional Information

TARGETS 2015

Well ahead of plan:

+800 million EUR

It was the target to generate this additional amount in revenues compared to 2010. ProSiebenSat.1 achieved its ambitious growth forecast for 2015 already in 2014, one year early.

Digital business as well as program production and distribution are developing dynamically. The core TV business is continuing to grow as planned, thanks to strong station brands, a profitable distribution business and innovative marketing concepts. The foundations have been laid for further growth.

Broadcasting German-speaking Segment

+250 million EUR

+2.5%

Revenue growth rate (CAGR)

Strong program: 30 years of TV expertise pays off. ProSiebenSat.1 further expands its leading position in the audience and advertising markets.

Find out more from page 10

Digital & Adjacent Segment

+425 million EUR

+37.3%

Revenue growth rate (CAGR)

Innovative ideas: Smart investment models are giving rise to significant synergies and strong growth in the digital and e-commerce portfolios. Entertainment is available on all digital platforms.

Find out more from page 16

Content Production & Global Sales Segment

+125 million EUR

+96.2%

Revenue growth rate (CAGR)

Creative talents: Red Arrow Entertainment Group is building a global network for production and program distribution.

Find out more from page 22

Red Arrow Entertainment Group is founded

ProSiebenSat.1 pools format development, TV production and program distribution under the umbrella of the Red Arrow Entertainment Group and accelerates its international expansion: Over the next few years, Red Arrow acquires participations in now 13 production companies and builds a global network with leading creatives.

see page 22

HD programs go on air

SAT.1, ProSieben and kabel eins begin broadcasting their entire programming also in high definition (HD). Today, all six free TV stations of ProSiebenSat.1 can be received in HD.

see page 68

SevenVentures pools online investments

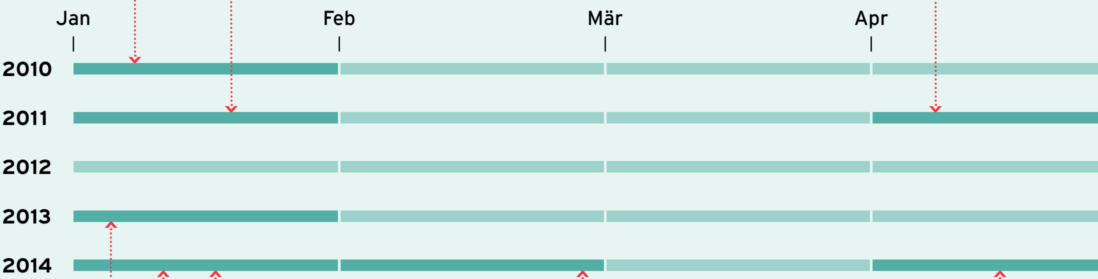
ProSiebenSat.1 founds a new subsidiary, SevenVentures, which from now on will be responsible for the Group's digital investments. In particular, the Group is investing in promising start-ups in the field of e-commerce.

see page 16

maxdome is fully consolidated

ProSiebenSat.1 acquires the 50 % stake in the video-on-demand portal maxdome previously held by 1&1 Internet AG and now owns 100 % of shares in what has become Germany's largest online video library.

see page 20



Exit of KKR and Permira

Lavena Holding 1 GmbH sells its remaining 36.3 million common shares on January 21, 2014. This means that 97.6 % of shares in ProSiebenSat.1 are in free float as at December 31, 2014. Lavena was controlled by funds advised by KKR and Permira and was until then the Group's largest shareholder. The remaining 2.4 % are treasury shares held by ProSiebenSat.1 Media AG.

Ventures business to be internationalized

Via a partnership with the operator of the US shopping app Shopkick, ProSiebenSat.1 is beginning the internationalization of its ventures business. The basis is the established "media-for-revenue-share" and "media-for-equity" investment model. The Group thus supports international start-ups when entering the European market - combined with a cross-border media alliance to which partners like Channel 4 in the UK and TF1 in France belong.

see page 16

E-commerce vertical "Travel" successfully established

SevenVentures acquires all shares in COMVEL GmbH, which among others operates the travel websites weg.de and ferien.de. ProSiebenSat.1 thus successfully sets up its first e-commerce vertical for "Travel", and now offers all services relating to travel. The Group is currently working on further verticals such as "Beauty & Accessories".

see page 16

SAT.1 Gold goes on air

When SAT.1 Gold is launched on January 17, 2013, the schedule initially comprises only German productions. Classic US series are added later. The free TV station is aimed in particular at female viewers aged between 40 and 64 years.

see page 12

Financing structure is optimized further

ProSiebenSat.1 Media AG takes advantage of favorable conditions and places the company's financing on a broader basis: Seven-year notes in an amount of EUR 600 million are successfully placed. At the same time, a new loan with a five-year term is agreed. This consists of a term loan of EUR 1.4 billion and a revolving credit facility with an amount of EUR 600 million; both are unsecured.

see page 36

sixx is launched

The women's channel goes live on May 7, 2010 with the claim "sixx. I want that, too." It's a success story: In 2014, already 2.5 % of women aged between 14 and 39 years were tuning in.

see page 12

N24 is sold

The news station is sold to a consortium of bidders led by N24 Managing Director Torsten Rossmann and the former Chief Editor of "Spiegel," Stefan Aust. This results in significant cost advantages for ProSiebenSat.1. At the same time, the Group secures a long-term supply of high-quality news from the information channel.

ProSiebenSat.1 founds Studio71

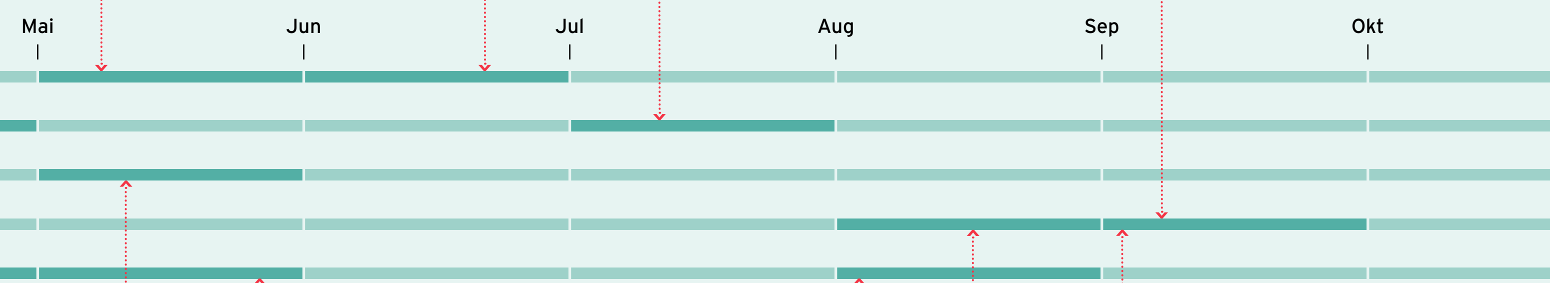
With Studio71, ProSiebenSat.1 launches its own multi-channel network (MCN) which produces, aggregates and distributes exclusive web formats. Just one year later, Studio71 is one of the leading MCNs in the German-speaking region, with over 250 million video views each month.

see page 20

Dutch and Belgian investments sold

ProSiebenSat.1 disposes of its Belgian TV investments in June. In July, an international bidding consortium acquires the Dutch activities. The Group uses the proceeds to repay some of its loans early, reducing them by EUR 1.2 billion. Consequently, the leverage factor also improves significantly to 2.1. Since then, the Company has had a target range of 1.5 to 2.5.

see page 36



Eastern European portfolio sold

By selling its Eastern European activities in Hungary and Romania in the course of 2014, ProSiebenSat.1 has completely disposed of its TV and radio stations outside of the German-speaking region. The Company is thus focusing on the integration of its German-speaking TV and digital business, which offers the greatest potential for synergies and growth in the long term.

A strong start for ProSieben MAXX

The male-targeted TV channel ProSieben MAXX launches on September 3, 2013. With a schedule including international series, high-quality reportage and US feature film highlights, ProSieben MAXX achieves the best start of any new station on the German TV market in 13 years.

see page 12

Red Arrow produces for Amazon and Sky

Red Arrow Entertainment Group is establishing itself successfully on the global market for English-language productions and also gaining international streaming platforms as customers. The US subsidiary Fabrik Entertainment is producing ten episodes of the crime series "Bosch" for Amazon, while the series "100 Code" is created for the pay TV platform Sky Deutschland.

see page 22

Preference shares converted into registered common shares

Exchange-traded non-voting bearer preference shares of ProSiebenSat.1 Media AG are converted into voting registered common shares. Since August 19, 2013, there has thus been only one share class, and all shares in ProSiebenSat.1 can now be traded on the stock market.

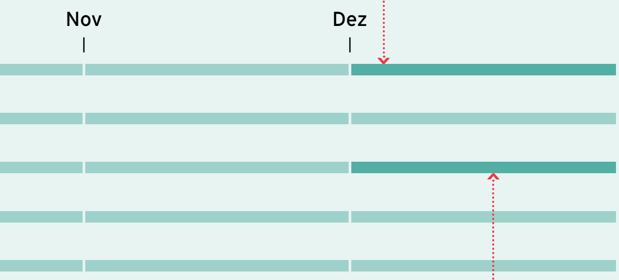
ProSieben FUN launches

The Group expands its basic pay TV portfolio to include the entertainment channel ProSieben FUN. Together with SAT.1 emotions and kabel eins CLASSICS, this means that three station brands are also represented on the pay TV market.

see page 20

Launch of the media-for-revenue-share and media-for-equity model
TV advertising time in exchange for a share in revenues and/or equity: With its innovative "media-for-revenue-share" and "media-for-equity" investment models, ProSiebenSat.1 helps start-ups achieve success. One of the first partners is the online retailer Zalando.

see page 16



TV and radio stations in Scandinavia sold
The TV and radio activities in Norway, Sweden, Finland and Denmark are sold to the US media company Discovery Communications. The enterprise value of the transaction is EUR 1.325 billion. The transaction is executed in April 2013, the correspondent companies are deconsolidated. For ProSiebenSat.1, the sale is another major step on the road to becoming a digital entertainment powerhouse.

see page 166

TARGETS 2018

Still on course for growth:

+1,000 million EUR

ProSiebenSat.1 is seeking to generate this additional amount in revenues by 2018 compared with 2012. The Company is right on track for its transformation from a TV provider into a Broadcasting, Digital Entertainment and Commerce Powerhouse.

The Group has attained a leading market position in all areas. Now, the next step follows: The internationalization of activities and the further integration of offers to make the best possible use of synergies.

Broadcasting German-speaking Segment

+300 million EUR

45.6%

of target achieved by the end of 2014

Premium products: The convergence of TV and internet is opening up new revenue sources in marketing. The willingness to pay for HD and pay TV services is increasing.

Find out more from page 12

Digital & Adjacent Segment

+600 million EUR

46.0%

of target achieved by the end of 2014

A global success model: Start-ups with high growth potential from overseas are supported when entering the European market. The digital business is becoming more international.

Find out more from page 20

Content Production & Global Sales Segment

+100 million EUR

106.8%

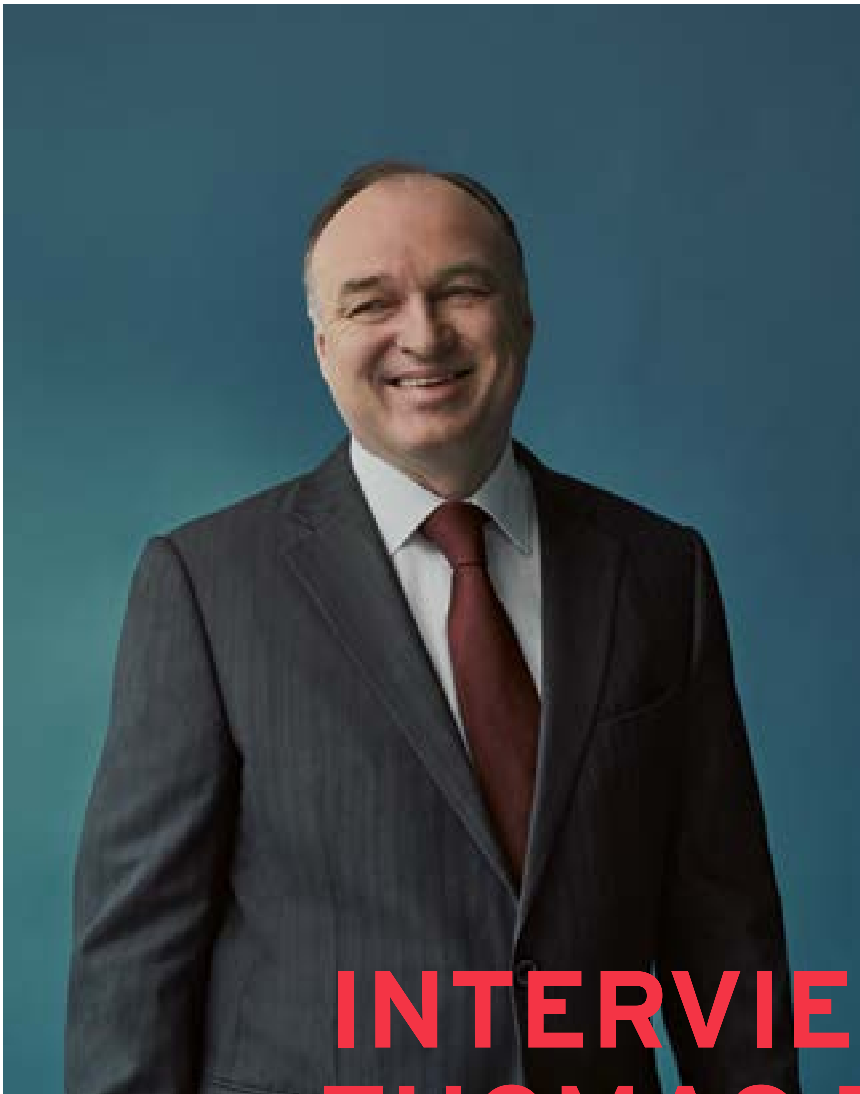
of target achieved by the end of 2014

Global formats: English-language productions guarantee international sales success on all platforms.

Find out more from page 22

TARGETS MET A YEAR EARLY

ProSiebenSat.1 is successfully implementing its growth strategy and has achieved its 2015 revenue targets a year earlier than planned. In 2014, the digital business continued to develop dynamically, in the TV segment growth was driven by the new stations and the HD distribution business.



INTERVIEW WITH THOMAS EBELING

The ProSiebenSat.1 Group reached its financial targets for the year 2015 already one year earlier und set again a new record year. CEO Thomas Ebeling looks back on the 2014 financial year and explains how the Group will continue to grow in the years to come.

2.876

EUR BN

of revenues were generated by the ProSiebenSat.1 Group in the financial year 2014. This is an increase of 10.4 %

Innovation, growth, new markets: Why did ProSiebenSat.1 choose this motto for the 2014 Annual Report?

Thomas Ebeling: **These three terms paraphrase the entrepreneurial categories that we think in. We have proven that we implement our strategy successfully and achieve our ambitious financial targets faster than planned. The original plan was to increase our revenues as compared to 2010 by EUR 800 million by the end of 2015. We've now achieved this a year earlier. At the same time, we set a new revenue and earnings record in 2014. We focus on growth consistently by developing innovative business models and forging ahead into new markets. That is the core of our strategy, both in retrospect and for the years to come.**

The Group wants to increase its revenues by EUR 1 billion by 2018. How do you intend to implement this plan in concrete terms?

Thomas Ebeling: **We will continue with what we have built up successfully in the past years. Since 2010, our main focus has been on the development from a classic TV company to a digital player. We have made significant progress here. In 2014, we already generated around 34 % of our revenues outside the TV advertising business. Our aim is to increase this percentage to 40 % by 2018. We have integrated our TV unit with the digital business consistently over the past years and have initiated growth through reciprocal synergies. At the same time, we have established new business areas in all segments. This includes, for example, the new free TV station, the HD distribution business, and our e-commerce unit. These business areas are recording dynamic growth and build a strong foundation for further profitable growth in the coming years.**

847.3

EUR M

of recurring EBITDA was reached by the Group in 2014 – 7.2 % more than in the previous year.

The capital market also seems to acknowledge this.

Thomas Ebeling: **The capital market appreciates not only that we have a very clear agenda that we implement consistently. The mixture of a very sound core business and dynamically growing business areas in our company convinces the stock exchange. We have now also proven repeatedly that we are reliable when it comes to fulfilling our ambitious targets. This is reflected in our shares: We have increased our market capitalization value forty-fold since 2009, and our shares reached a new all-time high with a price of EUR 46.03 on March 11, 2015. We are thus an attractive security for investors with regard to the aspects of both growth and return. We will give our shareholders an adequate share in the Company's success this year, too, and have proposed a dividend of EUR 1.60 per common share to the Supervisory Board.**

1.60

EUR

per common share is the dividend proposal.

Let's talk about the individual segments: How did ProSiebenSat.1 close the year 2014 in the core business of "Broadcasting German-speaking?"

Thomas Ebeling: **We have further expanded our leading position in the audience and advertising markets despite a highly competitive environment. Our new stations played a crucial part in this. Years with large sports events, like 2014 was with the Winter Olympics and the soccer World Cup, always represent a special challenge for our TV stations. Nevertheless, we managed to increase our audience share by 0.6 percentage points to 28.7 %. The growth was especially generated by our new stations sixx, SAT.1 Gold and ProSieben MAXX. It thus pays off that we founded new free TV stations in the past years and make active use of the opportunities that arise from the fragmentation of the TV market. Especially since this allows us to continue our growth on the advertising market. We gained more than 100 new TV advertising customers in 2014 alone. Especially our new stations are interesting for new customers who previously advertised in print media exclusively. This is how we manage to bring fresh capital to the TV advertising market.**

That all sounds very positive. However, a look at the USA indicates that linear TV use is decreasing. The USA is often a trendsetter in the TV business in particular: How would you estimate the development on the German television market?

Thomas Ebeling: **The USA and Germany are not comparable with regard to this. The quality of freely available television in the USA is not nearly as high as here in Germany. This is why,** on the one hand, people are a lot more willing to pay for TV services and, on the other hand, the pressure to switch to less expensive providers in the digital field is significantly higher. It costs around USD 80 per month to receive a program in the USA that is comparable to the German free TV service. In contrast, big sports events, movies or TV show highlights are freely available in Germany. Furthermore, we have considerably fewer commercial breaks, and the majority of Germans still watch synchronized programs. Such a range of these programs is available only on TV. The classic television program still accounts for 95 % of media use in Germany. Should this change in the coming years, we are in a perfect position to participate in the growth of new markets: With maxdome, our own video-on-demand portal, our multi-channel network Studio71, or the streaming app 7TV.

C
lear strategy: "We will continue to integrate our business units consistently and to tap into new growth markets."

The development of the ProSiebenSat.1 distribution business indicates that people in Germany are indeed becoming more willing to pay for some services.

Thomas Ebeling: **That's right; the distribution business is a significant growth driver in the Broadcasting German-speaking segment. The number of ProSiebenSat.1 HD users increased by 25 % to more than five million in 2014, and we want to reach over nine million HD users by 2018. This means we will be able to increase our independence from the classic TV advertising market. The topic of distribution is becoming more important from a strategic point of view, too: We established various partnerships – especially with mobile platforms – in 2014 to enable viewers to access our content everywhere, at all times, and on every device.**

The "Digital & Adjacent" segment also grew very dynamically in 2014. Revenues and earnings increased by considerably more than 20 %. Which units contributed particularly to driving the growth?

26.3

PERCENT

to EUR 610.7 million was the increase of external revenues in the Digital & Adjacent segment.

Thomas Ebeling: **The largest revenue increase again came from the e-commerce business. I am particularly happy with the positive development of our Travel vertical in 2014, which clearly shows that our strategy works. Over the last two years, we have set up a commerce portfolio via various investments that covers all the services involved in the topic of travel. The integration with our free TV business is working: For example, ever since we started marketing the travel site weg.de with video advertising on our stations, the site's revenues have increased considerably. In total, we generated around EUR 150 million in revenues with our Travel vertical in 2014. We also developed dynamically in the Digital Entertainment business: Our video-on-demand portal maxdome and our online advertising business generated strong organic growth in 2014.**

Will there be more acquisitions in the Digital & Adjacent segment in 2015?

Thomas Ebeling: **We do not need acquisitions to achieve our growth targets for 2018. If you consider where our company is today, it can, of course, be a sensible step if we find an interesting target. In 2009, during a time of very limited financial headroom, we began to establish an attractive ventures portfolio that contains around 60 investments today. We did this on the basis of the two highly innovative business models media-for-revenue-share and media-for-equity. We offered advertising space on our free TV stations to promising start-up companies and thereby received a share in revenues and/or equity in exchange without making larger cash investments. That worked very well. This is why we are moving** on to the next level and internationalizing this business. We are already the largest media investor in Germany; now we want to become the largest in Europe. To this end, we are establishing a media alliance with European TV stations such as TF1 and Channel 4 and are supporting international start-ups in return for a share when they enter the European market. At the same time, we can also imagine making classic acquisitions both in Germany and on an international level.

Is that why you created an own executive department for M&A activities?

Thomas Ebeling: **Active portfolio management has always played an important part for ProSiebenSat.1. We would not be as successful today if we did not question time and again what is strategically useful. The fact that we created an own executive department for this purpose indicates clearly that we will continue to make investment decisions with great care in the future. We will continue to adhere to our dividend policy and our target range for the leverage factor.**

Let's talk about the third segment. How did the "Content Production & Global Sales" segment, in which you produce TV programs and distribute them worldwide, get on in 2014?

Thomas Ebeling: **2014 was a very successful year for our subsidiary Red Arrow. We had acquired the US production company Half Yard at the beginning of the year and thereby strengthened our presence in English-speaking markets: Red Arrow is now represented with 13 production companies in seven countries. The past year has proven that we chose the right strategy when we decided to focus on the US and UK markets in particular. Thanks to a number of globally renowned projects, the company has established itself as a reliable player in the international production business. This includes, for example, the crime series "Bosch" that Red Arrow produced for Amazon's streaming platform and that just started successfully. Another great project is the series "Odyssey" which is produced by the Red Arrow subsidiary Fabrik Entertainment and will air on NBC as from April.**

What are your next plans now that you have achieved all your targets for 2015?

Thomas Ebeling: **Our success is an incentive for us to get even better. It is great to see how the employees at ProSiebenSat.1 put their hearts and souls into their work, and I am looking forward to driving our company further forward together with my colleagues. Our target is to generate EUR 1 billion more in revenues by 2018 than we did in 2012. We are very optimistic that we will achieve this target. We will continue to look for strong, innovative business models and implement them successfully. In areas where we are the market leader, we are seeking to expand our positions and in all other business fields, we aspire to leading market positions. We will continue to strengthen our independence from the economically sensitive advertising market and diversify our portfolio on an international level, too. I am convinced that with this strategy, ProSiebenSat.1 will continue its sustainable and profitable growth and deliver on the promises we have made to our shareholders and the capital market.** <

1.0

EURO BN

of additional revenues – this is the target amount that ProSiebenSat.1 wants to generate by 2018 compared to 2012.

MEMBERS OF THE EXECUTIVE BOARD

Axel Salzmann

CFO till March 31, 2015

RESPONSIBILITIES:
Group Operations & IT, Group Controlling, Group Finance & Investor Relations, Accounting & Taxes, Internal Audit and Administration, Member of the Executive Board since May 1, 2008, CFO since July 1, 2008

Thomas Ebeling

CEO

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, CEO since March 1, 2009

Conrad Albert

RESPONSIBILITIES:
Legal, Distribution & Regulatory Affairs, Shareholder & Boards Management, Member of the Executive Board since October 1, 2011

Dr. Christian Wegner

RESPONSIBILITIES:
Digital & Adjacent, Digital Entertainment,
Digital Commerce & Ventures, Adjacent,
Member of the Executive Board since October 1, 2011

Dr. Gunnar Wiedenfels

RESPONSIBILITIES:
Group Operations & IT, Group Controlling,
Group Finance & Investor Relations, Accounting &
Taxes, Internal Audit and Administration,
Member of the Executive Board from April 1, 2015

Dr. Ralf Schremper

RESPONSIBILITIES:
Investment & Strategy, Mergers & Acquisitions,
Member of the Executive Board from April 1, 2015

SEGMENT
Broadcasting German-speaking

Fragmentation, integration and individualization are changing the world of media. Anyone who wants to succeed in the new video era needs strong brands and bold concepts. As Managing Director, Eun-Kyung Park is responsible for TV Relations & Business Development at ProSiebenSat.1 TV Deutschland GmbH. The 36-year-old manager is certain that the station group will actively shape five major digital trends in the future.

Video trends as business opportunity:
Eun-Kyung Park, Managing Director,
TV Relations & Business Development,
ProSiebenSat.1 TV Deutschland GmbH

»PROSIEBENSAT.1 PROMOTES MAJOR DIGITAL TRENDS.«

1. MOBILE FIRST!

»The smartphone is becoming a mass medium.«

As a constant companion, it is the first choice for communication, information and entertainment. Short videos especially, but also series, movies and TV shows are increasingly being watched on smartphones. Strong program brands – from science shows like "Galileo" to talent shows like "The Voice of Germany" – are set up for mobile use by their own editorial teams. Thanks to the 7TV App, the viewers can follow the programs of the six ProSiebenSat.1 free TV stations via livestream as well as via a media center. The smartphone whets appetites and boosts TV reach.

203

minutes

of video media per day are being used by young smartphone owners between 14 and 29. These millennials are especially pushing the mobile reach.

Source: Media Activity Guide 2014/SevenOne Media/forsa

2. DIGITAL FIREWORKS

»Major TV events like 'Germany's Next Topmodel' are being staged perfectly on all channels.«

From teasers and pre-alerts, through tweets, livestreams of the show and accompanying real time marketing campaigns, to the aftermath with bonus videos and insider news: TV, mobile, online and social media are igniting a digital fireworks display. Through the different channels, new opportunities for 360-degree marketing are being created, advertisers can maximize their reach via all platforms.

3. VIRTUAL EXPERIENCES

»Smart glasses on and go! Virtual-reality and hologram headsets are opening new dimensions for viewers and program makers.«

Get up on stage with global stars, sit with the "The Voice of Germany" judges and hit your own buzzer: Diving into virtual worlds offers first-hand moments and involves viewers at a new level. This makes the ProSiebenSat.1 programs even more attractive and links the viewers to their favorite shows.

10

million

Germans would consider buying video glasses.

Source: Bitkom, 2014

4. INTERACTIVE TELEVISION

»HbbTV offers a ‚second screen' without any additional device necessary, just via the Red Button. Thus, we can create a new world of offerings next to our programs.«

Already today, ProSiebenSat.1 enables its viewers to buy and to pay for an advertised product directly from a TV spot via the remote control. In the future, HbbTV will allow to even better unite the strength of TV and online in one device, additional new applications like video streams in parallel will be created.

11

million

HbbTV devices are already being used in Germany today.

Source: IRT, 2015

5. ENTERTAINMENT ANYTIME, ANYWHERE

»Home and car are becoming entertainment centers. Intelligent integration is increasing quality of life.«

Video is conquering additional screens – and is moving into new spheres of life, customized to individual preferences. In the morning, the bathroom mirror informs about the weather and today's news, the newest breakfast products are being presented in the kitchen upon request. In the car, travel time becomes quality time once the fellow passengers are activating the entertainment program. TV stations use these new entertainment surfaces for their program and create additional offers for advertisers.

Team-play in programming and marketing: Wolfgang Link, Head of the Management Board, ProSiebenSat.1 TV Deutschland GmbH, and Thomas Wagner, Chairman and Managing Director, SevenOne Media GmbH

The fragmentation of media use and a tougher battle for shares in the audience market and for advertising revenues – these are the challenges that television will face in the coming years. Thomas Wagner and Wolfgang Link explain why TV still remains the strong basis on which all other communication activities are based.

Six billion hours of video material are viewed on YouTube every month; additionally there are streaming services such as Netflix, and videos on numerous websites. Is the business model of linear television still viable?

Thomas Wagner: The power of television remains unbroken. It will continue to generate positive results for us for a long time – the best years are still ahead of us. TV has benefited more than any other medium from digitalization: In 2014, we once again played a significant part in ensuring very strong growth of around 3% of the net TV advertising market. Despite all the prophecies of doom, television grew for the fifth consecutive year. Moreover, all forecasts predict growth of about 2% net for the TV market over the next three years.

Young viewers are watching less television and more online videos. What makes you so optimistic?

Wolfgang Link: We're in an industry that is constantly reinventing itself, in terms of both content and technology. Naturally the market is going to change, and there are two ways of dealing with this. I can sit there saying: "Oh God, the market is becoming fragmented. " Or I can see an incredible number of new opportunities in this and can find ways to exploit them. We're not a victim of fragmentation – we have actively helped shape it from the beginning.

Thomas Wagner: **I'm convinced that there is no alternative to television for our customers. The more the fragmentation of media use advances, the more significant it becomes that TV is the only medium that can build up a high reach in a short time. Non-linear use, particularly mobile use, will increase. But just because I might watch a short program at the bus stop in the morning, doesn't mean I've stopped wanting to watch big shows on television in the evenings.**

You are now marketing over 60 digital platforms. Is it worth following the viewer everywhere?

Thomas Wagner: **We have freed ourselves from the idea that television only happens on a big screen in the living room. Television is consumed differently via digital distribution channels than it was consumed in the past. If we manage to design content attractively for every type of use, we will be able to generate a high reach across all platforms and to market integrated concepts successfully. Television still remains the strong basis on which all other communication activities are based.**

Wolfgang Link: Viewers are also becoming more demanding. In the past, a TV show used to have a website. Now we're creating whole experience worlds. For "Promi Big Brother", for example, there was a show in SAT.1, a web show on SAT1.de, a late show on sixx, a pay service on maxdome and a 24-hour live stream. Yes, video use is increasing, but it is mainly driven by TV content and what we do with it on the internet. Our station brands are reaching enormous figures there. Up to 500,000 video views for "Germany's next Topmodel" and over 120,000 for "Circus HalliGalli" show that the appeal of TV goes well beyond the big screen.

MARKET PERFORMANCE

44.0 %

TV advertising market share

was reached by ProSiebenSat.1 in 2014. This puts the marketing company SevenOne Media again well ahead of its competitors. In the audience market, the station group gained 0.6 percentage points last year, despite the soccer World Cup and the Olympic Games. SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, and ProSieben MAXX have a combined market share of 28.7 % among viewers aged between 14 and 49.

sevenonemedia.de

Anyone can become a TV producer on the internet. Is there such a thing as mainstream taste anymore?

Wolfgang Link: It still exists, and we can see this from the success of big shows like "The Voice of Germany". Naturally, as the variety of programs available increases, so does the challenge to establish blockbuster formats. You also need courage: A few years ago, everyone thought that talent shows were finished. Then "The Voice of Germany" came along and revolutionized the genre. It was the same thing with Joko and Klaas. The two of them came from a niche and now they're providing major evening entertainment on ProSieben.

You've established new stations with sixx, SAT.1 Gold and ProSieben MAXX. Is your station portfolio now complete?

Wolfgang Link: Our target group stations made a significant contribution to our growth in reach and revenues last year. They can complement offers on the major stations and they allow us to try out formats and develop them. Of course, we regularly analyze the market to see what useful additions we could make to our portfolio.

Has multiscreen become a permanent feature of program planning?

Wolfgang Link: We are already looking in the creation process at how a format can be played across 360 degrees, i.e. on all available platforms, and we're

»WE HAVE ACTIVELY HELPED SHAPE FRAGMENTATION.«

Customized solutions: Already in the program development stage, Wolfgang Link and Thomas Wagner start to collaborate.

USE OF TV

152 minutes

a day is how long young viewers aged between 14 and 29 spend watching television (Media Activity Guide 2014), although they are now consuming video content on more and more screens.

According to an estimate from SevenOne Media, online video usage among young people is set to increase by 18% by 2018. Researchers expect TV consumption among 14 to 49 year olds to remain stable, despite increased use of the internet. Parallel usage has grown by 177% since 2003. 75% of 14 to 49 year olds surf the net while watching television. This trend does not have an adverse effect on well connected TV formats; on the contrary, with "Germany's Next Topmodel", for example, the additional service ProSieben Connect has extended TV usage time by a factor of 1.3.

sevenonemedia.de/mag

getting together with the marketing team to sound out potential. But our first question is always: Is this exciting entertainment for the mass market in Germany? Only then will we look at which additions are suitable.

Advertising customers would prefer to make their own television anyway, by producing content themselves, for example.

Thomas Wagner: **That's true, but we mustn't get tired of looking at reality from the right perspective. It won't be possible to build up brands based on viral content alone. Look at Coca Cola or Red Bull. It wasn't web campaigns or live events like a space jump that made these brands big. Classic television advertising was what gave Red Bull wings. Storytelling remains TV's major strength.**

What are the biggest challenges in marketing in the multiscreen age?

Thomas Wagner: **Competent employees who move with technological progress are of enormous importance. In the last five years, we have developed from a classic marketer of reach into a marketer of concepts. More and more customers are looking for tailor-made communication solutions, and many different types of knowledge about the interplay of different media are necessary to fulfill this requirement. The second major challenge as a multiscreen marketer is to offer an overall reach that the customer can book with one order for all devices.**

Until now, your biggest competitor in your core business was the media group RTL Deutschland – now you have to think about Google, Facebook and Co., too. The US groups are courting TV customers and winning budgets at international level.

Thomas Wagner: **We would be ill-advised if we did not take the new competitors just as seriously as the long-established ones. But it's worth having a close look at the figures: On YouTube, for example, 8% of users account for two thirds of traffic, while on Facebook it's 9%.The argument to build up additional net reach here is way off track. Heavy YouTube users actually watch more television than the average of TV viewers.**

How do you plan to grow in the next five years, assuming that the situation on the audience and advertising market remains largely stable?

Wolfgang Link: We will grow by taking advantage of the opportunities offered by fragmentation, while creating strong events in linear television at the same time. There is room in Germany for stations aimed at specific target groups as well as for the major station brands. This is one of the key differences between us and the Scandinavian and US markets. Big sports events, shows, blockbusters – you can see all this on free TV in Germany. For this reason, linear television is also under less pressure here.

Thomas Wagner: **The battle for market share between different types of media is intensifying. Surely, the new internet players will also take up more and more of the budgets. But we will perform very well, because what ultimately matters to the customer is reach and impact. TV offers both as a reliable partner.** <

One format across all platforms: 360 degree concepts are sought after by viewers and advertising customers.

STATION PORTFOLIO

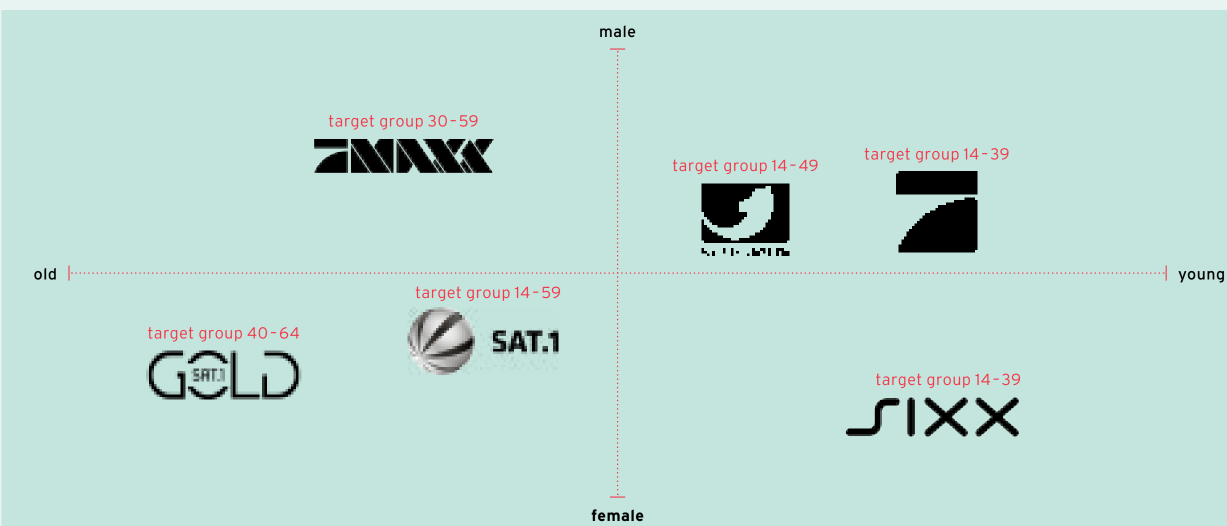
6

strong free TV brands

make up the ProSiebenSat.1 station portfolio in Germany. The subsidiary SevenOne Media markets those on all screens: TV, Connected TV, online and mobile.

ProSiebenSat.1 is Germany's most successful station group. We are the number 1 in the audience and TV advertising market and reach around 42 million TV households in the German-speaking region. Our free TV portfolio with the stations SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold and ProSieben MAXX is positioned in a complementary way.

prosiebensat1.com/en/activities/germany/prosiebensat1-tv-deutschland-gmbh



Reach meets ideas: With this innovative concept, ProSiebenSat.1 has risen to become Germany's number one media investor. By exchanging TV advertising time for a share in equity and/or revenues, the media group has built an attractive e-commerce portfolio, which is now one of its strongest growth drivers. ProSiebenSat.1 now aims for the pole position in Europe, selecting the best ideas of company founders from all over the world. An alliance of leading European broadcasters is to give them a crucial start advantage across national boundaries.

SEGMENT
Digital & Adjacent

Anyone who has ever observed the crowds at the famous crossroads in the Shibuya area of Tokyo will guess why Cyriac Roeding, CEO and co-founder of the US' most-used shopping app Shopkick, initially had Japan in mind for the first stage of his expansion plans. When all the cars come to a standstill and hundreds of people suddenly rush diagonally across the junction, many do not even look up from their smartphones despite the turmoil. These little companions are an indispensable part of everyday life in Japan.

Along with Korea, Japan is regarded worldwide as the engine behind the mobile avant-garde. When Constance-born Roeding, who has made the USA his home, in the end chose Germany as his first foreign market, his decision was based not so much on the attachment to his native country as to the offer he received from Christian Wegner, the member of the Executive Board responsible for digital business at ProSiebenSat.1: "We'll give you everything you need to become the market leader in Germany – from a single source," was the promise. Wegner offers this not only to Shopkick, but to digital trendsetters worldwide.

From a start-up to an industry giant: Media services and marketing expertise from a single source

ProSiebenSat.1 has already demonstrated its ability to turn a newcomer into an industry giant with the "Schrei-vor-Glück" ("Shout with happiness") campaign for online retailer Zalando. The company's IPO in 2014, around six years after it was founded, brought in EUR 605 million. Exploiting opportunities like these benefits both sides: Start-ups can grow into market leaders thanks to the triad of TV campaigns, marketing expertise and, if necessary, rounds of financing. At the same time, ProSiebenSat.1 gains a share in equity and/or revenues against media. Media-for-equity and media-for-revenue-share are the names given to these models that have enabled the Group to build up an e-commerce portfolio of around 60 companies, which is now its strongest growth driver in digital business.

»WE'RE SHOWING THE WORLD THAT THE DIGITAL TRANSFORMATION IS WORKING!«

Strong growth ideas: Dr. Christian Wegner, Executive Board member for Digital & Adjacent (center), pushes internationalization with his team.

Business is going well – so well that the targets set for 2015 were already achieved in 2014. And this trend is expected to continue. By 2018, Wegner wants to increase annual revenues for the entire Digital & Adjacent segment to EUR 935 million compared to EUR 335 million in 2012. The segment also includes the Group's digital entertainment portfolio, in addition to the e-commerce business. "The motto for the next few years is internationalization," Wegner explains.

ProSiebenSat.1 internationalizes its growth model through a European TV alliance.

In a few years, the Group wants to be the biggest media investor not only in Germany, but also in Europe. When Wegner jets off to see promising

From San Francisco to Seoul: ProSiebenSat.1 has opened scouting offices in the world's start-up metropolises.

VERTICAL STRATEGY

4

digital commerce verticals

are currently built up at ProSiebenSat.1. Each one has the potential to generate over EUR 100 million in revenues every year in the medium term.

Travel	Beauty & Accessories	Home & Living	Fashion & Lifestyle
billiger-mietwagen.de		moebel.de	STYLIGHT
weg.de, tropo	FLACONI, AMORELIE		GYMONDO
mydays, DISCAVO	BRILLE24.de, VALMANO		
wetter.com			

VENTURES

Around

60

digital commerce companies

are among ProSiebenSat.1's portfolio.

Investments generating large volumes of synergies are bundled in the verticals "Travel", "Home & Living", "Beauty & Accessories" and "Fashion & Lifestyle". The internationalization of these verticals is an important strategic milestone on the path from a national TV company to a global digital player.

sevenventures.de/en

candidates, he has a complete starter kit for the market entry in his bag – from large-scale TV campaigns to contacts to the marketing team to office premises. With this support, Shopkick was ready to launch in Germany within six months in 2014, a project that would otherwise have taken about 18 months.

As attractive as Germany is to start-ups as the world's fourth-largest economy, entry to the overall European market is even more alluring to newcomers from overseas. The different languages, cultures and legal systems mean that the barriers are high. Wegner's vision is therefore to create a powerful pan-European media alliance that will give start-ups access to many countries from a single source. ProSiebenSat.1 has already concluded its first broadcasting cooperation agreements in the UK (Channel 4), France (TF1), Poland (TVN), Scandinavia (MTG) and Turkey (Dogan TV).

From a national TV company to a global digital player

"We're showing the world that the digital transformation is working," says Wegner. "ProSiebenSat.1 is the best example of how a national TV company can successfully be transformed into a digital player." The Group is building on two investment models in its business with start-ups: Some investments such as Shopkick and Zalando are held in the short to medium term and then sold at a profit. Other majority interests that generate a lot of synergies

Anoop Vasisht

»WE'RE BRINGING MAJOR BUSINESS IDEAS TO EUROPE.«

A sense for the next big trend: Scout Anoop Vasisht, Director International Business Development & Investments

are bundled in e-commerce verticals. In 2014 for example, the group established a travel vertical with all services relating to holidays – from hotel and flight bookings (weg.de, tropo.de) to hire cars (billiger-mietwagen.de) and a weather portal (wetter.com). Annual revenues amount to around EUR 150 million. The companies benefit not only from the cross-media marketing power of the ProSiebenSat.1 network with high-reach TV and online advertising. Digital traffic between individual investments is also increasingly contributing to growth. Whether it's "Home & Living" or "Beauty & Accessories" – new verticals have a revenue potential of at least EUR 100 million each per year in the medium term.

Scouts import the best ideas from all over the world.

To bring new shooting stars to Europe, ProSiebenSat.1 opened its own scouting offices in the world's most important start-up centers in 2014 – from San Francisco to Tel Aviv, from London to Shanghai and Seoul. The Group has made a name for itself internationally with its innovative investment strategy. Anoop Vasisht, Director International Business Development & Investments, acts as a scout not only on the Tel Aviv scene, where, in the "Silicon Wadi" area around Rothschild Boulevard not far from the city's beach, 700 out of a total of around 5,000 Israeli start-ups are honing their new business ideas. Vasisht also has hundreds of start-ups on his radar in the USA, in order to sift out the most suitable candidates for export.

The IT specialist's work is a lot more down-to-earth than it looks. When he meets company founders in Silicon Valley, the facts are counting. "Building relationships and detecting trends is just part of the work I do," says Vasisht. "For me, questions like these are also important: Is the business idea really right for us and can it be successful in Europe? Can it be advertised on TV in an emotive way? And is the start-up team working professionally on its vision?" Only if the answer to all points on Vasisht's checklist is a definite yes, ProSiebenSat.1 will consider the investment. "The day we brought five major business ideas to Europe will definitely be the best day of my journey." <

Pioneer in the digital world: Dr. Sebastian Weil, Head of the Management Board, Studio71

Whether if it's online, mobile or on TV: Thanks to innovative offerings, ProSiebenSat.1 has secured an early lead in the new media world. The Group not only operates Germany's most successful station portfolio; with the largest German video-on-demand portal, its own multi-channel network and attractive basic pay TV channels, the Group is also excellently positioned for the coming video age.

Are online videos the future of TV?

Sebastian Weil: Online portals respond to different needs than TV. They are mostly accessed on mobile devices. Watching TV online is not better or worse, just different. Nevertheless, the internet and TV are merging like never before. In the years to come, we will definitely see rising demand for web-only formats.

Does that not mean you are cannibalizing your traditional TV offering?

Sebastian Weil: Not at all. It is more that we are addressing additional and many young viewers with online formats. For example, our event format "Last Man Standing" brought us over a million live video views online. A great success. Of course, this is not yet giving us the reach of traditional free TV. So if an advertising customer wants to introduce a new product, a spot in the commercial break of a high-reach TV show is still always the first choice.

The ProSiebenSat.1 Group is consistently backing multiscreen concepts. Is the expense and work paying off?

Sebastian Weil: In the digital world, it is important to be a pioneer and to think in a 360-degree-approach for all age groups. We have succeeded in this. With our brands, we are present on all screens. We have promoted the merger of screens both in terms of content and technology through innovative offerings like maxdome, MyVideo, HbbTV and the 7TV app. Anticipating changes in media use, and having the courage to invest early and experimentally in this new TV world, is paying off. For viewers, for advertisers, for talents – and for us.

Dr. Sebastian Weil

»BEING A PIONEER PAYS OFF.«

#2

MULTI-CHANNEL NETWORK

3.4

million subscribers

follow Gronkh on his web channel.

He is the most popular internet star in Germany. The live show "Let's play together" with his pal Sarazar on the online portal MyVideo is a cult hit. Both are under contract with the ProSiebenSat.1 web video specialist, the multi-channel network (MCN) Studio71. The company, founded in 2013, produces exclusively for the internet with around 100 web stars. The videos are packaged in special channels and are available on online video platforms. With more than 200 web channels, Studio71 achieved over 250 million views a month as of the end of 2014. In just one year, Studio71 has thus become the second-strongest MCN in Germany. By investing in the US Collective Digital Studio, ProSiebenSat.1 wants to establish one of the leading global MCNs.

#1

ADVERTISING-FINANCED VIDEO-ON-DEMAND (AD-VOD)

+119 %

is the increase estimated for the use of online video and internet TV content by 2018.

At this time, 14 to 49 year olds will watch films, series or shows via the web for nearly an hour every day. Mobile devices and PCs are mostly used to access free content funded by advertising. The advertising-financed online video platform MyVideo is one of the pioneers of live streaming in Germany. The ProSiebenSat.1 subsidiary is the leading German online video portal for premium content. The 7TV app launched in 2014 offers a free video library and broadcasts the ProSiebenSat.1 stations' programming for mobile devices. With 2.5 million downloads as of 2014, 7TV is on the way to becoming the biggest German TV app.

PAY TV

10.2

million viewers

reached by pay TV in Germany every month – as many as never before.

People are becoming more willing to pay. The German Private Broadcasting and Telecommunication Association (VPRT) estimates revenues in pay TV and pay video-on-demand at EUR 2.3 billion in 2014. The market is growing by a double-digit percentage. With its three basic pay TV stations – SAT.1 emotions, ProSieben FUN and kabel eins CLASSICS – ProSiebenSat.1 is benefiting from the momentum of paid television.

#1

PAY VIDEO-ON-DEMAND (PAY-VOD)

480

million EUR

This is the amount the German pay video-on-demand market is expected to reach in 2018.

In 2013, it was EUR 194 million. Thus, Germany still has a lot of growth potential: VoD's market penetration is already at 28 % in the USA, while here it is only 3 %. ProSiebenSat.1 operates maxdome, the largest German online video library; it launched as the first online-based video-on-demand platform back in 2006. There are now over 60,000 entertainment titles available for TV, PC, laptop, games console, tablet und smart-phone. maxdome is integrated in nearly all hybrid TVs and the Google Chromecast streaming stick.

#1

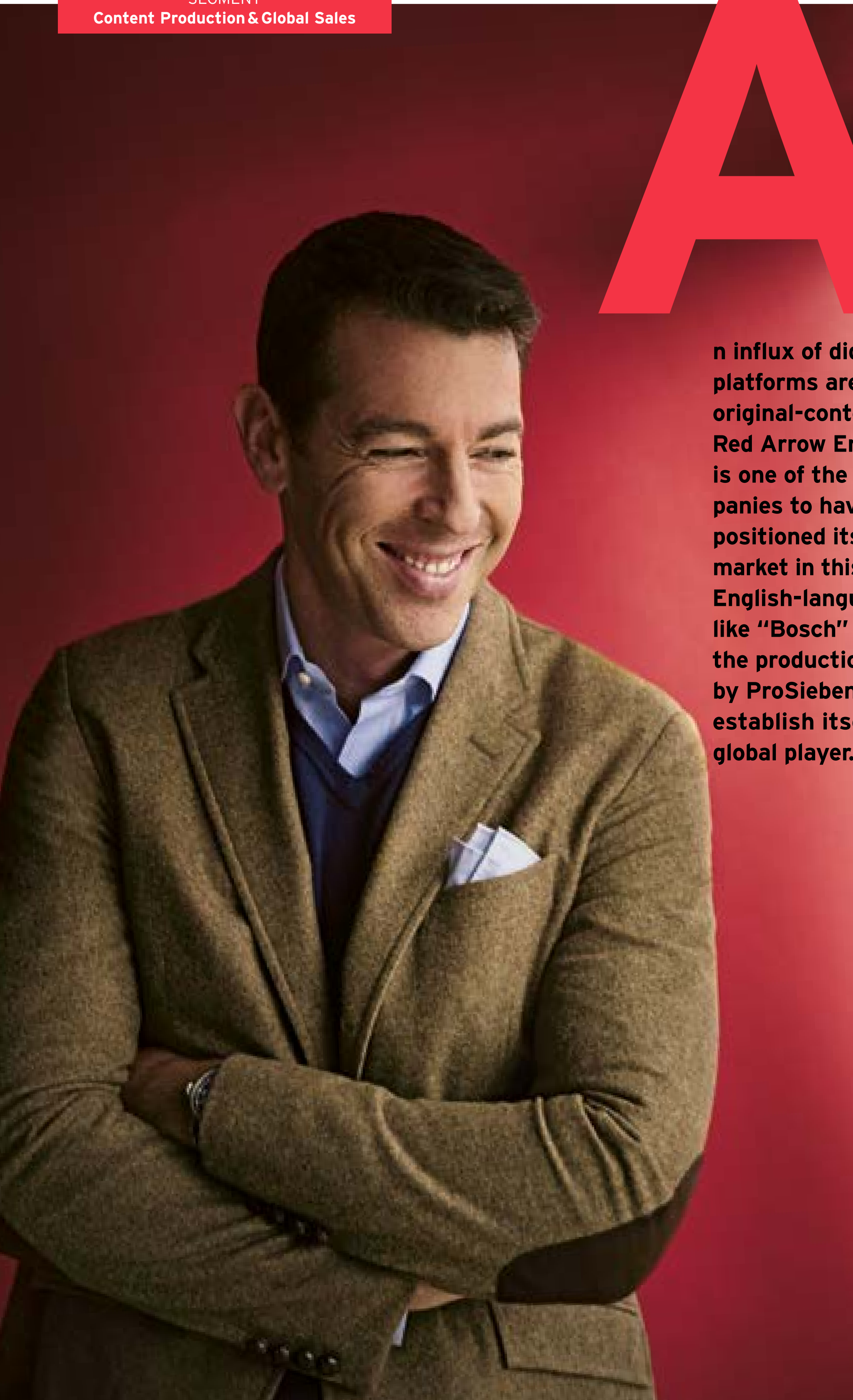
STATION PORTFOLIO LINEAR FREE TV

260

minutes

of television are being watched in Germany every day.

Traditional television is by far the most popular medium. Also in the years to come, forecasts predict stable use time. ProSiebenSat.1 made a considerable contribution to this confident market position and continuously strengthened it with programming and technological innovations: New stations, additional offers via smart TV or interactive television via HbbTV – the Group is always reinventing television and is prepared for the digital future. In 2014, ProSiebenSat.1's free TV portfolio reached an audience share of 28.7 %, and the trend is rising.



An influx of digital streaming platforms are pushing into the original-content game. Red Arrow Entertainment Group is one of the first German companies to have successfully positioned itself on the global market in this thriving field. With English-language drama series like "Bosch" and "100 Code", the production company owned by ProSiebenSat.1 seeks to establish itself as a leading global player.

On the way up: Jan Frouman is on track for expansion in the English-language market with the Red Arrow Entertainment Group.

Jan Frouman

»IT'S A GOLDEN AGE FOR DRAMA PRODUCTIONS.«

Hieronymus "Harry" Bosch is a tough-minded homicide detective from Los Angeles who relentlessly fights for justice and is one day suspected of murder himself. Of all the characters that bestselling author Michael Connelly has created, Harry is the one who is closest to his heart. The author has sold around 60 million copies of his novel franchise and has waited almost 20 years to bring his Bosch to the screen.

That's why Connelly will never forget the moment that Titus Welliver auditioned for the role: "It was one of those casting miracles: I just knew that Harry Bosch was with us." The introverted character needed an actor who could fill even quiet moments with presence and tension. Welliver recognized this as well: "Bosch is so human because he is flawed. That's precisely what attracted me to him. I'll play him for as long as they let me – even when I need a walking frame," jokes the 54-year-old, who many people will recognize from Ben Affleck's thriller "Argo" and the CBS drama series "The Good Wife".

Strong stories, big stars, first-class locations: Red Arrow is aiming for the top of the world.

Jan Frouman, CEO of Red Arrow Entertainment Group, shares Connelly and Welliver's passion for Bosch. The series for Amazon's streaming service is exactly the type of project with which he wants to see the ProSiebenSat.1 subsidiary continue to grow in the coming years. "Strong stories, big stars, a great location – it doesn't get any better," says Frouman. He believes that "Bosch" is what Red Arrow needs to establish itself as a global leader for English-language drama. The game is decided in the US and UK markets. "If you can get a hit there, you've got a great shot at global success," says Frouman.

The numbers point to further growth. "It's a golden age for drama productions," Frouman says. Whether it's for free TV, pay TV or on-demand streaming – around 65 channels in the USA alone are now commissioning drama formats. The streaming service Netflix has plans to release a new series or season every two and a half weeks. Amazon Studios also commissioned numerous pilots last year.

Red Arrow is one of the first German production and distribution companies to seize the opportunities in the new market for digital platforms all around the world. Development, production and distribution from a single provider, Red Arrow is thus having an advantage in concluding the best deals. The latest

GLOBAL PLAYER

Red Arrow is supplying programs to

›200

countries.

Red Arrow has demonstrated its strength in sales with the successful Netflix series "Lilyhammer", for example: To date, the rights to the Norwegian drama have been sold to over 150 countries. In addition to their drama series featuring A-list cast members, formats like "The Taste" or "Married at First Sight" were international sales hits in 2014. The Red Arrow program catalog now includes a total of 710 titles with 10,000 hours.

redarrow.tv

example is "100 Code": The series that was created for Sky Deutschland and Sweden's Kanal 5 in 2014, was produced and marketed worldwide by Red Arrow.

With 900 produced hours in 2014 and 13 production companies in seven countries, the ProSiebenSat.1 subsidiary, which was founded in 2010, has established itself as an international player. In 2014, the team led by Frouman already achieved the targets it had set for 2015, with external revenues of around EUR 202 million. The company's profitability is also increasing steadily. "The business is doing well," says Frouman.

It's not the heads of programming, but the viewers who decide whether a pilot goes into series.

The digital boom offers ample opportunities for advancement, as well as much novelty. Frouman could hardly tear himself away from his computer, the day that Amazon put the "Bosch" pilot online. Because the viewers' rating of the pilot ultimately determined whether a whole season would follow – a first in the world of TV. Frouman no longer remembers how many times he refreshed the Amazon website on February 6, 2014. He did it countless times. "I need more Bosch!", Frouman read. "The script is clever, the plot draws you in and the actors are first-class." "Definitely worth a whole season." "I'm crazy about Harry." Around 3,000 comments appeared on the website in the first 24 hours alone. In total, about 13,000 viewers rated the show on Amazon. The result: 4.7 out of a possible 5 stars – a top rating.

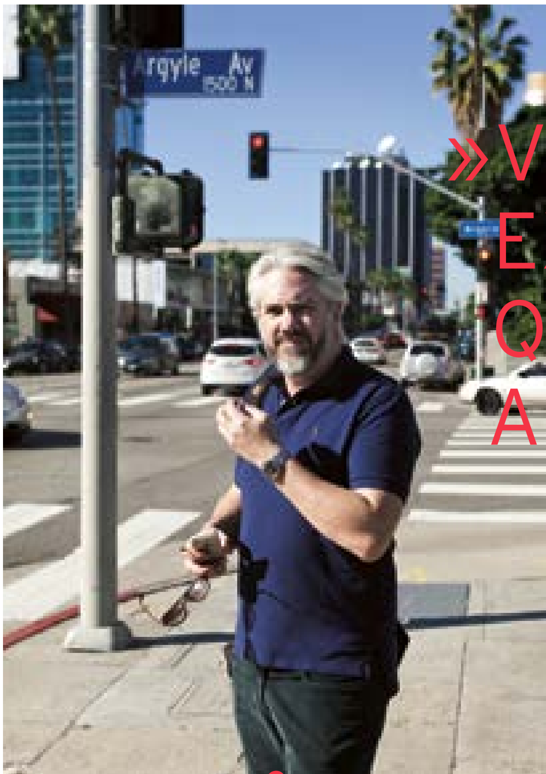
Classic television or online? There are no differences in quality anymore.

"Online productions are no longer inferior to TV productions in any way," says Henrik Bastin, CEO of Red Arrow's US subsidiary Fabrik Entertainment, which produced "Bosch" and "100 Code". Not only is this evident through international sales to a number of established TV stations, Red Arrow's productions are also attracting top-tier talent: In the crime series "100 Code", Hollywood star Dominic Monaghan ("Lost") plays a New York police officer who heads to Stockholm to investigate a series of mysterious murders of women. There he is paired with a veteran Swedish detective played by Michael Nyqvist ("Millennium Trilogy"), who is not at all impressed by his new colleague's American mentality. The team behind the camera is also something to be proud of: The series is created and directed by Academy Award winner Bobby Moresco ("Crash", "Million Dollar Baby").

Big characters, gripping subjects: "It doesn't make any difference whether we're producing for Amazon, Netflix, the BBC or Sky," says Henrik Bastin. "Viewers expect high quality on all channels." And that is ultimately the deciding factor in determining whether or not a series becomes a major hit. ‹

Henrik Bastin

»VIEWERS EXPECT HIGH QUALITY ON ALL CHANNELS.«



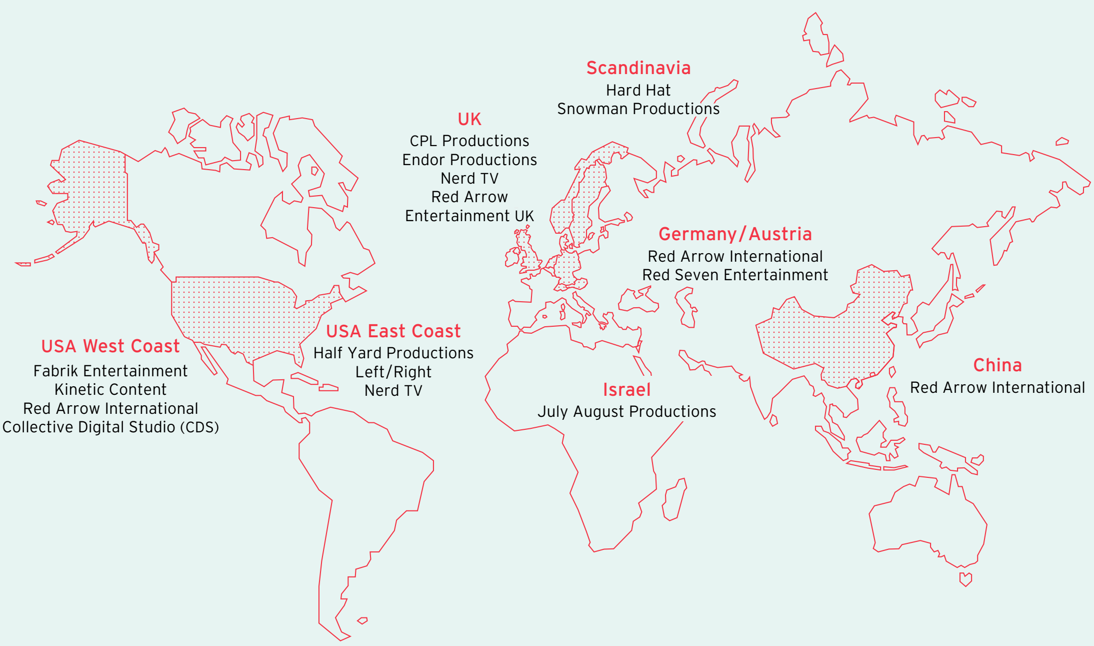
On the fast lane: Henrik Bastin, CEO of the Red Arrow subsidiary Fabrik Entertainment

STRONG NETWORK

13

production companies

in seven countries and a multi-channel network: This is the Red Arrow Entertainment Group.



Make use of synergies and growth potential

WE MAKE CONSISTENT USE OF THE GROWTH AND SYNERGIE POTENTIAL BETWEEN TV AND DIGITAL BUSINESS. NOW WE ARE TAKING THE NEXT STEP AND ALIGNING OUR DIGITAL ACTIVITIES ON THE INTERNATIONAL LEVEL.

Our success is based on the high reach of television. In addition, our activities in the digital commerce and digital entertainment sectors are also gaining reciprocal benefits from the integration of content and advertising. We are standing on a sound financial basis that opens up further options to us. In the years to come, we will complement our portfolio through strategic acquisitions. We will open up new revenue sources with innovative offers and sales concepts. This will allow us to continue to grow profitably in the future.

INTERVIEW WITH AXEL SALZMANN AND DR. GUNNAR WIEDENFELS

Page 36

On April 1, 2015, Dr. Gunnar Wiedenfels will become the new Chief Financial Officer (CFO) of ProSiebenSat.1 Media AG.

INTERVIEW WITH CONRAD ALBERT

Page 68

Distribution has developed into a strong growth driver for ProSiebenSat.1 in the last few years.

INTERVIEW WITH DR. RALF SCHREMPER

Page 166

ProSiebenSat.1 pursues a consistent M&A strategy also in the future in order to position the portfolio for further growth.

INTERVIEW WITH SABINE ECKHARDT

Page 294

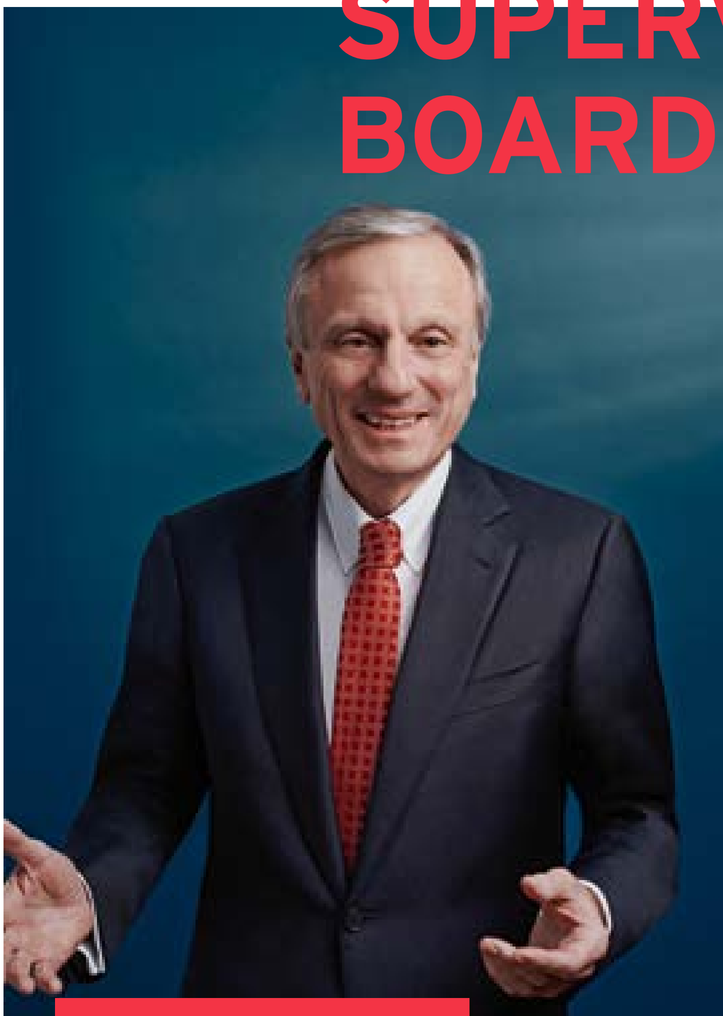
Content Marketing – every successful brands tells a story. The strength of ProSiebenSat.1 is in staging this story.

A
TO OUR SHAREHOLDERS

Content

1 Part of the audited Group management report.

REPORT OF THE SUPERVISORY BOARD



Dr. Werner Brandt
Chairman of the Supervisory Board

Dear Shareholders,

Let me start by introducing myself as the new Chairman of the Supervisory Board. My name is Dr. Werner Brandt, and I have been a member and the Chairman of the Supervisory Board of ProSiebenSat.1 Media AG since June 2014. I took over the office of Chairman at the end of the last Annual General Meeting from Mr. Johannes Huth, who resigned from the Supervisory Board at the same time.

The ProSiebenSat.1 Group has concluded a very successful 2014 financial year, during which it consistently implemented its growth strategy. In this process, we, as the Supervisory Board of the Company, have provided the Executive Board of ProSiebenSat.1 Media AG with extensive advice and support.

Once again in the 2014 financial year, the Supervisory Board of ProSiebenSat.1 Media AG performed the duties incumbent upon it under the law, the articles of incorporation, and its own rules of procedure, while also taking into consideration the recommendations of the German Corporate Governance Code.

Cooperation Between the Executive Board and the Supervisory Board

In the 2014 financial year, the Supervisory Board regularly advised the Executive Board on the management of the company in close, trusting cooperation, and carefully and continuously supervised its conduct of the business. It dealt in depth with the development of the Group's operations and strategy.

To this end, the Supervisory Board was regularly, promptly and fully informed in detail – both during meetings of the Supervisory Board and outside them – about all issues relevant to the Company concerning strategy, planning, business performance, the risk situation, risk management and compliance. When business performance deviated from plans, the Executive Board explained and discussed the details with the Supervisory Board. The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the Company.

The Supervisory Board meetings were characterized by intensive and open exchanges with the Executive Board. In addition, an integral part of the meetings is represented by "closed sessions", in which the members of the Supervisory Board have the opportunity to meet without the Executive Board being present.

Where the law, the articles of incorporation, or the rules of procedure demanded the approval of the Supervisory Board or a committee for individual measures, we have debated these and passed a corresponding resolution. The Supervisory Board was consistently and comprehensively informed of all matters requiring its approval; and corresponding proposals for resolution of the Executive Board were submitted promptly for review. The plenary Supervisory Board was supported in this process by the competent committees in each case, and discussed plans pending a decision with the Executive Board.

In addition to its reports at the Supervisory Board meetings, the Executive Board informed us of the most important financial figures in written monthly reports and submitted the interim and annual financial statements to us. We were also informed immediately of particular events between meetings and outside the regular reporting and, where necessary, were asked to pass resolutions in writing in consultation with the Chairman of the Supervisory Board. In addition, the Chairman of the Supervisory Board maintained an ongoing and close personal dialog with the CEO of ProSiebenSat.1 Media AG.

On the basis of the reports of the Executive Board, the Supervisory Board was always thoroughly informed about the situation of the Company, was involved in pending decisions directly and at an early stage, and was thus able to perform its tasks in their entirety. There was therefore no need for the Supervisory Board to examine the Company's books and other records within the meaning of Section 111(2) of the German Stock Corporation Act beyond the documentation provided to us in the course of the Executive Board's reporting activities.

Focal Points of the Supervisory Board's Advisory and Monitoring Activities

Members of the Supervisory Board, page 35.

Corporate Governance Report, page 40.

The plenary Supervisory Board and its committees also dealt in the 2014 financial year with the business and financial situation, the fundamental questions of corporate policy and strategy, the general personnel situation, and the specific investment plans. The focal points of its advisory and supervisory activities were formed here by the following topics:

- On January 21 and 29, 2014, the Supervisory Board approved by means of circular resolutions the conclusion of an agreement for the sale of advertising time by GroupM Germany GmbH and the repurchase of outstanding share options that had been granted to members of the Executive Board under the Long-Term Incentive Plan.

- In another circular resolution, the Presiding Committee issued its approval for a long-term program license agreement with NBC Universal on February 11, 2014.

- In a meeting of the Supervisory Board held by teleconference, the acquisition of all the shares in Aeria Games was approved on February 19, 2014. This acquisition expanded the existing games business of the ProSiebenSat.1 Group to new target groups: Aeria Games Europe GmbH is a publisher that specializes in online and mobile games.

- In another teleconference on February 25, 2014, the Supervisory Board approved the acquisition of a majority holding in the US production company Half Yard Productions by the Red Arrow Entertainment Group. Red Arrow is thus continuing its acquisition strategy in key English-language markets.

- At the financial statements meeting on March 13, 2014, the Supervisory Board approved the annual and consolidated financial statements as well as the management and consolidated management report, the corporate governance report and the declaration of compliance for the 2013 financial year. The Board additionally reviewed and concurred in the proposal of the Executive Board for the allocation of the profits. At this meeting, we also conducted the annual review of the Executive Board compensation and intensively discussed its appropriateness, and we received a detailed overview of the current performance of the Company. Following an in-depth discussion, the Supervisory Board approved the bonus payments for the 2013 financial year and the target agreements for Executive Board members for the 2014 financial year.

- In circular resolutions of March 23 and April 8, 2014, the Supervisory Board approved comprehensive refinancing of the credit facilities of ProSiebenSat.1 Media AG through the bond and banking market. This refinancing includes on the one hand unsecured notes in the amount of EUR 600 million maturing in April 2021, and, on the other, an unsecured syndicated loan agreement for EUR 2.0 billion maturing in April 2019, which replaces the previous syndicated loan.

- Also in April, the Supervisory Board approved the acquisition of the rights in the "Utopia" TV format. This format involves a social experiment that has been developed by the successful TV producer John de Mol. First aired on February 23, 2015, it is being broadcast on SAT.1 under the title "Newtopia". In addition, the Presiding Committee approved by circular resolution an extension of the master license agreement with CBS Studios International.

- On May 13, 2014, the Supervisory Board adopted the proposed resolutions for the agenda of the Annual General Meeting. This also was done in writing through a circular resolution. The Supervisory Board concurred in the nomination of the Audit and Financial Committee for the appointment of the auditor for the 2014 financial year. It also concurred in the proposals of the Presiding Committee to fill the vacancy on the plenary Supervisory Board.

- The Supervisory Board also used written circular resolutions in June 2014 to approve the conclusion of various contracts. These included in particular the conclusion of advertising sales contracts with Magna Global Mediaplus GmbH and Aegis Media GmbH & Co. KG as well as a distribution agreement with Unitymedia KabelBW GmbH on the continuation and expansion of the previous cooperation. Also in June 2014, the Presiding Committee issued its approval for the agreement of a license contract with Studiocanal Deutschland.

- The first ordinary meeting of the newly elected Supervisory Board was held after the Annual General Meeting on June 26, 2014. During this meeting, the members elected me, Dr. Werner Brandt, as Chairman and Philipp Freise as my Vice Chairman.

- In a two-day "Introduction Session" on July 31 and August 1, 2014, the Executive Board gave us an indepth explanation of the various business units. This provided the Supervisory Board with a comprehensive overview of the diverse portfolio of the ProSiebenSat.1 Group.

- During the extraordinary session of the Supervisory Board on September 2 and 3, 2014, the Executive Board provided an in-depth explanation of the strategic orientation of the Company, and informed us of its thoughts on a conversion of ProSiebenSat.1 Media AG into a European Company (SE). In addition to strategic decisions, personnel topics and changes to the Executive Board also formed a focal point of this two-day meeting. Thus the Supervisory Board and the Compensation Committee discussed intensively the compensation structure for Executive Board members and top executives and approved the introduction of a medium-term incentive plan for members of the Executive Board and selected top executives. In addition, the Supervisory Board dealt with changes in the Executive Board. The Supervisory Board appointed Dr. Gunnar Wiedenfels as CFO, and accepted the resignation of the previous CFO Axel Salzmann with effect from March 31, 2015. Dr. Ralf Schremper was appointed to the Executive Board as Chief M&A and Strategy Officer with effect from April 1, 2015, with responsibility for the newly created "Investment & Strategy, Mergers & Acquisitions" department. Dr. Gunnar Wiedenfels' and Dr. Ralf Schremper's term of office run for three years. Furthermore, the Supervisory Board decided that Conrad Albert should take on responsibility for the Pay TV and Content Acquisition areas with effect from April 1, 2015, in addition to his previous responsibilities on the Executive Board. Finally, the Supervisory Board obtained up-to-date information on the potential resignation of Heidi Stopper as Chief Human Resources Officer, and decided — in such case — to assign the responsibility for the Human Resources Department to the CEO Thomas Ebeling. In addition, the Presiding and Nomination Committee approved during this session an extension of the cooperation agreement with Warner Bros.

- In a written circular resolution on September 18, 2014, the Supervisory Board agreed to the request of Heidi Stopper to leave the Company and to resign her Executive Board mandate with effect from the end of September 30, 2014.

- The ordinary meeting of the Supervisory Board on September 30, 2014, was held as a teleconference. A focal point here was the planned increased internationalization of the digital business. In addition, the Executive Board informed us of the current performance in the most important business areas.

- On November 27, 2014, the Board approved by a written circular resolution the conclusion of a distribution agreement between maxdome GmbH and Unitymedia KabelBW. This distribution agreement is an important step in consolidating the leading market position of the maxdome video-on-demand portal.

- At its last ordinary meeting of the financial year on December 8, 2014, the 2015 budgeting for the ProSiebenSat.1 Group was presented and explained in detail to the Supervisory Board. In addition, we approved the launch of a new digital distribution platform, DVB-T2. The previous standard platform DVB-T1 will be switched off nationwide in 2018. The Supervisory Board also approved the equity investment in a leading European venture capital fund. Moreover, we were informed in detail about the performance in the most important business areas and received a report on measures to guarantee IT security throughout the Group.

In 2014, the Supervisory Board held a total of four ordinary meetings attended in person, two further meetings in the form of a teleconference, and a two-day session. With the exception of Stefan Dziarski, all members of the Supervisory Board attended more than half of the meetings. For the individualized disclosure of attendance at the meetings, we refer to the Corporate Governance Report, which can be found on our website at www.prosiebensat1.com/en/company/corporate-governance/ as well as from page 40 onward in the Annual Report. Outside these meetings, the Supervisory Board also adopted twelve resolutions by means of written circulars.

Report on the Work of the Committees

Corporate Governance Report, page 40.

The Supervisory Board of ProSiebenSat.1 Media AG has set up various committees, which support it in its work. To perform its work efficiently, the Board also made use of three committees in 2014: The Presiding and Nomination Committee, the Compensation Committee, and the Audit and Finance Committee. These committees have reported on their activities regularly and comprehensively to the Supervisory Board in its plenary sessions. Their key responsibilities are described below:

- The PRESIDING AND NOMINATION COMMITTEE coordinates the work of the Supervisory Board and prepares its meetings. It adopts resolutions on measures of particular operational and strategic significance. For example, in the 2014 financial year, the committee granted its approval for the license contracts with various studios described in more detail above.

  This committee is additionally responsible for the duties of a nomination committed pursuant to the German Corporate Governance Code. It thus submitted to the plenary Supervisory Board suitable candidates for the Supervisory Board for it to nominate at the Annual General Meeting on June 26, 2014.

  In 2014, the Presiding and Nomination Committee adopted seven circular resolutions; three meetings attended in person were also held.

- The COMPENSATION COMMITTEE prepares resolutions for plenary sessions of the Supervisory Board on personnel-related Executive Board issues. In the 2014 financial year, it dealt in particular with personnel changes on the Executive Board. Its duties also include the annual review of the compensation of the Executive Board members, which was most recently conducted by the full Supervisory Board during the strategy session on September 2 and 3, 2014.

  In 2014, the Compensation Committee held five ordinary meetings attended in person. Four circular resolutions were passed.

- The AUDIT AND FINANCE COMMITTEE dealt once again in the 2014 financial year with its duties pursuant to Section 107(3) Sentence 2 of the German Stock Corporation Act and Item 5.3.2 of the German Corporate Governance Code to monitor the financial reporting process, the effectiveness of the internal control system, the risk management system, compliance and the internal audit system. In this connection, the adoption of a new IT security standard was subject to its approval.

  The Audit and Financial Committee also prepared the resolutions of the Supervisory Board on the annual and consolidated financial statements and the agreements with the auditor. In addition to the award of the audit assignment to the auditor, these primarily included the definition of the focal points of the audit and the details of the fee agreement. It furthermore took suitable measures to verify and monitor the independence of the auditor. In addition, it prepared the proposal of the Supervisory Board to the Annual General Meeting on the election of the auditor and gave its recommendation on this to the Supervisory Board.

  The Audit and Finance Committee met five times in 2014.

For the individualized disclosure of attendance at the meetings of the Supervisory Board committees, we refer to the Corporate Governance Report, which can be found on our website at www.prosiebensat1.com/en/company/corporate-governance/ as well as from page 40 onward in the Annual Report.

Audit of the Annual and Consolidated Accounts for the 2014 Financial Year

The annual and consolidated financial statements of ProSiebenSat.1 Media AG and the management and consolidated management reports for the 2014 financial year were audited in accordance with the regulations by the Munich office of KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), and were issued on March 6, 2015, with an unqualified audit opinion.

All documents relating to the financial statements and the KPMG audit reports were made available to the members of the Supervisory Board promptly and were reviewed extensively by us. These documents were discussed in detail, in the presence of the auditors, first within the Audit and Finance Committee and then at the meeting of the full Supervisory Board. In the process, the auditor reported on the material results of the audit. No weaknesses were identified in the internal control and risk management systems in relation to the reporting process. Nor were there any circumstances that could give cause for concern about the partiality of the auditors. In addition to the auditing services, the auditors performed other attestation services amounting to EUR 0.5 million (previous year: EUR 0.6 million) and other services amounting to EUR 0.7 million (previous year: EUR 0.6 million). Details of the services provided by the auditors and the level of compensation are presented in the notes to the consolidated financial statements, which are printed on page 282 of the Annual Report.

The Supervisory Board noted with approval the results of the auditor's examination of the annual financial statements and, after completing its own examination, also found there was no cause for objection on its part. The Supervisory Board approved the annual and consolidated financial statements prepared by the Executive Board and audited by the auditor, as well as the management reports for the parent company and the Group. The annual financial statements are thereby adopted. Finally, the Supervisory Board also reviewed the Executive Board's proposal for the allocation of profits, and concurred in that proposal.

Conflicts of Interest

The members of the Supervisory Board are required to disclose possible conflicts of interest immediately to the Presiding Committee. In the 2014 financial year, the following conflicts of interest were indicated on account of individual members of the Supervisory Board simultaneously holding mandates on executive bodies at competitors and or business partners of ProSiebenSat.1 Media AG:

- Antoinette (Annet) P. Aris holds mandates on the supervisory boards of Thomas Cook PLC and Kabel Deutschland Holding AG. As a precaution, she therefore took her leave from the Supervisory Board meetings at ProSiebenSat.1 Media AG before any discussions that concerned the Travel and Distribution business area. She rejoined the meetings only after these discussions were completed or after resolutions were adopted.

- Philipp Freise is head of the "European Media Industry" department at Kohlberg Kravis Roberts (KKR). To avoid any conflicts of interest, he was not involved in discussions about a possible cooperation of the ProSiebenSat.1 Group with another media company in the German-speaking area. In addition, he took his leave of the Supervisory Board meeting on December 8, 2014, as a precaution when the investment in a venture capital fund was on the agenda. He was also not involved in any resolutions adopted on these topics.

Beyond that, there have not been any indications of the existence of conflicts of interest.

Corporate Governance

The Executive Board and Supervisory Board have compiled a separate report on corporate governance. This and the Management Declaration pursuant to section 289a of the German Commercial Code can be found on our webpage at www.prosiebensat1.com/en/company/corporate-governance/management-declaration and from page 40 onward in the Annual Report.

Changes in the Composition of the Executive Board and Supervisory Board

The following changes occurred in the Executive Board in the 2014 financial year: Heidi Stopper resigned from her position on the Executive Board and her mandate as Chief Human Resources Officer of ProSiebenSat.1 Media AG with effect from the end of September 30, 2014, in agreement with the Supervisory Board. Axel Salzmann has also resigned from his position on the Executive Board and his function as CFO of the Company with effect from March 31, 2015, by mutual agreement. His successor is the previous Vice CFO Dr. Gunnar Wiedenfels. Furthermore, Dr. Ralf Schremper was appointed as Chief M&A and Strategy Officer as a further member of the Executive Board. The new members of the Executive Board have been appointed with effect from April 1, 2015; they have already worked for the company in executive positions for several years.

The composition of the Supervisory Board also changed in the 2014 financial year. The terms of office of the Supervisory Board members Johannes Huth, Dr. Jörg Rockenhäuser, Stefan Dziarski, Philipp Freise, Lord Clive Hollick, Götz Mäuser and Prof. Dr. Harald Wiedmann ended when the Annual General Meeting on June 26, 2014, closed. Gregory Dyke and Dr. Fred Th. J. Arp had previously resigned from their offices as members of the Supervisory Board with effect from the end of May 11, 2013, and October 19, 2013, respectively.

The Annual General Meeting on June 26, 2014, elected Lawrence Aidem, Antoinette (Annet) P. Aris, Dr. Werner Brandt, Adam Cahan, Dr. Marion Helmes and Erik Adrianus Hubertus Huggers as new members of the Supervisory Board. At the same time, Prof. Dr. Harald Wiedmann, Stefan Dziarski and Philipp Freise were re-elected to the Supervisory Board.

Stefan Dziarski resigned from his position as a member of the Supervisory Board with effect from the end of October 30, 2014.

Thank You from the Supervisory Board

On behalf of the Supervisory Board, I would like to explicitly thank the members of the Executive Board as well as all employees for their great commitment in the 2014 financial year. Their work has been the cornerstone for the success of the ProSiebenSat.1 Group in the 2014 financial year.

Special thanks go to the departing Executive Board members Axel Salzmann and Heidi Stopper. Axel Salzmann has set the agenda in important areas in the company and made a decisive contribution to ensuring that the company today stands on a stable financial base. I must thank Heidi Stopper for her commitment; through her forward-looking work in the field of human resources, she has raised the attractiveness of the ProSiebenSat.1 Group as an employer and supported the company's growth strategy.

I would also like to thank the departing members of the Supervisory Board for their work on the ProSiebenSat.1 Supervisory Board, which has made the takeover of the business by the new Supervisory Board significantly easier. Last, but not least, I would like to express my thanks to you, our esteemed shareholders, for your confidence in the company and in the stock of ProSiebenSat.1 Media AG.

Unterföhring, March 2015

On behalf of the Supervisory Board

Werner Brandt

Dr. Werner Brandt,
Chairman

Members of the Supervisory Board

Members of the Supervisory Board of ProSiebenSat.1 Media AG as of December 31, 2014 (Fig. 1)

Dr. Werner Brandt Chairman	Member of the Supervisory Board since June 26, 2014 Consultant	Mandates: RWE AG (non-executive), QIAGEN N.V. (non-executive), Osram Licht AG (non-executive), Deutsche Lufthansa AG (non-executive)
Philipp Freise Vice Chairman	Member of the Supervisory Board since March 7, 2007 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)
Lawrence Aidem	Member of the Supervisory Board since June 26, 2014 Iconic Entertainment Inc. (President, CEO)	Mandates: none
Antoinette (Annet) P. Aris	Member of the Supervisory Board since June 26, 2014 INSEAD (Adjunct Professor of Strategy)	Mandates: Thomas Cook PLC (non-executive), Kabel Deutschland Holding AG (non-executive), Jungheinrich AG (non-executive), ASR Netherlands N.V. (non-executive), Sanoma Group (non-executive)
Adam Cahan	Member of the Supervisory Board since June 26, 2014 Yahoo Inc. (Senior Vice President Mobile and Emerging Products)	Mandates: none
Dr. Marion Helmes	Member of the Supervisory Board since June 26, 2014 Consultant	Mandates: NXP Semiconductors N.V. (non-executive)
Erik Adrianus Hubertus Huggers	Member of the Supervisory Board since June 26, 2014 Consultant	Mandates: Consolidated Media Industries B.V. (non-executive)
Prof. Dr. Harald Wiedmann	Member of the Supervisory Board since March 7, 2007 Gleiss Lutz Hootz Hirsch Partnergesellschaft von Rechtsanwälten und Steuerberatern (German Certified Public Accountant, Tax Adviser, Attorney at Law)	Mandates: DO Deutsche Office AG (non-executive), Universal-Investment GmbH (non-executive)

Proposed Allocation of Profits

The ProSiebenSat.1 Media AG Executive Board intends to propose to the Annual General Meeting a dividend payment of EUR 1.60 per common share. This represents an expected total payout of EUR 341.8 million or a payout ratio of 81.6 % of underlying net income.[1] On the basis of the share price of the common share of EUR 34.83 on December 30, 2014, this equates to a dividend yield of 4.6 %.

1 Payment amount and ratio are subject to change in treasury stock until dividend payment date.

Handover following a successful turnaround: On April 1, 2015, Gunnar Wiedenfels will become the new Chief Financial Officer (CFO) of ProSiebenSat.1 Media AG. His predecessor, Axel Salzmann, worked for the Group for seven years and knows his successor very well, as he recruited him for the Company himself in 2009. A discussion about costs, cash and the capital market.

Axel Salzmann (right), Chief Financial Officer (until March 31, 2015), ProSiebenSat.1 Media AG
Dr. Gunnar Wiedenfels, Chief Financial Officer (from April 1, 2015), ProSiebenSat.1 Media AG

Axel Salzmann

»PROSIEBENSAT.1 OFFERS GROWTH PROSPECTS AND AN ATTRACTIVE DIVIDEND YIELD.«

Successfully restructured: As CFO, Axel Salzmann has put the Group on a sound financial foundation.

Mr. Salzmann, you joined ProSiebenSat.1 in spring 2008. Do you still remember your first day?

Axel Salzmann: Oh yes, it was May 1, 2008. But because I could hardly wait to start, I was already here on April 30. Some days before, the Group had to issue a profit warning. It wasn't an easy start.

The Company was in a difficult situation back then...

Axel Salzmann: It was a very unusual situation. First of all, ProSiebenSat.1 had acquired the international TV group SBS in 2007, and secondly it had come up with a sales concept that didn't quite match the needs of the market. This led to a significant decline in revenues, and, as obvious as it might sound, if revenues aren't right, you can't achieve a good profit. However in 2009, we then managed to reduce our costs by around EUR 220 million within just 12 months – in retrospect, this was an extraordinary achievement, towards which everyone contributed.

How did the Company develop after that? Can you outline two or three highlights of your time as CFO?

Axel Salzmann: From then on, ProSiebenSat.1 grew in a very dynamic way. Firstly, we reduced our net financial debt by EUR 1.2 billion in 2011 by selling our business in Belgium and the Netherlands. On this basis, we set our current net financial debt target, which is 1.5 to 2.5 times of the recurring EBITDA for the last 12 months. In 2012 and 2013, we decided to concentrate on our German-speaking TV business and therefore sold our Northern European portfolio, too. Since then, we have invested consistently in promising digital activities and have promised the capital market to generate an additional 800 million in revenues by 2015 compared to 2010. We've now achieved this a year earlier than announced.

You issued notes in the amount of EUR 600 million last year, thereby partially repaying an existing loan. What was the strategic aim behind this transaction?

Axel Salzmann: ProSiebenSat.1 is striving to fund some of its financial requirements via the capital market in the long term. We are also making efforts to stagger the maturities of our financing agreements in a way that will give us the broadest

Dr. Gunnar Wiedenfels

»MY MAIN TASK WILL BE TO ENSURE RATIONALITY.«

E
nterprisingly oriented:
Dr. Gunnar Wiedenfels wants to actively promote further growth.

possible repayment profile. The placement of the notes was an important step. The Company will definitely take further steps in this direction in the future and will take advantage of market opportunities whenever they arise. The notes were 3.5 times oversubscribed and have a coupon of 2.625% with a seven-year term – I call that highly successful.

Mr. Wiedenfels, Axel Salzmann recruited you during the restructuring phase of the Company. Now you're about to become CFO at a highly profitable group with a share price that has increased considerably. Which areas are you going to focus on?

Gunnar Wiedenfels: **The key question for me is what part we can play as the management in ensuring that this Company makes the right investment decisions during growth phases and reacts with resolve at an early stage in times of crisis. I'm convinced that we have a very good team with which I will enjoy tackling the next challenges. At ProSiebenSat.1, we have always been very willing to change and develop.**

You were most recently responsible for Controlling at the Group. How do you see your role as the future CFO?

Gunnar Wiedenfels: **I'd like to shape things in an entrepreneurial way. In my opinion, my main role as CFO will be to ensure that entrepreneurial decisions are made rationally. In order to do this, it is important to analyze controlling data and to participate in taking decisions on this basis.**

Mr. Salzmann, throughout almost your entire time in office two financial investors, Permira and KKR, were the co-owners that had a determining influence on the Group. Both have now sold their shares. Will the new ownership structure change the work of the CFO?

Axel Salzmann: I have always known Permira and KKR to be investors that work in an enterprising and focused way. They have been very supportive of the Company's development from a strategic point of view. Now, we're dealing with different professional, institutional investors, although they're asking for similar things: Strong growth prospects and a good dividend yield.

The future growth targets are based on synergies between traditional TV business and the digital portfolio, among other factors. What does this mean?

Gunnar Wiedenfels: Of course, we want to continue growing in our traditional television business in the next years. At the same time, we set up new services in the Digital & Adjacent segment, which will also expand and strengthen our TV brands. We are already the leader in the paid video-on-demand market in Germany with maxdome. We also have online video services that are financed through advertising such as MyVideo, our TV websites, the 7TV app and a rapidly growing multi-channel network. Furthermore, we have an expanding portfolio of investments in the area of digital commerce. We're pursuing a vertical strategy here, whereby companies complement each other and generate synergies, for example by passing on web traffic. The larger the verticals and their companies become, the stronger this effect will be.

Is the ProSiebenSat.1 Group actually a blue chip or a growth stock on the stock exchange?

Gunnar Wiedenfels: Both. On one hand, we're regarded as a company with a strong growth impetus, which we've proven in the past. At the same time, however, we have announced to the capital market that we will pay 80% to 90% of our underlying net income as a dividend. We can do this because we have two investment currencies: We're a company with a very strong cash flow. Furthermore, we also have advertising time for investments. This allows us to invest in promising start-ups with media as well as pushing our own products.

It sounds like you've already settled in to your role as CFO. Mr. Salzmann, do you still have any advice for your successor?

Axel Salzmann: Gunnar has been my deputy for a year now and has known our business for over six years. He has had the best possible preparation for his new role. ‹

Presciently planned: The two financial experts planned the handover of the CFO post early on.

Corporate Governance Report

The Executive Board and Supervisory Board see good corporate governance as an essential component of responsible, transparent management and control oriented to long-term value creation.

The German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK) establishes a standard for transparent control and management of companies, which is particularly aligned to the interests of the shareholders. Many of the principles contained in the DCGK have already been practiced at ProSiebenSat.1 for a long time.

Individual topics relating to corporate governance at ProSiebenSat.1 Media AG are described in more detail in the Management Declaration pursuant to Section 289a of the German Commercial Code; this includes in particular the annual Declaration of Conformity and relevant information on management practices. Supplementary statements, such as a description of the working procedures of the Executive Board and Supervisory Board, a presentation of the composition and working procedures of the committees and explanations on the capital market communication and the reporting principles can be found in the following Corporate Governance Report pursuant to section 3.10 DCGK.

Fundamentals Relating to Corporate Governance

ProSiebenSat.1 Media AG is a listed stock corporation, with its registered office located in Germany. As well as from the German Corporate Governance Code, the formal structure for Corporate Governance is therefore derived from German law, in particular the law governing stock corporations and the capital market, as well as from the articles of incorporation of ProSiebenSat.1 Media AG.

The compliance officer of ProSiebenSat.1 Media AG is entrusted with implementing the principles of corporate governance, monitoring compliance with the requirements of law and documenting these processes. The officer's duties also include keeping up to date on changes in the laws, and tracking the relevant public discussions.

The Company's Governing Bodies

As a German stock corporation, ProSiebenSat.1 Media AG has three governing bodies: the Annual General Meeting, the Supervisory Board and the Executive Board. Their tasks and powers emerge from the German Stock Corporation Act and the articles of incorporation of ProSiebenSat.1 Media AG.

German corporate law provides for a clear separation of personnel between management and controlling bodies. The managing body is the Executive Board, which is overseen and advised by the Supervisory Board with regard to management. All transactions and decisions that are of fundamental importance to the Corporation are handled in close coordination between the Executive Board and the Supervisory Board. As such, open communication and close cooperation between bodies is of particular importance. This Corporate Governance Report therefore reports on the working procedures of the Executive Board and Supervisory Board and their cooperation. The compensation of the members of the Executive and Supervisory Boards is explained in the Compensation Report, which is part of the Group management report (see page 49 in the Annual Report).

The shareholders exercise their rights of joint administration and oversight at the Annual General Meeting. Each share of common stock confers one vote at the Annual General Meeting. The invitation to the Annual General Meeting notifies the Company's shareholders in a timely manner about the various agenda items and the resolution proposals that the Executive Board and Supervisory Board will be submitting for approval.

Members of the Executive Board, page 8.

Members of the Supervisory Board, page 35.

Composition of the Executive Board and Supervisory Board

According to the provisions of the articles of incorporation, the **Executive Board** has one or more members. The number of Executive Board members is determined by the Supervisory Board. As of December 31, 2014, the ProSiebenSat.1 Media AG Executive Board consisted of four members.

The **Supervisory Board** has nine members in accordance with the articles of incorporation, which must all be elected by the Annual General Meeting. As of December 31, 2014, the Supervisory Board had eight members due to the resignation of Mr. Stefan Dziarski (member up to October 30, 2014). As a company that primarily serves purposes of reporting or expressing opinions, the company is not subject to co-determination.

Objectives for the Composition of the Supervisory Board

The Supervisory Board has thoroughly discussed the recommendations of item 5.4.1 para. 2 and para. 3 of the German Corporate Governance Code and specified concrete objectives regarding its composition by resolution dated March 13, 2015 taking into account the specifics of the Company. The Supervisory Board aspires that

- the share of independent Supervisory Board members within the meaning of item 5.4.2 of the German Corporate Governance Code shall be at least 30 %;

- the share of women shall be at least 30 %;

- the international activities of the Company shall continue to be taken into account for its composition and the current standard of internationalization should at least be maintained. The Supervisory Board shall continue to comprise members who represent regions or cultures in which the Company engages in relevant business activities or who have specific international knowledge and experience due to their origin or professional activities, in particular in the areas of broadcasting, media and communication;

- also the diversity shall continue to be taken into account for its composition and the current standard of diversity should at least be maintained. The Supervisory Board shall continue to comprise members who may provide wide-ranging experience and specific knowledge due to their origin, their personal background, their education or professional activities;

- it continues to assess in each individual case within the legal framework and taking into account the German Corporate Governance Code, how it will handle potential or actual conflicts of interest in order to continue to guarantee an unbiased supervision and advice of the Executive Board of the Company in the best interest of the Company;

- the age limit of 70 years at the time of the election as a Supervisory Board member as adopted by the Rules of Procedure of the Supervisory Board shall continue to apply.

The Supervisory Board in its current composition fulfills the abovementioned objectives for its composition with exception of the share of women; this share currently amounts to approx. 22 % with regard to the size of the Supervisory Board stipulated by the articles of incorporation. The Supervisory Board aspires to fulfill all objectives for its composition in the future.

Working Procedures of the Executive Board and Supervisory Board

Each member of the Executive Board is in charge of their own area of responsibility and keeps their colleagues on the Board continuously up to date on events in that area. The cooperation and areas of authority of the Executive Board members are governed by established rules of procedure, which the Supervisory Board enacted for the Executive Board. As a rule, the full Executive Board meets weekly. The meetings are chaired by the CEO. These meetings discuss such matters as resolutions about measures and transactions that require the consent of the full Board under the Board's rules of procedure. For resolutions to be valid, at least half of the members of the Executive Board must participate in the vote. Resolutions of the full Executive Board are adopted by simple majority vote. In the event of a tie, the CEO has the casting vote. When important events occur, any member of the Executive Board may call an extraordinary meeting of the full Executive Board; the Supervisory Board may likewise call such meetings. The Executive Board may also adopt resolutions outside meetings via an oral, telephone or written vote and by vote in text form. Written minutes are prepared of every meeting of the full Executive Board and of every resolution adopted outside a meeting. The minutes are presented to the full Executive Board for approval at the next meeting and signed by the CEO. In addition to the regular Executive Board meetings, a strategy workshop is held at least once a year. At workshops of this kind, strategic objectives are prioritized for the whole Group and the strategy for the current financial year is developed in cooperation with managing executives from various business units.

Further details on the working procedures of the Executive Board are governed by the rules of procedure for the Executive Board defined by the Supervisory Board, which also govern the schedule of responsibilities and the matters reserved for the full Executive Board.

The Executive Board promptly and fully informs the Supervisory Board in writing, and also at the Supervisory Board's quarterly meetings, about planning, business performance and the condition of the Company including risk management and about compliance issues. Where indicated, an extraordinary meeting of the Supervisory Board is called to address important events. The Supervisory Board is involved by the Executive Board in the Company's strategy and planning, as well as in all matters of fundamental importance to the Company. For significant business decisions, the rules of procedure for the Executive Board involve requirements to obtain the consent of the Supervisory Board. For example, adopting the annual budget, major acquisitions or divestments, or investments in programming licenses require the consent of the Supervisory Board. More detailed information on the cooperation between the Executive Board and the Supervisory Board and important issues discussed in the 2014 financial year can be found on page 28 onward in the Supervisory Board's report.

The Supervisory Board holds at least two meetings per half of the calendar year. The Supervisory Board has adopted rules of procedure in addition to the provisions of the articles of incorporation to govern its work. These rules stipulate that the Chairman of the Supervisory Board coordinates the work of the Supervisory Board, chairs its meetings, and also represents the Board's concerns to outside parties. As a rule, the Supervisory Board adopts its resolutions at meetings. However, by decision of the Chairman of the Supervisory Board, resolutions may also be adopted in conference calls or in videoconferencing sessions, or outside a meeting. Equally permissible is the adoption of resolutions by a combination of voting at meetings and voting via other forms.

Resolutions of the Supervisory Board are valid if at least half of its members participate in the vote. Resolutions by the Supervisory Board are normally adopted by simple majority of the votes cast, except where a different majority is prescribed by law. In the event of a tie, the Chairman of the Supervisory Board, or in his absence the Vice Chairman, has the casting vote.

Minutes are kept of the meetings of the Supervisory Board, and are signed by its Chairman. Resolutions adopted outside meetings are also recorded in writing. A copy of the minutes, or of resolutions adopted outside a meeting, is promptly sent to all members of the Supervisory Board. The Board members who participated at the meeting or in the resolution may file written objections against the minutes with the Chairman of the Supervisory Board within one month after the minutes are sent out. Otherwise the minutes, or the resolution, are deemed approved.

Prof. Dr. Harald Wiedmann, who is also Chairman of the Audit and Finance Committee, meets the requirements of Sections 100(5), 107(4) of the German Stock Corporation Act and Item 5.3.2 Sentences 2 and 3 of the German Corporate Governance Code as an independent and expert member.

Every Supervisory Board member must report conflicts of interest immediately to the Supervisory Board's Presiding and Nomination Committee, particularly those that could arise from an advisory or executive function for customers, suppliers, creditors or other business partners.

In accordance with the recommendation of Item 5.6 of the German Corporate Governance Code, the Supervisory Board conducts regular efficiency reviews. The major points of examination include the Supervisory Board's view of its own mission, the organization of its activities, the independence of its members, the handling of potential conflicts of interest, and the composition of its committees. The Supervisory Board arrived at a positive conclusion.

Composition and Working Procedures of the Committees

The Executive Board did not set up any committees, while the Supervisory Board appointed three in the 2014 financial year. Members of the Supervisory Board Committees are assigned by the Supervisory Board. In choosing committee members, Board members' potential conflicts of interest are taken into account, as are their professional qualifications.

Composition of the Supervisory Board Committees as of December 31, 2014 (Fig. 2)

Presiding and Nomination Committee	Dr. Werner Brandt (Co-Chairman), Philipp Freise (Co-Chairman), Lawrence Aidem
Audit and Finance Committee	Prof. Dr. Harald Wiedmann (Chairman and independent financial expert according to Sections 100(5), 107(4) of the German Stock Corporation Act and Item 5.3.2 Sentences 2 and 3 of the German Corporate Governance Code), Antoinette (Annet) P. Aris, Dr. Marion Helmes
Compensation Committee	Dr. Werner Brandt (Chairman), Antoinette (Annet) P. Aris, Philipp Freise, Erik Adrianus Hubertus Huggers

The committees of the Supervisory Board normally meet quarterly. To the extent permitted by law, the committees have been entrusted with making resolutions concerning various tasks of the Supervisory Board, especially approving certain management measures. A committee's resolutions are valid if at least half – and in no case less than three – of its members participate in the vote. Committee resolutions are normally adopted by a simple majority vote; in the event of a tie, the committee Chairman has the casting vote. Written minutes are prepared of each committee meeting and are signed by the committee Chairman. Resolutions outside meetings are also recorded in writing. Minutes and resolutions are sent to all members of the committee concerned. They are deemed approved if no committee member who was present at the meeting, or who took part in the resolution, objects to the content within one week after delivery. The committee Chairmen report to the meetings of the Supervisory Board on the work of the committees.

The CFO and the independent auditor regularly participate in the meetings of the Audit and Finance Committee. Additionally, the Chairman of the Audit and Finance Committee invites in particular executives from finance and reporting units to provide information at meetings if required. The Audit and Finance Committee meets without the presence of Executive Board members at least once a year. The Supervisory Board has adopted rules of procedure to govern the work of the Audit and Finance Committee.

Individualized Disclosure of Participation in Meetings

The Supervisory Board regards it a part of good corporate governance to disclose each individual's participation at meetings of the plenary Supervisory Board and of the committees of the Supervisory Board.

Individualized disclosure of participation in meetings in the 2014 financial year (Fig. 3)

	Participation in meetings	Attendance in %
PLENARY SUPERVISORY BOARD		
Dr. Werner Brandt, Chairman (since June 26, 2014)	5/5	100
Philipp Freise, Vice Chairman (since June 26, 2014)	6/6	100
Lawrence Aidem (since June 26, 2014)	5/5	100
Antoinette (Annet) P. Aris (since June 26, 2014)	5/5	100
Adam Cahan (since June 26, 2014)	3/5	60
Stefan Dziarski (up to October 30, 2014)	2/5	40
Dr. Marion Helmes (since June 26, 2014)	5/5	100
Erik Adrianus Hubertus Huggers (since June 26, 2014)	5/5	100
Prof. Dr. Harald Wiedmann (re-elected on June 26, 2014)	6/6	100
Johannes Huth, Chairman (up to June 26, 2014)	1/1	100
Dr. Jörg Rockenhäuser, Vice Chairman (up to June 26, 2014)	1/1	100
Lord Clive Hollick (up to June 26, 2014)	0/1	0
Götz Mäuser (up to June 26, 2014)	1/1	100
PRESIDING AND NOMINATION COMMITTEE		
Dr. Werner Brandt, Vice Chairman (since June 26, 2014)	3/3	100
Philipp Freise, Vice Chairman (since June 26, 2014)	3/3	100
Lawrence Aidem (since June 26, 2014)	3/3	100
Johannes Huth, Vice Chairman (up to June 26, 2014)	0/0	0
Dr. Jörg Rockenhäuser, Vice Chairman (up to June 26, 2014)	0/0	0
Stefan Dziarski (up to June 26, 2014)	0/0	0
Lord Clive Hollick (up to June 26, 2014)	0/0	0
Götz Mäuser (up to June 26, 2014)	0/0	0
AUDIT AND FINANCE COMMITTEE		
Prof. Dr. Harald Wiedmann, Chairman (re-elected on June 26, 2014)	5/5	100
Antoinette (Annet) P. Aris (since June 26, 2014)	2/2	100
Dr. Marion Helmes (since June 26, 2014)	2/2	100
Stefan Dziarski (up to June 26, 2014)	3/3	100
Philipp Freise (up to June 26, 2014)	3/3	100
Johannes Huth (up to June 26, 2014)	2/3	66.67
Götz Mäuser (up to June 26, 2014)	3/3	100
COMPENSATION COMMITTEE		
Dr. Werner Brandt, Chairman (since June 26, 2014)	3/3	100
Philipp Freise (re-elected on June 26, 2014)	3/3	100
Antoinette (Annet) P. Aris (since June 26, 2014)	3/3	100
Erik Adrianus Hubertus Huggers (since June 26, 2014)	2/3	66.67
Johannes Huth, Chairman (up to June 26, 2014)	1/1	100
Dr. Jörg Rockenhäuser (up to June 26, 2014)	1/1	100

Capital Market Communication and Reporting Principles

- **Transparency:** We aim to strengthen trust among shareholders and capital providers, as well as the interested public, through openness and transparency. For that reason, ProSiebenSat.1 Media AG reports regularly on important business developments and changes in the Group. In general, the company provides this information simultaneously to all shareholders, media representatives, and the interested public. The information is also published in English, considering the international nature of the interested groups.

  To ensure fair communication and prompt disclosure both in Germany and in other countries, the Company particularly makes use of the Internet as a channel for communication. All relevant corporate information is published on our website, www.prosiebensat1.com. Annual reports, interim reports, current stock price charts, and company presentations are available for download there any time. The group provides information about organizational and legal matters concerning all aspects of the Annual General Meeting on special pages for the event. As well as the agenda itself, the speech of the CEO and the results of votes can also be downloaded from the site following the meeting. Under the Corporate Governance heading, ProSiebenSat.1 Media AG also publishes the annual Corporate Governance Report, the current Management Declaration according to Section 289a of the German Commercial Code, the Declaration of Compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act, including an archive with previous Declarations of Compliance and the company's articles of incorporation.

- **Regular reporting and ad hoc disclosures:** Four times a year, as part of the Company's annual and interim financial reporting, the ProSiebenSat.1 Group's business performance, its financial position and its current results of operations are explained. In keeping with the requirements of law, matters that could significantly influence the stock market price are promptly publicized also outside of scheduled reporting in ad hoc disclosures, and are made available immediately on the Internet.

- **Financial Calendar:** The financial calendar publishes the release dates of financial reports well in advance, along with other important dates, such as the date of the Annual General Meeting. The calendar is available at the ProSiebenSat.1 website, and is also reproduced in this Annual Report.

- **Reports of Equity Holdings:** Reports of equity holdings under Sections 21 ff. of Germany's Securities Trading Act (WpHG) are released as soon as they are received. Recent information is available at www.prosiebensat1.com/en/investor-relations/publications.

- **Disclosures of directors' dealings:** Directors' dealings disclosures under Section 15a of the German Securities Trading Act are also published on the Internet immediately after receipt. During the financial year 2014, the following transactions in Company stock and/or financial instruments relating to Company stock were reported to ProSiebenSat.1 Media AG by management personnel or parties related to them, in compliance with Section 15a of the German Securities Trading Act.

Directors' Dealings disclosures (Fig. 4)

Last name, first name	Reason for notification	Name of financial instrument	Purchase/ Sale	Date/place	Shares	Price in EUR	Total amount of transaction in EUR
Dr. Brandt, Werner	Own management duties	ProSiebenSat.1 common shares	Purchase	August 8, 2014/ Frankfurt Stock Exchange	3,000	30.79	92,360.70
Huth, Johannes	Own management duties	ProSiebenSat.1 common shares	Sale	January 20, 2014/ Xetra Frankfurt	75,000	35.02	2,626,399.65
Freise, Philipp	Own management duties	ProSiebenSat.1 common shares	Sale	January 20, 2014/ Xetra Frankfurt	10,000	34.68	346,758.14

- **Shareholdings of the Executive Board and Supervisory Board:** As of December 31, 2014, members of the Executive Board held a total of 152,000 common shares and members of the Supervisory Board a total of 3,000 common shares in ProSiebenSat.1 Media AG.

  The Company repurchased the 165,000 stock options of the previous stock option program (Long Term Incentive Plan) from the 2009 cycle still outstanding in the 2014 financial year from the relevant Executive Board members. Stock options from the Long-Term Incentive Plan of ProSiebenSat.1 Media AG confer the right to purchase one common share of ProSiebenSat.1 if the exercise conditions are satisfied. Since the 2010 financial year, no more stock options from the Long-Term Incentive Plan have been granted to members of the Executive Board.

  As of December 31, 2014, members of the Executive Board (including Heidi Stopper, who resigned from the Board with effect from September 30, 2014) held a total of 451,177 Performance Share Units (PSUs) from the new share-based compensation plan (the Group Share Plan), which entitle them from the start of the year of the commitment to receive common shares after the expiry of a four-year holding period. The conversion factor by which the Performance Share Units (PSUs) are exchanged for ProSiebenSat.1 common shares after the end of the holding period depends on the achievement of predefined annual targets during the holding period.

- **Reporting principles:** The ProSiebenSat.1 Group's financial reporting conforms to IFRS (International Financial Reporting Standards) as adopted by the European Union. The annual financial statements of ProSiebenSat.1 Media AG, as the Group's parent company, are prepared under the accounting principles of the German Commercial Code (HGB). Both sets of financial statements are audited and certified by an independent accounting and auditing firm. The single-entity financial statements of ProSiebenSat.1 Media AG are available – separate from the Consolidated Financial Statements – at www.prosiebensat1.com.

- **Information on stock option plans and similar securities-based incentive schemes:** Information about the new ProSiebenSat.1 Media AG share-based compensation plan (Group Share Plan) and the former stock option plan (Long-Term Incentive Plan) can be found from page 40 onward of the notes to the consolidated financial statements and from page 46 onward in the Compensation Report.

Management Declaration

The Executive Board and Supervisory Board report on the management in the Management Declaration pursuant to Section 289a of the German Commercial Code. Alongside the annual Declaration of Conformity under Section 161 of the German Stock Corporation Act, it provides relevant information about management practices and other aspects of the management. Supplementary statements, such as a description of the working procedures of the Executive Board and Supervisory Board, a presentation of the composition and working procedures of the committees, and explanations on the capital market communication and the reporting principles can be found on pages 40 to 46 of the above Corporate Governance Report.

Declaration of Compliance of the Executive Board and the Supervisory Board of ProSiebenSat.1 Media AG with the German Corporate Governance Code Pursuant to Section 161 of the German Stock Corporation Act

The Executive Board and Supervisory Board of ProSiebenSat.1 Media AG declare that the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on June 24, 2014, and published in the official part of the Federal Gazette on September 30, 2014, have in principle been complied with since their publication and in the past. Only the following recommendations of the Code have not been and will not be applied:

- **The D&O insurance policies the Company has taken out for the members of the Executive Board and the Supervisory Board provide for a deductible for insured members of the Executive Board in compliance with the framework provided for by law (section 93(2) sentence 3 of the German Stock Corporation Act in conjunction with section 23(1) of the Introductory Act to the German Stock Corporation Act) and by the employment contracts. However, neither the Executive Board nor the Supervisory Board regards a deductible as an effective way of enhancing board members' motivation or sense of responsibility. Therefore, contrary to the recommendation in item 3.8 of the German Corporate Governance Code, currently no deductible is agreed for Supervisory Board members.**

- **The employment contracts of the Board members that have been amended or restated after the recommendation in item 4.2.3 para. 2 of the German Corporate Governance Code came into effect in 2013 provide for predefined caps on fringe benefits and thus also for predefined caps on the overall compensation of the Executive Board. Only two employment contracts of Executive Board members entered into and not yet amended since the abovementioned regulation came into effect still do not contain predefined caps of this kind. The Supervisory Board will follow this recommendation when entering into new employment contracts or amending existing employment contracts of Executive Board members in the future.**

- **The Supervisory Board has considered the recommendations of Item 5.4.1 para. 2 and para. 3 of the German Corporate Governance Code and adopted specific targets in relation to its composition in line with these requirements.**

  Until the abovementioned resolution, the Supervisory Board had abstained from complying with the recommendations of item 5.4.1 para. 2 and para. 3 of the German Corporate Governance Code, as it was previously of the opinion that also absent such formalized targets the composition of the Supervisory Board would be implemented in a way that is in the best interests of the Company.

Subject to the exceptions stated above, ProSiebenSat.1 Media AG intends to continue complying with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on June 24, 2014, and published in the official part of the Federal Gazette on September 30, 2014, also in the future.

The Executive Board and Supervisory Board of ProSiebenSat.1 Media AG further declare that, with respect to the time period since the last Declaration of Conformity of March 2014 until the publication of the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on June 24, 2014, published by the Federal Ministry of Justice in the Federal Gazette on September 30, 2014, the Company complied with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on May 13, 2013 and published in the Federal Gazette on June 10, 2013, also subject to the above mentioned exceptions.

March, 2015

**The Executive Board and Supervisory Board
of ProSiebenSat.1 Media AG**

Significant Disclosures About Management Practices

The ProSiebenSat.1 Group ensures compliance with rules of conduct, laws and guidelines with a code of conduct that applies throughout the Group. This Code of Compliance lays down fundamental principles and the most important guidelines and courses of action for conduct in business life. It is intended to provide valuable assistance to employees and executives of the ProSiebenSat.1 Group especially in situations of business, legal or ethical conflict. Adherence to the Code of Compliance is carefully monitored. The Group-wide implementation of the Code of Compliance is monitored by the Compliance Officer in close cooperation with the Human Resources, Group Controlling, and Legal Affairs departments. The Code of Compliance can be downloaded at www.prosiebensat1.com/en/company/corporate-governance/declaration-of-compliance.

Description of the Working Procedures of the Executive Board and Supervisory Board and the Composition and Working Procedures of Their Committees

A general description of the working procedures of the Executive Board and Supervisory Board as well as of their committees can be found from page 40 onward of the Corporate Governance Report. The composition of the Executive Board can be found on pages 8 to 9 of the Annual Report; the composition of the Supervisory Board and of its committees is explained on page 35 of the Annual Report as well as from page 40 onwards of the Corporate Governance Report.

Compensation Report[1]

The Compensation Report describes the main features of the compensation system for the Executive Board and Supervisory Board of ProSiebenSat.1 Media AG. 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 Group 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 from June 24, 2014.

Compensation Paid to the Executive Board

Report of the Supervisory Board, page 28.

In addition to their functions as directors and officers of the Company, the members of the Executive Board of ProSiebenSat.1 Media AG have contractual relationships with the Company. The ProSiebenSat.1 Media AG Supervisory Board is responsible for making 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 by 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 AG compensation structure.

Compensation System for the Executive Board

The compensation system for the Executive Board of ProSiebenSat.1 Media AG aims to create an incentive for sustainable company performance. It is composed of fixed and results-based components. In the 2014 financial year, Executive Board compensation comprised 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.

Intragroup Management System, page 80.
Financial Glossary, page 298.

- In addition to this fixed base salary, the Executive Board members also received **performance-based variable annual compensation** in the form of an annual bonus, which cannot exceed 200% of the contractually determined target amount. In the event that targets are missed, it is possible that there is no variable compensation at all. The terms of this annual bonus are essentially uniform among the contracts of the Executive Board members: The amount depends on the achievement of predefined performance targets, which arise on the basis of Group EBITDA and net debt as well as personal target agreements. The personal target agreement for Dr. Christian Wegner is largely based on the revenue and EBITDA targets of the Digital & Adjacent segment.

  For Executive Board members, the Supervisory Board can convert portions of the annual performance-based variable compensation into **multi-year performance-based variable compensation:** The level of payment then no longer depends exclusively on the achievement of one year's performance targets, but rather on the average achievement of targets over three years.

- In addition, Executive Board members receive a long-term share-based compensation component. The stock option plan (Long Term Incentive Plan) first introduced in 2005 was replaced in 2012 by a new share-based compensation plan (Group Share Plan). The Group Share Plan is organized as a share bonus program and is served by the Company's own common shares. Participants are issued with performance share units (PSUs), entitling them to receive common 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 common shares after the end of the holding period depends on the achievement of predefined annual targets during the holding

1 This section is part of the audited Group management report.

period. These relate to the development of Group EBITDA. The conversion factor can vary between 0% and 150%. In the event of exceptional developments, the Supervisory Board can also raise or lower the conversion factor by 25% age points under consideration of the individual performance of the Executive Board members. 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 year in question and the ProSiebenSat.1 Group's EBITDA does not fall below a defined minimum.

Stock options were last issued to Executive Board members under the expired stock option plan (Long Term Incentive Plan) in 2009. Thomas Ebeling and Axel Salzmann still owned stock options from this plan that were granted to them as Executive Board members. Each option entitles the holder to acquire one ProSiebenSat.1 common share if certain exercise conditions are met. As well as an already expired two-year holding period, the exercise conditions include the achievement of a performance target linked to the price performance of the ProSiebenSat.1 common share and the advent of a vesting period staggered over five years. One fifth of the stock options issued becomes vested at the end of each financial year following the issue. As of the end of December 31, 2013, all stock options from 2009 were therefore vested. The Company repurchased the stock options of the Long Term Incentive Plan from the 2009 cycle still outstanding in the 2014 financial year from the corresponding Executive Board members.

Further information on the Group Share Plan 2014 and the remaining stock options under the Long Term Incentive Plan (LTIP) can be found in the notes to the consolidated financial statements.

Notes, Note 37 "Share-based payments," page 270.

In addition, the introduction of a mid-term incentive plan for the members of the Executive Board was approved at an extraordinary meeting of the Supervisory Board on September 2 and 3, 2014. The initial grant takes place in the financial year 2015.

- **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 Heidi Stopper, 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.

- In addition, the Executive Board members receive other **non-performance-based fringe benefits** in the form of non-cash benefits through being granted company cars and taking part 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 severance payment commitment amounting to two years' total compensation according to Section 4.2.3 of the German Corporate Governance Code up to a maximum of the compensation that would have been paid up to the end of the agreement period.

- 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 half of the contractual benefits most recently received, for Dr. Christian Wegner amounting to the contractual annual compensation most recently received (fixed compensation and annual bonus). Sections 74 ff. of the German Commercial Code also apply.

Compensation of Executive Board Members for the 2014 Financial Year According to GAS 17

The following total compensation was determined for the Executive Board members active in the 2014 financial year in accordance with German Accounting Standard (GAS) 17:

Compensation of Executive Board members for the 2014 financial year according to GAS 17 (Fig. 5)

according to GAS 17 in EUR thousand	Thomas Ebeling CEO since 3/1/2009		Axel Salzmann CFO since 5/1/2008		Conrad Albert Executive Board member for Legal, Distribution & Regulatory Affairs since 10/1/2011	
	2014	2013	2014	2013	2014	2013
Fixed compensation	1,000.0	1,000.0	675.0	675.0	543.8	500.0
Fringe benefits[1]	59.1	9.5	19.8	19.4	9.7	8.8
Total fixed compensation	**1,059.1**	**1,009.5**	**694.8**	**694.4**	**553.5**	**508.8**
Annual variable compensation	1,980.0	1,550.0	855.0	676.3	569.1	375.0
Multi-year variable compensation without third-party compensation						
Group Share Plan (2013 – 2016)	–	1,000.0	–	800.0	–	800.0
Group Share Plan (2014 – 2017)	1,000.0	–	800.0	–	800.0	–
Total variable compensation	**2,980.0**	**2,550.0**	**1,655.0**	**1,476.3**	**1,369.1**	**1,175.0**
Total compensation excl. third-party compensation[2]	**4,039.1**	**3,559.5**	**2,349.8**	**2,170.7**	**1,922.6**	**1,683.8**
Multi-year variable third-party compensation[3]	23,460.2	–	12,796.5	–	8,531.0	–
Total compensation incl. third-party compensation[2]	**27,499.3**	**3,559.5**	**15,146.3**	**2,170.7**	**10,453.6**	**1,683.8**
Increase of pension obligation (DBO)	2,404.8	1,532.2	221.8	149.7	160.6	87.3
Level of pension obligation (DBO)[4]	6,841.2	4,436.4	845.1	623.4	343.3	182.7

according to GAS 17 in EUR thousand	Dr. Christian Wegner Executive Board member for Digital & Adjacent since 10/1/2011		Heidi Stopper[5] Chief Human Resources Officer until 09/30/2014		Total	
	2014	2013	2014	2013	2014	2013
Fixed compensation	700.0	500.0	375.0	500.0	3,293.8	3,175.0
Fringe benefits[1]	18.7	19.0	6.5	8.7	113.8	65.4
Total fixed compensation	**718.7**	**519.0**	**381.5**	**508.7**	**3,407.6**	**3,240.4**
Annual variable compensation	1,125.0	450.0	327.8	383.8	4,856.9	3,435.1
Multi-year variable compensation without third-party compensation						
Group Share Plan (2013 – 2016)	–	800.0	–	800.0	–	4,200.0
Group Share Plan (2014 – 2017)	800.0	–	800.0	–	4,200.0	–
Total variable compensation	**1,925.0**	**1,250.0**	**1,127.8**	**1,183.8**	**9,056.9**	**7,635.1**
Total compensation excl. third-party compensation[2]	**2,643.7**	**1,769.0**	**1,509.3**	**1,692.5**	**12,464.5**	**10,875.5**
Multi-year variable third-party compensation[3]	10,663.7	–	4,265.5	–	59,716.9	–
Total compensation incl. third-party compensation[2]	**13,307.4**	**1,769.0**	**5,774.8**	**1,692.5**	**72,181.4**	**10,875.5**
Increase of pension obligation (DBO)	209.8	67.2	104.4	65.7	3,101.5	1,902.1
Level of pension obligation (DBO)[4]	342.7	132.9	184.5	80.1	8,556.9	5,455.5

1 Includes lease payments for use of company car and insurance premiums (excluding D&O). Fringe benefits in 2014 for Mr. Ebeling include benefits for home flights and drive services.
2 The total compensation does not include the multi-year variable annual compensation for Conrad Albert and Dr. Christian Wegner; this was already reported in the 2011 Annual Report.
3 One-off special payment 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, including entitlements from the individual's own payments.
5 Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ends effective March 31, 2015. The fixed and annual variable compensation shown relates to January to September 2014, the pension obligations relate to the entire 2014 financial year.

Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ends effective March 31, 2015. In addition to Heidi Stopper's total compensation as member of the Executive Board, she received the following compensation for the 2014 financial year 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 severance agreement, Heidi Stopper will receive 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 attainment for 2012 to 2014 (163%) of EUR 102,875 and pension contributions of EUR 25,000. In addition, she will receive a severance payment comprised as follows: Fixed compensation for April to December 2015 (EUR 375,000), pro rata variable compensation on the basis of average target attainment 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. If no performance share units for 2015 are granted from the Group Share Plan by the severance date, Heidi Stopper will receive EUR 200,000 as a supplement to the severance payment.

Interview with Axel Salzmann and Dr. Gunnar Wiedenfels, page 36.

Axel Salzmann will leave the Executive Board as of March 31, 2015; his employment contract ends effective March 31, 2015. In accordance with his severance agreement, Axel Salzmann will receive a severance payment comprising the fixed compensation for April to December 2015 (EUR 506,250) and the pro rata variable compensation on the basis of average target attainment for the years 2012 (150.5%), 2013 (178%) und 2014. As the final degree of target attainment for the 2014 financial year had not been established at the Compensation Report's copy deadline, the calculation was based on the 2014 provision of 150% (EUR 538,313), for the minimum 0% (EUR 369,563) and the maximum 200% (EUR 594,563). In addition, Axel Salzmann's severance payment includes a waiting allowance for a post-contractual non-competition clause of EUR 337,500, fringe benefits already granted of EUR 14,886 and pension contributions of EUR 101,250 for April to December 2015. If no performance share units for 2015 are granted from the Group Share Plan by the severance date, Axel Salzmann will receive EUR 200,000 as a supplement to the severance payment.

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

The stock options and performance share units granted to and held by active members of the Executive Board for their activity as members of the Executive Board developed as follows in the 2014 financial year:

Additional disclosures on share-based compensation instruments (Fig. 6)

		GROUP SHARE PLAN					
		Outstanding performance share units at the start of the financial year	Performance share units granted in the financial year		Outstanding performance share units at the end of the financial year	Performance share units expired in the financial year	Exercisable performance share units at the end of the financial year
		Number	Number	Fair value of the grant in EUR	Number	Number	Number
Thomas Ebeling	**2014**	**79,963**	**32,072**	**1,000,000**	**112,035**	**0**	**0**
	2013	48,427	31,536	1,000,000	79,963	0	0
Axel Salzmann	**2014**	**63,970**	**25,658**	**800,000**	**89,628**	**0**	**0**
	2013	38,741	25,229	800,000	63,970	0	0
Conrad Albert	**2014**	**63,970**	**25,658**	**800,000**	**89,628**	**0**	**0**
	2013	38,741	25,229	800,000	63,970	0	0
Dr. Christian Wegner	**2014**	**63,970**	**25,658**	**800,000**	**89,628**	**0**	**0**
	2013	38,741	25,229	800,000	63,970	0	0
Heidi Stopper	**2014**	**44,600**	**25,658**	**800,000**	**70,258**	**0**	**0**
	2013	19,371	25,229	800,000	44,600	0	0
Total	**2014**	**316,473**	**134,704**	**4,200,000**	**451,177**	**0**	**0**
	2013	184,021	132,452	4,200,000	316,473	0	0

		LONG TERM INCENTIVE PLAN						
		Outstanding options at the start of the financial year	Options granted in the financial year		Outstanding options at the end of the financial year	Options expired in the financial year	Exercisable options at the end of the financial year	Total cost for share-based compensation
		Number	Number	Fair value of the grant in EUR	Number	Number	Number	in EUR
Thomas Ebeling	**2014**	**105,000**	**0**	**0**	**0**	**0**	**0**	**887,915**
	2013	210,000	0	0	105,000	0	0	733,826
Axel Salzmann	**2014**	**60,000**	**0**	**0**	**0**	**0**	**0**	**710,337**
	2013	180,000	0	0	60,000	0	0	577,604
Conrad Albert	**2014**	**0**	**0**	**0**	**0**	**0**	**0**	**710,337**
	2013	0	0	0	0	0	0	553,964
Dr. Christian Wegner	**2014**	**0**	**0**	**0**	**0**	**0**	**0**	**710,337**
	2013	0	0	0	0	0	0	553,964
Heidi Stopper	**2014**	**0**	**0**	**0**	**0**	**0**	**0**	**647,524**
	2013	0	0	0	0	0	0	457,668
Total	**2014**	**165,000**	**0**	**0**	**0**	**0**	**0**	**3,666,450**
	2013	390,000	0	0	165,000	0	0	2,877,027

Since the 2010 financial year, no stock options have been granted to members of the Executive Board.

The Company reacquired the 165,000 stock options of the Long Term Incentive Plan (LTIP) from the 2009 cycle still outstanding in the 2014 financial year from the corresponding Executive Board members on the basis of a Supervisory Board resolution. The weighted average strike price was EUR 0.00 per option; the weighted average share price amounted to EUR 34.70 per option, whereby the exercise cap of EUR 20.00 applying to the stock options from the 2009 cycle took effect.

Notes, Note 37 "Share-based payments," page 270.

In the 2014 financial year, as in the previous year, no performance share units were exercised or expired. For more information on the performance share units granted for the 2014 financial year, 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

The ProSiebenSat.1 Share, page 63.

Following the sale of all of its indirectly held common shares in ProSiebenSat.1 Media AG, Lavena 3 S.á r.l, ProSiebenSat.1 Media AG's former indirect majority shareholder, made a voluntary one-off special payment to the Executive Board members of ProSiebenSat.1 Media AG of EUR 59.7 million at the end of June 2014, which was allocated as follows: Thomas Ebeling EUR 23.4 million, Conrad Albert EUR 8.5 million, Axel Salzmann EUR 12.8 million, Heidi Stopper EUR 4.3 million and Dr. Christian Wegner EUR 10.7 million. The payment was processed via ProSiebenSat.1 Media AG in order to simplify the withholding and payment of the wage tax incurred. This was not recognized as an expense for ProSiebenSat.1 Media AG or the Group companies, as the special payment was not a payment by the Company or the Group and ProSiebenSat.1 Media AG had been provided with the full gross amount of the special payment by Lavena 3 S.á r.l. for the purposes of processing the payment.

Compensation of Executive Board Members for the 2014 Financial Year 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 the 2014 financial year including the fringe benefits and the minimum and maximum compensation achievable in the 2014 financial year. 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 attainment. 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 (Fig. 7)

EUR thousand	Thomas Ebeling CEO since 3/1/2009				Axel Salzmann CFO since 5/1/2008			
	2013	**2014**	**2014 (min)**	**2014 (max)**	2013	**2014**	**2014 (min)**	**2014 (max)**
Fixed compensation	1,000.0	1,000.0	1,000.0	1,000.0	675.0	675.0	675.0	675.0
Fringe benefits[1]	9.5	59.1	59.1	59.1	19.4	19.8	19.8	19.8
Total fixed compensation	**1,009.5**	**1,059.1**	**1,059.1**	**1,059.1**	**694.4**	**694.8**	**694.8**	**694.8**
Annual variable compensation	1,000.0	1,000.0	0.0	2,000.0	450.0	450.0	0.0	900.0
Multi-year variable compensation without third-party compensation								
Group Share Plan (2013-2016)	1,000.0	–	–	–	800.0	–	–	–
Group Share Plan (2014-2017)	–	1,000.0	0.0	5,250.0	–	800.0	0.0	4,200.0
Total variable compensation	**2,000.0**	**2,000.0**	**0.0**	**7,250.0**	**1,250.0**	**1,250.0**	**0.0**	**5,100.0**
Pension cost[2]	175.5	185.1	185.1	185.1	109.4	117.3	117.3	117.3
Total compensation excl. third-party compensation (GCGC)	**3,185.0**	**3,244.2**	**1,244.2**	**8,494.2**	**2,053.8**	**2,062.1**	**812.1**	**5,912.1**
Multi-year variable third-party compensation[3]	–	23,460.2	23,460.2	23,460.2	–	12,796.5	12,796.5	12,796.5
Total compensation incl. third-party compensation (GCGC)	**3,185.0**	**26,704.4**	**24,704.4**	**31,954.4**	**2,053.8**	**14,858.6**	**13,608.6**	**18,708.6**

Grants granted according to GCGC (Continued)

EUR thousand	Conrad Albert Executive Board member for Legal, Distribution & Regulatory Affairs since 10/1/2011				Dr. Christian Wegner Executive Board member for Digital & Adjacent since 10/1/2011			
	2013	**2014**	**2014 (min)**	**2014 (max)**	2013	**2014**	**2014 (min)**	**2014 (max)**
Fixed compensation	500.0	543.8	543.8	543.8	500.0	700.0	700.0	700.0
Fringe benefits[1]	8.8	9.7	9.7	9.7	19.0	18.7	18.7	18.7
Total fixed compensation	**508.8**	**553.5**	**553.5**	**553.5**	**519.0**	**718.7**	**718.7**	**718.7**
Annual variable compensation	250.0	322.9	0.0	645.8	250.0	700.0	0.0	1,400.0
Multi-year variable compensation without third-party compensation								
Group Share Plan (2013-2016)	800.0	–	–	–	800.0	–	–	–
Group Share Plan (2014-2017)	–	800.0	0.0	4,200.0	–	800.0	0.0	4,200.0
Total variable compensation	**1,050.0**	**1,122.9**	**0.0**	**4,845.8**	**1,050.0**	**1,500.0**	**0.0**	**5,600.0**
Pension cost[2]	66.2	72.5	72.5	72.5	54.8	61.3	61.3	61.3
Total compensation excl. third-party compensation (GCGC)	**1,625.0**	**1,748.9**	**626.0**	**5,471.8**	**1,623.8**	**2,280.0**	**780.0**	**6,380.0**
Multi-year variable third-party compensation[3]	–	8,531.0	8,531.0	8,531.0	–	10,663.7	10,663.7	10,663.7
Total compensation incl. third-party compensation (GCGC)	**1,625.0**	**10,279.9**	**9,157.0**	**14,002.8**	**1,623.8**	**12,943.7**	**11,443.7**	**17,043.7**

EUR thousand	Heidi Stopper[4] Chief Human Resources Officer until 9/30/2014			
	2013	**2014**	**2014 (min)**	**2014 (max)**
Fixed compensation	500.0	375.0	375.0	375.0
Fringe benefits[1]	8.7	6.5	6.5	6.5
Total fixed compensation	**508.7**	**381.5**	**381.5**	**381.5**
Annual variable compensation	250.0	312.8	312.8	312.8
Multi-year variable compensation without third-party compensation				
Group Share Plan (2013-2016)	800.0	–	–	–
Group Share Plan (2014-2017)	–	800.0	0.0	4,200.0
Total variable compensation	**1,050.0**	**1,112.8**	**312.8**	**4,512.8**
Pension cost[2]	60.1	66.5	66.5	66.5
Total compensation excl. third-party compensation (GCGC)	**1,618.8**	**1,560.8**	**760.8**	**4,960.8**
Multi-year variable third-party compensation[3]	–	4,265.5	4,265.5	4,265.5
Total compensation incl. third-party compensation (GCGC)	**1,618.8**	**5,826.3**	**5,026.3**	**9,226.3**

1 Includes lease payments for use of company car and insurance premiums (excluding D&O). Fringe benefits in 2014 for Mr. Ebeling include benefits for home flights and drive services.

2 Pension cost comprises service cost according to IAS 19.

3 One-off special payment 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 Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ends effective March 31, 2015. The fixed and annual variable compensation shown relates to January to September 2014, the pension cost relates to the entire 2014 financial year.

For more information on the compensation of Heidi Stopper for October to December 2014 and the severance agreements of Heidi Stopper and Axel Salzmann, refer to the section beneath the table "Compensation of Executive Board members for the 2014 financial year according to GAS 17."

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 in or 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. In the 2014 financial year, the Executive Board received share-based compensation from the 2009 cycle of the Long Term Incentive Plan (LTIP).

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 (Fig. 8)

receipt EUR thousand	Thomas Ebeling CEO since 3/1/2009		Axel Salzmann CFO since 5/1/2008		Conrad Albert Executive Board member for Legal, Distribution & Regulatory Affairs since 10/1/2011	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Fixed compensation	1,000.0	1,000.0	675.0	675.0	543.8	500.0
Fringe benefits[1]	59.1	9.5	19.8	19.4	9.7	8.8
Total fixed compensation	**1,059.1**	**1,009.5**	**694.8**	**694.4**	**553.5**	**508.8**
Annual variable compensation	1,680.0	1,800.0	729.0	801.0	594.1	350.0
Multi-year variable compensation without third-party compensation						
Long Term Incentive Plan 2008 (Cycle 2008)	-	-	-	611.7	-	-
Long Term Incentive Plan 2008 (Cycle 2009)	2,100.0	2,100.0	1,200.0	1,200.0	-	-
Multi-year variable annual compensation[2]	-	-	-	-	-	53.9
Total variable compensation	**3,780.0**	**3,900.0**	**1,929.0**	**2,612.7**	**594.1**	**403.9**
Pension cost[3]	185.1	175.5	117.3	109.4	72.5	66.2
Total compensation excl. third-party compensation (GCGC)	**5,024.2**	**5,085.0**	**2,741.1**	**3,416.5**	**1,220.1**	**978.9**
Multi-year variable compensation[4]	23,460.2	-	12,796.5	-	8,531.0	-
Total compensation incl. third-party compensation (GCGC)	**28,484.4**	**5,085.0**	**15,537.6**	**3,416.5**	**9,751.1**	**978.9**

receipt EUR thousand	Dr. Christian Wegner Executive Board member for Digital & Adjacent since 10/1/2011		Heidi Stopper[5] Chief Human Resources Officer until 9/30/2014	
	2014	**2013**	**2014**	**2013**
Fixed compensation	700.0	500.0	375.0	500.0
Fringe benefits[1]	18.7	19.0	6.5	8.7
Total fixed compensation	**718.7**	**519.0**	**381.5**	**508.7**
Annual variable compensation	1,050.0	450.0	312.8	390.0
Multi-year variable compensation without third-party compensation				
Long Term Incentive Plan 2008 (Cycle 2008)	-	-	-	-
Long Term Incentive Plan 2008 (Cycle 2009)	-	-	-	-
Multi-year variable annual compensation[2]	-	61.9	-	-
Total variable compensation	**1,050.0**	**511.9**	**312.8**	**390.0**
Pension cost[3]	61.3	54.8	66.5	60.1
Total compensation excl. third-party compensation (GCGC)	**1,830.0**	**1,085.7**	**760.8**	**958.8**
Multi-year variable compensation[4]	10,663.7	-	4,265.5	-
Total compensation incl. third-party compensation (GCGC)	**12,493.7**	**1,085.7**	**5,026.3**	**958.8**

1 Includes lease payments for use of company car and insurance premiums (excluding D&O). Fringe benefits in 2014 for Mr. Ebeling include benefits for home flights and drive services.
2 Payment of the annual performance-based variable compensation 2011, which was converted into multi-year performance-based variable compensation: The level of payment then no longer depends exclusively on the achievement of 2011's performance targets, but rather on the average achievement of targets from 2011 to 2013.
3 Pension cost comprises service cost according to IAS 19.
4 One-off special payment by the former indirect majority shareholder Lavena 3 S.á r.l on the sale of all its indirectly held shares in the Company.
5 Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ends effective March 31, 2015. The fixed and annual variable compensation shown relates to January to September 2014, the pension cost relates to the entire 2014 financial year.

Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ends effective March 31, 2015. In addition to Heidi Stopper's total compensation as member of the Executive Board, she received the following compensation for the 2014 financial year 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.

Total Compensation of Former Executive Board Members

Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ends effective March 31, 2015. In addition to Heidi Stopper's total compensation as member of the Executive Board, she received the following compensation for the 2014 financial year 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 addition, total compensation (pensions) was paid to former Executive Board members amounting to EUR 0.3 million in the 2014 financial year (previous year: EUR 0.3 million). As of December 31, 2014, pension provisions for former members of the Executive Board according to IFRS amounted to EUR 11.2 million (previous year: EUR 10.0 million). The provisions for Heidi Stopper are shown in the table "Compensation of Executive Board members for the 2014 financial year according to GAS 17."

Pension Provisions

In the 2014 financial year, there were additions to pension provisions for active and former Executive Board members in line with IFRS totaling EUR 4.7 million (previous year: EUR 3.1 million). EUR 0.5 million of this related to service cost (previous year: EUR 0.5 million), EUR 0.6 million to interest expenses (previous year: EUR 0.5 million) and EUR 1.8 million to actuarial losses (previous year: EUR 0.9 million). Furthermore, in the past financial year deferred compensation in the amount of EUR 1.8 million (previous year: EUR 1.2 million) have been made. These relate to conversions of bonus entitlements earned in previous years into pension provisions. As of December 31, 2014, pension provisions for active and former Executive Board members totaled EUR 19.8 million (previous year: EUR 15.5 million).

D&O Insurance

The Executive Board members are involved 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 insured 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 remuneration in the calendar year in which the infringement of duty occurred.

Compensation Paid to the Supervisory Board

Compensation System for the Supervisory Board

www.prosiebensat1.com/en/company/corporate-governance/articles-of-incorporation

The compensation of the Supervisory Board is set in the articles of incorporation of ProSiebenSat.1 Media AG. On the basis of the Company's articles of incorporation in the version adopted by the Annual General Meeting on June 4, 2009, the members of the Supervisory Board received **fixed annual compensation**. It 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.

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 will apply for the first time for the tenures of the Supervisory Board members elected at the Annual General Meeting on June 26, 2014, and comprises 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 §12 Article 1 and 2 of the Articles of Association (before tax deduction), to annually buy common shares of the ProSiebenSat.1 Media AG and hold them for a period of four years, but for the period of their membership in the Supervisory Board of the ProSiebenSat.1 Media AG at the longest; in case of reelection, the obligations 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 a long-term, sustainable company success.

Compensation of Supervisory Board Members for the 2014 Financial Year

Supervisory Board members received the following compensation for the 2014 financial year:

Compensation of Supervisory Board members for the 2014 financial year (Fig. 9)

EUR thousand

		Fixed base compensation	Presiding Committee compensation	Audit and Finance Committee compensation	Compensation Committee compensation	Special compensation for personal attendance	Total
Dr. Werner Brandt[1]	**2014**	**125.0**	**15.0**	**0.0**	**15.0**	**12.0**	**167.0**
	2013	0.0	0.0	0.0	0.0	0.0	0.0
Philipp Freise[2]	**2014**	**101.1**	**15.0**	**9.0**	**1.9**	**10.0**	**137.0**
	2013	50.0	3.0	15.0	0.0	0.0	68.0
Lawrence Aidem[3]	**2014**	**50.0**	**3.8**	**0.0**	**0.0**	**8.0**	**61.8**
	2013	0.0	0.0	0.0	0.0	0.0	0.0
Antoinette (Annet) P. Aris[4]	**2014**	**50.0**	**0.0**	**3.8**	**3.8**	**12.0**	**69.5**
	2013	0.0	0.0	0.0	0.0	0.0	0.0
Drs. Fred Th. J. Arp[5]	**2014**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	2013	37.5	0.0	0.0	4.5	0.0	42.0
Adam Cahan[6]	**2014**	**50.0**	**0.0**	**0.0**	**0.0**	**4.0**	**54.0**
	2013	0.0	0.0	0.0	0.0	0.0	0.0
Gregory Dyke[7]	**2014**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	2013	12.5	0.0	0.0	1.5	0.0	14.0
Stefan Dziarski[8]	**2014**	**50.6**	**0.0**	**9.0**	**0.0**	**2.0**	**61.6**
	2013	50.0	3.0	15.0	0.0	0.0	68.0
Dr. Marion Helmes[9]	**2014**	**50.0**	**0.0**	**3.8**	**0.0**	**12.0**	**65.8**
	2013	0.0	0.0	0.0	0.0	0.0	0.0
Lord Clive Hollick[10]	**2014**	**25.0**	**0.0**	**0.0**	**0.0**	**0.0**	**25.0**
	2013	50.0	0.0	0.0	0.0	0.0	50.0
Erik Adrianus Hubertus Huggers[11]	**2014**	**50.0**	**0.0**	**0.0**	**3.8**	**8.0**	**61.8**
	2013	0.0	0.0	0.0	0.0	0.0	0.0
Johannes Peter Huth[12]	**2014**	**50.0**	**0.0**	**6.0**	**3.0**	**0.0**	**59.0**
	2013	100.0	4.5	12.0	9.0	0.0	125.5
Götz Mäuser[13]	**2014**	**25.0**	**0.0**	**0.0**	**9.0**	**0.0**	**34.0**
	2013	78.0	6.0	15.0	6.0	0.0	105.0
Dr. Jörg Rockenhäuser[14]	**2014**	**48.9**	**0.0**	**0.0**	**1.5**	**0.0**	**50.4**
	2013	71.9	3.0	0.0	3.0	0.0	77.9
Prof. Dr. Harald Wiedmann	**2014**	**75.6**	**0.0**	**43.0**	**0.0**	**14.0**	**132.6**
	2013	50.0	0.0	30.0	0.0	0.0	80.0
Total	**2014**	**751.1**	**33.8**	**74.5**	**37.9**	**82.0**	**979.2**
	2013	499.9	19.5	87.0	24.0	0.0	630.4

1 SB member and SB Chairman since 6/26/2014
2 SB Vice Chairman since 6/26/2014
3 SB member since 6/26/2014
4 SB member since 6/26/2014
5 SB member until 10/13/2013
6 SB member since 6/26/2014
7 SB member until 5/11/2013
8 SB member until 10/30/2014
9 SB member since 6/26/2014
10 SB member until 6/26/2014
11 SB member since 6/26/2014
12 SB member and SB Chairman until 6/26/2014
13 SB member and SB Vice Chairman until 7/23/2013
14 SB member and SB Vice Chairman until 6/26/2014

In addition to this fixed annual compensation or 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 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 the 2014 financial year. Members of the Supervisory Board do not receive loans from the Company.

Takeover-Related Disclosures[1]

(in accordance with Sections 289 (4) and 315 (4) of the German Commercial Code)

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 AG 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):

Composition of the Subscribed Capital

As of December 31, 2014, the share capital of ProSiebenSat.1 Media AG 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 AG 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 on 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).

Share Holdings 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, 2014, there are no direct or indirect share holdings in the Company's capital that exceed 10% of the voting rights.

Further information on capital holdings that exceed 10 % of the voting rights can be found in the Notes, Note 40 "Group affiliation and disclosures on voting rights notifications as per Section 21 (1) German Securities Trading Act (WpHG)", page 279.

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 AG 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 6 (1) Sentence 1 of the company's articles of incorporation, the Executive Board of ProSiebenSat.1 Media AG comprises several people; the exact number is determined by the Supervisory Board in accordance with Section 6 (1) Sentence 2 of the articles of incorporation. In principle, members of the Executive Board are appointed and removed by the Supervisory Board in accordance with Section 84 AktG. On this basis, 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 10 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).

1 This section is part of the audited Group management report.

The Annual General Meeting must decide on changes to the articles of incorporation (Section 179 (1) Sentence 1 AktG). In the case of ProSiebenSat.1 Media AG, a resolution of the Annual General Meeting resolution to change the articles of incorporation requires the simple majority of the votes cast and of the share capital represented at the passing of the resolution (Section 179 (2) AktG in conjunction with Section 16 (2) Sentence 1 of the articles of incorporation), 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 2 AktG) and creating contingent capital (Section 193 (1) Sentences 1 and 2 AktG) or authorized capital (Section 202 (2) Sentences 2 and 3 AktG), for which a majority of at least three quarters of the share capital represented at the passing of the resolution 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 Section 11 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 July 23, 2013, the Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the share capital of ProSiebenSat.1 Media AG 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 granted a 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.

Financial Glossary, page 298.

By resolution of the Annual General Meeting of May 15, 2012, amended by resolution of the Annual General Meeting of July 23, 2013 with respect to the conversion of preference shares into common shares, ProSiebenSat.1 Media AG is authorized to purchase its own shares on or before May 14, 2017 in the total amount of up to 10 % of the share capital as of the date of the resolution. The company can utilize this authorization in full or in part, on one or more occasions, and for one or more purposes. 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 AG concluded the following significant agreements that entail regulations for the event of a change of control, which could result from a takeover bid:

Financial Glossary, page 298.

ProSiebenSat.1 Media AG has an unsecured syndicated facilities agreement that, as of December 31, 2014, includes a term loan of EUR 1.400 billion and a revolving credit facility with a facility amount of EUR 600.0 million. In the event that the control over ProSiebenSat.1 Media AG changes by way of direct or indirect acquisition of more than 50 % of the voting rights in ProSiebenSat.1 Media AG 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 AG has outstanding unsecured notes of EUR 600.0 million. In the event that the control over ProSiebenSat.1 Media AG changes by way of direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media AG by a third party (change of control) and a negative rating is obtained 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. 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 the ProSiebenSat.1 Group.

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

There are no compensation agreements of ProSiebenSat.1 Media AG with members of the Executive Board or employees for the event of a takeover bid.

The ProSiebenSat.1 Share[1]

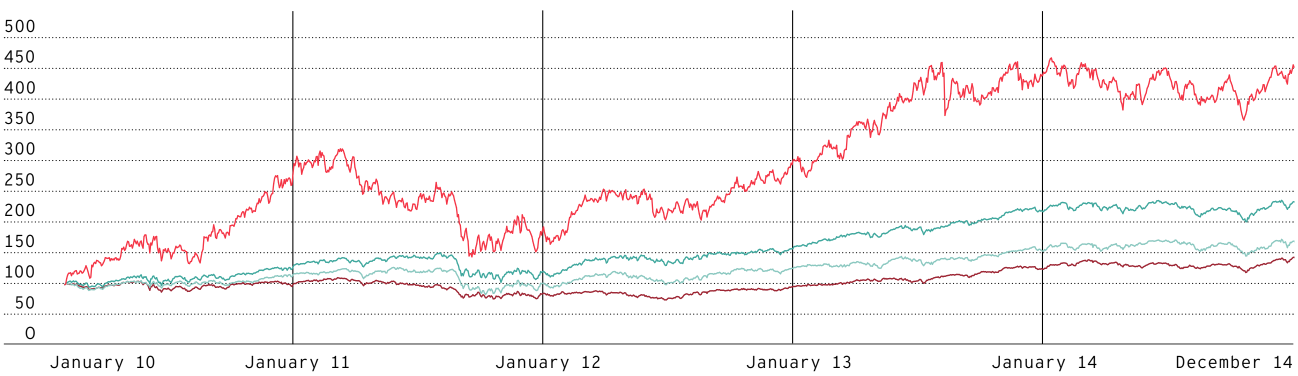
The ProSiebenSat.1 Share on the Capital Market

Economic Environment and Advertising Market, page 108.

After the German stock market indices saw significant double-digit growth rates in 2012 and 2013, 2014 was a very volatile year. Geopolitical tensions determinated the development of stock markets worldwide. Alongside the political uncertainty in Ukraine, sanctions against Russia and the ongoing crises in Iraq and Syria impacted the capital markets. In addition, the unstable development of commodity prices, weak economic data in the euro zone and the expiry of the Federal Reserve's bond-purchase program in October 2014 had a negative impact on the stock market climate. On the other hand, the continued expansionary monetary policy of the European Central Bank (ECB), the positive economic situation in the USA and a more favourable economic development in China supported price performance on German stock exchanges.

In 2014, these mutual influences resulted in highly volatile share indices: DAX fluctuated between 8,354.97 points on October 16, 2014, and a hitherto historic high of 10,093.03 points on December 5, 2014. This is a price difference of 20.8% within seven weeks. Despite the abovementioned geopolitical uncertainties, the DAX closed the trading year at 9,805.55 points, which represents a slight increase of 2.7% on the final trading day of 2013. The MDAX developed nearly in parallel: It closed at 16,934.85 points and growth of 2.2% year on year, but it likewise fell short of its highest point to date, 17,183.95 points at the beginning of December 2014. However, the relevant sector index for European media stocks, the Euro Stoxx Media, performed better than the German leading indices with an increase of 8.0% and 218.5 points as of the end of year.

Price performance of the ProSiebenSat.1 share (Fig. 10)



ProSiebenSat.1 ■ Euro Stoxx Media ■ MDAX ■ DAX basis: XETRA closing quotes, an index of 100 = January 2010; Source: Reuters.

In 2012 and 2013, the ProSiebenSat.1 share increased by 50,8% and 69,0% respectively, considerably outperforming the comparative indices. The 2014 trading year was weaker in comparison: The ProSiebenSat.1 share closed at the last trading day of 2014 at EUR 34.83, 3.3% lower than at the end of 2013. Previous year's price of the share reached the highest level for twelve years.

1 This section is part of the audited Group management report.

www.prosiebensat1.com/en/investor-relations/events/capital-markets-day

Comparison of Actual and Expected Business Performance, Page 112.

Overall, the price performance of the ProSiebenSat.1 share over the course of the year reflects the volatility on the German stock market; at the same time, the Group's good business performance provided positive momentum. In addition, on its Capital Markets Day in October the ProSiebenSat.1 Group announced that it would achieve its revenue growth target for 2015 as soon as the end of the 2014 financial year. The share also registered share price gains at year-end because of optimistic economic and advertising market forecasts.

ProSiebenSat.1 share: Basic data (Fig. 11)

Name	ProSiebenSat.1 Media AG
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

Financial Glossary, page 298.

In consideration of the dividend payment of EUR 1.47 per entitled common share resolved at the Annual General Meeting on June 26, 2014, the dividend yield amounted to 4.1%. The total shareholder return amounted to 2.2% per ProSiebenSat.1 share in 2014. It was therefore equal to the relevant comparative level of the MDAX (2.2%).

ProSiebenSat.1 share: Key data [1] (Fig. 12)

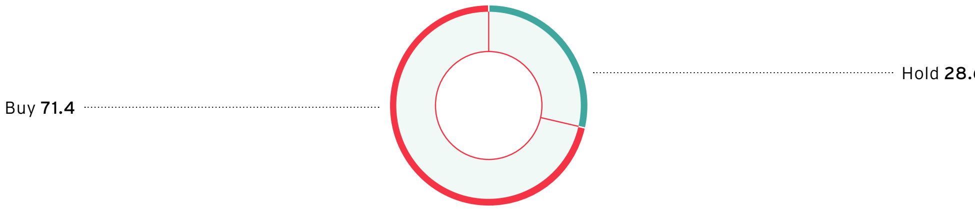
		2014	2013	2012	2011	2010
Share capital at reporting date	Euro	218,797,200	218,797,200	218,797,200	218,797,200	218,797,200
Number of common shares as of end of reporting period	Units	218,797,200[2]	218,797,200[2]	109,398,600	109,398,600	109,398,600
Number of preference shares as of end of reporting period [2]	Units	-/-	-/-	109,398,600[2]	109,398,600[2]	109,398,600[2]
Free float market capitalization at end of financial year (according to Deutsche Börse)	EUR m	7,271	6,024	4,660	3,089	4,923
Close at end of financial year (XETRA)	Euro	34.83	36.00	21.30	14.12	22.50
High (XETRA)	Euro	35.55	36.00	23.83	24.80	23.88
Low (XETRA)	Euro	28.35	21.85	14.19	11.49	8.13
Dividend per entitled common share	Euro	-/-[3]	1.47	5.63	1.15	1.12
Dividend per entitled preference share	Euro	-/-	-/-	5.65	1.17	1.14
Total dividend	EUR m	-/-[3]	313.4	1,201.4	245.7	241.2
Underlying earnings per share [4]	Euro	1.96	1.60	1.97	3.23	1.69
Dividend yield on basis of closing price	%	-/-[3]	4.1	26.5	8.3	5.1
Total XETRA trading volume	Million units	179.9	170.0	134.1	233.4	196.5

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 35.
4 For the financial years 2010 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 underlying net income.

The majority of analysts (71.4%) recommended the ProSiebenSat.1 share as a buy at the end of 2014; the remaining analysts (28.6%) came out in favor of holding the share. At the same time, there were no sell recommendations. The analysts' median price target at the end of the year was EUR 38.00 compared to EUR 34.00 at the end of 2013. In the year under review, a total of 28 brokerage firms and financial institutions actively analyzed the ProSiebenSat.1 share and published research reports. For investors, recommendations by financial analysts are an important basis for decision making.

Analysts' recommendations (Fig. 13)

in percent



As of December 31, 2014.

ProSiebenSat.1 Share Represented in Major Indices

ProSiebenSat.1 Media AG's share is represented in various notable indices. As of December 30, 2014, our weighting in the MDAX, which is calculated on the basis of market capitalization by free float and trading volume in the last twelve months, has amounted to 5.58 %. ProSiebenSat.1 Media AG is therefore the second highest weighted share in the MDAX. The index comprises 50 Prime Standard shares from traditional sectors that follow the 30 companies in the DAX index in terms of market capitalization and trading volume. The Euro Stoxx Media sector index pools stocks from media and media-related companies. The ProSiebenSat.1 Group is represented here with a weighting of 7.45 %.

Selected index data (Fig. 14)

Index	Weighting
MDAX	5.58 %
Mid Cap	4.27 %
Prime All Share	0.71 %
Classic All Share	3.92 %
EURO STOXX Media	7.45 %

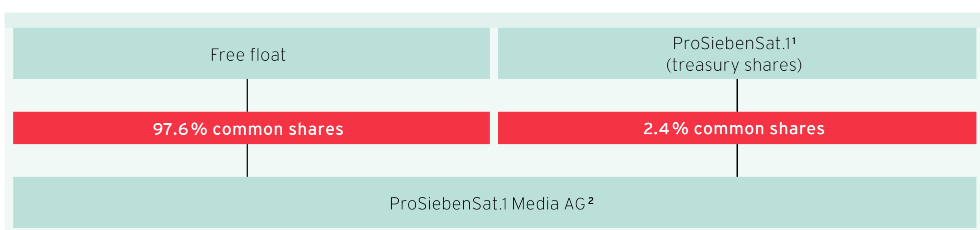
As of December 30, 2014; source: STOXX Ltd.

Shareholder Structure of ProSiebenSat.1 Media AG

Financial Glossary, page 298.

ProSiebenSat.1 shares are mostly held by institutional investors in the USA, UK and Germany. Lavena Holding 1 GmbH was still the biggest shareholder of ProSiebenSat.1 Media AG until the end of January 2014. On January 21, 2014, Lavena Holding 1 GmbH sold its entire remaining shareholding in ProSiebenSat.1 Media AG amounting to 36.3 million common shares. Since this date, all shares except those held by ProSiebenSat.1 Media AG itself have been in free float. Lavena was controlled by funds advised by Kohlberg Kravis Roberts & Co. L.P. (KKR) and Permira Beteiligungsberatung GmbH (Permira) and was until then the Group's largest shareholder. As a result, the free float of ProSiebenSat.1 shares, and therefore their weight in the MDAX index, increased significantly.

Shareholder structure of ProSiebenSat.1 Media AG as of December 31, 2014 (Fig. 15)



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

2 The share capital of ProSiebenSat.1 Media AG amounts to EUR 218,797,200.00 and is divided into 218,797,200 registered common shares since August 16, 2013.

2014 Annual General Meeting Elects New Supervisory Board

The Annual General Meeting of ProSiebenSat.1 Media AG for the financial year 2013 was held at the Event Arena in Munich's Olympiapark on June 26, 2014. Around 350 shareholders, shareholder representatives and guests took part in the meeting. Attendance was around 52% of original capital.

Members of the Supervisory Board, page 35.

At the Annual General Meeting, our shareholders elected a new Supervisory Board with a large majority. Following the meeting, Dr. Werner Brandt, CFO of SAP AG until June 30, 2014, was elected as the new Chairman of the Supervisory Board. In addition, the distribution of a dividend of EUR 1.47 per common share was resolved for financial year 2013, which was then paid on June 27. This corresponds to a total dividend of EUR 313.4 million and a distribution ratio of 82.5% of adjusted consolidated net income for the year. The Annual General Meeting also approved all other resolutions proposed with a large majority.

Dialogue with the Capital Market

Our Investor Relations activities are aligned to the broad and international shareholder structure: We regularly and promptly inform capital market participants and other interested parties of all key events and developments at ProSiebenSat.1 to ensure the transparent communication of financial figures and growth prospects. In addition to 18 road shows, ProSiebenSat.1 was represented at 18 investor conferences in Europe and the US in the 2014 financial year and faced the questions of numerous individual and group meetings with around 800 one-on-ones, including national and international investors, analysts, and bank representatives. The Investor Relations activities were complemented by the ProSiebenSat.1 investor hotline.

The Group also held its fourth Capital Markets Day on October 15, 2014. The Executive Board and division heads provided a detailed insight into current business and informed the capital market comprehensively about the medium-term growth strategy. Around 60 investors, analysts, and bank representatives attended the event at headquarters in Unterföhring, near Munich.

The quality of our capital market communication again received several awards in the 2014 financial year: In the "German Investor Relations Award 2014," the ProSiebenSat.1 Group took first place out of all MDAX-listed companies, improving further on a good second place in the previous year. The prize is awarded by Thomson Reuters Extel, WirtschaftsWoche and the German Investor Relations Association (DIRK); capital market experts from more than 11,000 buy-side and 2,500 sell-side firms in over 60 countries participated in the survey. ProSiebenSat.1 Media AG achieved another first place in the "2014 All-Europe-Executive Team Ranking," which is published by the Institutional Investor magazine, in the media segment assessed by sell-side analysts. Over 2,000 portfolio managers and buy- and sell-side analysts were surveyed. In addition, the Investor Relations work took the top spot among MDAX companies in the "Investors' Darling" award bestowed by manager magazin and HHL Leipzig Graduate School of Management. In the overall ranking, looking at annual and interim reports, investor presentations, and Investor Relations websites, the ProSiebenSat.1 Group took third place in the MDAX and eighth place in the overall evaluation of all 160 largest German listed stock companies. Our Annual Report also won another award: The Corporate Communication Institute (CCI) selected the 2013 Annual Report in both the categories Print and Online as the best in the MDAX.

B GROUP MANAGEMENT REPORT

Content

1 Not part of the audited Group management report.

D

istribution has developed into a strong growth driver for ProSiebenSat.1 in the last few years. Conrad Albert is responsible for this area at Executive Board level. He explains why it pays off to play content on all channels, to focus on innovative technologies and thus to offer viewers entertainment everywhere and at all times.[1]

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

»DISTRIBUTION IS A HIGHLY PROFITABLE BUSINESS.«

What status does distribution have at ProSiebenSat.1?

Conrad Albert: To begin with, distribution is the backbone of our business model and has developed into an important growth driver. In the German-speaking region, we reach over 42 million TV households with cable, satellite, IPTV and terrestrial television alone. Our content can be received via PCs, laptops, tablets and smartphones for both linear and non-linear use. This also forms the basis for growth of our digital services. The more varied our distribution, the greater the reach that we can capitalize on through advertising.

So is it worth having a presence on all channels?

Conrad Albert: Of course. A few years ago, distribution still involved costs of a double-digit million amount. Unlike in many European countries or the US, we have to pay cable network operators to distribute our programs. Nevertheless, we have now established fair cooperation models and take a share in the revenues that the providers generate from the distribution of our HD channels. We have turned distribution into a highly profitable business with a double-digit profit margin. We expect to achieve distribution revenues of over EUR 150 million in 2018 – mainly from the distribution of our HD and pay channels as well as cable TV rebroadcasting rights. Every euro we earn from this is a stable euro that makes ProSiebenSat.1 less dependent on the cyclical advertising business.

High definition television is making a significant contribution to revenues. How strong is HD as a growth driver?

Conrad Albert: Together with the platforms, we expect to have up to nine million customers by 2018, which accounts to almost the double compared to 2014. Every other person with an HD-ready device would then be watching our stations in HD.

So HD has become a lucrative growth story, despite all the initial doubters.

Conrad Albert: Yes, it's worth actively kick-starting new digital technologies. We've proved this again and again. ProSiebenSat.1 first broadcast high definition television in 2005, when there were only a few HD devices on the market. Moreover, we demonstrated the next stage of development in image quality at the Consumer Electronics Fair in 2014, when we streamed content live from our online video library maxdome in Ultra HD, also known as 4K.

Which new distribution channels will be relevant in the future?

Conrad Albert: We have played an important part in ensuring that DVB-T, i.e. terrestrial television, has been maintained, and we're supporting the development of the new standard DVB-T2, which can allow terrestrial HD reception from 2016. ProSiebenSat.1 was also the first private station group to offer a regular HbbTV service, and is present on new digital TV platforms like Zattoo and Magine, the entertainment portals of hardware manufacturers or services like Google Chromecast. We're innovative and we actively seize the advantages of digitalization for our business.

What's your favorite way to watch TV?

Conrad Albert: At home on the big HD screen. When I'm traveling, I watch my favorite shows with Joko and Klaas or "The Taste" live via the 7TV app as well as video-on-demand content via the maxdome app. Being able to access content anywhere and at any time has a major additional value for the user and offers great opportunities for the future of ProSiebenSat.1. <

1 This section is not part of the audited Group management report.

THE YEAR 2014 AT A GLANCE

The ProSiebenSat.1 Group further strengthened its core business of TV, expanded the digital business and successfully positioned its production company on the international stage. This is an overview of the most important events.

COMPANY

JANUARY

Weighting of the ProSiebenSat.1 share in the MDAX increased. On January 21, 2014, Lavena Holding 1 GmbH, controlled jointly by KKR and Permira, sold its remaining 36.3 million common shares in ProSiebenSat.1 Media AG. Since then, ProSiebenSat.1 shares have almost entirely been held in free float: As of December 31, 2014, the percentage was 97.6 %. The other 2.4 % were held by the Group as treasury shares.

APRIL

ProSiebenSat.1 optimizes financing structure. In 2014, ProSiebenSat.1 Media AG extended and diversified the maturity profile of its financial liabilities. In April, the Group successfully concluded the placement of seven-year notes in an amount of EUR 600 million. At the same time, the Company entered into new facilities comprising an unsecured term loan of EUR 1.4 billion and an also unsecured revolving credit facility (RCF) with an amount of EUR 600 million. Both have a tenor of five years.

JUNE

Annual General Meeting elects new Supervisory Board. (a) At the Annual General Meeting on June 26, 2014, Dr. Werner Brandt, former CFO of SAP AG, was elected as a new member of the Supervisory Board and appointed Chairman. Eight other Supervisory Board members were appointed at the same time. In addition, the Annual General Meeting resolved a dividend of EUR 1.47 per share. This equates to a payout ratio of 82.5 % in terms of adjusted group profit for 2013.

a

AUGUST

Eastern European portfolio sold successfully. The expansion of the German-speaking television and digital business offers the ProSiebenSat.1 Group the greatest synergy and growth opportunities in the long term. The Group has therefore moved away from all TV and radio stations outside the German-speaking region in recent years. As a final step, the ProSiebenSat.1 Group fully concluded the sale of its Hungarian and Romanian TV and radio activities in August 2014.

SEPTEMBER

New Executive Board members appointed. (b) Dr. Gunnar Wiedenfels and Dr. Ralf Schremper will join the Executive Board of ProSiebenSat.1 Media AG on April 1, 2015. Dr. Gunnar Wiedenfels (left) will become Chief Financial Officer, while Dr. Ralf Schremper (right) will take on the newly created Executive Board department "Investment & Strategy, Mergers & Acquisitions." CFO Axel Salzmann will leave the Company at his own request on March 31, 2015. Chief Human Resources Officer Heidi Stopper left the Group on September 30, 2014.

b

BROADCASTING GERMAN-SPEAKING

MARCH

Award-winning programming. (c) In 2014, the ProSiebenSat.1 stations again won numerous prizes. Joko Winterscheidt and Klaas Heufer-Umlauf were honored with Germany's most important TV-award, the "Grimme prize", for their ProSieben show "CIRCUS HALLIGALLI" in March 2014. The international "Rose d'Or" television prize in the "Entertainment" category followed in September. Moreover, the judges of "Got to Dance" and the SAT.1 docu-drama "Der Rücktritt" won the Bavarian TV Award.

c

JULY

ProSiebenSat.1 and Unitymedia KabelBW extend their partnership. The ProSiebenSat.1 Group secured the long-term SD and HD broadcast of its free and pay TV stations on Unitymedia KabelBW's network. The partnership strengthens ProSiebenSat.1's dynamically growing distribution business: The Group receives a share in the technical service fees that end customers pay for programs in HD quality. ProSiebenSat.1 is thus tapping into additional revenue potential and strengthening its independence from the traditional TV advertising business.

OCTOBER

Contracts with Studiocanal Deutschland and CBS Studios International extended. ProSiebenSat.1 secured attractive broadcasting rights again in 2014. A new agreement with Studiocanal Deutschland gives the Group continued access to movies from the US studio Lionsgate. Furthermore, the Group signed a master agreement with CBS Studios International, acquiring rights to future series from the Hollywood studio. The free TV rights apply for Germany, Austria and Switzerland.

DIGITAL & ADJACENT

FEBRUARY

ProSiebenSat.1 strengthens games business. By acquiring the online and mobile games publisher Aeria Games, the Group further expanded its games activities and tapped into new target groups. The company expanded its games community from 27 million to 77 million players, becoming one of the top 3 publishers in Europe. Since mid-2014, the Group has bundled its games activities under the umbrella of SevenGames in Berlin.

d

FEBRUARY

ProSiebenSat.1 invests in international start-ups. (d) The starting shot for the internationalization of the ProSiebenSat.1 Ventures business was fired in 2014. Last year, the Group invested in five international start-ups and helped them enter the market in Germany and Europe. The most important partnerships include Shopkick, Talenthouse and Jawbone – all from the USA. In 2015, ProSiebenSat.1 will forge ahead with the internationalization and look for more start-ups via its scouting offices in Europe, the USA, Asia and Israel.

JUNE

ProSiebenSat.1 launches 7TV app. (e) Since June, viewers have been able to use the new 7TV app to watch a mobile live stream of the ProSiebenSat.1 stations' entire free TV programming. In addition, the Group offers the most extensive TV media library in Germany. This allows free access to numerous TV formats from the station group. Since it launched, the app has already been downloaded over 2.5 million times.

e

JULY

ProSiebenSat.1 expands digital commerce business. The ProSiebenSat.1 Group's e-commerce business continued to grow in 2014. After the Group successfully established a portfolio with investments from the travel industry in the previous year, in 2014 ProSiebenSat.1 focused on the "Beauty & Accessories" and "Home & Living" sectors. In connection with this, SevenVentures, the ProSiebenSat.1 Group's ventures arm, increased its investments in moebel.de and Flaconi.

f

OCTOBER

Studio71 reaches 200 million video views. (f) Studio71, ProSiebenSat.1's multi-channel network, achieved 200 million video views for the first time in October 2014. One year since it was founded, this makes Studio71 Germany's leading multi-channel network. In December 2014, Studio71 logged 258 million video views. In future, the multi-channel network will focus even more sharply on in-house productions.

DECEMBER

SevenOne Media is market leader for video advertising. With a market share of 48.6 %, the ProSiebenSat.1 marketer SevenOne Media was once again number one on the advertising market for in-stream video ads in 2014 (IP Deutschland: 32.5 %). Overall, SevenOne Media generated gross revenues of EUR 182.4 million with the marketing of video online (previous year: EUR 148.5 million). This is an increase of 22.8 %. This means that SevenOne Media again grew stronger than the market.

CONTENT PRODUCTION & GLOBAL SALES

FEBRUARY

Red Arrow acquires majority stake in Half Yard Productions. (g) Red Arrow further strengthened its presence in the USA, the world's most important TV market, by investing in the US production firm Half Yard Productions. Half Yard ranks among the USA's leading providers of reality shows, factual entertainment and documentaries and is the largest US producer of successful wedding shows like "Say Yes to the Dress."

g

h

MAY

Red Arrow produces for Amazon and Sky. (h) The US-based Red Arrow subsidiary Fabrik Entertainment is producing ten episodes of the crime series "Bosch" for Amazon. Amazon will show the first episodes in early 2015. In May 2014, Fabrik also started shooting the series "100 Code," Sky Deutschland's first co-production. English-language fiction programs are particularly relevant for Red Arrow because of the high international demand.

NOVEMBER

"Married at First Sight" is a global ratings hit. (i) The Danish Red Arrow subsidiary Snowman Productions landed an international hit in 2014 with "Married at First Sight." After the huge success of the first season, the US station FYI commissioned a second season in August. In Germany, "Hochzeit auf den ersten Blick" aired on SAT.1 in the fall with market shares of up to 13.5 %, which meant it was likewise a complete success. The format has already been sold to over 20 countries.

i

Explanatory Notes on Reporting Principles

Content and Form of the Group Management Report

Changes in this Group management report compared with the previous year are intended to further improve clarity and provide a better overview. They primarily concern the structure of the Group management report and the Annual Report and adjustments made as a result of new accounting standards.

To Our Shareholders, page 27.

The Compensation Report, the take-over 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 report and are part of the audited Group management report.

Predictive Statements to the Future Earnings, Financial Position and Performance

Risk Report, page 137.

Our forecasts are based on current assessments of future developments. Examples of risks and uncertainties which can negatively impact this forecast are e.g. lower economic dynamics, a decline in advertising investments, increasing costs for program procurement, negative rating trends and changes in legislation, regulatory requirements or media policy guidelines. If one or even more of these imponderables occur or if the assumptions on which the forward-looking statements are made do not apply, then actual results may deviate materially from the statements made or the results implicitly expressed.

Reporting on the Basis of Continuing Operations

Financial Glossary, page 298.
Notes, Note 7 "Acquisitions and disposals," page 199.
Notes, Note 7 "Acquisitions and disposals," page 199.

Unless otherwise indicated, in this Annual Report the analysis of earnings, financial position and performance is based on continuing operations. This means that earnings contributions and cash flows generated up to the time of deconsolidation by activities sold in Eastern Europe in the course of 2014 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. These items also include the respective results from deconsolidation of the companies concerned. The items for the comparative previous-year periods also include the earnings contributions and deconsolidation result/cash flows of the Northern Europe portfolio, which has been sold and was deconsolidated in April 2013.

Key Figures Used

Intragroup Management System, page 80.

For the ProSiebenSat.1 Group, revenues, EBITDA, recurring EBITDA, underlying net income and leverage factor are the key financial indicators on the Group level. 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 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 parameters.

The 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 data which are also being examined within risk management. 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. In so-called program screenings, the ProSiebenSat.1 Group informs its customers about the direction of the station planning. Advertising customers use this preview as an important basis for making decisions about their advertising investments for the subsequent year. The price level is primarily based on the factors of audience shares, reach, broadcast time, demand and available advertising inventory. As is customary in this business, the final budgets are confirmed on a month-by-month basis — sometimes, however, only in the short term. Only then is the revenue level transparent. Furthermore, additional advertising budgets are granted at short notice towards the end of the year. 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. As a result, we do not report on order volumes here either.

Change Rates and Rounding

In this report the plus/minus signs relating to change rates are presented using a business perspective. Improvements are thus shown with a plus (+), declines with a minus (–). 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 (Fig. 16)

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.com/en/company/corporate-governance

Organization and Group Structure

Interview with Conrad Albert, page 68.

Content Production & Global Sales segment: Production for Streaming Platforms, page 22.

The ProSiebenSat.1 Group is one of the largest independent media corporations in Europe. Free TV financed by advertising is our core business. We reach around 42 million TV households with our TV stations in Germany, Austria, and Switzerland. We have tapped into a dynamically growing business area with the distribution of our free TV stations in HD quality. ProSiebenSat.1 hereby participates in the technical service fees that end customers pay to providers of cable, satellite and IPTV. We are also Germany's leading online seller of video content on the internet. Our digital portfolio includes the biggest German video-on-demand portal, maxdome. We are active in the online games business and operate an attractive, rapidly growing e-commerce portfolio. We also own Starwatch Entertainment, an independent music label. With the Red Arrow Entertainment Group, we produce international TV programs and sell them to TV stations and platform providers worldwide. It is our goal to further develop the ProSiebenSat.1 Group to a leading broadcasting, digital entertainment and commerce powerhouse.

Management and Control

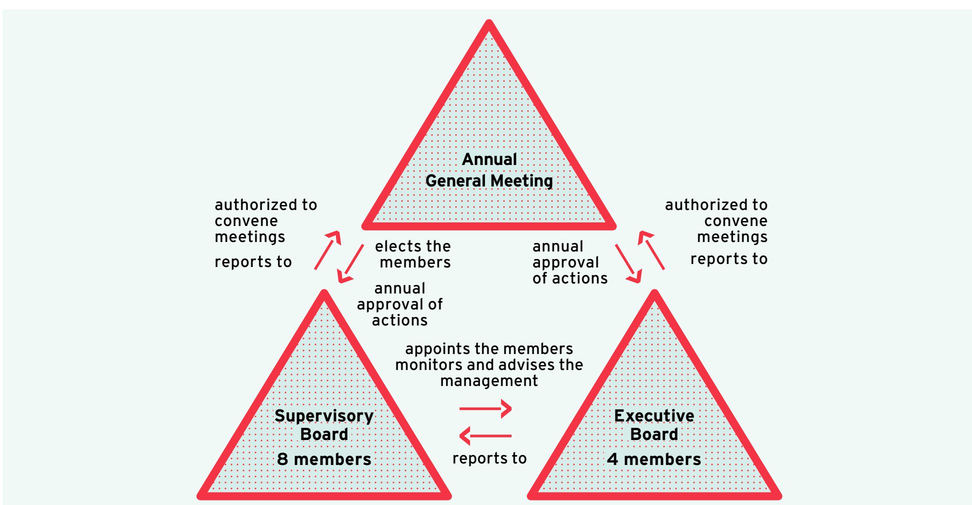
Major Events and Changes in the Scope of Consolidation, page 117.

Notes, Note 7 "Acquisitions and disposals," page 199.

The organizational structure of the ProSiebenSat.1 Group did not change materially in 2014, either structurally or legally. We report in detail about changes to the scope of consolidation in the corresponding chapter of the Group management report and the notes. The enterprise is managed centrally by the holding company ProSiebenSat.1 Media AG.

ProSiebenSat.1 Media AG is the parent company of the ProSiebenSat.1 Group and is headquartered in Unterföhring near Munich. It is listed in Germany at the stock exchange in Frankfurt am Main and at the stock exchange in Luxembourg (Bourse de Luxembourg). As a stock corporation under German law, the Company has three principal governing bodies: the Annual General Meeting, the Executive Board, and the Supervisory Board. The governing bodies' decision-making powers are strictly demarcated from each other:

Corporate Governance structure of the ProSiebenSat.1 Media AG as of December 31, 2014 (Fig. 17)



› The shareholders of ProSiebenSat.1 Media AG exercise their rights of joint administration and oversight at the **Annual General Meeting**. Since the merger of the share classes into voting

The ProSiebenSat.1 Share, page 63.

registered common shares in August 2013, each share grants the same legal rights and obligations and one vote in the Annual General Meeting.

- The **Executive Board** is responsible for the 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.

To Our Shareholders, page 27.

The basic rules for this dual management system are defined in ProSiebenSat.1 Media AG'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. According to Section 179 of the German Stock Corporation Act (AktG), they may only be amended by a majority resolution of the Annual General Meeting. We report on personnel changes in the boards in the "To Our Shareholders" section.

In order to facilitate a stronger international alignment of the digital business, ProSiebenSat.1 Media AG announced on October 15, 2014, that it intends to change its legal form to a European Company (Societas Europaea/SE). The conversion will not affect the rights of the employees and the shareholders. The entity will continue to operate with a dualistic system consisting of the Executive Board and the Supervisory Board. The Annual General Meeting on May 21, 2015, is to decide on the change in legal form to a SE. The completition of the conversion is planned for the summer of 2015. As a result, shareholders of ProSiebenSat.1 Media AG will automatically become shareholders in the future ProSiebenSat.1 Media SE. The listing of the Company's shares will remain unaffected by this measure; the Company's registered office will continue to be in Unterföhring near Munich.

Corporate Structure and Investments

A detailed overview of the shareholding structure in the ProSiebenSat.1 Group can be found in the Notes from page 286 on. In addition to the list of affiliated companies and investments, the legal corporate structure and the international locations are illustrated on the back cover.

Notes, Note 5 "Scope of consolidation," page 197.

The present consolidated financial statements include ProSiebenSat.1 Media AG and all significant subsidiaries – meaning entities in which ProSiebenSat.1 Media AG 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 AG has no operational role. Its tasks include central financing, Group risk management and the ongoing development of the corporate strategy. The economic development of the 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 AG is ProSiebenSat.1 TV Deutschland GmbH. Under its umbrella, all German TV stations of the ProSiebenSat.1 Group work together. In terms of structure, ProSiebenSat.1 Media AG differs considerably from other German TV companies. Not only does the Company indirectly 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 Games (ProSiebenSat1. Digital GmbH), Travel (ProSieben Travel GmbH), and Ventures (SevenVentures GmbH) areas are also affiliated indirectly with ProSiebenSat.1 Media AG via subsidiaries consolidated under ProSiebenSat.1 Digital & Adjacent GmbH. The subsidiaries for the Content Production & Global Sales segment operate as the Red Arrow Entertainment Group, also a 100 % holding of ProSiebenSat.1 Media AG.

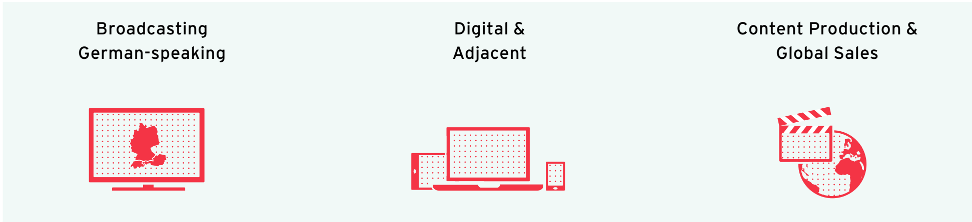
Segments and Brand Portfolio

Strategy and Management, page 79.

Notes, Note 36 "Segment reporting," page 266.

The operating units are responsible for the operational implementation of the strategy and are divided into three operating reporting segments. They are strategically, economically and technically interrelated and are managed centrally by ProSiebenSat.1 Media AG.

Segments of the ProSiebenSat.1 Group (Fig. 18)



Broadcasting German-speaking Segment

The TV activities in Germany, Austria and Switzerland are allocated to the Broadcasting German-speaking segment. With a population of over 81 million, Germany is Europe's largest TV market. ProSiebenSat.1 is no. 1 in the TV advertising market here with its sales subsidiaries SevenOne Media and SevenOne AdFactory. Alongside innovative and customized sales concepts, the wide reach and brand awareness of the ProSiebenSat.1 stations are key to the success of the Group. In total, the ProSiebenSat.1 Group operates seven full TV programs and twelve advertising or program windows in Germany, Austria and Switzerland. The portfolios of the individual countries feature complementary, coordinated television stations, which cover a broad range of target groups in the audience and advertising market.

Development of the Audience Market, page 102.

In addition to the traditional free TV business, the ProSiebenSat.1 Group's HD and basic pay TV stations are also reported in the Broadcasting German-speaking segment. The Group operates three basic pay TV channels: SAT.1 emotions, ProSieben FUN and kabel eins CLASSICS. The Group also participates in technical service fees that cable network, satellite, and IPTV operators generate from the distribution of ProSiebenSat.1 stations in HD quality. The ProSiebenSat.1 Group has hereby established a business area with long term, recurring revenues and further strengthened its independence from the TV advertising market, which is highly senstive to economic fluctuation.

Media Glossary, page 301.

Digital & Adjacent Segment

The Digital & Adjacent segment is the strongest growth driver of the ProSiebenSat.1 Group. It bundles the business units Digital Entertainment, Digital Commerce and Adjacent. The Group leverages the advertising power and reach of its free TV stations to develop products and offerings from these areas into successful brands. The Group thus benefits not only from synergies between the TV and digital business, but also within the segment Digital & Adjacent.

Broadcasting German-speaking segment: Five Digital Trends, page 11.

Digital Entertainment. The ProSiebenSat.1 Group markets over 50 proprietary online and mobile platforms such as the websites of the TV stations and MyVideo as well as offerings from third parties. With a gross market share of 48.6% on instream video advertising and 4.2 billion video views in 2014, the Group is also Germany's leading seller of video content on the internet. In addition, the ProSiebenSat.1 Group operates Germany's biggest video-on-demand portal, maxdome,

Digital & Adjacent segment: Multi-Channel Strategy, page 21.

Major Events and Changes in the Scope of Consolidation, page 117.

Notes, Note 7 "Acquisitions and disposals," page 199.

Major Events and Changes in the Scope of Consolidation, page 117.

Notes, Note 7 "Acquisitions and disposals," page 199.

which offers nearly 60,000 on-demand titles. In recent years, the Group also founded its own multi-channel network (MCN), Studio71, with which the media group produces, aggregates and distributes web content. Due to the acquisition of Aeria Games Europe GmbH, a publisher specializing in online and mobile games, the ProSiebenSat.1 Group expanded its existing games business with new target groups in 2014 and is now one of the top three publishers in Europe.

Digital Commerce. The ProSiebenSat.1 Group bundles its ventures activities in the Digital Commerce unit. At the end of the 2014 financial year, the portfolio contained about 60 investments and partnerships. The companies primarily come from e-commerce, while their product ranges show high affinity with TV as a medium. With regard to strategic investments, the ProSiebenSat.1 Group bundled its travel business under one roof by founding ProSieben Travel GmbH in spring 2014, and was therefore able to increase revenues. Similarly to the travel vertical, the Group has identified additional e-commerce industries like "Beauty & Accessories" (Flaconi, Valmano, etc.), "Home & Living" (moebel.de), and "Fashion & Lifestyle" (e.g. Stylight), which also offer ProSiebenSat.1 attractive synergy and revenue potential. The Group expands its portfolio both through traditional investments in majority interests and through its media-for-equity and media-for-revenue-share models within the SevenVentures GmbH. With these models, the Group provides media services to promising internet companies and uses its high reach to develop strong brands in the online segment. Start-up companies in turn provide ProSiebenSat.1 with a share in their value creation.

Adjacent. Starwatch Entertainment GmbH bundles Music, Live Entertainment, Events, Ticketing, and Artist Management in the Adjacent unit within the ProSiebenSat.1 Group. Last year the Company was involved in 56% of the top 100 albums in Germany by its record label Starwatch Entertainment. The music activities with extensive marketing and cooperation models are complemented with an own ticketing platform as well as the event agency MMP. ProSiebenSat.1 represents the extensive value chain of a record label with tickets, artist management and live events/concerts. With SAM Sports the Company additionally founded a sport management agency in 2014.

Content Production & Global Sales Segment

The Content Production & Global Sales segment covers the ProSiebenSat.1 Group's international program production and distribution business. The two units are bundled under the Red Arrow Entertainment Group. The company is ranked in the top 10 of the most successful independent production companies in the world and in the top 5 of sales companies. Last year, Red Arrow sold TV formats in more than 200 countries and expanded its English-speaking fiction portfolio consequently. In 2014, the Group gained more than 70% of its revenues in English-speaking markets (USA: 55%, GB: 18%). At the same time the company extended the production business for platform operators to gain access to an increasing procurement market. The Red Arrow subsidary Fabrik Entertainment produced "Bosch", the first in-house production of a drama series for the video-on-demand platform Amazon Prime of the online retailer Amazon. Another huge success in 2014 was the in-house created format "Married at First Sight", which has been sold in 20 countries. Red Arrow Entertainment Group is represented in seven countries with 13 production companies, with own sales offices in Unterföhring, Los Angeles and Hong Kong.

The Year 2014 at a Glance, page 70.

Segment structure of the ProSiebenSat.1 Group (Fig. 19)

Broadcasting German-speaking

Free TV Stations/ Advertising and Program Windows

Germany

Austria

Austria

PULS 4

Switzerland

Schweiz

SAT.1 Schweiz

Basic Pay TV Stations

CLASSICS

Sales

SevenOne Media

ProSiebenSat.1 PULS4

SevenOne AdFactory

Production and Production Services

SevenPictures

ProSiebenSat.1 Produktion

Digital & Adjacent

Digital Entertainment

ProSiebenSat.1 Digital

ProSiebenSat.1 Games

maxdome

MyVideo

Digital Commerce

SevenVentures

7TRAVEL WWW.7TRAVEL.DE

Adjacent

ProSiebenSat.1 Licensing

Content Production & Global Sales

Production Companies

HARD HAT

LEFT RIGHT

NERD.

redseven

SNOWMAN

Global Sales

RED ARROW INTERNATIONAL

Locations:
Unterföhring
Los Angeles
Hong Kong

Strategy and Management

Vision and Strategic Objectives

We are the leader in our core business of free TV in both the audience market and the advertising market. The Group also has a comprehensive program repertoire of 13,000 hours of own and commissioned productions and 50,000 hours of licensed US programming. Our high reach and attractive content form the basis for our value creation and are also our crucial advantage compared with competitors. The combination of the two provides us with opportunities that are available to almost no other company.

Opportunity Report, page 154.

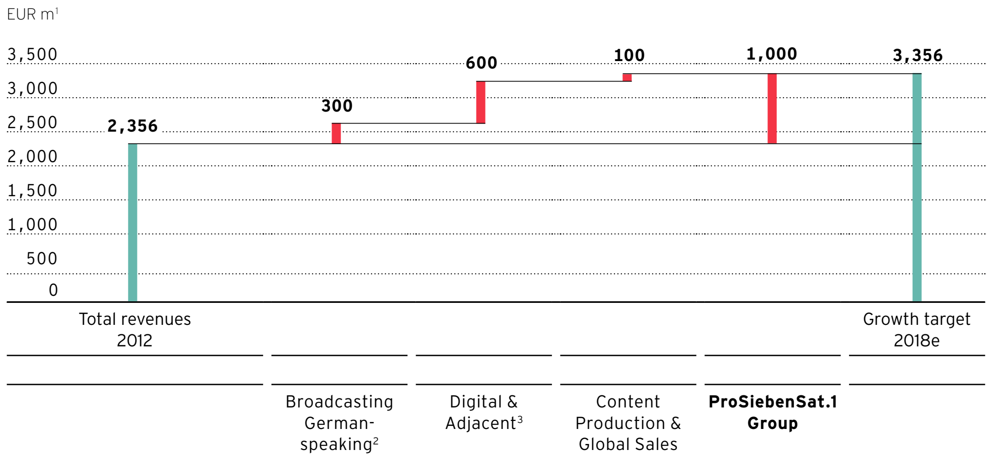
The ProSiebenSat.1 Group has also established a high-reach brand portfolio in its digital business and has positioned itself strategically: Video content is particularly popular on the internet. TV therefore has a much stronger online affinity than any other classic medium. At the same time, TV and online complement each other synergistically in terms of both the intensity of advertising and user loyalty. The ProSiebenSat.1 Group consistently exploits this potential. The Company uses the reach and popularity of its TV stations and digital platforms to build up new brands and grow in related areas. However, the Group achieves revenue synergies not only between its TV and digital business. Integration within the segments is also opening up new areas of growth for the Company. For example, the Group has gradually expanded its portfolio of online travel services and has significantly increased awareness of them in recent months with the aid of TV advertising spots. The integration of mydays into the travel portfolio demonstrates, by way of an example, how high our revenue synergies are. The online portal increased its revenues several times after TV advertisements were broadcast on ProSiebenSat.1 stations, from an average annual growth rate of averagely 2% to almost 30% latest. Travel is a visually powerful, emotive subject that appeals to a wide audience. This makes it particularly suited to video advertising. The Company is therefore establishing further e-commerce units along the lines of its travel vertical. Our vision is to develop ProSiebenSat.1 into a broadcasting, digital entertainment and commerce powerhouse.

Major Events and Changes in the Scope of Consolidation, page 117.

Company Outlook, page 161.
Opportunity Report, page 154.
Interview with Dr. Ralf Schremper, page 166.

The ProSiebenSat.1 Group is expanding its value chain through new services and consistent digitalization. This allows the Company to reduce the dependence of its growth on fluctuations in TV business due to the economy. This strategy also includes the increased internationalization of the digital business and strategic M&A measures. At the same time, the Company is reinforcing its market leadership in its highly profitable TV business through diversification. With the distribution of its TV stations in HD quality and with basic pay TV services, for example, the Group has been generating additional revenues that are not dependent on the economy for several years.

Revenue growth targets 2018 (Fig. 20)



e = estimate
1 Growth of external revenues vs. 2012 from continuing operations.
2 External revenues including pay TV.
3 External revenues not including 9Live and pay TV.

The Company measures the success of this strategy based on the increase in revenues and earnings in the individual segments. The aim is to generate over 40 % of consolidated revenues outside classic TV advertising revenues by 2018. In particular, the Digital & Adjacent segment is expected to reduce the Group's dependence on the TV advertising market and to account for 25 % to 30 % of consolidated revenues in the medium term. At Group level, ProSiebenSat.1 expects to increase its revenues by EUR 1 billion by 2018 compared with 2012 and to achieve an annual medium single-digit percentage growth in recurring EBITDA.

Expected Group and Segment Revenue and Earnings Performance, page 161.

With a recurring EBITDA margin of around 30 %, ProSiebenSat.1 is one of the most profitable independent media corporations in Europe. Strengthening our profitability at a high level through sustained growth in revenues and earnings is our top priority. The basis for this is a holistic management system. As well as the overriding goal of growth, it reflects the interests of our equity providers and lenders. This includes efficient financial planning and an earnings-oriented dividend policy.

Principles and Objectives of Financial Management, page 125.

Future Financial Position and Performance, page 163.

Intragroup Management System

The Group is managed centrally by the Executive Board. This is based on a company-specific management system that takes into account financial and operational performance indicators. These key performance indicators (KPI) are derived from the strategic objectives of the ProSiebenSat.1 Group and broken down for its individual segments and operating Group companies. All KPIs, with the exception of the audience share, can be directly measured in financial terms.

Development of the Audience Market, page 102.

- **Revenue and earnings management:** The aim of our strategic decisions is to increase revenues continuously and achieve a high level of profitability. As the ProSiebenSat.1 Group operates in a dynamic industry environment, its various operating units must be able to act flexibly. For this reason, while the individual subsidiaries operate on the basis of central objectives, they are also autonomous with full responsibility for revenues and earnings.

  Recurring EBITDA is a central key figure that is used to manage profitability of the Group and its segments and subsidaries. Non-recurring income and expenses are adjusted when recurring EBITDA is calculated, so that this key figure reflects the operating profitability in a meaningful

Financial Glossary, page 298.

way. At the same time, it provides a figure that can be compared at international level, as it does not take into account the effects of taxes and write-downs or the financing structure.

Non-recurring and special items can influence or even overshadow operating performance and can make a multi-year comparison difficult. However, an analysis of unadjusted key earnings figures helps provide a holistic view of the expense and income structure. For this reason, the ProSiebenSat.1 Group uses various key figures to manage profitability:

Financial Glossary, page 298.

This is firstly EBITDA. EBITDA stands for earnings before interest, taxes, depreciation and amortization. It serves both at Group level and for the segments as an important performance indicator, being particularly relevant for the Digital & Adjacent segment. The ProSiebenSat.1 Group has successfully increased its revenue and earnings contributions from Digital & Adjacent activities; most recently, the segment generated 21.2 % of total annual revenues (previous year: 18.6 %) and 15.0 % of Group EBITDA (previous year: 13.2 %). As a result, since 2014 the Group's management system has paid greater attention to segment EBITDA as a KPI in addition to the external revenues generated in the segment.

Financial Glossary, page 298.

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 AG is calculated on the basis of the Group´s underlying net income.

Financial Glossary, page 298.

- **Financial planning:** The ProSiebenSat.1 Group invests in markets with long-term growth opportunities and examines options to expand its portfolio. Financial leverage (leverage ratio) is an important parameter used in the Group's financial planning. It indicates the level of net debt in relation to LTM recurring EBITDA – i.e. the EBITDA adjusted for non-recurring items that the ProSiebenSat.1 Group has generated in the last twelve months (LTM = last twelve months).

- **Audience shares:** Alongside the financial KPIs mentioned above, non-financial key figures are also used to monitor achievement of our customer, market and service-related targets on an ongoing basis. They contribute indirectly to the achievement of profitability and growth targets.

Media Glossary, page 301.

Audience shares are a key indicator for the core business: Data on television consumption in Germany is collected and analyzed on a daily basis exclusively by GfK Fernsehforschung on behalf of the Arbeitsgemeinschaft Fernsehforschung (AGF). Audience shares measure the reach of programs and are therefore an important means of documenting the operating performance of our free TV stations for the advertising industry. At the same time, this data on consumption is an important performance indicator for our early risk detection system. The ratings achieved are compared with the budgeted figures and systematically recorded as part of risk management.

Risk Report, page 137.

As well as corporate management on the basis of key figures, cost awareness and requirements in terms of performance are crucial prerequisites for further strengthening the ProSiebenSat.1 Group's leading position. These include, for example, adequate capitalization for our ratings in the TV advertising market and the development of innovative business ideas. The establishment of a best practice organization therefore constitutes an important strategic task for us. High-performing and motivated employees, guided by a common sense of mission, are the heart of this organization. Clear objectives and appropriate profit-sharing are a key requirement for this. 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 our employees.

Employees, page 87.

Additionally to net debt, the Company's EBITDA respectively external revenues and EBITDA of the Digital & Adjacent segment also serve as variable basis for the assessment of the compensation of the Executive Board. By harmonizing the Executive Board's compensation with our KPI for corporate management, we implemented a holistic and effective control system, which 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".

Compensation Report, page 49.
Explanatory Notes on Reporting Principles, page 72.

Overview of relevant key performance indicators (Fig. 21)

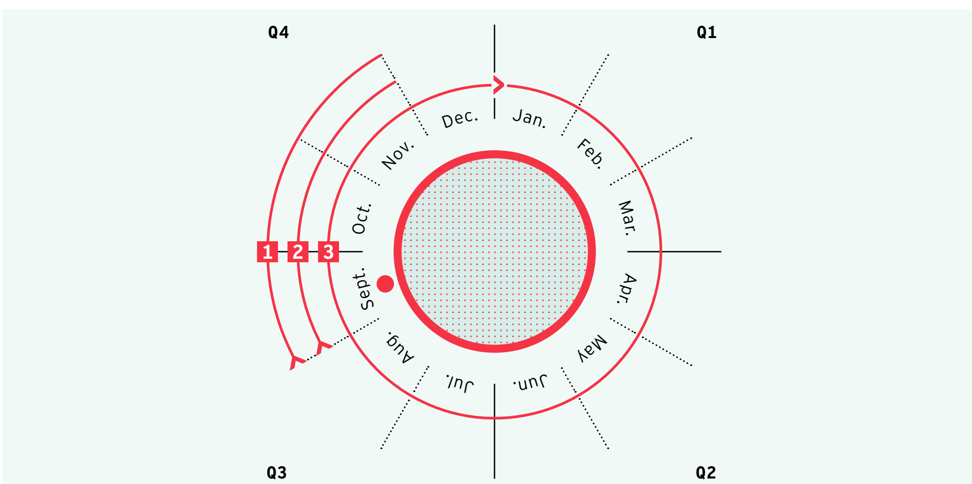
Financial parameters	**Group** › Revenues › EBITDA › Recurring EBITDA › Underlying net income › Leverage **Digital & Adjacent segment** › External revenues › EBITDA
Non-financial parameter	**Broadcasting German-speaking segment** › Audience shares

Operational and Strategic Planning

Management and planning are closely intertwined at ProSiebenSat.1: Plans are drawn up on the basis of our corporate strategy, with a focus on the management indicators outlined above. Planning itself is a process that involves multiple stages, in which target figures are defined for the individual KPIs and are stipulated for various time periods. The different levels in the planning process – strategic planning, budget preparation, multi-year planning and monthly reporting – build on each other and are closely linked to our risk management. The diagram below shows the individual planning levels over time for the 2014 financial year:

Risk Report, page 137.

Planning calendar (Fig. 22)



Strategy planning

1 Budget (Operating plan for the year on a monthly basis)

2 Multi-year plan (Long-term corporate plan on a quarterly basis)

3 Monthly reporting (Trend projections)

- **Strategic planning:** SWOT analyses are an important strategic planning tool: Market conditions and current key figures for relevant competitors are compared, the company works out its own strengths, and opportunities and risks are assessed. SWOT analyses enable us to determine our competitive position and develop our growth strategy appropriately. The Executive and Supervisory Boards discuss the results once a year in a strategy meeting, in which individual targets are redefined and prioritized as necessary. The strategy meeting for 2014 took place in September, after the Supervisory Board of ProSiebenSat.1 was re-formed in June.

Report of the Supervisory Board, page 28.

- **Budget (operating plan for the year on a monthly basis):** Planning for the following year is based on the targets set at the strategy meeting, but specifies these for the operating units and includes objectives for individual financial and non-financial performance indicators on a monthly basis. The Executive and Supervisory Boards of ProSiebenSat.1 Media AG approved the budget at the end of 2014.

- **Multi-year planning (long-term corporate plan on a quarterly basis):** In turn, the budget for 2015 formed the basis for multi-year planning. It contains targets for a five-year period. The planned figures are calculated in a bottom-up process, like the budget, but are defined on a quarterly basis. To this end, 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.

- **Monthly reporting (trend projections):** Also in 2014, the Supervisory Board and the Executive Board regularly discussed the achievement of the ProSiebenSat.1 Group's short-term and long-term targets. Monthly 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.

Risk Report, page 137.

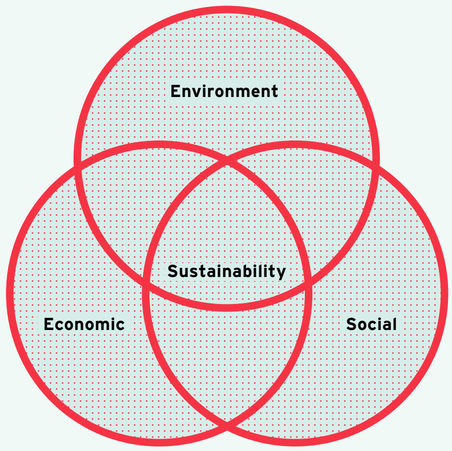
Apart from this monthly reporting to the Executive Board and the Supervisory Board, potential risks are reported to the Group Risk and Compliance Officer on a quarterly basis. In particular, any changes to the early warning risk indicators, such as audience shares, during the year and over time, are analyzed here.

Sustainability

Organizational advantages, own brands, stable customer relations and human resources potential are important success factors that for the most part are not measured financially. On the other hand, we capitalize certain internally generated intangible assets at a low level. Further information can be found in the Notes to the consolidated financial statements, Note 19 "Intangible assets," page 226.

The ProSiebenSat.1 Group sees sustainability as a concept that targets holistic and lasting development of the Company's economic, environmental and social performance. The individual dimensions of sustainability are mutually dependent. Companies that identify and manage sustainability-related opportunities in a targeted manner can perform better on competitive markets. Integrating sustainability aspects can lead to optimized business strategies and competitive advantages that can in turn result in higher returns for investors. Below, we describe the specific aspects that are particularly relevant to ProSiebenSat.1 as a media company.

Dimensions of sustainability (Fig. 23)



Economic Sustainability

Borrowings and Financing Structure, page 126.

ProSiebenSat.1 stands on a solid financial basis and is growing profitably. In order to continue being successful in the future, good supplier and customer relationships are essential. ProSiebenSat.1 also values the promotion of innovation processes in order to secure its own future viability.

Supplier and Customer Relationships

Attractive programming is one of the most important requirements for the ProSiebenSat.1 stations' long-term success with TV viewers. In order to secure a long-term supply of programming for the Group, the Group maintains close dialogue with domestic and international film studios, as well as film and TV producers. The ProSiebenSat.1 Group has agreements with numerous film studios: The most important include Warner Brothers, CBS, Twentieth Century Fox, Constantin Film and Paramount. In 2014, the contracts with Studiocanal Deutschland and CBS Studios International were extended. The new agreement with Studiocanal Deutschland secures attractive movies from the US studio Lionsgate for our stations in the future. The new master license agreement with CBS Studios International also gives the Group further exclusive TV rights to high-quality series. The broadcasting rights granted by the two agreements apply to the ProSiebenSat.1 stations in Germany, Austria, and Switzerland.

The Year 2014 at a Glance, page 70.

The video-on-demand portal maxdome is also benefiting from the good supplier relationships: Many agreements include selected pay TV and video-on-demand licenses in addition to exclusive free TV rights, and are therefore valid for maxdome too. The video-on-demand portal has partnerships with over 100 licensors. ProSiebenSat.1 also cooperates with numerous creative partners in order to ensure access to new formats, such as with John de Mol from the Netherlands, who has developed TV-shows such as "Newtopia" or "The Voice of Germany" and licensed them to the Group.

Impact of General Conditions on Business Performance, page 115.

Interview with Sabine Eckhardt, page 294.

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 the 2014 financial year, the share was 66.4 %. 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 the ProSiebenSat.1 Group. In 2014, the Group gained 105 new customers.

As well as the advertising industry, the consumers of our content are also important stakeholders for us. In order to increase the success of the media offerings and raise awareness of the brands, the Group regularly invests in high-reach marketing campaigns. In 2014, marketing expenditure amounted to EUR 88.5 million (previous year: EUR 58.7 million). These include all expenses in relation to program and image communication with the exception of market research and PR activities. The increase in marketing expenses in 2014 is primarily attributable to the further expansion of the Digital & Adjacent 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. For this reason, the ProSiebenSat.1 Group runs 152 Facebook pages and 34 Twitter accounts in Germany. In addition, viewers can e-mail their questions about program content, suggestions or criticism to the central viewer service department. In 2014, this department processed around 100,000 queries (previous year: 116,000). The trend toward the use of social networks as a contact channel is unabated: Nearly a third of all queries were received as a message or comment on Facebook in 2014 (previous year: 28.3 %).

Research and Development

The 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 the 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 2014, expenses for Group-wide market research activities amounted to EUR 7.5 million (previous year: EUR 7.2 million). At ProSiebenSat.1, 33 employees work in various research units. They prepare investigations and analyses on advertising impact, on trends in the advertising market as well as on media use and also assess economic and advertising 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.

Another success factor for the ProSiebenSat.1 Group is program development. It is important to implement TV programs quickly. The target is always to form a value chain alongside the formats:

Broadcasting German-speaking segment: Interview with Thomas Wagner and Wolfgang Link, page 12.

From concept development to production, marketing and sales to online presence. Therefore, how an extension to digital media might look and which potential advertising partners could be interested in the format are considered from the beginning in the development of new programs.

In the program development phase, program research also plays a decisive role. 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. Besides, 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.

Innovation

Media Glossary, page 301.

We are using the opportunities presented by digitalization and developing from a traditional TV provider into an integrated broadcasting, digital entertainment and commerce powerhouse. In order to be successful in our dynamic industry sector in the long term, we have to ensure our Company's innovative power and respond quickly to trends and new technologies. This is the only way to face future challenges successfully.

An important aspect of ProSiebenSat.1's innovation management is collaboration with start-up companies. 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. Since 2014, ProSiebenSat.1 also co-operates with the Technical University Munich (TUM) to support start-ups. The goal is to pool skills to strengthen Bavaria as a location for start-ups. The Company also maintains numerous participations in young, promising enterprises via its ventures arm SevenVentures. In 2010, the ProSiebenSat.1 Group introduced the innovative media-for-revenue-share and media-for-equity business models. So far, around 60 media-for-revenue-share and media-for-equity deals have been struck.

Our Growth Story, page 2.

Digital & Adjacent segment: Internationalization of the Ventures Business, page 18.

In future, ProSiebenSat.1 also wants to expand its involvement in international start-ups. To do so, the Group established scouting offices in the USA, Asia and Israel in 2014, in order to quickly identify global trends and promising companies. The Group then supports their market entry in Germany and Europe. In this way, we are transposing our successful investment model to the global market with the objective of establishing ourselves internationally as a media investor. At the same time, we are thus bringing innovative business models to Europe. In 2014, we have already launched five international partnerships according to this model, for instance with the creative platform Talenthouse, the shopping app Shopkick and the fitness wearable provider Jawbone. Through investments in future markets ProSiebenSat.1 strengthens its international competitive position.

hrreport2014.prosiebensat1.com/

In order to succeed in the long term, we set great store by the ideas and creativity of our employees and actively pursue innovation processes. In 2012, ProSiebenSat.1 established a central authority for innovation and technology trends in the Group with the TEK initiative. Since then a five-person TEK team continuously analyzes innovations in the market and processes 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 TEK initiative is to give knowledge of current trends and to provide a basis for innovation.

In addition to the TEK initiative, Learning Expeditions and Innovation Camps are important measures for the promotion of our employees' innovative skills. In the one-week Learning Expeditions,

Employees, page 87.

ProSiebenSat.1 employees travel to international business regions in order to talk to representatives of large enterprises as well as researchers and academics. Previous Learning Expeditions have given rise to numerous innovative business ideas, such as the development of the internet platform MyVideo into an online entertainment platform. The ProSiebenSat.1 Group has carried out Learning Expeditions regularly since 2011, in which around 200 employees have participated so far. Since 2013, ProSiebenSat.1 has also organized Innovation Camps. Here, employees from different areas of the Group work together for seven days on business solutions to a problem set by management. The participants developed more than ten business concepts during the first two Innovation Camps. The ProSiebenSat.1 Group considers both its Learning Expeditions and Innovation Camps efficient tools for sustainably strengthening the Group's power of innovation. Both initiatives are to continue in 2015.

Environmental Sustainability

The ProSiebenSat.1 Group's environmental commitment primarily relates to climate and environmental protection measures. ProSiebenSat.1 helps protect the environment by using resources sparingly and reducing CO_2 emissions.

Climate and Environmental Protection

As a media company, ProSiebenSat.1 does not count among the traditional manufacturing industries with high consumption of fossil fuels, raw materials and complex international supply chains. Nevertheless, doing business on a sustainable basis is important for the future corporate success of ProSiebenSat.1.

At ProSiebenSat.1, the largest energy requirement results from the production of TV content and the distribution of the TV program. The Company therefore converted its power supply at the Unterföhring location to use renewable energy sources in 2012. Since then, the Group has borne additional costs of around EUR 40,000 per year for green energy. The TV Group has thus reduced its CO_2 emissions considerably: Compared to the reference value from 2011, CO_2 emissions were around 8,000 tons less in each year from 2012 to 2014. In these three years, radioactive waste fell by 11 kilograms compared to the reference value from 2011. ProSiebenSat.1 thus makes a valuable ecological contribution.

Social Sustainability

Firstly, the social component of the ProSiebenSat.1 sustainability concept covers the multifaceted social engagement of the Company and its employees. Secondly, the ProSiebenSat.1 Group also prioritizes a responsible HR strategy. Furthermore, the issues of "Independence and Transparency," "Data Protection" and "Youth Protection" also hold an important position.

Employees

Strategic Human Resources Work

The 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, the 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 the 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 work-life package and a wide range of social benefits.

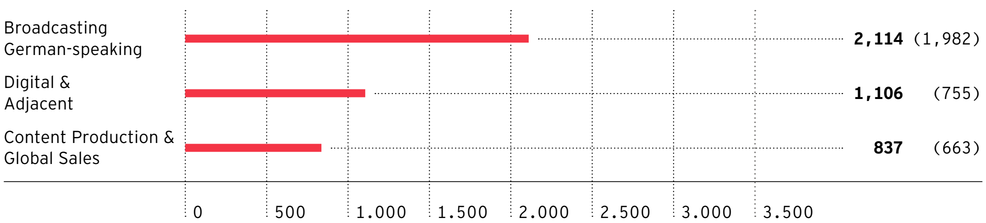
Development of Employee Numbers

As of December 31, 2014, the Group had 4,210 employees (previous year: 3,590), calculated on the basis of full-time equivalents. The average number of full-time equivalents in the last year was 4,118 (previous year: 3,400). This increase of 718 average full-time equivalents or 21.1 % is primarily attributable to the expansion of the Digital & Adjacent segment as well as acquisitions in this field. In total, we created 351 full-time equivalent positions in the Digital & Adjacent segment in the past year. This is mainly due to the acquisitions of Aeria Games Europe GmbH, COMVEL GmbH and mydays Holding GmbH.

Major Events and Changes in the Scope of Consolidation, page 117.

Employees by segment[1] (Fig. 24)

average full-time equivalents, 2013 figures in parentheses

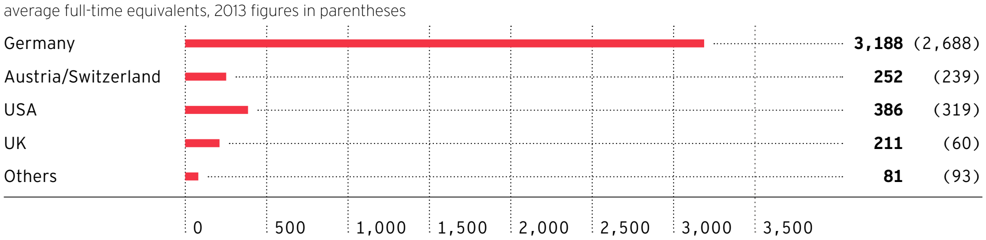


1 The total amount of 4,118 average full-time equivalents throughout the Group contains 62 employees not allocated to a segment.

In 2014, ProSiebenSat.1 had an average of 3,440 employees in Germany, Austria, and Switzerland (previous year: 2,927 average full-time equivalents). This equates to growth of 17.5 % year-on-year and an 83.5 % share of the Group's total employees (previous year: 86.1 %). The regional distribution of employees in 2014 was as follows:

Employees by region (Fig. 25)

average full-time equivalents, 2013 figures in parentheses



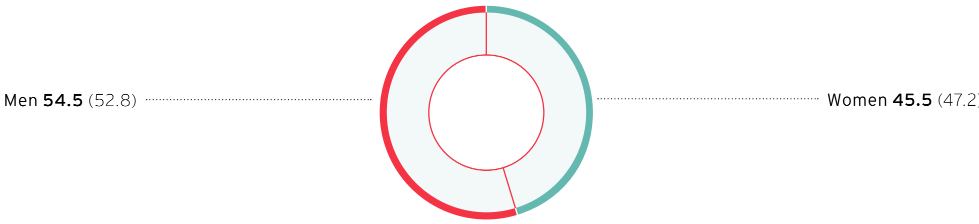
Diversity Management

We value the diversity that our employees bring to the company in terms of personal characteristics, talents and abilities. We are convinced that diverse teams are better able to solve complex tasks. We therefore see diversity as an important success factor for our company.

A crucial aspect is the proportion of men and women within the company and in management positions. There is already a very balanced ratio of men and women in the ProSiebenSat.1 Group: In 2014, 45.5 % of employees were female (previous year: 47.2 %) and 54.5 % were male (previous year: 52.8 %).

Proportion of women and men in the whole Group (Fig. 26)

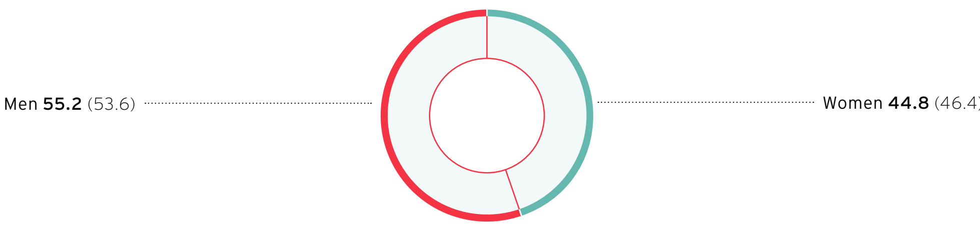
in percent, 2013 figures in parentheses



In the core market of Germany, the proportion of women was 44.8 % (previous year: 46.4 %) and thus on the level of the average proportion of women in German enterprises, which according to the Federal Office of Statistics was 46.2 % in 2014.

Proportion of women and men in the German core market (Fig. 27)

in percent, 2013 figures in parentheses

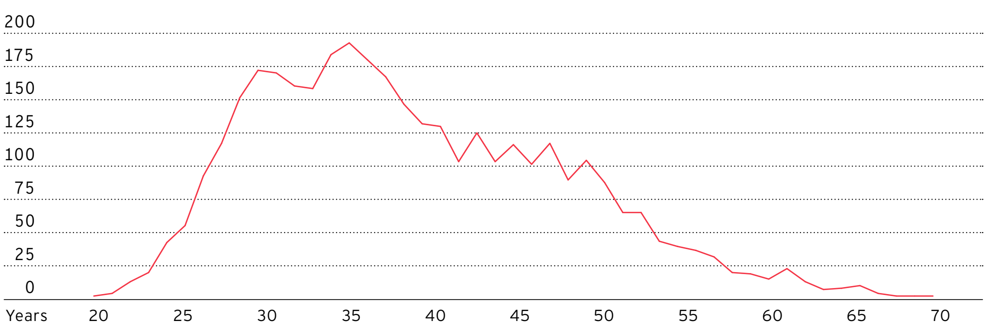


At management level, the proportion of women in the ProSiebenSat.1 Group was 29.9 % (previous year: 31.5 %). In the core market of Germany, 29.0 % of managers were female (previous year: 30.6 %). This put ProSiebenSat.1 slightly above the national average (Federal Office of Statistics 2012: 28.6 %).

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 2014, ProSiebenSat.1 employed people from around 45 different nations in Germany. The average age of ProSiebenSat.1 employees in Germany fell to 37.2 (previous year: 38.2).

Age pyramide (Fig. 28)

number of employees



Average age: 37.2

www.charta-der-vielfalt.de/en

Our corporate culture is characterized by openness and respect. Therefore, the ProSiebenSat.1 Group signed the Diversity Charter in 2014. By joining this initiative, we underline our commitment to creating a working environment free of prejudice and exclusion that specifically promotes diversity among employees.

Recruiting, Education and Training

hrreport2014.prosiebensat1.com/

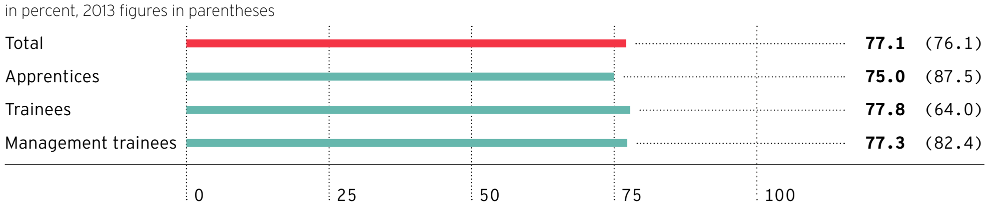
www.fascinating-people.de/en

In order to succeed in a highly dynamic industry environment in the long term, it is particularly important to the 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 as central platform the own career portal, that was newly launched in 2014. Additionally, ProSiebenSat.1 uses different social media channels and operates an own talent community. In 2014, ProSiebenSat.1 also established a recruiting team that proactively approaches talents on the market and maintains an external network. By doing so, ProSiebenSat.1 secures itself access to candidates who have the necessary qualifications to shape the Group's transformation process successfully. Another important aspect is that the Company thus managed to already reduce the time to hire considerably.

At the same time, ProSiebenSat.1 continuously grooms qualified junior staff for the Group through various apprenticeships. In 2014, 185 apprentices worked in Germany at ProSiebenSat.1 (previous year: 175). This includes management trainees, trainees in TV, Online and PR, as well as apprentices in the following courses: audiovisual media, events, office management, video and sound media design, digital and print media design and IT system integration. The Group also offers dual study programs in media and communications business, as well as accounting and controlling. The 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 (Fig. 29)

in percent, 2013 figures in parentheses



Furthermore, the training of employees is of great importance at ProSiebenSat.1. In 2014, the Company further increased its budget in this area: In the past year, the ProSiebenSat.1 Group's investments in education and training programs rose to EUR 3.0 million (previous year: EUR 2.3 million). The number of events of the ProSiebenSat.1 Academy in Germany, Austria and Switzerland increased to 561 (previous year: 469), the number of participants rose by 25.2%. In total, 5,965 participants made use of training offers (previous year: 4,764).

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 2014, internal training especially focused on digital issues: The Company conceived new trainings such as "Digital Economy", "Business Model Innovation" and "Lean Start-Up-Management". 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. Since 2014, many of the Academy's offers have also been available via live stream or video on demand, so that employees can make use of them any time, any place. In addition, the Group strengthens its employees' innovative power with various instruments such as Learning Expeditions and Innovation Camps.

Innovation, page 86.

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. The 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 2014, 201 employees took part in the OTR (previous year: 193 participants).

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

Performance-Based Compensation System

With performance-based compensation, ProSiebenSat.1 gives its employees an appropriate share in the Company's success, and thus sets monetary incentives. Our employees are therefore 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. In ideal cases, an employee can achieve up to 200 % of the 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 in an ideal case 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 49.

As ProSiebenSat.1 achieved its financial targets for 2015 already at the end of 2014, the Company decided to give employees and middle managers a special bonus as a token of appreciation. The bonus is between EUR 500 and EUR 3,500, depending on the employee's individual contribution to target attainment since 2010. The special payment was made in January 2015.

Social Responsibility

We want to offer an environment where our employees can best unify their private and professional lives. Therefore, employees of the ProSiebenSat.1 Group are provided with an extensive work-life package, which supports them in particular in the areas of family, sport and health.

hrreport2014.prosiebensat1.com/

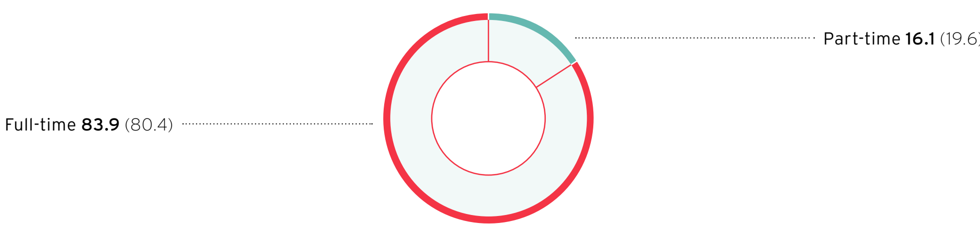
For over ten years, we have offered our employees an in-house day-care center that currently has 74 places. In 2014, the Group's investments in childcare rose to EUR 994,000 (previous year: EUR 890,200). EUR 222,500 went to the company day-care center, EUR 771,500 to care subsidies, which are paid to 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. In 2014, 16.1% of ProSiebenSat.1 employees in Germany worked part time (previous year: 19.6 %). According to the Federal Office of Statistics, the proportion of part-time workers averaged 25.6 % in German companies. 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.

In the past year, we enhanced the flexible working hours policy for our employees. The new working hours model offers employees a generous flexitime arrangement as well as various opportunities for compensatory time off. In addition, the model governs mobile work at home and while traveling.

Part-time and full-time employees in Germany (Fig. 30)

in percent, 2013 figures in parentheses



The ProSiebenSat.1 human resources work also focuses on health and sport. The Group offers its employees the opportunity to integrate sport and movement into everyday working life. They can for example make use of an own sports room and an extensive course program on the Company campus. The health program is rounded off by masseurs who are present several days a week and the opportunity of a healthy and balanced diet in the canteen.

ProSiebenSat.1 as an Attractive Employer

An important factor of a successful HR work is for us the satisfaction of the employees. The ProSiebenSat.1 Group therefore surveys its employees every two years in order to obtain a detailed assessment of the atmosphere and to identify potential areas of improvement. In July 2014, the Company carried out an employee survey in Germany, Austria and Switzerland. 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. The Company again achieved very good results in the categories "personal satisfaction at work" and "appeal of the work task." The employees also rated the corporate culture very positively. These high satisfaction values are also reflected in figures such as the staff turnover rate and duration of employment. In 2014, the turnover rate remained stable with 10.9 % (previous year: 10.6 %), also the duration of employment was at last year's level with an average of 7.5 years (previous year: 7.3 years).

Moreover, external evaluations also emphasize the appeal of our Group as an employer. As in previous years, ProSiebenSat.1 was among the top ten most popular employers in the "trendence Schülerbarometer 2014." Humanities students who took part in the "Universum Student Survey 2014" voted the Company into second place, and ProSiebenSat.1 is also one of the top employers (15th place) for young economists according to a Universum survey. Another important indicator of the Company's popularity as employer is the number of applications received. This rose again in 2014: In the past year, the ProSiebenSat.1 Group received 34,200 applications in Germany, around 20.8 % more than in the previous year (28,314).

Social Engagement

The ProSiebenSat.1 Group reaches around 42 million households every day with its TV stations. The distributed content helps to shape the opinions of viewers and users. We are conscious of this responsibility and use the high reach of our media to draw attention to important ecological, social and political issues and to impart values.

Public Value 2014, page 96.

In the last years, ProSiebenSat.1 launched numerous initiatives: For example, we founded the initiative "startsocial – Hilfe für Helfer" together with other companies in 2001; the fund-raising campaign "RED NOSE DAY" followed in 2003. Our goal is to offer opportunities, promote culture, communicate values and build knowledge. We report on our social engagement in our public value report once a year.

http://en.prosiebensat1.com/en/company/corporate-responsibility/prosiebensat1-advisory-board

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 Minister-President Dr. Edmund Stoiber advises the media group on relevant socio- and mediapolitical as well as ethical issues and gives suggestions regarding the Group's media offerings. In the 2014 financial year, the Advisory Board met three times. Members of the Executive Board and other decision-makers in the ProSiebenSat.1 Group participated in these events.

In 2014, the Advisory Board's activities included initiating a partnership between ProSiebenSat.1 Media AG and Technische Universität München. The objective of the collaboration is to grant access to university research topics to a wider public. The issue of research is intended to capture the imaginations of young people in particular. ProSiebenSat.1 has a key role to play: 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 good access to young people to raise the next generation's awareness of important issues, making a positive contribution to the development of society in the long term.

TV station market shares among young viewers (Fig. 31)

in percent (viewers aged 14 – 29)

Basis: Television panel D + EU, Mon – Sun, 3 am – 3 am.

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

Independence and Transparency

For ProSiebenSat.1 as a publishing company, independent opinion forming and transparent communication are very important. For this reason, ProSiebenSat.1 works for a trusting relationship with journalists and financial analysts and follows internal guidelines for preserving journalistic independence.

Transparency

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 and analysts, whereby the equal treatment of all market participants is self-evident to us. We therefore provide detailed information in German and English about all aspects of our business activities, the ProSiebenSat.1 stock, and our financial results on the Company website www.ProSiebenSat1.com.

www.prosiebensat1.com/en/company/corporate-responsibility/legal-framework

Journalistic Independence

To protect journalistic independence and fundamental journalistic conditions, the ProSiebenSat.1 Group formulated guidelines back in 2005 that all 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 however free to shape their contributions and report independently of social, economic or political interest groups.

Data Protection

For a media company like ProSiebenSat.1, data protection is of particularly high importance. We have great respect for the privacy of all individuals whose data is used. For this reason, no personal information is processed – i. e. gathered, stored, changed, transferred, etc. – or used at ProSiebenSat.1 without full compliance with applicable laws being ensured in advance. 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. ProSiebenSat.1 has set down the data protection principles in its data protection policy, the Code of Compliance and in further guidelines on data protection and data security.

Youth Protection

www.prosiebensat1.com/en/company/corporate-responsibility/legal-framework

Protecting young people is also something that the Company is particularly responsible for. Professionally independent youth protection officers make sure that the ProSiebenSat.1 Group offers age-appropriate programming on TV and online. They ensure that content which is inappropriate for children is broadcast only at the legally prescribed broadcasting times and guarantee technical methods of protection for the distribution of unsuitable content on the internet. Youth protection workers are 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, the ProSiebenSat.1 Group's TV and online editors receive regular training on youth protection requirements. The Company is also 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, in early 2013, the Group was one of the first major providers of online games in Europe to join the German Entertainment Software Self-Regulation Body (Vereinigung Unterhaltungssoftware Selbstkontrolle, USK).

PUBLIC VALUE 2014

We reach several millions of people every day with our TV stations and digital platforms. This is a big opportunity – and responsibility. We use our involvement to pursue four goals: We want to offer opportunities, promote culture, communicate values and build knowledge.

RED NOSE DAY

In December 2014, the twelfth **"RED NOSE DAY"** (a) took place on ProSieben. It is the most well-known charity brand in Germany – and also one of the most successful. In reports and shows, familiar TV faces asked viewers to donate for children in need. The Company has already raised nearly EUR 12 million in donations since the campaign began in 2003. And ProSiebenSat.1 employees also got involved in their own charity initiatives for good causes: In 2014, for example, nearly 250 employees took part in the annual company run. The Group honored every kilometer run and particularly good run times with a cash donation. This year, the employees raised EUR 36,400 in donations.

a

b

SOCIAL DAY

Supporting others and sharing responsibility: That is the goal of ProSiebenSat.1 Media AG's **"Social Day."** (b) In 2014, the Company again offered two volunteer days, on which employees can get involved in social Munich institutions during their working hours. For example, these include the kids and youth club "Tasso" in Milbertshofen, the foundation for blind women in Nymphenburg-Neuhausen, and the children's and youth charity "Die Arche" in Moosach. The first "Social Day" at ProSiebenSat.1 was held in June 2013. Since then, 200 employees have taken part.

TOLERANCE DAY

April 19, 2014, was a day of tolerance for ProSieben. The station group used the fourth "Tolerance Day" to campaign for openness, understanding and freedom from prejudice against other cultures and lifestyles. TV magazines like "taff" and "Galileo" showed topical reports for **"Tolerance Day"** (c) that conveyed why tolerance is fundamental to our society and that diversity is fun: For example, they reported about two sisters working in Syrian refugee camps and a boy with Down syndrome who attends a mainstream school. "Galileo" also accompanied a Turkish couple preparing for their wedding in Germany.

ENJOY DIFFERENCE
START TOLERANCE

c

DIE ARCHE E.V.

"Die Arche e.V." (d) was founded in Berlin in 1995. The Christian children's and youth charity is now active at 19 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 sport, healthy eating and individual counseling. "RED NOSE DAY" supported the project again in 2014 and provided funds for a Christmas present for all "Die Arche" children throughout Germany.

d

e

GREEN SEVEN

During the annual **"Green Seven Week," (d)** the ProSiebenSat.1 Group uses its large reach to familiarize especially young viewers with a sustainable and environmentally friendly lifestyle. In the week from May 19 to 25, 2014, ProSieben used TV programs for the sixth time to shed light on how every individual can do their bit to protect the environment. From exciting slow-motion footage from the animal kingdom to eco-trends to the question "Could we go without crude oil?", the station's TV formats showed numerous reports related to nature and environment. Even outside "Green Seven Week," the ProSiebenSat.1 Group regularly provides space to environmental issues in its programs.

STARTSOCIAL

Many dedicated founders have great ideas for social projects, but often come up against practical problems when trying to implement them. This is where the nationwide **"startsocial" (f)** competition with the motto "help for helpers" comes in: For three months, experts from industry, the public sector and social initiatives lend their support and specialist knowledge to founders of selected social projects, whereby the one-time financial support of individual projects is explicitly not the focus. After these three months, an expert jury chooses the 25 best initiatives, which are awarded the Federal Prize by Chancellor Angela Merkel as patron. For 13 years, ProSiebenSat.1 has supported the competition as a co-founder of "startsocial."

f

g

FIRST STEPS AWARDS

It is often hard for students and graduates of film schools to make the leap into practice. For this reason, the ProSiebenSat.1 Group is championing the next generation of filmmakers with numerous projects and initiatives. In addition to partnerships including with the Bayerische Akademie für Fernsehen (Bavarian Academy for Television) and the Hamburg Media School, the station group is a co-founder of the **"FIRST STEPS Awards" (g)** that the German Film Academy awards every year to the best films produced by students graduating from German-language film schools. The award for young talents includes prize money of EUR 92,000 and is the most prestigious of its kind in Germany. In September 2014, the "FIRST STEPS Award" was awarded for the 15th time at a big event in Berlin.

Basic Principles of Media Policy and Legal Environment

Regulatory Conditions

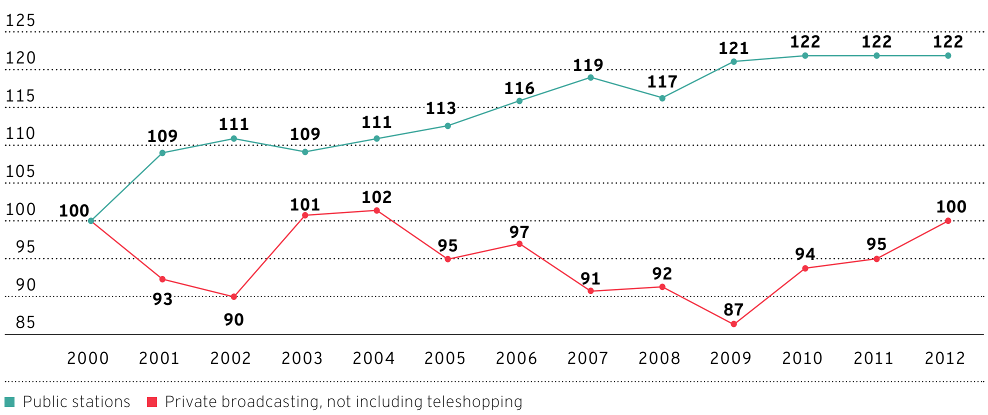
Media Glossary, page 301.

Like almost all European countries, Germany has a dual broadcasting system including private and public operators. The ProSiebenSat.1 Group is the market leader in terms of audience ratings and advertising. The private providers operate as independent commercial enterprises, obtaining most of their revenues from marketing advertising. They finance more than 280 TV stations and nearly 260 radio stations with a budget of EUR 7.1 billion (2012). In comparison, public broadcasters operate around 20 TV stations and 70 radio stations with a budget of EUR 8.6 billion. The duty of the public broadcasting organizations, with the main stations ARD and ZDF, is to provide a "basic service to the population including information, education, culture and entertainment". Their financing has to date been ensured by the law on license fees. Public broadcasters also receive advertising revenues.

The dual system has become significantly unbalanced in the last few years from the point of view of the private broadcasters, as income from license fees has risen continuously:

Change in total revenues in broadcasting in comparison (Fig. 32)

in percent; 2,000 = 100



Source: Economic Situation of Broadcasting Services 2012/2013

In 2000, the monthly fee was DM 28.25 or EUR 14.44 per TV. By 2012, it was EUR 17.98 per TV. In view of the increasing convergence of devices, the amount of the license fee is no longer based on the number of devices as of January 2014. A standardized fee is now raised per household, regardless of the type and number of devices. The switch to the new license fee model has led to a further increase in public broadcasters' income from license fees. No figures were as yet available for 2014 at the time of going to press; however, the committee for determining the financial requirements of broadcasters (Kommission zur Ermittlung des Finanzbedarfs der Rundfunkanstalten, KEF) predicts additional income totaling EUR 1.145 billion for the period from 2013 to 2016. The KEF has thus recommended lowering the license fee by 73 cents to EUR 17.25. As a first step, the federal states have decided to reduce the fee by 48 cents to EUR 17.50 from 2015. The difference is to be made available for structural measures, such as a reduction in advertising in public television. The KEF only recently investigated the potential for, and the impact of, a partial reduction or even a complete ban on advertising for public operators.

Social Engagement, page 93.

In no European country do the public broadcasters have similarly high budgets to those in Germany. However, market analyses show that these broadcasters are reaching ever fewer young people with their main channels, ARD and ZDF. In order to counteract this trend, the public broadcasters are expanding with specialist digital channels and online offerings. These plans are being critically discussed by the government, as in some respects they go beyond the public broadcasters' original mandate to provide basic services.

However, private operators in Germany are not only competing with well-funded public broadcasters. The advancing market penetration of convergent devices means that the internet is increasingly being used through television sets. This is leading to a fundamental change in the competitive situation. Not only is the variety of media offerings increasing, but digitalization is faciliating the market entry to international competitors. However, US providers like Google and Facebook are not subject to the same regulations as German companies when it comes to issues such as copyright law, restrictions on advertising or legal requirements for the protection of young people. Furthermore, quantitative and qualitative restrictions make fair competition difficult. TV is more tightly regulated than other media in Germany in terms of both advertising and 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 new political dialogue is also taking place regarding regional commercial breaks during television programs that are broadcast nationwide. The Federal Administrative Court (BVerwG) ruled in December 2014, in favor of ProSiebenSat.1, that different regional advertising was permissible during television programs that can be received throughout Germany. Decentralized forms of advertising are already established in many other EU member states.

Opportunity Report, page 154.

Discussions have been ongoing for several years as to whether the dual concept in Germany still adequately reflects the division of responsibilities between private and public broadcasters or whether a fundamental reform of the general framework is needed. This debate has been intensified in view of globalization, which is also increasingly changing the media landscape. ProSiebenSat.1 believes that new media structures are required to ensure equal regulation criteria for all providers on the German market while simultaneously taking account of changes due to digitalization. The ProSiebenSat.1 Group therefore participates actively in various political discussions such as the "Media Policy Round Table" in Bavaria and the "Media Dialog" in Hamburg. The aim is to formulate recommendations for action together with other media companies and representatives of internet and media policy in state and federal governments. The first results are expected to be translated into concrete plans for legislation during the current legislative period.

Distribution of TV Programs and Technological Conditions

Media Glossary, page 301.

Interview with Conrad Albert, page 68.

As well as the special status of public broadcasters, the German television market is characterized in particular by the extensive range of high-quality free TV broadcasters that are financed through advertising. This explains the comparative reluctance to pay for TV programs: While 17 % of viewers currently subscribe to pay TV programs in Germany, media companies in the USA generate around 84 % of their revenues from pay TV stations. The level of market penetration is even higher in Scandinavian countries, at 88 %. However, ongoing digitalization is also opening up new opportunities for free TV stations in Germany to refinance their programming offer. Stations in the ProSiebenSat.1 Group have been broadcasting in HD resolution in addition to standard quality since 2009. Since then, the Group has benefited from a technical service fee from the distribution of its HD stations and has generated rapidly growing revenues from this.

TV households in Germany by delivery technology (Fig. 33)

TV households	Potential in millions (analog + digital)	Terrestrial	Cable	Satellite	IPTV
2013	36.24	1.34	16.48	16.87	1.55
2014[1]	36.71	1.38	16.59	17.15	1.59

Source: AGF in collaboration with GfK, TV Scope.

1 Information as at the reporting date: August 1, 2014.

The number of TV households is rising continuously; in particular, distribution of programs via satellite is becoming increasingly widespread in Germany, and overtook the number of households with cable for the first time in 2013. Satellite connections now represent the most important distribution channel. They have a relatively wide range and simultaneously offer almost blanket coverage. Against this backdrop, the number of households receiving TV via satellite had risen to 17.15 million by the end of the year (previous year: 16.87 million). 16.59 million German households had access to cable TV (previous year: 16.48 million).

Media Glossary, page 301.

A crucial growth driver of this shift in delivery technology is new technologies, particularly the increasing popularity of high-resolution television in HD quality. The number of users of the digital satellite platform HD+, via which private stations in Germany are distributed, had risen to 5.3 million by the end of 2014 (previous year: 4.2 million). This represents a growth of about one quarter.

Media Usage

Trends in Media Usage

Opportunity Report, page 154.

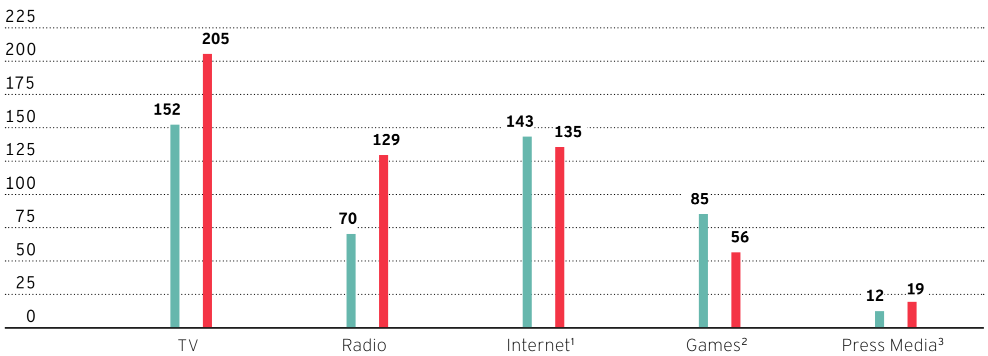
Media consumption has grown continuously in recent years. People in Germany use media and media transmission channels for a total of 11.5 hours every day. Although a wide range of services are available, television continues to dominate media usage.

www.sevenonemedia.de/mag

Television remains the main medium for the target group of 14 to 49 year olds, with a daily use time of just under 205 minutes – well ahead of the internet (135 minutes), radio (129 minutes) and print (19 minutes). In the younger age group of 14 to 29 year olds, TV comes out on top as well, with a daily use time of 152 minutes. This is shown by the latest results of the "Media Activity Guide 2014" study by ProSiebenSat.1 advertising sales company SevenOne Media. The internet follows in second place, with a use time of 143 minutes. In contrast, print media are continuing to decline in importance: 14 to 49 year olds now spend 19 minutes per day reading newspapers and magazines, while for 14 to 29 year olds this figure is 12 minutes. Much more time is available for gaming, however, with 14 to 29 year olds playing for an average of more than 80 minutes per day.

Average daily use time (Fig. 34)

in minutes



14–29 years ■ 14–49 years
Source: SevenOne Media/Forsa

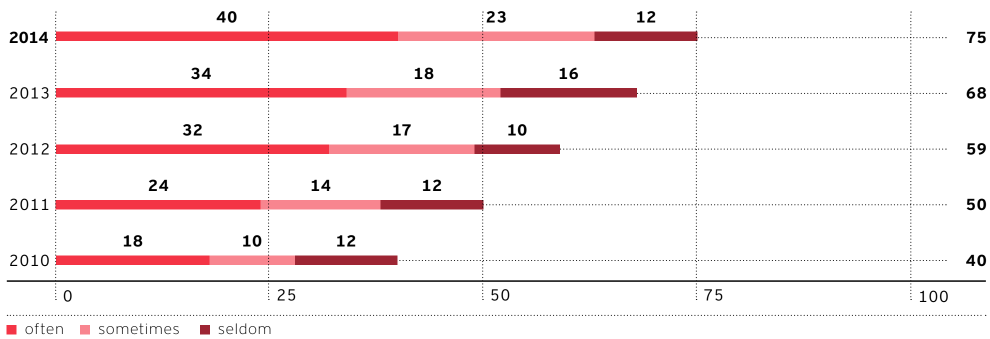
1 incl. online video, without games
2 online and offline
3 newspaper and magazin (also e-paper)

Digital media have become a firmly established part of everyday life for many users. According to the results of the "ARD/ZDF Online Study 2014", the proportion of internet users in Germany rose to 79.1% in 2014. Video consumption is among the online content that is achieving the fastest growth: On average, users in Germany spend 10 minutes every day watching online videos. This trend is expected to intensify over the next few years. At present, 45% of those surveyed who were aged 14 and over watch video content online at least once a week. 34% access video portals, 14% watch TV after a time delay and 8% watch it live, while 9% use broadcasters' media libraries. 6% of those surveyed follow video podcasts and 4% use video streaming services.

The growing significance of the internet as a separate mass medium has made lasting changes to consumption behavior. TV and internet are nowadays frequently used in parallel. This aspect is discussed under the keyword "second screen". In many households, one or more second-screen devices can already be found alongside the television, with a growing pervasion of tablets and smartphones in particular: Six out of ten households now have at least one smartphone, while every fourth household has a tablet. According to a recent study by PricewaterhouseCoopers (PwC), around 60 % of the German population will have a tablet by 2018. Parallel use of TV and internet has grown significantly since 2010. In the “Media Activity Guide 2014” study conducted by SevenOne Media, 75 % of those surveyed who were aged between 14 and 49 said that they watched television and surfed the internet at the same time. According to the “ARD/ZDF Online Study 2014”, however, this trend has not yet led to any major changes in media usage time: The internet and TV are not cannibalizing each other, but rather are two complementary media.

Parallel usage TV/Internet (Fig. 35)

in percent



Basis: 14 - 49 years, Use TV/Internet at least occasionally
Source: SevenOne Media/Forsa, mindline media

www.sevenonemedia.de/roi-analyzer1

In the gross advertising market, television is the medium with the greatest relevance – not only because of its reach and use time, but also due to its high advertising impact. Television advertising binds consumers to brands in the long term and ensures their lasting success. Investments in TV advertising are thus essential and pay off equally in the short and long term. SevenOne Media demonstrated this in the joint study “ROI Analyzer” with GfK Fernsehforschung and the GfK Verein in 2014. 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 increases to 2.65 after five years.

Development of the Audience Market

Comparison of Actual and Expected Business Performance, page 112.

The six free TV stations ProSieben, SAT.1, kabel eins, sixx, SAT.1 Gold and ProSieben MAXX achieved a combined market share of 28.7 % among viewers aged between 14 and 49 in 2014 (previous year: 28.1 %). This equates to growth of 0.6 percentage points year-on-year. The ProSiebenSat.1 Group thus further enhanced its leading market position despite the broadcast of the Winter Olympics and the soccer World Cup on the public stations. With a lead of 4.1 percentage points, ProSiebenSat.1’s stations were once again well ahead of the stations marketed by IP (RTL, VOX, n-tv, Super RTL, RTL Nitro) in 2014. Its direct competitor lost 1.4 percentage points year-on-year (previous year: 26.1 %).

Opportunity Report, page 154.

Our growth was mainly driven by the newer TV stations sixx, SAT.1 Gold and ProSieben MAXX. In recent years, the ProSiebenSat.1 Group has expanded its complementary portfolio with TV stations that appeal to new, specific target groups in the audience and advertising market. While sixx and SAT.1 Gold reach mainly female viewers, the station ProSieben MAXX is primarily geared towards a male audience.

TV Highlights 2014, page 106.

ProSieben generated a market share of 11.0% of viewers aged 14 to 49 in 2014 (previous year: 11.4%). This corresponds to a distance of 2.4 percentage points on its competitor RTL – the smallest in the broadcaster's history (previous year: 3.2 percentage points). In the relevant target group of 14 to 39 year olds, ProSieben was the market leader again, ahead of RTL, with an audience share of 15.4% (previous year: 16.0%). SAT.1 closed 2014 with a market share of 9.2% among 14 to 49 year olds (previous year: 9.4%). In the relevant target group of 14 to 59 year old viewers, SAT.1 boosted its market share by 0.1 percentage points to 9.6%. kabel eins achieved a stable market share of 5.5% in 2014 (previous year: 5.6%).

sixx closed the 2014 financial year with a new record market share of 1.4% among 14 to 49 year old viewers (previous year: 1.2%). Its market share rose to 2.5% in the relevant target group of women aged 14 to 39 – this represents a year-on-year increase of 0.4 percentage points. SAT.1 Gold generated a market share of 0.7% of viewers aged 14 to 49 in 2014 (January 17, 2013 – December 31, 2013: 0.4%). In the relevant target group of women aged 40 to 64, SAT.1 Gold gained 0.6 percentage points, increasing its market share to 1.2% (January 17, 2013 – December 31, 2013: 0.6%). ProSieben MAXX also increased its market share continuously in its first full year of broadcasting: In 2014, the men's station broke through the 1% threshold for the first time in the market for 14 to 49 year olds, closing the year with a market share of 1.0% (September 3, 2013 – December 31, 2013: 0.6%). In the relevant target group of 30 to 59 year old men, its market share grew to 0.9% (September 3, 2013 – December 31, 2013: 0.6%). ProSieben MAXX thus grew faster than any other third-generation broadcaster in a comparable period.

2014 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 21.9% among viewers aged 12 to 49 (previous year: 21.2%). ProSiebenSat.1 PULS 4 is thus 0.7 percentage points above the previous year's figures and is still the strongest private station group in the Austrian TV market. The station PULS 4 once again made an important contribution to the increase in ratings: The station's market share has been growing continuously since it started broadcasting seven years ago, both in the target group of 12 to 49 year olds and among viewers aged 12 years and over. With an annual market share of 4.1% among 12 to 49 year old viewers and 3.6% among viewers aged 12 years and over, PULS 4 is still number one among Austria's private full service broadcasters.

In Switzerland, the stations SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, and ProSieben MAXX achieved a combined market share of 17.3% among viewers aged between 15 and 49 in the sports year 2014 (previous year: 17.8%).

Audience shares of the ProSiebenSat.1 Group (Fig. 36)

in percent	Q4 2014	Q4 2013	2014	2013
Germany	**29.8**	29.3	**28.7**	28.1
Austria	**22.7**	21.1	**21.9**	21.2
Switzerland	**18.5**	17.9	**17.3**	17.8

Figures are based on 24 hours (Mon-Sun).
Germany: SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold (from January 17, 2013), ProSieben MAXX (from September 3, 2013); 14-49 year olds; D + EU; source: AGF in cooperation with GfK/TV Scope/SevenOne Media Committees Representation.
Austria: SAT.1 Österreich, ProSieben Austria, kabel eins austria, sixx Austria, SAT.1 Gold Österreich (from July 15, 2014), ProSieben MAXX Austria (from July 15, 2014), PULS 4; 12-49 years old; source: AGTT/GfK Fernsehforschung/Evogenius Reporting.
Switzerland: SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold (from January 17, 2013), ProSieben MAXX (from September 3, 2013); 15-49 years old; D-CH; source: Mediapulse TV Panel.

Awards

The Year 2014 at a Glance, page 70.

In addition to the high market shares achieved by stations owned by the ProSiebenSat.1 Group in 2014, awards it received are an indicator of the popularity and quality of our formats as the following overview shows:

ProSiebenSat.1 program awards 2014 (Fig. 37)

ProSieben		SAT.1	
Bavarian TV Award	"Got to Dance" (Entertainment)	**Bavarian TV Award**	"Got to Dance" (Entertainment)
Grimme Award	„CIRCUS HALLIGALLI" (Entertainment)	**Bavarian TV Award**	"Der Rücktritt" (Best Television Film)
ECHO	Joko Winterscheidt and Klaas Heufer-Umlauf (Partners of the Year)	**German Television Award**	"Danni Lowinski" (Best Series)
Rose d'Or	„CIRCUS HALLIGALLI" (Entertainment)	**German Comedy Award**	"Pastewka" (Best Comedy Series)
German Television Award	Joko Winterscheidt and Klaas Heufer-Umlauf (Best Show Presenters for „CIRCUS HALLIGALLI" and „Joko gegen Klaas – Das Duell um die Welt")	**German Comedy Award**	Annette Frier (Best Actress for „Danni Lowinski")
German Comedy Award	Christoph Maria Herbst (Best Actor for „Stromberg – Der Film")	**BAMBI**	Josephine Preuß (Best Actress National for „Die Hebamme")
Video Champions Creative Award	"Pastewka"		
European Science TV Award	"Galileo Spezial: Showdown der Superbrains. Die zehn größten Genies der Weltgeschichte" (The Best TV General Program)		

Development of User Numbers

Media Glossary, page 301.

With around 30 million unique users a month, SevenOne Media is one of the sales companies with the highest reach in Germany and ahead of its direct competitor IP Deutschland (around 27 million unique users). This finding is featured in a study by the Arbeitsgemeinschaft Online-Forschung (AGOF).

The online-portfolio of ProSiebenSat.1 includes strong brands like the websites of the TV stations, games portals or the entertainment platform MyVideo. The user numbers of the online offerings developed positively in 2014: With around 7.5 million unique users, the website ProSieben.de made it into the top 20 most-used online offerings in 2014. MyVideo registered around 11.3 million active users a month and thus remains number two among online video platforms in Germany; in terms of premium content, MyVideo continues to be the market leader. In addition to advertising-based websites, ProSiebenSat.1 operates the online video library maxdome. maxdome is Germany's biggest video-on-demand portal and offers over 60,000 titles, which are available via TV, PC and laptop. Customers in Germany have also been able to access the content via mobiles since March 2014. In 2014, maxdome almost doubled its monthly subscriber numbers and increased its video views by around 150%.

Digital & Adjacent segment: Multi-Channel Strategy, page 21.

A year since it was founded, Studio71 has successfully established itself as the number two multi-channel network in Germany with more than 250 million video views a month. Last year, Studio71 benefited in particular from the partnership with Collective Digital Studio (CDS), one of the leading

Notes, Note 21 "Associates and Joint Ventures," page 232.

multi-channel networks in the USA. In 2014, ProSiebenSat.1 acquired a minority interest in the company. The development and marketing of shared formats is planned for the future.

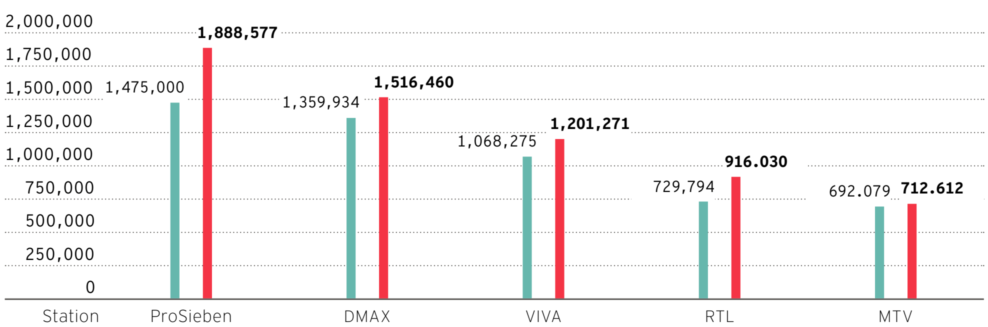
Moreover, ProSiebenSat.1 continued to develop well in the area of social media: At the end of the financial year, ProSiebenSat.1's Facebook pages had a total of around 24 million fans (previous year: 16 million). The most successful pages were again the station and show pages of ProSieben and the science magazine "Galileo". The ProSieben format "CIRCUS HALLIGALLI" recorded the biggest growth in its fan base: At the end of the year, the show had over 1.7 million Facebook fans, more than twice as many as in the previous year (2013: 847,810). In the "Social TV Buzz" ranking published by MediaCom, the show was in seventh place with 306,159 Facebook and Twitter posts, ahead of "Deutschland sucht den Superstar" (227,877 posts). A total of five ProSieben formats made it into the top 20 in the Social TV ranking in 2014.

www.twitter.com/
ProSieben

ProSieben's Twitter account became the first German media account to exceed one million followers in December, 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 just under 387,000 followers. Social media activities are an important viewer and user relationship tool for us.

Top 5 station websites in Germany on Facebook (Fig. 38)

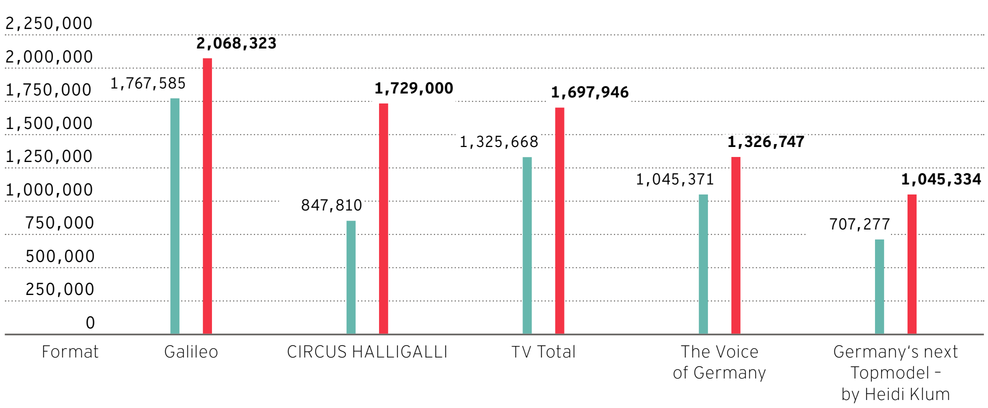
numbers of fans



2013 2014

Top 5 formats of the ProSiebenSat.1 Group on Facebook (Fig. 39)

numbers of fans



2013 2014

TV HIGHLIGHTS 2014

New show highlights, the best series and celebs under observation – the ProSiebenSat.1 stations once again offered an exciting lineup in 2014.

SETTING THE TONE

"The Voice of Germany" (a) offers a platform to magnificent voices. This concept continued to excite viewers in its fourth season on SAT.1 and ProSieben: The music show achieved outstanding market shares of up to 25.8 % among 14 to 49 year olds. On average, 20.4 % of viewers watched Germany's best singing talent.

a

GOAL!

Soccer fever broke out on kabel eins in 2014: The **UEFA Europe League** (b) once again secured top ratings for the station. Matches in which German teams played were particularly popular: The Villarreal CF vs. Borussia Mönchengladbach match achieved a market share of 7.6 % among 14 to 49 year olds, setting a new seasonal record. **"Mein Lokal, Dein Lokal,"** a format produced in-house, was a culinary hit in 2014, with a market share of up to 9.6 % (14 to 49 year olds).

b

ARCH RIVALS

Mad, madder, it's Joko vs. Klaas! In their show **"Duell um die Welt,"** (c) the two adversaries took on more daring challenges all around the world in 2014. Up to 19.0 % of viewers aged 14 to 49 shared their thrills. **"CIRCUS HALLIGALLI,"** also continued to pull in the ratings for ProSieben, securing above-average market shares of up to 14.1 % among 14 to 49 year olds. The average audience share was 11.1 %. The duo that present "CIRCUS HALLIGALLI", Joko Winterscheidt and Klaas Heufer-Umlauf, won the "Grimme" prize and the "Rose d'Or" international television award in 2014.

c

d

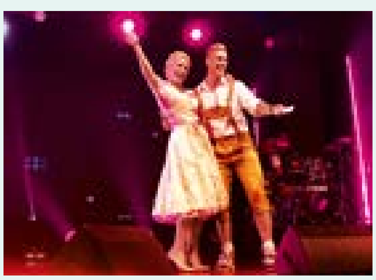
CELEBRITY SPECTACLE

15 days, 12 celebs, one villa: **"Promi Big Brother – Das Experiment"** (d) was the show highlight of the year on SAT.1. The daily live shows brought the station an outstanding series average of 19.2 % (14 to 49 year olds). After midnight, the program went into extra time on sixx: The first live show on sixx, "Promi Big Brother late night LIVE," drew in up to 10.0 % of 14 to 49 year olds.

e

WHAT A MONSTER

Inner values were what mattered on sixx in 2014 – candidates of the new dating show **"Sexy Beasts"** (e) certainly couldn't rely on their appearance, as makeup artists transformed the singles into scary characters before they met for the first time. The show, which was produced in-house, attained a market share of up to 1.9 % in its target group of viewers aged 14 to 49. In the relevant target group for sixx (women aged 14 to 39), up to 3.6 % of viewers tuned in.



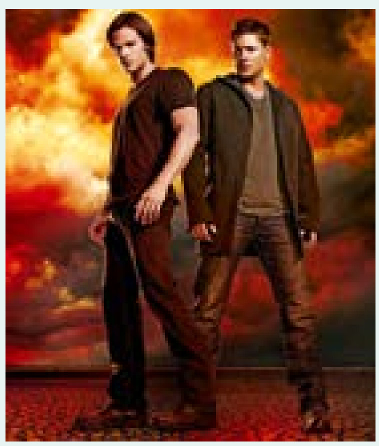
f

PROVEN HITS

The Western world of the Cartwrights continues to delight viewers after over 50 years: **"Bonanza"** regularly ensured high market shares of up to 5.0 % for SAT.1 Gold in 2014. The successful music series **"Goldschlager"** (f) and **"Fetenhits"** also brought in high ratings for the broadcaster, with market shares of up to 0.8 and 1.1 % (14 to 49 year olds).

OUT OF THIS WORLD

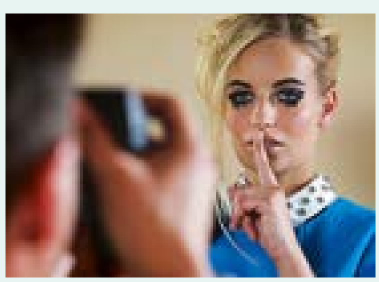
Demons and zombies take over ProSieben MAXX on Mystery Monday. Luckily there are professional monster hunters, like Dean und Sam Winchester in **"Supernatural."** (g) Up to 2.0 % of viewers aged 14 to 49 took part in the battle against evil in 2014. Bleak visions of the future also cast a spell on viewers, with the science fiction series **"Falling Skies"** luring up to 2.5 % of 14 to 49 year olds to their televisions.



g

DRESSED UP

Out of your jogging pants and into an evening dress: In the styling show **"FACES Studio,"** (h) candidates were selected in a street casting and styled for a professional photo shoot. The third season of FACES Studio, its most successful to date, gave ProSieben Schweiz market shares of up to 14.4 % among viewers aged between 15 and 49 years.



h

i

IT'S A BOY

The sixth season of **"Austria's next Topmodel – Boys & Girls"** (i) provided a breath of fresh air on PULS 4: For the first time in Europe, men were also allowed to take part in "the most beautiful battle of the sexes" – and the competition was actually won by up-and-coming model Oliver, who beat 17 male and female competitors in the big live final. 11.9 % of 12 to 49 year olds didn't want to miss it. The whole season achieved an average market share of 10.1 %, surpassing the station's average by around 150 %.

Economic Environment and Advertising Market

Economic Development

According to the International Monetary Fund (IMF), real economic growth in 2014 was at the previous year's level at 3.3 %. After a good start, the tempo of expansion slowed in the middle of the year due to the restrained economic development in the euro zone and Japan. However, the global economy was supported by resilient growth rates in the USA and Great Britain. Emerging countries likewise continued to grow – although not all with the momentum of previous years. In the fourth quarter of 2014, new impetus was also provided by plummeting oil prices.

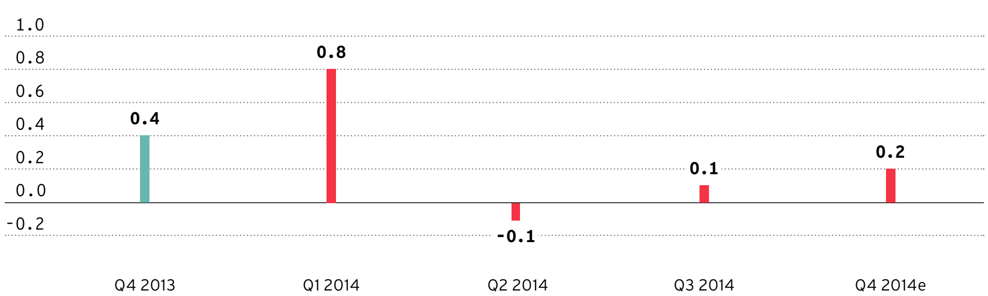
Economic momentum in the euro zone also developed more mutedly than originally expected: After a plus of 0.3 % in the first quarter of 2014 compared to the previous quarter, the growth was a little lower in the next two quarters at 0.1 % and 0.2 %. Although the companies still benefited from more favorable financing conditions, the companies' propensity to invest was rather slight, because at the same time geopolitical tensions and conservative export forecasts determined the climate. Public and private consumption, on the other hand, generated growth impulses. The ifo Institute expects real quarter-on-quarter growth of 0.2 % in the fourth quarter of 2014 and a growth rate of 0.8 % for 2014 as a whole.

Future Business and Industry Environment, page 159.

The moderate rate of expansion of the global economy as well as the low momentum in the euro zone also influenced the German economy. After a strong – albeit exaggerated by the construction industry – first quarter of 2014 (+0.8 % as against the previous quarter), the economy stabilized over the rest of the year (Q2: -0.1 % quarter-on-quarter, Q3: +0.1 % quarter-on-quarter). For the fourth quarter the ifo Institute assumes a growth of 0.2 % in comparison to the previous quarter in 2013. Overall, compared to 2013, gross domestic product grew in real terms by 1.5 %. Domestic private consumption in Germany also grew significantly by 1.1 % and essentially strengthened the economy.

Development of gross domestic product in Germany (Fig. 40)

in percent, change vs. previous quarter



Adjusted for price, seasonal and calendar effects; source: Destatis (Q4 2013 – Q3 2014), ifo Institute (Q4 2014p); e = estimate.

Development of the TV and Online Advertising Market

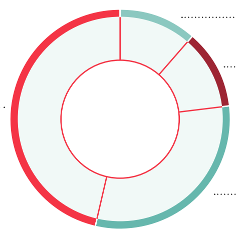
Media Glossary, page 301.

In light of the sound economic development in Germany, the TV advertising market also grew. According to Nielsen Media Research, gross advertising investment in the year as a whole increased by 8.0 % to EUR 13.068 billion (previous year: EUR 12.104 billion). The majority of this occurred in the fourth quarter, in which the most market volume usually accrues.

The gross market growth was primarily due to higher TV ad spendings of the Trade (+30.3 %) and Business Services (+25.8 %) industries. At the same time, the German TV advertising market benefited from the high relevance of television as an advertising medium: On a gross basis, the weighting of television in the media mix grew by 1.5 percentage points to 46.2 %. Online media remained constant at 11.5 % (previous year: 11.5 %). The advertising share of print media fell by 1.4 percentage points to 30.6 %.

Media mix German gross advertising market (Fig. 41)

in percent, 2013 figures in parentheses



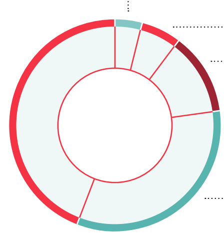
Source: Nielsen Media Research.

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.

In this positive industry environment, the ProSiebenSat.1 Group significantly increased its TV advertising revenues while extending its market lead over its direct competitors: In 2014 as a whole, SevenOne Media generated gross revenues of EUR 5.754 billion (previous year: EUR 5.281 billion). This is a growth of 8.9 %. At the same time, the market share climbed 0.4 percentage points to 44.0 %. Main competitor IP Deutschland registered a minus of 1.2 percentage points with a market share of 33.1 % (previous year: 34,3 %).

Shares German gross TV advertising market (Fig. 42)

in percent, 2013 figures in parentheses



Source: Nielsen Media Research.

Media Glossary, page 301.

The Year 2014 at a Glance, page 70.

The gross advertising market of in-stream video ads, which is particularly important for ProSiebenSat.1, continued to grow in 2014. The market grew by 20.1% to a volume of EUR 375.2 million (previous year: EUR 312.4 million). Thereby the market includes all video advertising shown before, during, or after a video stream. By selling in-stream video ads, SevenOne Media generated gross revenues of EUR 182.4 million after EUR 148.5 million in the previous year. With a market share of 48.6 % (IP Deutschland 32.5 %), SevenOne Media asserted its market leadership. In 2014, gross revenues of EUR 3.249 billion were generated in the German advertising market, which includes besides video advertising further display ads like traditional banners and buttons. This is an increase of 4.0 %.

Advertising spending also developed positively in Austria: Gross television advertising expenditure grew by 10.7 %, compared to the previous year, resulting in EUR 945.2 million. In 2014 as a whole, ProSiebenSat.1 PULS 4 benefited from this positive environment and increased its gross revenues: The marketer reached a gross advertising market share of 35.4 % (previous year: 34.5 %), establishing itself as Austria's largest TV marketer in gross terms for the second consecutive year.

Business Development of the Segments, page 134.

In Switzerland, gross television advertising expenditure slightly increased in 2014, to CHF 1.188 billion (previous year: CHF 1.174 billion). In this context, ProSiebenSat.1 Schweiz also increased its television advertising revenues; the market share of ProSiebenSat.1 Schweiz reached 25.7 % (previous year: 26.9%).

Development of the relevant TV advertising markets for the ProSiebenSat.1 Group (Fig. 43)

	Change against previous year
in percent	**2014**
Germany	**8.0**
Austria	**10.7**
Switzerland	**1.2**

Germany: gross, Nielsen Media Research.
Austria: gross, Media Focus. **Switzerland:** gross, Media Focus.

Overall Assessment of the Business Performance – Management View

Development of the Audience Market, page 102.

Media Glossary, page 301.

The German economy grew again in 2014, with private consumption developing particularly well. This encouraged the advertising industry to invest and stimulated our revenue growth in the core business of TV. We remain the market leader in Germany, reaching 28.7% of viewers aged between 14 and 49. TV benefited from both the positive economic data and advancing digitalization: Television increased its relevance as the most important mass medium in Germany and expanded its advance over other traditional media. At the same time, the market data for our digital portfolio developed very positively: The in-stream advertising, video-on-demand and digital commerce industries grew at double-digit rates. In this market environment, we closed 2014 again with record figures. We have simultaneously used the favorable capital market conditions and restructured our Group financing.

Comparison of Actual and Expected Business Performance, page 112.

For the most part, we exceeded our financial and non-financial targets. In the 2014 financial year, Group revenues climbed by 10.4% to EUR 2.876 billion and where therby above the originally forecasted growth. The Company also grew successfully with regard to the medium-term revenue targets: We already achieved our target for 2015 by the end of 2014, and our revenue target from 2012 until 2018 is already 51.9% realized. All segments contributed to this.

We continue our course of growth and have even set an important direction in terms of strategy in 2014: We expanded our e-commerce portfolio and are growing particularly dynamically in the travel vertical. High organic growth was also seen in digital entertainment, where, alongside the online advertising business, the video-on-demand portal maxdome's growth was especially significant. We are also growing organically in the Content Production & Global Sales segment in addition to having strengthened our presence in the key English-speaking markets by acquiring Half Yard Productions.

As of December 31, 2014, the Group is in a sound financial position with an equity ratio of 19.3% and has an efficient financial structure with a leverage factor of 1.8. Through the placement of notes and the new facilities agreement, the Group has recently further optimized its financing and placed it on a broader basis at attractive conditions.

Strategy and Management, page 79.

At the time the Group management report was compiled, the ProSiebenSat.1 Group is characterized by overall very good earnings, financial position and performance. This positive annual record and the good start into the 2015 financial year confirm our strategy: We are continuing to develop ProSiebenSat.1 from a traditional TV provider into a broadcasting, digital entertainment and commerce powerhouse.

Comparison of Actual and Expected Business Performance

Intragroup Management System, page 80.

The ProSiebenSat.1 Group closed the 2014 financial year with record figures. The Company hit all targets for the relevant financial and non-financial performance indicators, and even exceeded most of them.

Comparison of the actual and forecast business performance for the Group[1] (Fig. 44)

EUR m	Actual figures 2013	Actual figures 2014	Change	Forecast 2014
Revenues	2,605.3	2,875.6	+10.4%	High single-digit increase
Recurring EBITDA	790.3	847.3	+7.2%	Mid single-digit increase
Underlying net income	379.7	418.9	+10.3%	High single-digit increase
Leverage	1.8	1.8	-/-	1.5-2.5

Comparison of the actual and forecast business performance for the segments[1] (Fig. 45)

	Revenues		Recurring EBITDA	
in percent	Forecast	Change 2014 vs. 2013	Forecast	Change 2014 vs. 2013
Broadcasting German-speaking	Slight increase	+3.2%	Slight increase	+3.6%
Digital & Adjacent	Significant increase	+26.3%	Significant increase	+22.7%
Content Production & Global Sales	Significant increase	+63.4%	Significant increase	+80.1%

1 The figures relate to continuing operations. In the annual report 2013 the ProSiebenSat.1 Group has published its company outlook for 2014 from page 151 onwards; the Company has specified its revenue guidance in October 2014. The annual report has been published in March 2013.

The ProSiebenSat.1 Group publishes its targets in the annual report and adjusts them during the year if necessary. In view of its good revenue performance, the Company specified its growth target for the ongoing financial year in mid-October 2014:

At Capital Markets Day, we announced the achievement of the upper end of the forecast growth rate and therefore the increase of the Group's annual revenues by a high single-digit percentage. In 2014, consolidated revenues grew to EUR 2.876 billion (previous year: EUR 2.605 billion). This equates to an increase of 10.4% compared to the 2013 financial year. At the beginning of the year, we still expected an increase of a mid to high single-digit percentage. All three segments contributed to the positive revenue performance.

Business Development of Segments, page 134.

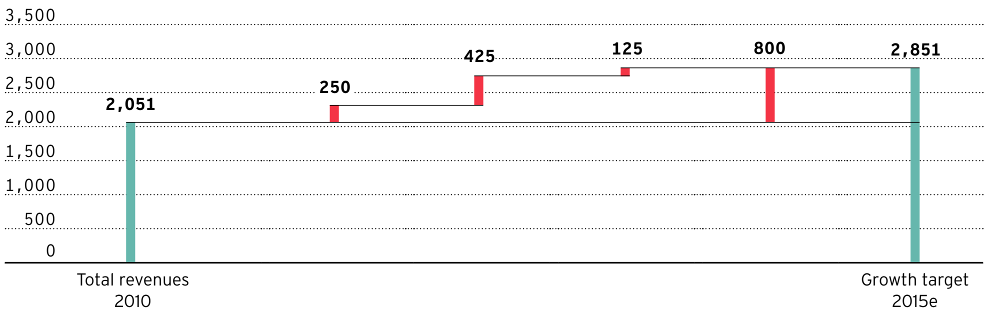
At the same time, in fall 2014, the Company also announced the early achievement of its originally medium-term revenue targets for 2015 and confirmed its current medium-term revenue target for 2018.

In some cases, the expansion of the growth areas was advanced more quickly than planned. For this reason, we already achieved our target for 2015, a revenue increase of EUR 800 million compared to 2010, one year earlier. As of the end of 2014, Group revenues rose to EUR 2.876 billion. The Group's growth was mostly organic, but at the same time strengthened its position due to acquisitions.

Interview with Axel Salzmann and Dr. Gunnar Wiedenfels, page 36.

Revenue growth targets 2015 und degree of achievement (Fig. 46)

EUR m[1]



Target achievement 2014	Broadcasting German-speaking[2]	Digital & Adjacent[3]	Content Production & Global Sales	**ProSiebenSat.1 Group**
EUR m	196.8	438.8	188.6	**824.2**
in percent	78.7	103.3	150.9	**103.0**

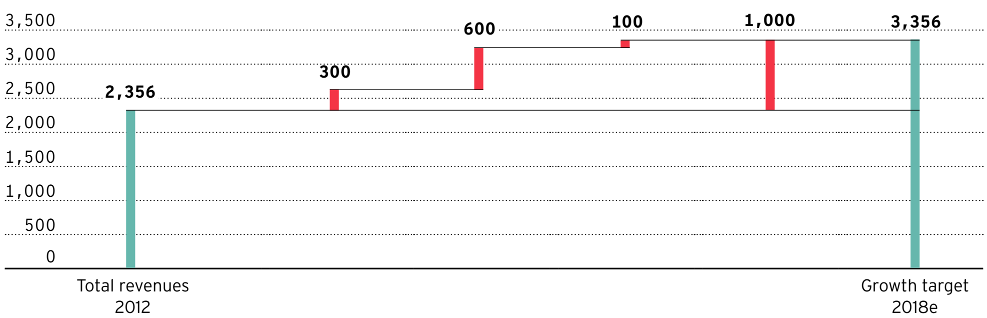
e = estimate
1 Growth of external revenues vs. 2010 from continuing operations.
2 External revenues including pay TV.
3 External revenues not including 9Live and pay TV.

Overall Assessment of Future Development – Management View, page 158.

For 2018, the ProSiebenSat.1 Group is aiming for growth in consolidated revenues of EUR 1 billion compared to the financial year 2012. As of the end of the year, we had already achieved 51.9 % of this target. This is primarily based on the high revenue increase in the Digital & Adjacent (+26.3 % compared to 2013) and Content Production & Global Sales (+63.4 % compared to 2013) segments. The Broadcasting German-speaking segment developed as planned with a revenue increase of 3.2 % compared to 2013. We forecast market-level growth for segment revenues in the year as a whole; based on net revenues, we expected the market to grow by a low single-digit percentage.

Revenue growth targets 2018 und degree of achievement (Fig. 47)

EUR m[1]



Target achievement 2014	Broadcasting German-speaking[2]	Digital & Adjacent[3]	Content Production & Global Sales	**ProSiebenSat.1 Group**
EUR m	136.7	275.9	106.8	**519.4**
in percent	45.6	46.0	106.8	**51.9**

e = estimate
1 Growth of external revenues vs. 2012 from continuing operations.
2 External revenues including pay TV.
3 External revenues not including 9Live and pay TV.

ProSiebenSat.1 grew profitably in all segments in 2014. In total, the Group's recurring EBITDA increased by 7.2 % to EUR 847.3 million. The underlying net income for 2014 increased by 10.3 % to EUR 418.9 million.

Group Financial Position and Performance, page 125.

The financial position also developed as planned: As of the end of the year, the leverage factor was 1.8 and was thus within the target range of 1.5 to 2.5. The Group therefore achieved all financial targets announced for 2014.

Development of the Audience Market, page 102.

This also applies to the development of viewer ratings, the central non-financial parameter. The German station family had a combined market share of 28.7 % in 2014 (previous year: 28.1 %) and remains the market leader. ProSiebenSat.1's target was at least to maintain its market lead in a fiercely competitive environment. The Company succeeded in doing so despite the broadcast of the Soccer World Cup and the Winter Olympic Games on the public stations.

Major Influencing Factors on Financial Position and Performance

Impact of General Conditions on the Business Performance

Group Earnings, page 120.

In 2014, the ProSiebenSat.1 Group increased its TV advertising revenues at a high level and again generated the majority of its revenues from the sale of TV advertising at 66.4 % (previous year: 71.4 %). 89.2 % (previous year: 89.3 %) of this was attributable to the German TV advertising market, the Group's largest revenue market. ProSiebenSat.1 consolidates TV advertising revenues in the Broadcasting German-speaking segment; the segment increased its external revenues in the business year 2014 by 3.2 % to EUR 2.063 billion (previous year: EUR 1.998 billion).

Economic Environment and Advertising Market, page 108.

The German station family expanded its audience shares in 2014 and increased its advertising revenues. In addition to the stations' wide reach, the growth in revenues was supported by a stable industry environment. The TV advertising market benefited firstly from the positive economic situation in Germany. Secondly, television became even more important as an advertising medium, especially compared to print. Against this backdrop, the ProSiebenSat.1 Group was able to achieve moderate price increases for TV advertising and thus adequately capitalized its market presence. At the same time, the Company expanded its customer base further and gained more than 100 new customers for TV as an advertising medium. Overall, gross investments in TV advertising in Germany climbed by 8.0 % to EUR 13.068 billion, of which ProSiebenSat.1 accounted for 44.0 % (previous year: 43.6 %). The market also grew on the basis of net revenues; growth forecasts for TV advertising average around plus 3 % in 2014.

The basis for the high reach of television and therefore its relevance as an important advertising medium is the appeal of video. This is also true for digital media, as video allows the content of advertising campaigns to be conveyed in a visually powerful and thus particularly emotional manner. The market volume of in-stream video therefore continued to climb dynamically with a 20.1 % jump to EUR 375.2 million gross. This resulted in growing online revenues overall (+4.0 % to EUR 3.249 billion gross) in 2014. The ProSiebenSat.1 Group significantly increased its gross revenues from the sale of in-stream videos (+22.8 % to EUR 182.4 million) and again confirmed its market leadership with 48.6 %.

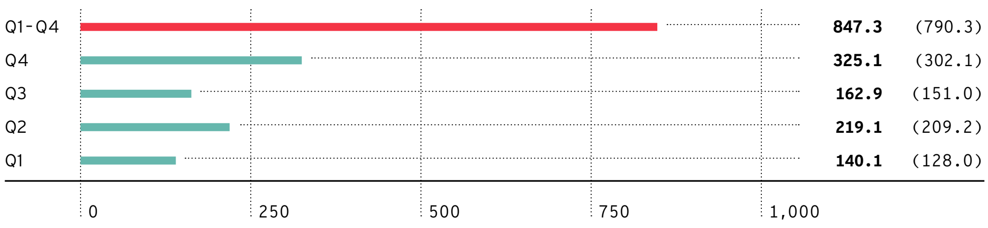
Based on their close link to the economic environment, advertising markets react sensitively and often in a procyclical manner to macroeconomic developments. An important indicator in this respect is private consumption in Germany. In addition, the ProSiebenSat.1 Group's revenue and earnings performance is characterized by seasonal effects and in particular the importance of the fourth quarter. As both propensity to spend and television use 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 also true for the past year: The quarterly revenues from October to December 2014 contributed 33.6 % (EUR 965.9 million) to the Group's annual revenues; the share of recurring EBITDA was 38.4 % (EUR 325.1 million).

Revenues by quarter (Fig. 48)

EUR m, 2013 figures in parentheses

Recurring EBITDA by quarter (Fig. 49)

EUR m, 2013 figures in parentheses



Media Glossary, page 301.

Other than the economic conditions, digitalization is also affecting our business performance: The growing importance of the internet is changing consumer behavior and media use and is raising the significance of digital commerce. According to Statista and the German Trade Association, the volume of the digital commerce market increased by approximately 18 % to roughly EUR 39 billion in 2014. The digital entertainment market also continued to expand dynamically. Among others, the video-on-demand sector exhibited growth rates low to mid double-digit percentage.

Notes, Note 7 "Acquisitions and disposals," page 199.

The ProSiebenSat.1 Group again grew organically in digital commerce and digital entertainment in 2014, but also strengthened its market position with strategic acquisitions at the same time. Overall, the revenues in the Digital & Adjacent segment climbed by a considerable 26.3 %; the segment contributed 21.2 % or EUR 610.7 million to consolidated revenues (previous year: 18.6 % or EUR 483.7 million). In the medium term, the contribution is expected to increase to 25 % to 30 %. This increases the Company's independence from the economically sensitive advertising market.

Basic Principles of Media and Legal Environment, page 98.

Ongoing digitalization is as well giving rise to new growth opportunities for the TV business, which the Group is using consistently. For example, the technical reach and therefore the number of users of HD free TV are increasing continuously. As a result, the ProSiebenSat.1 Group's distribution revenues also continued to develop dynamically.

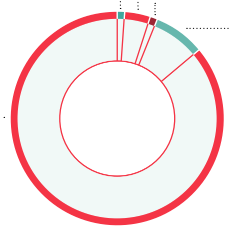
Principles and Objectives of Financial Management, page 125.

Notes, Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7," page 254.

While economic, structural and seasonal effects can significantly influence our business performance, currency fluctuations have only a marginal impact on revenues and costs. Although the Company operates internationally, ProSiebenSat.1 generates the majority of its revenues in Germany and therefore in the euro zone. The Company limits currency risks, which mainly arise from the purchase of licensed programs in the USA, with derivative financial instruments. The chart below illustrates the regional distribution of revenues in 2014:

Revenues by region (Fig. 50)

in percent, 2013 figures in parentheses



Financial Glossary, page 298.

Changed interest rates also have no material impact on the earnings situation. The bank loans (Term Loan) and the revolving credit facility (RCF) bear interest at a variable rate. However, the majority of non-current financial liabilities are secured by means of various hedging instruments. As of December 31, 2014, the hedge ratio was approximately 95% (December 31, 2013: approximately 86%). In addition, the ProSiebenSat.1 Group had not used its revolving credit facility as of December 31, 2014.

Major Events and Changes in the Scope of Consolidation

Borrowings and Financing Structure, page 126.

Comprehensive refinancing on the bank and bond market. In mid-April 2014, ProSiebenSat.1 Media AG entered into new facilities comprising an unsecured term loan of EUR 1.400 billion as well as an unsecured revolving credit facility (RCF) with an amount of EUR 600.0 million. Both have a term of five years. At the same time, the company successfully concluded the placement of seven-year notes in an amount of EUR 600.0 million.

The proceeds of the notes and the new term loan were used to refinance and replace the senior secured term loan in the amount of EUR 1.860 billion with an original maturity in July 2018. In addition, the new loan is being used for general operating purposes. Through the placement of the notes and the new facilities agreement, the Group has further optimized its financing and placed it on a broader basis at attractive conditions. At the same time, the ProSiebenSat.1 Group extended and diversified its maturity profile. This underscores not only its outstanding financial development in recent years but also its excellent standing on the capital market, but thanks to these measures, the Group also expects financing costs and cash flow (before taxes) to improve by approximately EUR 50 million over a period of four years.

Explanatory Notes on Reporting Principles, page 72.

Notes, Note 7 "Acquisitions and disposals," page 199.

Portfolio measures for the transformation into a broadcasting, digital entertainment and commerce powerhouse. As part of the Company's strategic development, the ProSiebenSat.1 Group sold all of its TV and radio stations outside the German-speaking region as planned: The Hungarian TV activities were deconsolidated as of February 25, 2014. The disposal of the subsidiaries connected to the Romanian TV station Prima TV was completed with economic and legal effect on April 2, 2014. Since August 4, 2014, the remaining Romanian subsidiaries have not been included in the ProSiebenSat.1 Group's consolidated financial statements. The Company sold its Northern European TV and radio portfolio back in December 2012. The transaction was formally and legally completed on April 9, 2013, and the affected companies were deconsolidated. Since then, the ProSiebenSat.1 Group has focused on the strategic expansion of its fast growing Digital & Adjacent segment and its integration with the German-speaking TV business. This offers the Group the biggest potential synergies and revenues in the long term. The aim is to develop the Company into an integrated broadcasting, digital entertainment and commerce powerhouse.

Notes, Note 7 "Acquisitions and disposals," page 199.

Among other fields, the ProSiebenSat.1 Group sees attractive growth perspective in digital entertainment. Part of its growth is organic, but it also takes opportunities to increase business volume with targeted acquisitions and partnerships. In February 2014, the Group acquired Aeria Games Europe GmbH, a publisher specializing in online and mobile games, and expanded its existing games business with new target groups. The company has been fully consolidated since the acquisition was closed on April 1, 2014.

Notes, Note 7 "Acquisitions and disposals," page 199.

In digital commerce in particular, ProSiebenSat.1 Media AG sees great revenue potential due to synergies between the TV and digital business. In light of this, the Group has identified, developed and established relevant e-commerce verticals in the market: Last year the ProSiebenSat.1 Group has successively complemented its travel portfolio and bundled it under ProSieben Travel GmbH. An important step was the complete takeover of COMVEL GmbH, operator of travel websites weg.de and ferien.de. COMVEL has been included in the consolidated financial statements of ProSiebenSat.1 Media AG since January 2014. ProSiebenSat.1 has since covered the entire travel-booking cycle, from flights, hotels, and rental cars to local climate and weather data. According to market analysts, the internet travel market is one of the largest and fastest growing industries in the digital retail business. In addition, travel is a visually powerful, emotive subject with high TV affinity that appeals to a broad target group – against the backdrop of digitalization and the increasing convergence of TV and internet this is an important criterion for the Group. Based on the model of the travel business, the ProSiebenSat.1 Group has identified additional e-commerce sectors like "Beauty & Accessories," "Home & Living" and "Fashion & Lifestyle," which also offer the Group attractive synergy and revenue potential. For this reason, SevenVentures, the ProSiebenSat.1 Group's ventures arm, increased its shares in moebel.de (50.1 %) and Flaconi (47.0 %). Both transactions were closed in July 2014.

Notes, Note 7 "Acquisitions and disposals," page 199.

The Group also expanded its portfolio in the Content Production & Global Sales segment in a targeted manner: ProSiebenSat.1 continued its acquisition strategy in the USA, the most important TV market, by acquiring a majority interest in Half Yard Productions LLC. Half Yard has been fully consolidated since March 2014.

The following table gives an overview of selected portfolio measures. Further information on events in the past financial year is available under "The Year 2014 at a Glance."

For more information on current changes in the Scope of Consolidation, refer to the Notes, Note 7 "Acquisitions and disposals" from page 199 onwards.
A detailed description of reporting in line with IFRS 5 can be found in the chapter "Explanatory Notes on Reporting Principles," page 72.

Portfolio measures and changes in the scope of consolidation in 2014 (Fig. 51)

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

Portfolio measures and changes in the scope of consolidation in 2013 (Fig. 52)

Broadcasting German-speaking segment	Launch of the new free TV station SAT.1 Gold in January 2013 Launch of the new free TV station ProSieben MAXX in September 2013
Digital & Adjacent segment	Majority interest in SilverTours GmbH, operator of the price comparison website billiger-mietwagen.de, in May 2013 › Fully consolidated since June 2013 Majority interest in mydays Holding GmbH, operator of the event present website mydays.de, in May 2013 › Fully consolidated since July 2013 Majority interest in MMP Veranstaltungs- und Vermarktungs-GmbH in August 2013 › Fully consolidated since September 2013 Founding of the multi-channel network Studio71 in September 2013
Content Production & Global Sales segment	Sale of the shares in the British production company Mob Film Holdings Ltd. › Deconsolidation in September 2013

Group Earnings

Explanatory Notes on Reporting Principles, page 72.

Major Events and Changes in the Scope of Consolidation, page 117.

The analysis of the revenue and earnings performance in 2014 relates to the continuing operations of the ProSiebenSat.1 Group, unless otherwise indicated.

In 2014, the ProSiebenSat.1 Group increased its consolidated revenues to a new record high. On the basis of the considerable revenue growth, the performance indicators also reached new records, as shown by the multi-year comparison below:

Multi-year comparison of revenue and earnings performance (Fig. 53)

EUR m	2014	2013	2012
Revenues	**2,875.6**	2,605.3	2,356.2
EBITDA	**818.4**	757.8	680.4
Recurring EBITDA	**847.3**	790.3	744.8
Underlying net income	**418.9**	379.7	355.5

Business Development of the Segments, page 134.

Compared to 2013, Group revenues increased by 10.4 % or EUR 270.4 million to EUR 2.876 billion. All segments contributed to this:

- The **Broadcasting German-speaking** segment with the core business of advertising-financed television achieved revenue growth of EUR 64.9 million to EUR 2.063 billion. This corresponds to a share in consolidated revenues of 71.7 % (previous year: 76.7 %).

Business Development of the Segments, page 134.

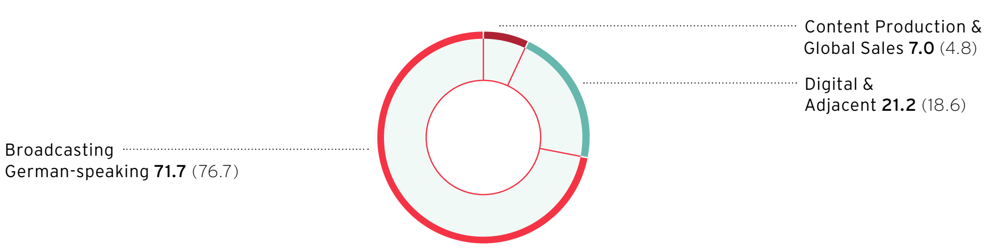
- The **Digital & Adjacent** segment increased its revenues by EUR 127.0 million to EUR 610.7 million, again contributing the highest amount of growth. The segment grew organically, while at the same time acquisitions led to revenue growth.

- The **Content Production & Global Sales** segment also grew dynamically. It generated revenues of EUR 202.2 million (previous year: EUR 123.8 million). The positive revenue development was largely based on organic growth.

The ProSiebenSat.1 Group thus further increased the share of the two segments Digital & Adjacent and Content Production & Global Sales in consolidated revenues; they contributed 28.3 % or EUR 812.9 million (previous year: EUR 607.5 million). The Group's target is to diversify the portfolio in order to grow with less dependence on the economically sensitive TV advertising market.

Group revenue share by segment (Fig. 54)

in percent, 2013 figures in parentheses



Notes, Note 13 "Other operating income," page 218.

Other operating income amounted to EUR 27.9 million after EUR 25.4 million in the comparative period (+9.6%). Alongside diverse income relating to other periods and recharges, the income from the deconsolidation of Magic Internet Musik GmbH in August 2014 had a positive effect on the development of the other operating income.

The ProSiebenSat.1 Group invests in all segments into markets with long-term prospects for growth and synergies. As a result, total costs have increased. They totaled EUR 2.209 billion, an increase of 12.6% or EUR 247.1 million compared to 2013. **Total costs** comprise cost of sales, selling expenses, administrative expenses and other operating expenses.

Notes, Note 9 "Cost of sales," page 216.

- The majority of the cost increase can be attributed to higher **cost of sales**. These increased because of growth in all segments, where there was primarily a rise in programming and material expenses. This also includes the consumption of programming assets – the Group's largest cost item – at EUR 867.8 million (previous year: EUR 858.7 million). In addition to higher programming and material expenses, acquisitions in particular caused an increase in cost of sales. In total, cost of sales rose by 9.0% or EUR 128.6 million to EUR 1.560 billion.

Notes, Note 10 "Selling expenses," page 216.

- In 2014, **selling expenses** increased by 28.2% or EUR 68.7 million to EUR 312.2 million. The increase especially reflects the higher business volume in the Digital & Adjacent segment. In addition to an organic cost increase, a major portion is attributable to the consolidation of COMVEL GmbH, operator of the travel sites weg.de and ferien.de, since January 2014. In addition, costs relating to video-on-demand and online advertising grew proportionately to revenues. As a result of higher revenues, the Broadcasting German-speaking segment also showed a cost increase. One reason for this was higher personnel and distribution costs as part of the expansion of the TV portfolio.

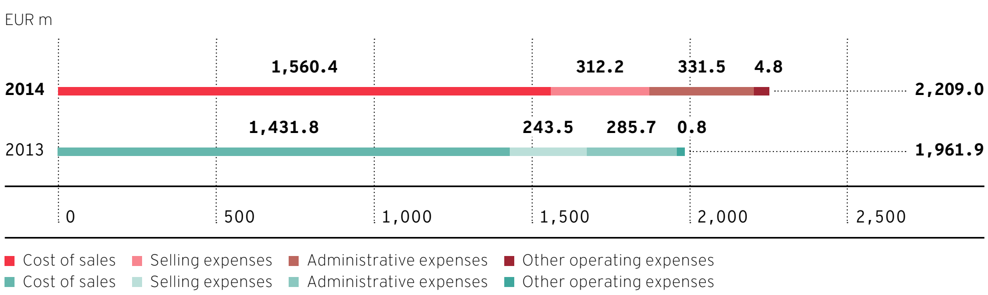
Notes, Note 11 "Administrative expenses," page 217.

- The Group's **administrative expenses** amounted to EUR 331.5 million (previous year: EUR 285.7 million). This 16.0% increase mainly resulted from higher personnel expenses. These rose primarily due to acquisitions; another factor was the provision for the special performance based payment to ProSiebenSat.1 employees. In total, the personnel expenses included in cost of sales, selling expenses and administrative expenses increased by 22.0% to EUR 391.7 million (previous year: EUR 321.0 million).

Notes, Note 12 "Other operating expenses," page 217.

- **Other operating expenses** increased by EUR 4.0 million to EUR 4.8 million (previous year: EUR 0.8 million). The growth is primarily due to losses from the disposal of smaller affiliated companies as well as property, plant and equipment and intangible assets.

Total costs (Fig. 55)



The depreciation and amortization reported in total costs increased, partly because of acquisitions, and amounted to EUR 123.8 million, an increase of 39.3 % or EUR 34.9 million. EUR 19.9 million was attributable to intangible assets from purchase price allocations; in the previous year, these amounted to EUR 8.0 million. The scheduled amortization from purchase price allocations is mostly included in the administrative expenses.

Financial Glossary, page 298.

Operating costs adjusted for depreciation, amortization and non-recurring expenses amounted to EUR 2.047 billion (previous year: EUR 1.836 billion). This equates to an increase of 11.5 % compared to 2013. The table below shows a reconciliation of operating costs:

Reconciliation of operating costs (Fig. 56)

EUR m	2014	2013
Total costs	2,209.0	1,961.9
Non-recurring expenses	-38.2	-37.1
Depreciation/amortization[1]	-123.8	-88.9
Operating costs	**2,046.9**	**1,835.8**

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

EBITDA increased by 8.0 % compared to 2013 to EUR 818.4 million (previous year: EUR 757.8 million). It includes non-recurring items of EUR 28.9 million (previous year: EUR 32.6 million), which are largely the result of the bundling of games activities in Berlin. Further non-recurring expenses result from portfolio optimizations in 2014 concerning the liquidation of the Belgian and Dutch production companies. After the sale of the international TV and radio portfolio in 2011, the Company will dissolve its production companies in Belgium and the Netherlands. Overall, portfolio measures led to non-recurring expenses of EUR 13.9 million. Additionally, EUR 7.9 million are the result of severance payment.

Business Development of the Segments, page 134.

After elimination of non-recurring effects, **recurring EBITDA** amounted to EUR 847.3 million. This equates to a growth of 7.2 % or EUR 57.0 million. At 29.5 % (previous year: 30.3 %), the recurring EBITDA margin reflects the ProSiebenSat.1 Group's high level of profitability. As planned, the Company increased the share of the Digital & Adjacent segment in the Group's recurring EBITDA compared with the previous year.

Reconciliation of recurring EBITDA from continuing operations (Fig. 57)

EUR m	2014	2013
Profit before income taxes	560.1	526.9
Financial result	-134.4	-142.0
EBIT	**694.5**	**668.9**
Depreciation/amortization[1]	123.8	88.9
thereof from purchase price allocations	19.9	8.0
EBITDA	**818.4**	**757.8**
Non-recurring items[2]	28.9	32.6
Recurring EBITDA	**847.3**	**790.3**

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

2 Non-recurring expenses of EUR 38.2 million (previous year: EUR 37.1 million) less non-recurring income of EUR 9.3 million (previous year: EUR 4.5 million).

The **financial result** also continued to improve compared to 2013. It amounted to minus EUR 134.4 million after minus EUR 142.0 million in the previous year. This development is characterized by contrary effects:

- Main driver for the improvement of the financial result by 5.3% or EUR 7.6 million were considerably lower interest expenses. They decreased by 24.8% or EUR 33.5 million to EUR 101.5 million. In April 2014, the Group repaid a portion of its loans early and simultaneously refinanced the remaining loans and borrowings. As a result, ProSiebenSat.1 is now benefiting from more favorable conditions.

- The improvement was offset by changes in the **other financial result**. In the financial year 2014, the other financial result amounted to minus EUR 39.4 million (previous year: EUR -18.6 million). This position contains firstly impairments on financial investments of EUR 30.3 million (previous year: EUR 24.1 million). These related to impairments on the shares in ZeniMax Media Inc. of EUR 7.3 million (previous year: EUR 12.4 million), among others. Secondly, the other financial results includes one-off expenses in the amount of EUR 15.3 million related to the refinancing measures (previous year: EUR 7.2 million). In this context, the Group also dissolved hedges, which resulted in expenses of EUR 6.3 million. However, the fair-value measurement of earn-out provisions and put options in the amount of EUR 10.8 million (previous year: EUR 15.5 million) on the reporting date had a positive effect on the other financial result.

Notes, Note 15 "Result from investments accounted for using the equity method and other financial result," page 219.

- **Result from investments accounted for using the equity method** fell to EUR 2.9 million in the same period (previous year: EUR 5.1 million).

Notes, Note 16 "Income taxes," page 221.

The developments described resulted in an increase of **earnings before taxes** of 6.3% or EUR 33.2 million to EUR 560.1 million. After taxes, the net profit for the period amounted to EUR 381.5 million, an increase of 4.6% or EUR 16.8 million. Income taxes amounted to EUR 178.6 million (previous year: EUR 162.2 million); the tax rate was 31.9% (previous year: 30.8%). The higher tax rate for 2014 was primarily due to taxes relating to other periods that were realized in the fourth quarter of 2014.

At the same time, **underlying net income** grew by 10.3% to EUR 418.9 million (previous year: EUR 379.7 million); the corresponding basic underlying earnings per share rose to EUR 1.96 (previous year: EUR 1.78). Underlying net income is adjusted for the following effects:

Reconciliation of underlying net income from continuing operations (Fig. 58)

EUR m	2014	2013
Consolidated net profit (after non-controlling interests)	373.5	359.5
Amortization from purchase price allocations (after tax)[1]	13.4	5.4
Impairment of shares in ZeniMax Media Inc.	7.3	12.4
Release of deferred financing costs	5.4	-/-
Impairments on other financial investments	19.5	2.4
Underlying net income	**418.9**	**379.7**

1 Amortization of purchase price allocations before tax: EUR 19.9 million (previous year: EUR 8.0 million).

Financial Glossary, page 298.

The **result after taxes from discontinued operations** amounted to minus EUR 27.1 million. This figure includes the operating earnings contribution of the Eastern European operations until their deconsolidation as well as the result from the deconsolidation of these companies of minus EUR 14.0 million (previous year: EUR 77.0 million). In addition impairments and allocations to provisions of EUR 18.6 million in total were recorded in 2014. For the comparative period, earnings from discontinued operations amounted to minus EUR 47.6 million. As well as the operating earnings contributions from the Eastern European business, the comparatively high figure for the previous year also includes the results from the activities in Northern Europe and its respective deconsolidation effects. The Northern European portfolio was deconsolidated in April 2013.

Notes, Note 7 "Acquisitions and disposals," page 199.

The reconciliations below give an overview of selected key figures in the income statement, taking into account the activities sold and deconsolidated. Further information on the deconsolidated activities can be found in the notes.

Selected key figures of the ProSiebenSat.1 Group for the 2014 financial year (Fig. 59)

EUR m	ProSiebenSat.1 including discontinued operations 2014	ProSiebenSat.1 including discontinued operations 2013	Discontinued operations 2014	Discontinued operations 2013	ProSiebenSat.1 continuing operations 2014	ProSiebenSat.1 continuing operations 2013
Revenues	2,888.0	2,818.1	12.3	212.8	2,875.6	2,605.3
Operating costs[1]	2,060.2	2,142.5	13.2	306.6	2,046.9	1,835.8
Total costs	2,243.2	2,311.2	34.2	349.3	2,209.0	1,961.9
Cost of sales	1,570.6	1,680.0	10.2	248.2	1,560.4	1,431.8
Selling expenses	315.8	289.3	3.6	45.7	312.2	243.5
Administrative expenses	339.9	331.9	8.4	46.2	331.5	285.7
Other operating expenses	16.9	10.0	12.0	9.2	4.8	0.8
EBIT	672.9	610.0	-21.6	-58.9	694.5	668.9
Recurring EBITDA[2]	846.7	696.8	-0.6	-93.5	847.3	790.3
Non-recurring items[3]	-49.9	37.2	-20.9	69.8	-28.9	-32.6
EBITDA	796.8	734.1	-21.6	-23.7	818.4	757.8
Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media AG	346.3	312.1	-27.1	-47.3	373.5	359.5
Underlying net income[4]	391.8	340.1	-27.1	-39.6	418.9	379.7

Selected key figures of the ProSiebenSat.1 Group for the fourth quarter of 2014 (Fig. 60)

EUR m	ProSiebenSat.1 including discontinued operations Q4 2014	ProSiebenSat.1 including discontinued operations Q4 2013	Discontinued operations Q4 2014	Discontinued operations Q4 2013	ProSiebenSat.1 continuing operations Q4 2014	ProSiebenSat.1 continuing operations Q4 2013
Revenues	965.9	865.0	-/-	24.2	965.9	840.8
Operating costs[1]	645.6	647.7	-/-	100.3	645.6	547.3
Total costs	699.9	715.9	5.6	128.0	694.2	587.9
Cost of sales	490.8	520.2	-/-	97.9	490.8	422.3
Selling expenses	99.8	89.4	0.0	5.2	99.8	84.2
Administrative expenses	106.7	102.8	4.9	21.9	101.8	80.9
Other operating expenses	2.5	3.5	0.8	3.0	1.8	0.5
EBIT	276.2	158.8	-5.6	-103.3	281.8	262.1
Recurring EBITDA[2]	325.1	226.2	-/-	-75.9	325.1	302.1
Non-recurring items[3]	-13.9	-18.5	-5.6	-5.1	-8.2	-13.4
EBITDA	311.2	207.7	-5.6	-81.0	316.9	288.7
Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media AG	149.4	59.4	-18.4	-95.6	167.8	155.0
Underlying net income[4]	162.0	65.7	-18.4	-93.1	180.4	158.9

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 attributable to shareholders of ProSiebenSat.1 Media AG before the effects of purchase price allocations and additional special items.

Explanation of reporting principles in the 2014 financial year/ fourth quarter of 2014: The figures for the 2014 financial year relate to those for continuing activities 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 operations in question are grouped together as a single line item, result from discontinued operations, and are reported separately. In addition to the operating earnings generated by the operations in Hungary and Romania by the time of their respective deconsolidations, the result from discontinued operations shown after taxes for the 2014 financial year also includes the corresponding results of deconsolidation. The figures for the financial year 2013 for the income statement and the statement of cash flows have been presented on a comparable basis. The figures in the previous year's statement of financial position were not adjusted.

Group Financial Position and Performance

Principles and Objectives of Financial Management

Risk control and centralized management are key principles of the ProSiebenSat.1 Group's financial management. The Company's financial management is centrally run by the Group Finance & Treasury department. This department manages the Group's financing activities and is the contact for all managing directors and employees in the Group responsible for finance. The prevailing objectives are:

- to ensure that the entire ProSiebenSat.1 Group remains solvent by managing its liquidity efficiently across the organization,
- to secure its financial flexibility and stability, in other words, maintaining and optimizing its funding ability,
- to manage its financial risks by using derivative financial instruments.

Financial Glossary, page 298.

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.

- The aim of **capital structure management** is to optimize the way in which the Group's capital structure and funding are organized using a range of financial instruments. These include equity or equity-like instruments as well as debt funding. In its choice of suitable financing instruments, the Company 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. The ProSiebenSat.1 Group records and manages its debt funding on a centralized basis. This enables the Group to obtain economies of scale and optimize its cost of capital. In connection with capital structure management at the ProSiebenSat.1 Group, managing financial leverage (leverage factor) is given particular priority.

Financial Glossary, page 298.

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

Risk Report, page 137.

The management of **counterparty and credit default risks** centers on trading relationships and creditor exposure to financial institutions. When entering into trading transactions, the 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.

Borrowings and Financing Structure

As of December 31, 2014, 62.7 % or EUR 1.973 billion of debt capital of the ProSiebenSat.1 Group comprised non-current financial liabilities (December 31, 2013: 62.0 % and EUR 1.842 billion). As of the reporting date as well as previous year, there were no current financial liabilities. The share of debt capital in total assets decreased to 80.7 % compared to the end of 2013 (December 31, 2013: 83.6 %).

Major Events and Changes in the Scope of Consolidation, page 117.

Interview with Axel Salzmann and Dr. Gunnar Wiedenfels, page 36.

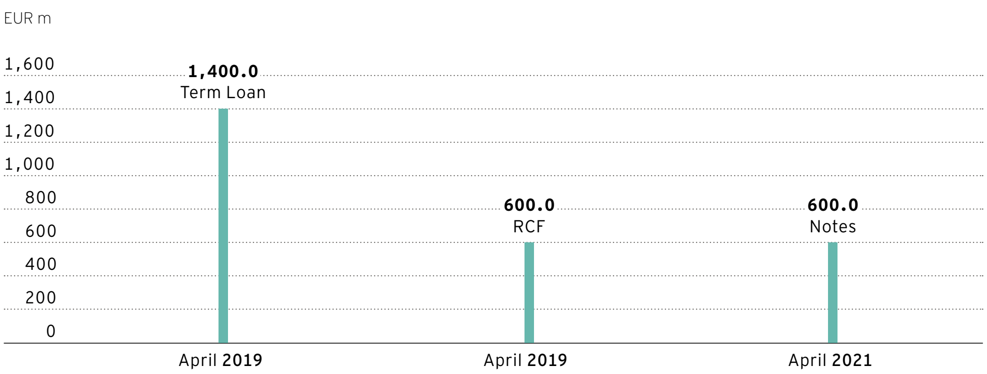
On April 2, 2014, for the purposes of comprehensive refinancing, the ProSiebenSat.1 Group concluded a new syndicated facilities agreement for EUR 2.000 billion with a five-year term to April 2019. This new unsecured facilities agreement comprises a term loan of EUR 1.400 billion and a revolving credit 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. They are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7).

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

The following graph provides an overview of debt instruments together with amounts and maturities following refinancing:

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

Debt financing and maturities as of December 31, 2014 (Fig. 61)



- The nominal amount of the new term loan was EUR 1.400 billion as of December 31, 2014. The previous term loan D totaled EUR 1.860 billion as of the previous year's reporting date.

- As of the balance sheet date, the new revolving credit facility amounts to EUR 600.0 million. As of December 31, 2013, the Group had total available facilities likewise of EUR 600.0 million. As in the previous year, no cash drawings were made as of December 31, 2014.

- Maturing in 2021, the notes in the amount of EUR 600.0 million contribute to the diversification of the financial basis of ProSiebenSat.1's financial liabilities.

Financial Glossary, page 298.

Interest payable on the term loan and the amounts drawn under the RCF are variable. The ProSiebenSat.1 Group hedges risks from the change of variable interest rates with derivative financial instruments in the form of interest rate swaps and interest rate options. In relation to the entire long-term financing portfolio, the hedge ratio of fixed interest was approximately 95% as of December 31, 2014 (December 31, 2013: approximately 86%). The average fixed-interest swap rate is around 3.12% per annum (previous year: around 3.86%). The fixed-rate coupon of the notes is 2.625% per annum.

Notes, Note 20 "Property, plant and equipment," page 230.

The 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. The ProSiebenSat.1 Group reported liabilities for finance leases totaling EUR 89.2 million as of December 31, 2014 (previous year: EUR 91.7 million). There were no other significant off-balance sheet financing instruments.

Group-wide corporate financing (Fig. 62)

Financial Glossary, page 298.

ProSiebenSat.1 Media AG has an unsecured syndicated facilities agreement which, as of December 31, 2014, includes a term loan of EUR 1.400 billion and a revolving credit facility with a facility amount of EUR 600.0 million. 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, the ProSiebenSat.1 Group has to satisfy a certain ratio of the consolidated net debt to the consolidated EBITDA (as defined in the contract). The ProSiebenSat.1 Group complied with the contractual requirements in the 2014 financial year.

In the event that the control over ProSiebenSat.1 Media AG changes by way of direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media AG 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 AG has outstanding unsecured notes of EUR 600.0 million. In the event that the control over ProSiebenSat.1 Media AG changes by way of direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media AG 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.

Financing Analysis

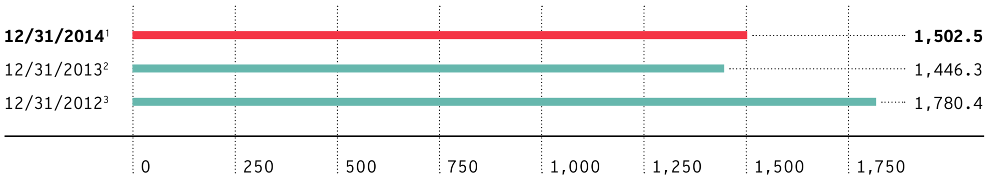
Financial Glossary, page 298.

Analysis of Assets and Capital Structure, page 132.

Net financial debt was EUR 1.502 billion and therefore nearly at the same level as the previous year (EUR 1.446 billion). It is defined as total financial liabilities minus cash and cash equivalents and certain current financial assets. As of the end of the year, cash and cash equivalents amounted to EUR 470.6 million compared to EUR 395.7 million on December 31, 2013.

Group net financial debt (Fig. 63)

EUR m



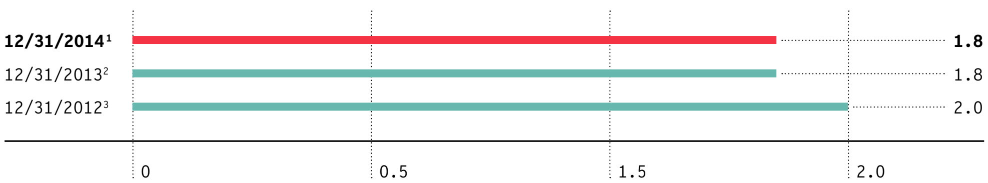
1 The key figure is calculated as financial liabilities of EUR 1,973.1 million netted against cash and cash equivalents of EUR 470.6 million.
2 After reclassification of cash and cash equivalents of Eastern European operations. The key figure is calculated as financial liabilities of EUR 1,842.0 million netted against cash and cash equivalents from continuing operations (EUR 395.7 million).
3 Before reclassification of cash and cash equivalents from the Northern and Eastern European activities. The key figure is calculated as financial liabilities (EUR 2,573.1 million) netted against cash and cash equivalents including the Northern and Eastern European operations (EUR 792.6 million).

Comparison of Actual and Expected Business Performance, page 112.

The **leverage factor** was also at prior year level at 1.8 times and thus within the defined target range of 1.5 to 2.5 times. This ratio shows net financial debt in relation to recurring EBITDA of the last twelve months (LTM recurring EBITDA) and is a key indicator for our Group-wide financial planning.

Ratio net financial debt to LTM recurring EBITDA[1] (Fig. 64)

EUR m



1 Adjusted for LTM recurring EBITDA contribution from the Eastern European business. The key figure is calculated as the ratio of net financial debt from continuing operations (EUR 1,502.5 million) to LTM recurring EBITDA from continuing operations (EUR 847.3 million).
2 After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for LTM recurring EBITDA contribution from the Northern and Eastern European business. The key figure is calculated as the ratio of net financial debt from continuing operations (EUR 1,446.3 million) to recurring EBITDA from continuing operations (EUR 790.3 million).
3 Before reclassification of cash and cash equivalents from the Northern and Eastern European activities. The key figure is calculated as the ratio of net financial debt including the Northern and Eastern European operations (EUR 1,780.4 million) to recurring EBITDA including the Northern and Eastern European operations (EUR 871.7 million).

Analysis of Liquidity and Capital Expenditure

Explanatory Notes on Reporting Principles, page 72.

The 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, 2014, and December 31, 2013, respectively.

Cash flow statement (Fig. 65)

EUR m	Q4 2014	Q4 2013	2014	2013
Profit from continuing operations	**169.4**	**156.7**	**381.5**	**364.6**
Profit from discontinued operations	**-18.4**	**-95.6**	**-27.1**	**-47.6**
Cash flow from continuing operations	572.5	529.7	1,690.0	1,626.1
Cash flow from discontinued operations	-2.3	13.2	-4.6	108.2
Change in working capital	9.9	62.9	-12.2	-14.8
Dividends received	0.1	-/-	5.7	5.9
Income tax paid	-41.2	-32.2	-163.4	-135.6
Interest paid	-17.9	-33.6	-91.2	-137.0
Interest received	1.8	3.0	2.1	3.8
Cash flow from financing costs from derivatives	-/-	-/-	-6.3	-/-
Cash flow from operating activities of continuing operations	**525.2**	**529.8**	**1,424.8**	**1,348.3**
Cash flow from operating activities of discontinued operations	**-0.1**	**9.3**	**19.5**	**58.4**
Cash flow from investing activities of continuing operations	**-227.9**	**-223.4**	**-1,148.4**	**-1,018.3**
Cash flow from investing activities of discontinued operations	**-2.4**	**-17.0**	**-25.2**	**1,181.9**
Free cash flow of continuing operations	**297.3**	**306.4**	**276.5**	**330.1**
Free cash flow of discontinued operations	**-2.6**	**-7.6**	**-5.7**	**1,240.3**
Free cash flow (total)	**294.7**	**298.8**	**270.7**	**1,570.4**
Cash flow from financing activities of continuing operations	**-2.7**	**-105.0**	**-208.3**	**-1,953.2**
Cash flow from financing activities of discontinued operations	**0.0**	**0.0**	**0.0**	**-2.3**
Effect of foreign exchange rate changes of continuing operations on cash and cash equivalents	1.9	0.5	4.0	-0.9
Effect of foreign exchange rate changes of discontinued operations on cash and cash equivalents	0.0	0.0	-0.3	-2.2
Change in cash and cash equivalents total	293.8	194.3	66.1	-388.2
Cash and cash equivalents at beginning of reporting period	176.8[1]	210.2[1]	404.5[1]	792.6[1]
Cash and cash equivalents at end of reporting period	470.6	404.5[1]	470.6	404.5[1]
Cash and cash equivalents classified under assets held for sale at end of reporting period	**-/-**	**-8.8**	**-/-**	**-8.8**
Cash and cash equivalents from continued operations at end of reporting period	**470.6**	**395.7**	**470.6**	**395.7**

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

Cash flow from operating activities: In the 2014 financial year, the ProSiebenSat.1 Group generated an operating cash flow of EUR 1.425 billion compared to EUR 1.348 billion in the previous year. This equates to a growth of 5.7%. The increase is primarily due to the positive earnings performance and lower interest payments year-on-year. The reduction in interest payments of EUR 45.8 million to EUR 91.2 million (previous year: EUR 137.0 million) is mainly attributable to the Group's refinancing. In the second quarter of 2014, ProSiebenSat.1 restructured its financial liabilities and refinanced its loans at more favorable conditions. This was offset in the past financial year by higher tax payments of EUR 163.4 million (previous year: EUR 135.6 million).

Detailed information on off-balance sheet investment obligation can be found in the Notes, Note 34 "Other financial obligations," page 253.

Group Earnings, page 120.

Cash flow from investing activities: The core area of investing activities within ProSiebenSat.1 is the acquisition of programming rights. The Group secures attractive programs through three different channels: by purchasing licensed formats, through commissioned productions and through in-house formats that are based on the development and implementation of own ideas. In contrast to commissioned productions, in-house formats are primarily produced with a view to being broadcast 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. In the past financial year, cash outflow for the acquisition of programming rights amounted to EUR 889.7 million, up 3.4% or EUR 29.5 million (previous year: EUR 860.2 million). The vast majority of investments were nearly fully made in the Broadcasting German-speaking segment, almost half for the acquisition of licensed programming and half for commissioned productions.

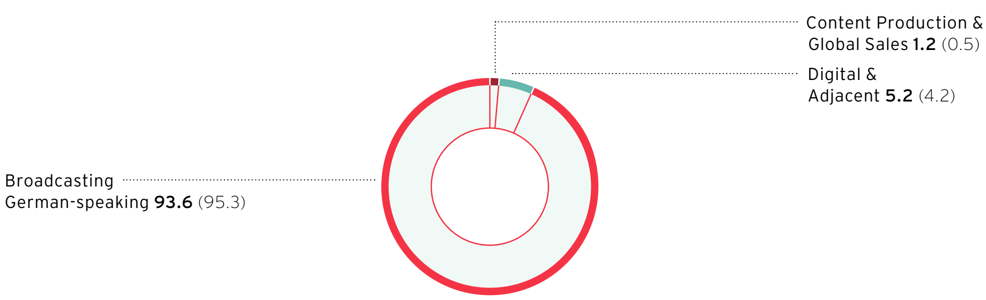
Media Glossary, page 298.

In the past financial year, besides investments in programming assets, EUR 66.4 million were invested in intangible assets, an increase of 7.5% or EUR 4.6 million compared to the prior year figure. With shares of 54.3% and 34.1% respectively, the majority of investments in intangible assets were made in the Digital & Adjacent and Broadcasting German-speaking segments. They primarily reflected the acquisition of client business and software licenses. Investments made in property, plant and equipment were nearly at the level of the previous year at EUR 32.8 million (previous year: EUR 32.0 million) and were predominantly in the Broadcasting German-speaking segment at 85.4%. Most of the investments related to technical equipment, leasehold improvements at the Unterföhring site and advance payments for property, plant and equipment. Furthermore, the Groups investments increased by EUR 65.6 million to EUR 122.2 million for the extension of the consolidation scope (previous year: EUR 56.6 million).

In the past financial year, the following breakdown by segment resulted from the described cash flows from investing activities:

Investments by segment from continuing operations (Fig. 66)

in percent, 2013 figures in parentheses



Assets resulting from initial 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".

Cash outflows from additions to the scope of consolidation were primarily related to corporate acquisitions in the Digital & Adjacent segment, but were also related to the Content Production & Global Sales segment. The acquisitions serve to strengthen the respective business areas in the two segments.

Against the backdrop of higher investments in programming assets and cash outflows for additions to the scope of consolidation, **cash flow from investing activities** from continuing operations rose to minus EUR 1.148 billion. This equates to an increase of 12.8 % or EUR 130.1 million compared to 2013.

Notes, Note 7 "Acquisitions and disposals," page 199.

There was a net cash outflow of EUR 6.4 million in the reporting period resulting from the sale of the Hungarian and Romanian operations. In April 2013 the ProSiebenSat.1 Group generated a cash inflow of EUR 1.312 billion from the disposal of the Northern European activities. This net cash outflow or inflow is reported as cash flow from investing activities of discontinued operations.

Financial Glossary, page 298.

Free cash flow: Free cash flow from continuing operations fell by 16.2 % to EUR 276.5 million in the 2014 financial year (previous year: EUR 330.1 million). The decline is primarily attributable to the higher volume of investment in connection with company acquisitions and participations.

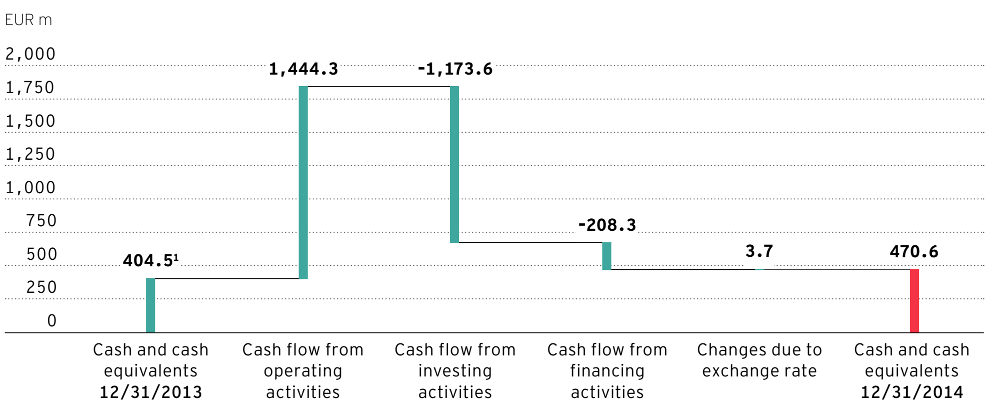
Borrowings and Financing Structure, page 126.

Cash flow from financing activities: In the last financial year, cash outflow from financing activities was net EUR 208.3 million after cash outflow of net EUR 1.953 billion in the previous year. The payment of the dividend for the 2013 financial year of EUR 313.4 million resulted in a cash outflow in June 2014. This was offset by a net cash inflow of EUR 116.3 million in connection with the repayment of the loan in the second quarter of 2014. The high cash outflow in the previous year reflects the dividend payment (EUR 1.201 billion) as well as the repayment of loans amounting to EUR 730.7 million.

Financing Analysis, page 128.

Cash and cash equivalents: In the 2014 financial year, the overall cash flows described resulted in an increase of cash and cash equivalents compared to the previous year's reporting date. At EUR 470.6 million, the cash and cash equivalents were 18.9 % or EUR 74.9 million higher than the previous year's figure of EUR 395.7 million. In the fourth quarter, the Group generated cash and cash equivalents totaling EUR 293.8 million (previous year: EUR 194.3 million).

Changes in cash and cash equivalents total (Fig. 67)



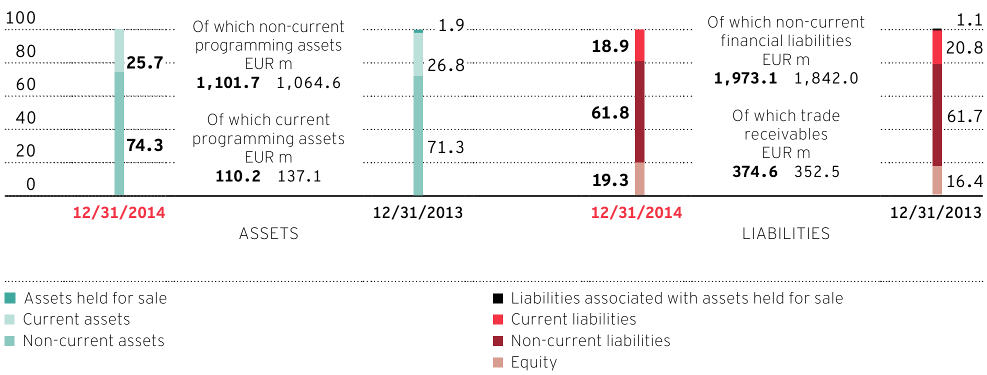
1 Includes cash and cash equivalents from held for sale entities.

Analysis of Assets and Capital Structure

As of December 31, 2014, total assets amounted to EUR 3.901 billion compared to EUR 3.556 billion on December 31, 2013. The 9.7 % increase in total assets primarily resulted from higher intangible and financial assets.

Structure of the Statement of Financial Position (Fig. 68)

in percent



Major Events and Changes in the Scope of Consolidation, page 117.

Explanatory Notes on Reporting Principles, page 72.

Notes, Note 7 "Acquisitions and disposals," page 199.

Significant individual value changes to items of the statement of financial position compared to December 31, 2013, are described below:

As of December 31, 2014, **intangible assets** increased by 12.3 % to EUR 1.307 billion (December 31, 2013: EUR 1.165 billion). This was mainly due to the first-time consolidations and purchase price allocations of COMVEL GmbH, Half Yard Productions LLC and Aeria Games Europe GmbH. Accordingly, the share of intangible assets in total assets increased to 33.5 % as of December 31, 2014 (December 31, 2013: 32.7 %).

Notes, Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7," page 254.

Non-current other financial and non-financial assets rose considerably by EUR 157.2 million to EUR 222.1 million as of December 31, 2014 (December 31, 2013: EUR 64.9 million). This was the result of positive effects from currency hedges and the addition of financial instruments recognized at fair value through profit or loss.

Non-current and current programming assets increased slightly compared to December 31, 2013. They increased by 0.9 % and amounted to EUR 1.212 billion (December 31, 2013: EUR 1.202 billion). Alongside intangible assets, programming assets are among the most important assets in the ProSiebenSat.1 Group's statement of financial position with a share of almost one third.

Trade receivables fell by a total of 2.5 % or EUR 8.2 million to EUR 318.1 million.

Current other financial and non-financial assets rose to EUR 75.2 million (December 31, 2013: EUR 42.2 million). This equates to an increase of 78.1 % or EUR 33.0 million, which is mainly attributable to positive effects from currency hedges.

Analysis of Liquidity and Capital Expenditure, page 129.

Cash and cash equivalents increased to EUR 470.6 million as of the reporting date, an increase of 18.9 % or EUR 74.9 million.

Notes, Note 7 "Acquisitions and disposals," page 199.

The **assets held for sale** were derecognized in full in the 2014 financial year as a result of the deconsolidation of the Hungarian and Romanian activities. On December 31, 2013, the carrying amount of the assets held for sale was EUR 68.8 million.

In the reporting period, **equity** rose by 29.1% to EUR 753.9 million (December 31, 2013: EUR 584.1 million). A positive impact was made by the consolidated profit of EUR 354.3 million and the EUR 121.4 million increase in other accumulated equity. This was counteracted by the dividend payment of EUR 313.4 million. Accordingly, the equity ratio increased to 19.3% (December 31, 2013: 16.4 %). In view of the described equity effects, the Group has a solid financial position.

Major Events and Changes in the Scope of Consolidation, page 117.

Borrowings and Financing Structure, page 126.

As of December 31, 2014, **non-current and current liabilities and provisions** increased to a total of EUR 3.147 billion (December 31, 2013: EUR 2.972 billion), a rise of 5.9 %. A reason for the change is the refinancing implemented in 2014, which led to an increase of financial liabilities by 7.1 % or EUR 131.1 million to EUR 1.973 billion. In addition, trade payables increased by 10.3 % or EUR 38.6 million in the reporting period to EUR 411.7 million, mainly due to the purchase of programming assets. Other non-current and current liabilities and provisions also posted an increase of 17.0% or EUR 38.6 million to EUR 266.3 million, in particular because of higher liabilities from the obligation to provide advertising time.

In contrast, **other non-current and current financial liabilities** decreased by 15.7 % or EUR 49.0 million to EUR 262.4 million, primarily due to positive effects from currency hedges and the reduction of purchase price liabilities.

Notes, Note 7 "Acquisitions and disposals," page 199.

In addition, the **liabilities associated with assets held for sale** were fully derecognized in connection with the deconsolidation of the Hungarian and Romanian activities in the 2014 financial year. On December 31, 2013, a book value of EUR 40.2 million was recognized for liabilities associated with assets held for sale.

As of December 31, 2014, there were no other major structural or quantitative changes of the statement of financial position year-on-year.

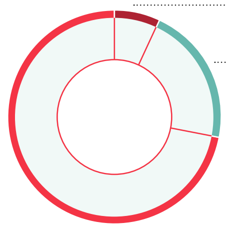
Accounting assumptions and estimates (Fig. 69)

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

Group revenue share by segment (Fig. 70)

in percent, 2013 figures in parentheses



Broadcasting German-speaking Segment

Notes, Note 36 "Segment reporting," page 266.

Impact of General Conditions on Business Performance, page 115.

In the 2014 financial year, **external revenues** in the Broadcasting German-speaking segment grew to EUR 2.063 billion. This is an increase of 3.2 % or EUR 64.9 million. The positive revenue performance is based on higher TV advertising revenues. In view of a stable economic and sector environment, advertising revenues increased in Germany as well as in Switzerland and Austria. The Group also significantly increased its revenues from the distribution of its stations in HD quality. Here, ProSiebenSat.1 participates in technical service fees that end customers pay to cable, satellite and IPTV providers.

The ProSiebenSat.1 Group invests consistently in the development of its TV portfolio and the programming of its stations. As a result, costs increased in proportion with revenues. Nonetheless, **recurring EBITDA** adjusted for one-off effects improved by 3.6 % to EUR 702.8 million (previous year: EUR 678.6 million). The corresponding **recurring EBITDA margin** amounted to 32.9 % (previous year: 32.7 %) and reflected the high level of profitability of the TV business. **EBITDA** showed an increase of 5.7 % to EUR 686.8 million year on year due to higher revenues and lower non-recurring effects (previous year: EUR 649.9 million).

Key figures Broadcasting German-speaking segment (Fig. 71)

EUR m	2014	2013
Segment revenues	**2,139.4**	2,074.4
External revenues	**2,062.7**	1,997.8
Internal revenues	**76.6**	76.6
EBITDA	**686.8**	649.9
Recurring EBITDA	**702.8**	678.6
Recurring EBITDA margin[1] (in %)	**32.9**	32.7

1 Based on segment revenues.

Digital & Adjacent Segment

Notes, Note 36 "Segment reporting," page 266.

The Digital & Adjacent segment also continued its profitable growth in 2014. The **external revenues** continued to increase from a high level, reaching EUR 610.7 million. This equates to an increase of 26.3 % or EUR 127.0 million compared to 2013. The strongest growth driver was the digital commerce business. The travel vertical in particular continued its dynamic revenue growth. The

Major Events and Changes in the Scope of Consolidation, page 117.

ProSiebenSat.1 Group's digital entertainment offerings also showed high organic growth. The online advertising business and the video-on-demand portal maxdome made a significant contribution. Besides organic growth, revenues in the Digital & Adjacent segment also grew due to acquisitions. This was in particular due to the first-time consolidations of the tourism company COMVEL GmbH and Aeria Games Europe GmbH.

Against the backdrop of the revenue development, the **recurring EBITDA margin** amounted to 21.0 % (previous year: 21.6 %). At the same time the **recurring EBITDA** also improved significantly despite higher costs. Year-on-year, it climbed by 22.7 % and amounted to EUR 129.3 million (previous year: EUR 105.4 million). **EBITDA** grew at a similar level to EUR 123.6 million (+ 22.4 % or + EUR 22.7 million year-on-year).

Key figures Digital & Adjacent segment (Fig. 72)

EUR m	2014	2013
Segment revenues	**615.3**	487.2
External revenues	**610.7**	483.7
Internal revenues	**4.5**	3.5
EBITDA	**123.6**	100.9
Recurring EBITDA	**129.3**	105.4
Recurring EBITDA margin[1] (in %)	**21.0**	21.6

1 Based on segment revenues.

Content Production & Global Sales Segment

Notes, Note 36 "Segment reporting," page 266.
Organization and Group Structure, page 63.

In the Content Production & Global Sales segment, **external revenues** increased by 63.4 % to EUR 202.2 million (previous year: EUR 123.8 million). Revenue growth was largely organic in 2014, with the production business in the USA making the greatest contribution to revenues. In addition to the organic growth, the first-time consolidation of the US production firm Half Yard Productions LLC since March 2014 also had a positive impact. At the same time, the Red Arrow Entertainment Group achieved vital sales successes around the world.

Company Outlook, page 161.

Due to the considerable increase in revenues in 2014, operating key earnings figures also grew at high rates: **Recurring EBITDA** grew by 80.1 % to EUR 19.1 million (previous year: EUR 10.6 million); the **recurring EBITDA margin** increased due to portfolio optimizations by 1.5 percentage points to 7.8 %. **EBITDA** was EUR 16.0 million. This equates to growth of 38.9 % or EUR 4.5 million. Costs rose as a result of growth.

Key figures Content Production & Global Sales segment (Fig. 73)

EUR m	2014	2013
Segment revenues	**244.5**	167.5
External revenues	**202.2**	123.8
Internal revenues	**42.4**	43.8
EBITDA	**16.0**	11.5
Recurring EBITDA	**19.1**	10.6
Recurring EBITDA margin[1] (in %)	**7.8**	6.3

1 Based on segment revenues.

Events after the Reporting Period

Notes, Note 42 „Events after the reporting period," page 283.

Notes, Note 7 „Acquisitions and disposals," page 199.

Acquisition of the remaining shares in mydays. By the purchase and transfer agreement of November 28, 2014, with economic effect as of January 13, 2015, ProSieben Travel GmbH acquired the remaining 24.9 % stake in mydays Holding GmbH. With mydays.de, the company operates one of the leading portals for event presents in Germany. In the 2013 financial year, the ProSiebenSat.1 Group acquired 75.1% of the shares and therefore control over mydays Holding via the Group company SevenVentures GmbH, so that the acquisition of the remaining stake is shown as shareholder transaction.

Beyond this, no reportable events materially impacting the earnings, financial position and performance of the ProSiebenSat.1 Group or ProSiebenSat.1 Media AG respectively occurred between December 31, 2014 and March 6, 2015, the date of authorization of this report for publication and forwarding to the Supervisory Board. The report for the 2014 financial year will be published on March 17, 2015.

Risk Report

Overall Assessment of the Risk Situation – Management View

Identifying and managing potential risks is just as important for a company as recognizing and taking opportunities. In order to deal with risks early and consistently, the ProSiebenSat.1 Group uses effective control systems. This also applies to opportunity management.

The media industry is subject to constant market change and intense competition. We are in a good strategic and operational position to benefit from the market's dynamism and to use it as an opportunity to grow the TV business.

Business Development of the Segments, page 134.

In 2014, we grew profitably in all segments and successfully continued the diversification of our value chain. However, our diversification strategy not only allowed us to realize additional growth potential in 2014, but also to increase our independence from the economically sensitive TV advertising market. At the same time, we have used the favorable capital market conditions to refinance our borrowings. This puts the Group on a sound operational and financial foundation.

Against this backdrop, as of the date of preparation of the Group management report, we consider risks to be limited, and the overall risk situation remains manageable. There has been no fundamental change in the overall risk situation compared with December 31, 2013. There are currently no discernible risks that, individually or in combination with other risks, could have a material or lasting adverse effect on the earnings, financial position and performance of the ProSiebenSat.1 Group over the projection period of two years.

Risk Management System

Risk is defined in this report as a potential future development or 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, 2014, do not therefore come under this definition and are consequently not explained in this Risk Report.

Clear decision-making structures, standardized guidelines, and a methodical approach are a fundamental requirement for secure risk handling across the Group. In view of the momentum of the media sector and the increasing diversity of the ProSiebenSat.1 Group's business areas, processes and organization must be flexible enough to allow an appropriate response to new situations at all times.

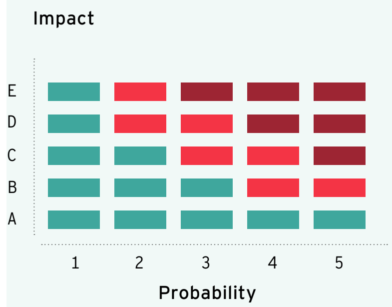
The ProSiebenSat.1 Group has therefore established a standardized risk management system, which focuses on the Group's specific circumstances. It simultaneously covers all activities, products, processes, departments, investments and subsidiaries that could have an impact on the Group's business performance.

Risk management consists of the following steps:

- First of all, material risks are **identified** by means of a target/actual comparison. Those responsible for risk (decentralized risk managers) are guided by early warning indicators defined for all relevant circumstances and key figures.

- The relevant risks are **assessed** on the basis of a three-step matrix: Firstly, the circumstances are assessed in terms of the probability of their occurrence. Secondly, their potential financial impact is estimated. By appraising the risks on the basis of these two dimensions, we can quantify them and classify their relative significance as "high," "medium" or "low" in accordance with the figure below:

Risk classification (Fig. 74)



Impact		
A Very low		≤ EUR 750 k
B Low	> EUR 750 k	≤ EUR 3.000 k
C Medium	> EUR 3.000 k	≤ EUR 8.000 k
D High	> EUR 8.000 k	≤ EUR 15.000 k
E Very high		> EUR 15.000 k
Probability		
1 Very unlikely		≤ 10 %
2 Unlikely	> 10 %	≤ 30 %
3 Possible	> 30 %	≤ 50 %
4 Likely	> 50 %	≤ 80 %
5 Very likely		> 80 %

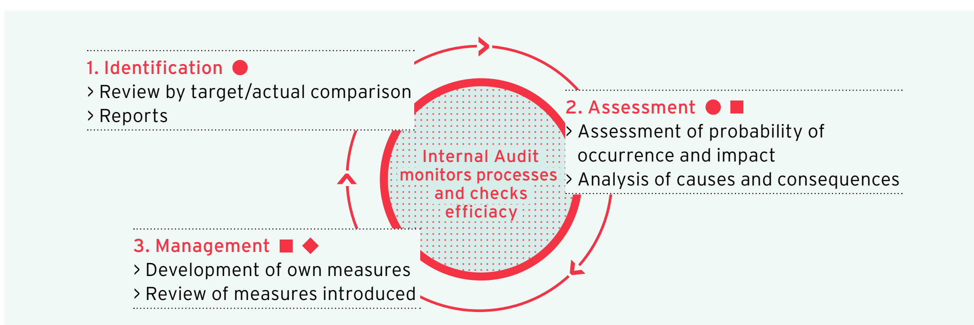
■ Low risk ■ Medium risk ■ High risk

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). In order to obtain the most precise view of the risk situation possible, however, opportunities are not taken into account. The latter are recorded in budget planning.

Intragroup Management System, page 80.

- The third and final step comprises **risk management:** As soon as an indicator reaches a certain tolerance limit, countermeasures are developed and implemented. The defined measures and risks are documented and tracked in reports throughout the year. The objective is to use appropriate measures to reduce the probability of occurrence or limit potential losses and thus add value in the long term.

Risk management process (Fig. 75)



● Decentralized risk manager ◆ Executive Board/Supervisory Board ■ Group Risk & Compliance Officer

The regular classification of risks occurs locally in the different corporate units: The responsible **risk managers** identify the risks according to the standard Group system described and document their results in an IT database every quarter. The **Group Risk and Compliance Officer** reports the risks identified there to the **Executive Board and Supervisory Board**. Relevant risks arising at short notice are reported immediately in addition to quarterly reporting. In this way, the Executive Board and Supervisory Board receive all decisive analyses and data at an early stage in order to respond proactively to emerging threats.

However, the Risk and Compliance Office not only supports the various corporate units 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 compliance of the risk management system. It reports the results directly to the Group CFO.

The audit of the risk management system generated a positive result again in 2014. 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 is based on 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

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, personnel risks, and technological risks. To assess the overall risk situation, we classify the individual clusters on the basis of the above matrix and evaluate their changes in line with their potential probability or occurrence or impact on the Group's overall risk situation.

Our overall risk situation remains limited. It is largely unchanged year-on-year, although some of the individual risk customers have increased or decreased slightly compared to December 31, 2013:

Development of risk clusters and the overall risk situation of the Group as of December 31, 2014 (Fig. 76)

Change 2014 vs. 2013

↗	↘	→	→	→	↗	↘	↑	→
External risks	Sales risks	Content risks	Technological risks	Personnel risks	Financial risks	Compliance risks	Other risks	Overall risk situation

→ unchanged ↗ slight increase ↑ increase ↘ slight decrease

Risk clusters that could materially impact our earnings, financial position and performance as from today's perspective and their development compared to December 31, 2013 are outlined below. 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 (Fig. 77)

Key management measures	**External risks:** Ongoing analysis of economic and industry trends, strategic brand positioning, diversification of the value chain **Sales risks:** Regular and systematic assessment of adverting revenues and market position, cost adjustments or changes in program planning and price policy, diversified customer base **Content risks:** Long-term relationships with licensors and close contact with producers, contractually securing exclusive rights, expansion of an in-house production unit **Technological risks:** Regular investments in the technological infrastructure and IT updates, back-up systems, systematic control **Personnel risks:** Strategic human resources recruitment and development, monitoring key figures
	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 cost and efficiency controlling and ongoing market 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

Future Business and Industry Environment, page 159.

Macroeconomic risks. Our business activities are greatly dependent on the overall economic situation and especially on the development of the markets in which advertising customers operate. In recent years, private consumer spending, which constituted well over half the gross domestic product each year, has correlated particularly strongly to the German TV advertising market.

In the course of 2014, economic prospects for Germany initially continued to dim in view of global uncertainty factors, but growth prospects improved considerably toward the end of the year. Support came from the low price of oil and a weak euro, which was good for exports. Nevertheless, external risks such as the unstable situation in the eurozone remain high. Depending on duration and intensity, substantial negative effects from general economic conditions that could also directly or indirectly affect our revenue performance are currently a possibility. However, we still rate this development as a medium risk.

Opportunity Report, page 154.

This is partly because, with stable labor market conditions, rising household incomes and low inflation, domestic private consumer spending looks set to continue developing positively in 2015. Growth forecasts for the German net TV advertising market predict a low single-digit percentage for 2015 and are similarly optimistic for 2016. At the same time, TV is likely to continue benefiting from future structural changes and increase its relevance as an advertising medium compared to print. High growth rates of close to 10 % are still expected for online advertising.

Segments and Brand Portfolio, page 76.

We analyze potential economic effects continuously and will in future also assess them systematically as part of risk management. In addition, we have defined strategic measures for the long-term optimization of our risk profile: A clear brand profile and reaching new target groups form the core of our multi-station strategy in the TV business. At the same time, we invest consistently in new growth markets like the distribution business, our online portals and e-commerce. We thus generate additional revenues and strengthen our independence from the economically sensitive free TV business. In 2014, the Group already generated 33.6 % of its revenues outside the TV advertising business – an increase of 5.0 percentage points year-on-year.

Media Usage, page 101.

Opportunity Report, page 154.

General industry risks (media usage behavior). With the emergence of digital media at the end of the 1990s, the assumption spread that traditional media such as television could experience a significant loss of importance. While print media are actually at high risk of being substituted as a result of digitalization, television remains the medium that is used most and its use time is holding steady at a high level.

According to a study by SevenOne Media GmbH, media consumption in 2014 climbed to around 670 minutes and reached a new record high at over 11 hours a day. The majority of the media consumption went on TV at nearly 40 % or around 4.5 hours a day, followed by radio at around two hours. Internet content is used for 86 minutes or nearly 1.5 hours a day. TV is also in the lead in terms of daily reach; TV achieves the highest daily reach of all traditional media not only among viewers aged 14 and up (82 %), but also in the younger segment of those surveyed between 14 and 49 years old at more than 74 %. Linear television continues to dominate: More than 95 % of usage time is currently attributable to linear watching on traditional TV sets. However, the main driver of rising media consumption is the internet. Two trends are emerging: The consumption of video content at any time and place is steadily increasing. At the same time, TV and online are increasingly being used together, especially by internet-minded "digital natives."

www.sevenonemedia.de/research

Media Glossary, page 301.

SevenOne Media has been collecting data on the parallel use of TV and internet since as early as 2001. It increased only moderately in the early days and in the German TV market of the mid-2000s it leveled off at around a third of viewers aged between 14 and 49. The parallel use of TV and internet has only grown significantly since 2010 because of the growing pervasion of smartphones and tablets. In 2014, it was 75 % in the 14 to 49 year old target group, 58 % in the total population above 14. Particularly striking is the fact that parallel users surf the internet for 55 minutes longer and watch television for 50 more minutes per day. This shows that the internet is not replacing television, but rather acts as a multiplying factor. The conditions for integrating TV and internet are now present in nearly all German households, and the internet is firmly incorporated into people's everyday lives. Over 80 % of those surveyed aged 14 and above now own one or more second-screen devices; 62 % of the German population aged 14 and above uses the internet every day. This figure is 82 % among 14 to 49 year olds.

The complementary interaction of TV and digital media can also be seen in advertising impact: 80 % of people who have seen a particular product on TV and then searched for it online have made a direct purchase on the internet. For each fourth person, this even happens frequently. This example shows how well TV advertising is complemented by the internet as a distribution and feedback channel. At the same time, television is the most stimulating medium with its high daily reach of 82 %.

Interview with Dr. Ralf Schremper, page 166.

Television is the number one medium in Germany – in both the audience and the advertising markets. TV is also very adaptable to digital media. ProSiebenSat.1 is therefore very well positioned to use the digital trend as a growth opportunity. At an early stage, the Group developed an innovative online offer, established maxdome as the leading online video portal in Germany, and built up an attractive e-commerce portfolio. By inference, we 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 significant financial impact on our core business and thus the entire Group. We therefore rate this as a medium risk overall.

Sales Risks

Media Glossary, page 301.

Media convergence. Technical developments – above all the digitalization of traditional media and the establishment of the internet – have caused media to converge in recent years. In the process, the once strong ties between content and end devices are coming undone: The same content is now used on various channels on different devices. For example, among 14 to 29 year olds around 10 % of TV is received via alternative methods such as live streams or TV sticks connected to PCs and laptops. This development is being driven by broadband internet connections with fast data transfer rates. The high market penetration of convergent devices entails both opportunities and risks for ProSiebenSat.1. While TV and online may be used more often in parallel and the consumption of video content on more and more new multimedia devices may rise, convergence could also lead to a future reduction in TV use. This could in turn have a negative impact on advertising customers' willingness to invest and thus negatively affect prices for TV advertising.

Media Usage, page 101.

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

Selling advertising time. In 2014, the ProSiebenSat.1 Group extended its lead in the German TV advertising market and moderately increased its prices for advertising space. The Group achieved adequate prices on the basis of attractive advertising concepts, program-related communication solutions and not least its high reach. 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 innovative 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.

Broadcasting German-speaking segment: Interview with Thomas Wagner and Wolfgang Link, page 12.

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 financial 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 108.

Should advertising budgets decline, the price level in the selling of advertising time fall or customers default, this could have significant consequences for the Group's revenue and earnings performance. We rate this as a medium risk, but believe it is unlikely to materialize for the reasons given above. The advertising business is particularly sensitive to economic developments. In order to identify potential losses early, we analyze our advertising revenues and advertising market shares regularly. By comparing projections and actual figures with the corresponding prior-year values, budget deviations can be spotted 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, the increasing prevalence of ad blockers represents a risk. These programs, often offered as browser plug-ins, prevent advertising from being displayed and therefore lead to considerable revenue losses in the online sector, which could increase if ad blockers become more widespread and thus result in a significant impact on the future success of the ProSiebenSat.1 Group. The ProSiebenSat.1 Group has taken various measures to limit this risk: The company is introducing technical means that can effectively prevent the ad blockers from functioning. We are also raising our users' awareness with an education campaign called Stromberg-AdUcate. In addition, ProSiebenSat.1 has initiated legal steps and filed an application for an injunction against the operator of the most widespread ad blocker (AdBlock Plus) with the Munich Regional Court (Landgericht München I). However, further prevalence of ad blockers remains a possibility. Overall, we rate the total risk for the ProSiebenSat.1 Group as a medium risk.

Development of the Audience Market, page 102.

Media Glossary, page 301.

Audience shares. Ratings are one of the most important indicators for early risk detection: They measure the reach of a show or an advertising spot and thus reflect how the programming offer meets the taste of the audience. They are therefore both a significant non-financial performance indicator in our internal management system and a means of documenting our performance for our advertising customers. To monitor risks, audience shares are therefore analyzed daily on the basis of data from the Working Group of Television Research (AGF). In this way, we are able to monitor the success of our formats extremely closely 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.

Segments and Brand Portfolio, page 76.

Our station portfolio comprises 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 comparatively new ProSiebenSat.1 stations have continuously increased both their technical reach and their audience market shares. At the same time, the major stations have performed positively following the soccer World Cup: ProSieben is the market leader in its relevant target group and made significant gains over RTL in 2014. SAT.1 is developing stably and extended its lead over rival VOX.

It can be assumed that established station brands like ProSieben and SAT.1 will continue to dominate the market due to their name recognition. The fragmentation of previous years was driven in particular by the opportunities of digital distribution. We are now seeing the first signs that the fragmentation is easing off.

Because of this development, the risk of a potential decline in audience market shares or the reach of advertising spots has decreased slightly in recent months. We believe it is unlikely that this risk will materialize. However, a decline in audience market shares could inherently make a substantial impact on our revenue and earnings performance. We therefore classify this as a medium risk.

Content Risks

Recognizable brands, high reach and interesting content are our competitive edge. This applies both to the TV business and to digital platforms: The ProSiebenSat.1 Group has an extensive portfolio of rights, because it works closely with more than 100 renowned licensors and has its own production arm, the Red Arrow Entertainment Group.

Sustainability, page 84.

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 moderate impact on our earnings performance would be conceivable. Overall, we classify this as a low risk. We base our assessment on the following issues and measures for the management of potential risks:

Financial Risks, page 146.

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

As well as exchange rate fluctuations, price increases could also influence license purchases and therefore our business performance. On the buying market, the ProSiebenSat.1 Group is in competition with other well-funded players – including the public stations. However, we have a strong negotiating position due to close business relationships with licensors and a high purchasing volume. In addition, programming contracts are often signed some years before production and broadcast; this secures 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, as 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. Series such as NAVY CIS and various sitcoms are hugely popular and achieve large audience shares in Germany. Nevertheless, the volume of such shows produced in the USA could decline in future and therefore no longer sufficiently cover demand. However, the ProSiebenSat.1 Group has a diversified supplier base and contracts with all major US studios.

Commissioned and in-house productions. Commissioned and in-house productions (local productions) can sometimes be produced more cheaply than purchased format and programming licenses. In addition, they 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 84.
Media Glossary, page 301.

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 classify the two technological risks cited below as low overall, because their probability of occurrence and impact on the Group's revenue and earnings performance are both rated 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; if necessary with multifaceted protection and operable remotely. Ongoing maintenance and upgrades when needed keep the systems constantly state-of-the-art. In 2014, the basic infrastructure for the power supply at the Unterföhring location was also fully modernized.

The ProSiebenSat.1 Group has fully digitalized its transmission operations and 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 also leveraged time, quality, and cost advantages. The automation of technical processes reduces dependency on manual procedures and thus contributes to minimizing risk.

IT risks. The growing complexity of the system architecture presents the Group with various challenges: failures of systems, applications, or networks are as much potential risks as violations of data integrity and data confidentiality. The effectiveness of the security standards is therefore 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 2014, the Group again subjected all relevant business applications to extensive tests, which confirmed a good degree of maturity.

As well as information technology incidents, unforeseeable events such as natural disasters 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 adopted a comprehensive safety guideline for dealing with emergencies and established a crisis management organization.

Personnel Risks

Employees, page 87.

Innovation, page 86.

In the course of digitalization, the need for qualified specialists and managers is rising. Targeted appeals for applicants and close relationships with universities are crucial in the competition for talented employees, especially in our growth areas. For this reason, the Company implemented new programs and measures for recruitment and to fill vacant positions in 2014. The number of suitable applicants was considerably improved in terms of quantity and quality by means of increased standardization of the application procedure, a careers site optimized for mobile devices and target-group-specific events. Other components in our personnel management include skills development in accordance with requirements and a long-term performance and talent management system that, among other points, begins succession planning for key positions at an early stage. In recent years, the Group has continually expanded the in-house ProSiebenSat.1 Academy's offerings and developed special 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; in addition, the results of our employee survey and various external studies attest the attractiveness of the ProSiebenSat.1 Group as an employer.

Against this backdrop, we believe it is unlikely that personnel risks will occur, but cannot completely rule out a medium negative impact on our revenue and earnings performance. We continue to classify these risks as low.

Financial Risks

Borrowings and Financing Structure, page 126.

The ProSiebenSat.1 Group successfully refinanced its syndicated facility in 2014. In addition to extending maturities, the Group has lowered its borrowing costs and placed its overall financing structure on a broader basis with this transaction: The financial liabilities comprise a term loan and a revolving credit facility each with a five-year term and notes with a term ending in 2021. The ProSiebenSat.1 Group therefore a solid basis financially. However, the Group is exposed to various financial risks in its operating business and especially due to its borrowings. In addition, changes in exchange rates and liquidity shortages can have a negative impact on earnings, financial position and performance. Overall, we still regard the probability of occurrence of financial risks for the Group as very unlikely. However, we see slightly increased currency risk in light of the latest development on the foreign exchange markets and the weakness of the Euro.

Financial risks are assessed and managed centrally by the Group Finance & Treasury unit. The measures to manage or limit the risks are defined in close direct cooperation with the Executive Board. Principles, tasks, and responsibilities are defined on a Group-wide basis and regulated via binding guidelines for all subsidiaries of the ProSiebenSat.1 Group. 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.

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 to the notes to the consolidated financial statements.

Further information as per Section 315 (2) No. 2 German Commercial Code concerning financial instruments can be found in the Notes, Note 35 „Further notes on financial risk management and financial instruments according to IFRS 7," page 254.

Financial Glossary, page 298.

Financing Risk. The Group monitors changes on the money and capital markets on an ongoing basis in order to ensure availability of and access to sufficient funds and the cost efficiency of the financial instruments used at all times. The availability of existing borrowing depends in particular on compliance with specific contractual conditions. The financial covenants of the facilities agreements were complied with once again in 2014; on the basis of our current corporate planning, a violation in the future is similarly not foreseen.

The syndicated facility includes standard market covenants, which are subject to regular assessment. Violations of the covenants could significantly impact our financial position and earnings performance, but we see this as very unlikely to occur. Therefore, we classify the financing risk as low overall.

Counterparty Risks. The Group concludes finance and treasury transactions exclusively with business partners which meet high credit rating requirements. The conclusion of finance and treasury transactions is regulated in internal counterparty guidelines. As well as assessing the credit standing of a counterparty and constantly monitoring counterparty risk, ProSiebenSat.1 limits the probability of occurrence of default risks through a broad diversification of its counterparties. Counterparty risks could have a considerable impact on our earnings performance and financial position. Due to the measures taken, we rate the probability of the occurrence of counterparty risks as very unlikely and the risk as low overall.

Interest rate swaps and foreign currency forward transactions are recognized in hedge accounting as cash flow hedges. More information can be found in the Notes, Note 35 „Further notes on financial risk management and financial instruments according to IFRS 7," page 254. The ProSiebenSat.1 Group does not deploy derivative financial instruments for trading purposes, but only to hedge existing risk positions.

Interest Rate Risks. The ProSiebenSat.1 Group uses interest rate swaps and interest rate options to hedge its variable-interest loans against interest rate fluctuations caused by the market.

As of December 31, 2014, 95% of the entire non-current financing portfolio was hedged with interest rate derivatives. To a minor degree, interest rate risks can also arise in connection with cash drawings on the revolving credit facility. However, as of December 31, 2014, there were no cash drawings on the RCF. In light of this, we believe interest rate risks are unlikely to materialize. However, if this risk does materialize, it could have at most a low negative impact on our earnings performance and financial position. Overall, we classify this as a low risk.

Currency Risks. 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, the hedge ratio in terms of a seven-year period was 70 %. Because of the high hedge ratio, we rate the impact as medium. We believe it is unlikely that this risk will materialize. Overall, we therefore classify currency risks as low.

Financial Glossary, page 298.

Liquidity Risks. Overall, we classify liquidity risks as low, but they could have significant financial consequences. Liquidity is therefore managed centrally through a cash management system. The most important early warning indicator is expected liquidity headroom. This is calculated and assessed regularly by comparing currently available funds and budgeted figures, taking into account seasonal influences. We assess Group liquidity as very good, and assume that the financial headroom will remain sufficient in the coming years. It is therefore very unlikely that this will give rise to risks.

Analysis of Liquidity and Capital Expenditure, page 129.

Financial risks (Fig. 78)

Key management measures	**Financing risks:** Ongoing monitoring of financial covenants **Counterparty risks:** Broad basis of capital providers and strict credit rating checks **Interest and currency risks:** Targeted use of derivative financial instruments **Liquidity risks:** Securing solvency with a central cash management system and ongoing monitoring of liquidity headroom
	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, so we consider the overall probability of occurrence to be very unlikely.

Disclosures on the internal controlling and risk management system in relation to the (consolidated) reporting process (section 315 (2) no. 5 of the German Commercial Code) with explanatory notes (Fig. 79)

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 AG (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 AG 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 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, measurement of the stock option plan, impairment testing of intangible assets) are determined with the assistance of external experts.

> The principal functions of the reporting process — accounting and taxes, controlling, and finance and 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 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

Our business operations result not only in operating and financial risks, but also a wide range of legal risks. Results of legal disputes and cases can considerably damage our business, our reputation, and our brands as well as cause considerable costs. Ways we limit legal risks include cooperation with highly qualified legal experts and targeted staff training. The Group also establishes provisions for legal disputes if there is a present obligation arising from past events, it is probable that settlement will require an outflow of resources embodying economic benefits and the obligation can be measured reliably.

We classify the risks of individual legal and media policy changes or legal offenses differently, with regard to both their probability of occurrence and their potential financial consequences for the Group.

General Compliance

Corporate Governance Report, page 40.

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. It is for this reason that 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.

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.

The work of the Compliance Board is coordinated 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 has been 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.

Other Legal Risks

Regulatory risks. Any unforeseen changes to the legal and regulatory 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, such as with regard to advertising, forms of advertising, broadcasting licenses or competitions. The ProSiebenSat.1 Group 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. 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, particularly in the Broadcasting German-speaking segment, if this risk nevertheless materializes.

Further information of legal disputes can be found in the Notes, Note 33 „Contingent liabilities," page 251.

Claims for disclosure and actions for damages by RTL 2 Fernsehen GmbH & Co. KG and El Cartel Media GmbH & Co. KG. Claims for disclosure and action for damages by RTL 2 Fernsehen GmbH & Co. KG and El Cartel Media GmbH & Co. KG against SevenOne Media GmbH and the stations SAT.1 Satelliten Fernsehen GmbH, ProSieben Television GmbH, kabel eins Fernsehen GmbH and N24 Gesellschaft für Nachrichten und Zeitgeschehen mbH (no longer part of the Group) are pending at the Düsseldorf Regional Court since November 10, 2008. The plaintiff is asserting disclosure and damages claims in connection with the marketing of advertising time by SevenOne Media GmbH. On April 13, 2012, the Regional Court resolved to obtain an expert appraisal on the probability of loss. An expert has since been appointed. It is not yet known when the expert's report will be submitted. The outcome of the case cannot currently be predicted. As a consequence, no provision was recognized as of the reporting date. We believe that this risk may possibly occur and have a medium negative impact on our earnings performance. We therefore classify this as a medium risk.

Section 32a German Copyright Act ("Bestseller"). Authors have made claims on the basis of Section 32a of the Copyright Act against companies of the ProSiebenSat.1 Group, in and out of court. The station group has since agreed so-called "Common Compensation Rules" with three organizations (directors, screenwriters and actors) under section 36 of the Copyright Act, which stipulate that additional compensation be paid to directors, screenwriters and actors if TV movies or series achieve certain ratings. For this issue, a provision of EUR 6.8 million was recognized as of December 31, 2014 (December 31, 2013: EUR 13.8 million). It is possible that third parties will make further justified claims under Section 32a of the Copyright Act that are not covered by the above-mentioned "Common Compensation Rules." Therefore it is still not possible to provide a reliable assessment of the impact on the earnings development primarily in the Broadcasting German-speaking segment, but also in the Digital & Adjacent segment. Overall, we therefore classify this as a medium risk.

Major Events and Changes in the Scope of Consolidation, page 117.

Tax risks in connection with the disposal of subsidiaries in Sweden. The Swedish tax authorities completed the tax audit of a former Swedish branch of the ProSiebenSat.1 Group for the tax years 2008 to 2011 in December 2013 and for the tax years 2012 and 2013 in December 2014. As of December 31, 2014, therefore, all outstanding tax years of the former Swedish branch had been audited. In the judgment of the tax authorities, interest payments connected to the financing of shares in the former TV and radio companies of the SBS Group are not tax deductible in Sweden. The concluding reports of the two audits therefore earmark additional payments totaling approximately SEK 368 million (around EUR 39.2 million as of December 31, 2014). The ProSiebenSat.1 Group appealed against all the tax assessments within the deadline. In accordance with the request, a suspension of the enforcement of the assessments was granted in January 2014 (tax years 2008 to 2011) and in February 2015 (tax years 2012). In June 2014, first instance proceedings were brought before the Swedish Administrative Court regarding the tax years 2008 to 2011. On February 6, 2015, a verdict of first instance was issued in which the Administrative Court followed the legal opinion of the Swedish tax authorities. An appeal against this verdict is possible and currently in preparation. The second instance proceedings are expected to take 12 to 18 months. As things stand, a judicial dispute is also likely for the tax years 2012 and 2013.

The ProSiebenSat.1 Group continues to consider actual claims unlikely and is supported in this opinion by corresponding assessments of renowned Swedish tax and legal consultants. As a consequence, no provisions were recognized as of the reporting date. The probability of occurrence in the context risk management was rated as possible. Occurrence could have a high, one-off impact on our earnings performance up to the maximum amount stated above. Overall, we therefore classify this as a high risk.

Major Events and Changes in the Scope of Consolidation, page 117.

Guarantees from the disposal of the Belgian TV activities. By sale and purchase agreement of April 20, 2011, the ProSiebenSat.1 Group sold its Belgian TV operations to De Vijver NV ("DV"). ProSiebenSat.1 Media AG 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 detailed review and the resulting reassessment of the factual and legal situation, we believe this risk is very unlikely to materialize and rate it as a low risk overall. In this respect, it is still unnecessary to recognize a provision. If the risk were nevertheless to materialize contrary to expectations, this could have a material one-off impact on our results up to the maximum amount of liability stated above.

Patent claims. The Kudelski Group claimed that certain business activities of the ProSiebenSat.1 Group infringed its patent rights. Back in the third quarter of 2014, the provision recognized for this was reversed on the basis of a further detailed review and the resulting reassessment of the factual and legal situation. The case was settled in the fourth quarter of 2014. The risk is therefore no longer relevant.

Compliance risks (Fig. 80)

Key management measures	**General compliance risks:** Group compliance structures and targeted training of employees **Other legal risks:** Close cooperation with legal experts
	We see different levels of impact for the potential financial consequences of individual legal and media policy changes as well as legal offenses, as the differences between compliance risks are in some cases considerable.

Other Risks

Risks from Portfolio Measures (Incubation Business)

Media Glossary, page 301.

With media-for-equity and media-for-revenue-share, the Group has developed an attractive model to tap into new markets – without making major cash investments and therefore without high business risk. Alongside media-for-equity and media-for-revenues investments, the Group enlarges its portfolio with acquisitions. This also includes investing in start-ups provided they are a strategic fit and funding them could prove profitable. Strategically reviewing investments is therefore part of our active portfolio management. Against this backdrop, we analyzed our incubation business in Berlin and separated from certain investments in the reporting period. The incubator EPIC Companies GmbH is in liquidation. Selected investments were integrated into the Group.

The earnings effects resulting from these measures were reported in the Group's income statement for 2014. We do not expect any more noteworthy negative effects in the 2015 financial year. We believe further deviations are unlikely; we rate the financial impact of these potential deviations as well as the overall risk as low.

Risks in Connection with the Sold Eastern European Operations

Major Events and Changes in the Scope of Consolidation, page 117.

There are specific risks in connection with the disposal of the Eastern European TV operations: In connection with the sale of the Hungarian and Romanian operations, there are receivables from a purchase price and a working capital credit (Hungary) and a receivable from a deferred purchase price component (Romania) due from the buyers of the entities sold. The credits and purchase price receivable are subject to impairment risks in the event that the business operations do not generate sufficient cash funds. As of December 31, 2014, the net risk position with regard to the credits and purchase price receivables amounted to EUR 20 million. In addition, the ProSiebenSat.1 Group provided guarantees for various license agreements between the Hungarian and Romanian television stations and Universal Studios, CBS and Programs for Media totaling EUR 32.5 million. The ProSiebenSat.1 Group also granted a bridge loan of up to HUF 1.6 billion (EUR 5.1 million) for the Hungarian operations in early 2015. In the event of payment default, the ProSiebenSat.1 Group has corresponding liquidation rights to the Romanian and Hungarian shares in the amounts of 25% and 100% of the shares respectively. We believe the occurrence of the above risks is possible and cannot rule out a potential material effect on Group earnings up to the maximum of the amounts given above. Moreover, it is possible that the ProSiebenSat.1 Group will reconsolidate the Hungarian entities in the event of a default of payment of the guaranteed license fees, the loans or the purchase price receivable at the relevant maturity date. We classify the overall risk as high.

Opportunity Report

Risk Report, page 137.

In an organizational way we have created all conditions to guarantee that the risk situation is presented and handled transparently, that potential losses are limited and that action is taken early. The ProSiebenSat.1 Group has also implemented effective processes for the identification and management of opportunities.

In the 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 and their managers, so it gains a detailed insight into the business situation. In addition, external studies and the exchange of knowledge with external experts serve as important sources for analyzing the market and competitive situation and identifying growth potential for the ProSiebenSat.1 Group.

The defined opportunities are summarized in the strategy plan and incorporated into the decision-making process during the annual strategy meeting. Relevant opportunities are prioritized, specific objectives are derived, and measures and resources for operational target attainment are determined.

Intragroup Management System, page 80.

Company Outlook, page 161.

Opportunity management is part of the intragroup management system. It is linked to the budget preparation process and is included in both the twelve-month and the multi-year plan. We have already incorporated growth opportunities in our targets for 2015 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. We report on this additional growth potential below. In particular, this potential can arise from a change in general conditions or our market shares. Strategic decisions can also promote additional growth that has not yet or not yet fully been budgeted for.

Overview changes and potentials (Fig. 81)

	Budgeted growth potential	Additional opportunities
Development of general conditions	› Video is the driver of growing internet use and the basis for TV's high popularity › TV is complemented synergistically by online media, growing distribution of paid-content models like video-on-demand (VoD) › HD use grows dynamically	› General conditions or market shares change more rapidly or more favorably than expected
Corporate strategy decisions	› Value creation through diversification and especially digitalization and expansion of the e-commerce business › Tapping into new markets with portfolio measures and internationalization of media-for-revenue-share and media-for-equity (M4R/M4E) portfolios	› Bolt-on acquisitions alone or with strategic partners › Expansion of the station family

Development of General Conditions

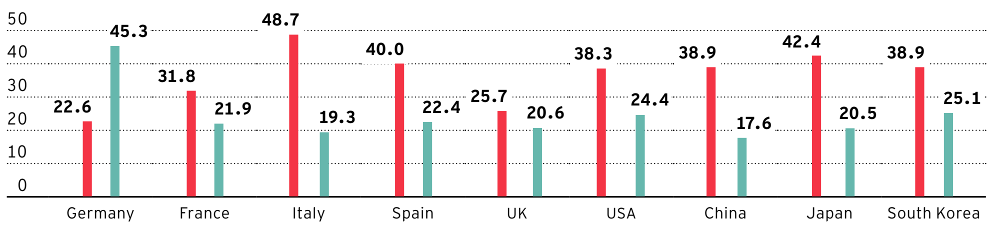
Macroeconomic factors have a major influence on the advertising industry's investment behavior: Low unemployment rates and rising real incomes create positive stimuli in private consumption. In turn, these factors can support the advertising industry's willingness to invest, boost the price level and thus accelerate our Group's revenue growth. Our budgets for 2015 are based on the German TV advertising market growing by a low single-digit percentage. As our target attainment correlates closely with the development of the TV advertising market, a positive deviation from this important planning assumption could potentially accelerate our growth significantly.

Development of the Audience Market, page 102.
Company Outlook, page 161.

In addition to this macroeconomic and structural data, audience ratings could also exceed the figures budgeted internally and raise the price level for advertising space in the medium term. With regard to the reach of our German station portfolio, we expect at least stable development of the audience share in 2015 as a whole.

Market share international TV vs. Print 2014 (Fig. 82)

In percent, total media



TV Print

Source: Zenith Optimedia Advertising Expenditure Forecasts December 2014.

Impact of General Conditions on Business Performance, page 115.

Besides the stable economic development, the structural shift toward video content promotes the growth of the German TV advertising market. The main reason for TV holding onto its strong position is that advertising customers can build up high reach within a short space of time and quickly raise awareness of their brands. In contrast, print is becoming gradually less important in the wake of digitalization. This process is likely to continue in the years to come and further increase the relevance of TV as an advertising medium. In the USA (38.1%), Spain (41.4%), and France (31.9%), a large share of advertising expenditure is already allocated to TV, while print is steadily losing market share. A similar structural change is emerging in Germany.

Basic Principles of Media Policy and Legal Environment, page 98.
Media Glossary, page 301.

We make active use of these growth opportunities to release additional advertising budgets. For example, 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. On this basis, the Group has expanded its portfolio in recent years with target-group-specific stations such as sixx, SAT.1 Gold and ProSieben MAXX and gained numerous new customers (2014: 105) that have advertised on television for the first time. ProSiebenSat.1 will carry on pursuing this multi-station strategy. To this end, in some circumstances the Group will continue complementing its existing station portfolio in order to win print customers over to TV advertising. Models for regional customized advertising are another possibility for acquiring advertising customers, especially companies that have previously relied mostly on print media. ProSiebenSat.1 estimates that regional forms of advertising entails additional market potential of EUR 50 million. In December 2014, the Federal Administrative Court reached a positive verdict in this regard. "Hybrid broadcast broadband TV" (HbbTV) also gives rise to new growth prospects, as advertising messages can be placed individually and tailored to audiences. At the same time, this technology offers the e-commerce business a new sales channel – viewers can order the advertised products directly via their remotes. According to GfK, over 12 million HbbTV-ready sets have been sold in Germany since 2008. The technology is now standard in large parts of Europe, Australia and New Zealand, the Middle East and parts of Asia. In South America and Africa, first countries will start regular service in 2015.

Media Glossary, page 301.

HbbTV combines the high reach of TV with the advantages of the internet: interactivity and a personalized customer approach. However, technical innovations like smart TVs, which make it possible to access the internet and television on one device, not only open new channels for the advertising industry. They also strengthen TV's position as the most-used medium in Germany. Television in HD quality is also contributing to the fact that TV is becoming increasingly attractive in an environment of intense competition. The distribution of HD programs offers our TV business an substantial growth opportunity with recurring revenue potential independent of the economy. From 2011 to 2018, the market research institute TNS Infratest expects the number of HD households in Germany to nearly double and increase to at least 20 million. 2018, they expect round about 9 million users 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 billion, of which around EUR 150 million is to come from the distribution of stations.

Basic Principles of Media Policy and Legal Environment, page 98.

Media Usage, page 101.

The future viability of television is based on the high popularity of video. At the same time, TV and online complement each other with regard to advertising intensity and viewer, and user requirements. This means that TV and the internet are increasingly being used in parallel. In addition to heavier multi-screen use, a rise in paid-content models is emerging. Up to 2018, for example, the pay-VoD market segment relevant to ProSiebenSat.1 is expected to grow by an annual average of 20% to EUR 450 million. This development will benefit from broadband internet access with high data transmission rates and the growing popularity of mobile devices. In a recent study, PricewaterhouseCoopers expects 57% of the German population to have a tablet by 2018. Nearly 80% of Germans are already online. As the ProSiebenSat.1 group has a strong market position in both the TV and digital sector, an acceleration of this trend would have a positive impact on our revenue performance and could lead to the exceeding of our forecast.

In addition to the economic, sector-specific or technological conditions, the regulatory environment could also change more rapidly or more favorably than budgeted and stimulate our growth. For example, additional revenue sources for private TV providers 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 Commission of the German Federal States is currently negotiating further changes in view of the current development of fees. Thereafter, a decision is 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 around EUR 300 million by 2018.

Basic Principles of Media Policy and Legal Environment, page 98.

Corporate Strategic Decisions

The convergence of media and the increasing relevance of the internet are not only exerting a strong influence on the entertainment industry, but also on digital commerce. Thus, e-commerce business in Germany is expected to grow by 12 % annually in the next two years. Thereby, market shares are gradually shifting from traditional commerce to the digital field, meaning that the German e-commerce market could entail revenues of approximately EUR 52 billion in 2017.

In order to take a share of this dynamic growth, the ProSiebenSat.1 Group is expanding its digital portfolio in a targeted manner and has defined various sectors as strategically relevant: Taking its Travel vertical as a model, the Group is now focusing in particular on Home & Living, Fashion & Lifestyle and Beauty & Accessories. In the medium term, each of the defined verticals promises a double-digit margin and potential revenues of over EUR 100 million.

Company Outlook, page 161.
Digital & Adjacent segment: Internationalization of the Ventures Business, page 18.

While the Group has expanded its e-commerce portfolio especially through smaller interests or media-for-equity or media-for-revenue-share partizipations in recent years, in future the Group plans larger bolt-on acquisitions and the increased internationalization of its e-commerce portfolio. We will continue countering potential transaction risks with intensive due diligence and pursuing a leverage factor of 1.5 to 2.5. Key investment criteria include prospects for profitability and synergy potential — i.e. the prospective investments should have the highest possible affinity with TV as an advertising medium or the highest possible interconnectivity with the existing digital portfolio.

Overall Assessment of Future Development – Management View

Comparison of Actual and Expected Business Performance, page 112.

For the ProSiebenSat.1 Group, 2014 marked another year of growth in which we achieved or even exceeded our targets. We are also confident moving forward into 2015: Our revenues are developing as planned, the growth forecasts for TV and our digital markets are positive. Against this backdrop, we expect an increase in Group revenues by a mid to high-single-digit percentage for 2015. At the same time, recurring EBITDA is likely to grow by a mid single-digit percentage, and underlying net income by a high single-digit percentage. We assume that all segments will again contribute to the increase in revenues and earnings.

Our profitable growth is due to the consistent integration of our TV activities with the digital offerings. This strategy forms the foundation of our vision of an integrated broadcasting, digital entertainment and commerce powerhouse. The ProSiebenSat.1 group will continue to make consistent use of its growth opportunities in the core business of TV and strengthen its leading position in the audience and advertising markets. At the same time, we will further advance the dynamic development in the Digital & Adjacent and Content Production & Global Sales segments. The goal is to grow more independent from the economically sensitive advertising market in the future. By 2018, we expect Group revenues to increase by EUR 1 billion compared to 2012.

Interview with Axel Salzmann and Dr. Gunnar Wiedenfels, page 36.

Financial Glossary, page 298.

We give our shareholders an appropriate share in the Company's success and plan to continue paying out 80% to 90% of underlying net income as a dividend. At the same time, we are sticking to the defined target range for the leverage factor of 1.5 to 2.5. This gives ProSiebenSat.1 a stable financial foundation.

Future Business and Industry Environment

Economic Environment and Advertising Market, page 108.

In 2014, the German economy grew by 1.5 % and performed soundly in comparison to the rest of the world. Accordingly, the forecasts for 2015 are positive: While the slump in oil prices is sustaining the domestic economy, the weak euro is benefiting exporters. In addition, monetary policy remains expansionary. Domestic private consumption is also likely to make significant contributions to growth again, with favorable labor market conditions, rising real incomes, low inflation and low interest rates. In Germany, private consumption is the most important macroeconomic expenditure component with a share in GDP of roughly 55 %. Against this backdrop, leading economic research institutes expect real GDP to increase by around 1.5 %. In its latest annual projection from January, the German government also forecasts real GDP growth of 1.5 %. Back in October, it predicted growth of 1.3 % for this year.

On the other hand, economic experts see external economic risks: These include the economic situation in China, Russia and Japan and a potential overheating of stock and property markets, especially in China. There are also ongoing structural problems in the euro zone and modest export prospects in important emerging countries, which could inhibit companies' already limited willingness to invest. Negative effects could also be generated by geopolitical risks. Accordingly, the International Monetary Fund (IMF) expects the global economy to grow by 3.5 % in 2015. For the euro zone, the IMF anticipates growth of 1.2 % compared to 2014.

Impact of General Conditions on the Business Performance, page 115.

The development of advertising markets is closely related to the current and expected general economic situation: If the economy develops positively, companies and consumers are more willing to invest additional money in advertising or consumption than in economically weak phases. This was demonstrated again in 2014: Positive economic development promoted advertising industry investment in Germany. For this purpose the Association of German Advertisers (Zentralverband der deutschen Werbewirtschaft, ZAW) will publish final figures in May 2015. According to forecasts, the net growth of the TV advertising market is expected to have increased by about 3 % (Zenith: +3.3 %, WARC: +2.9 %, PwC: +3.0 %).

Media Usage, page 101.

Forecasts are also confident for 2015; the German TV market will again grow (Zenith: +2.8 %, WARC: +1.9 %). In addition to supportive economic effects, television is also set to continue benefiting from the fact that with digitalization print becomes significantly less important. In contrast, TV remains the most important mass medium and is continuously increasing its relevance as an advertising medium. This structural change is likely to continue in the years to come.

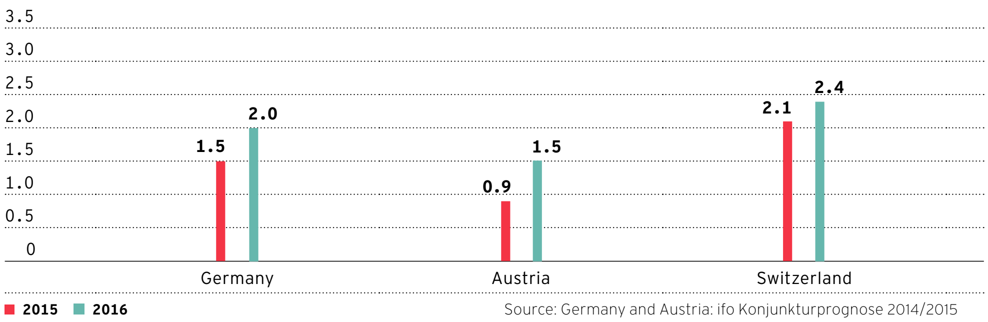
Furthermore, due to structural characteristics, linear TV in Germany is under less pressure. In contrast to the USA or Scandinavian countries, Germany is less fragmented, characterized by fewer commercial breaks, and on average the shows are of higher quality. In addition, despite the diverse digital offerings, linear television still dominates in Germany; more than 95 % of usage time is currently attributable to watching on traditional TV sets. Among other reasons, this is because the penetration of smart TVs, the expansion of broadband internet and digital affinity are not yet as advanced in Germany as in the USA, Great Britain or Scandinavia.

Opportunity Report, page 154.

Nonetheless, the main driver of rising media consumption in this country remains the internet. Thereby, TV and digital media complement each other. Against this backdrop, the prospects for digital media are similarly positive: In-stream video advertising is likely to develop particularly dynamically and drive growth. Video-on-demand will also continue its significant growth; the market volume is expected to climb by 20 % to 40 % every year until 2018. 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 (Fig. 83)

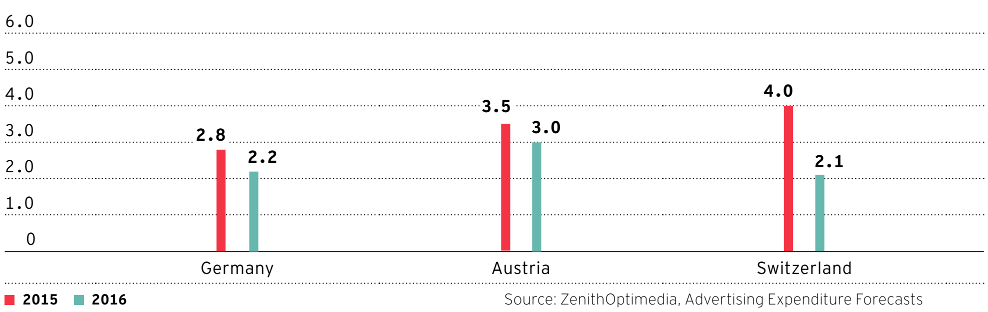
in percent, change vs. previous year



Source: Germany and Austria: ifo Konjunkturprognose 2014/2015 from 11.12.2014; European Commission, European Economic Forecast, Winter 2015; Switzerland: Secretary of State for Economy SECO.

Forecast development of the TV advertising market in countries important for ProSiebenSat.1 (Fig. 84)

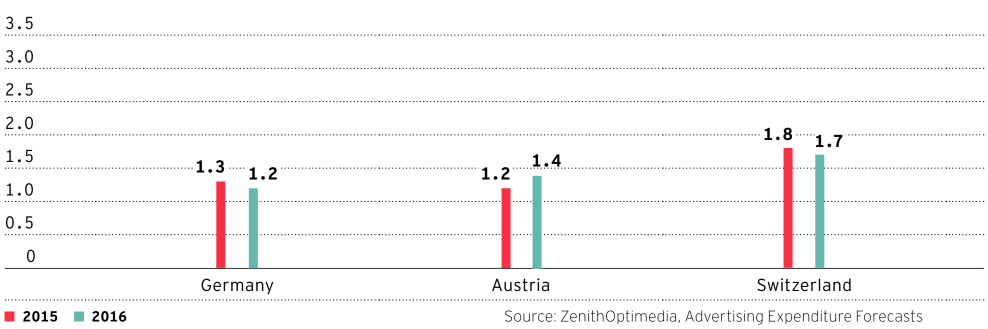
in percent, change vs. previous year



Source: ZenithOptimedia, Advertising Expenditure Forecasts December 2014, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

Forecast development of the overall advertising market in countries important for ProSiebenSat.1 (Fig. 85)

in percent, change vs. previous year



Source: ZenithOptimedia, Advertising Expenditure Forecasts December 2014, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

Company Outlook

Basis of the Forecast

Economic Environment and Advertising Market, page 108.

According to the ifo Institute's forecast, Germany remains on course for stable growth due to the ongoing positive consumer climate. This has positive effects on the German TV advertising market: In accordance with the market research institutes, we based our planning for 2015 on a net growth of the German advertising market of 2 % to 3 % and expect to grow at least on market level.

Development of the Audience Market, page 102.

In addition to the market growth, we include the high reach of TV into our economic considerations. The fragmentation of the media usage leads to an increasing value of television's high reach for advertisers. We incorporate this competitive edge into our pricing. For this reason, we will increase our prices for TV advertising by a low to mid single-digit percentage in 2015. Hereby we also rely on a strong position in the audience market: In 2014, ProSiebenSat.1 further enhanced its market share compared to its main competitor. The German station family generated a combined market share of 28.7 % (previous year: 28.1 %) of viewers aged 14 to 49, despite the competitive environment of a sport year. We expect to at least maintain our leading position in the audience market in 2015.

Opportunity Report, page 154.

In 2014, the ProSiebenSat.1 Group generated around 59 % of its revenues by selling TV advertising in Germany. The development on the German TV advertising market is therefore our most important planning assumption. In the Opportunity Report we report on the development of digital markets, which affects our business performance in the Digital & Adjacent segment in particular.

Expected Group and Segment Revenue and Earnings Performance

This Company Outlook only provides a qualitative/comparative forecast for the relevant key financial figures of the 2015 to 2016 projection period. The indicators "slight increase," "mid single-digit increase," "mid to high single-digit increase," "high single-digit increase," and "significant increase" are based on expected percentage deviations from the respective previous year.

We had a good start to the 2015 financial year in all segments and continue to benefit from a favorable economic climate. Our revenues in the core business of advertising-financed television and in our strategic growth areas are developing as planned, consequently we expect consolidated revenues to increase by a mid to high single-digit percentage in 2015. In the 2016 projection period, Group revenues are also likely to increase on the same level.

In the future, the Group will continue to invest in sustainable growth in all segments and diversify its revenue portfolio. The associated cost increase will be offset by additional disproportionately high growth in revenues; therefore we forecast EBITDA and recurring EBITDA to increase by a mid single-digit percentage in 2015 and 2016. Compared to the relevant European peer group companies, we are likely to continue achieving above-average margins. We expect underlying net income to grow by a high single-digit percentage in 2015 and 2016.

Forecast for Group key figures – 2-year view (Fig. 86)

EUR m	2014	Forecasts[1] 2015/2016
Revenues	2,875.6	Mid to high single-digit increase
EBITDA	818.4	Mid single-digit increase
Recurring EBITDA	847.3	Mid single-digit increase
Underlying net income	418.9	High single-digit increase
Leverage factor[2]	1.8[2]	1.5–2.5

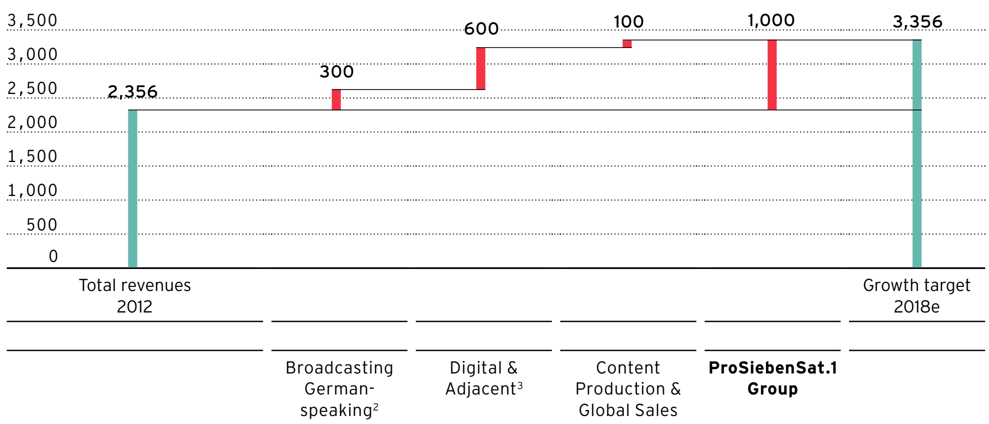
1 Percentage change vs. previous year.
2 Adjusted for the LTM recurring EBITDA contribution of Northern and Eastern European operations.

Comparison of Actual and Expected Business Performance, page 112.
Strategy and Management, page 79.

The Group has identified the biggest potentials in the interlinking of the high-reach TV offering and the dynamically growing digital industry. The Group is thus diversifying its business areas and tapping into new sources of revenues that are independent of the economically sensitive advertising market. In some cases, the expansion of the Digital & Adjacent activities and other growth areas was advanced more quickly than planned. At Group level, by 2018 we expect revenues to increase by EUR 1 billion compared with 2012. The operating margin of the additional revenues at Group level is expected to be 20% to 25% in 2018.

Revenue growth targets 2018 (Fig. 87)

EUR m[1]



e = estimate
1 Growth of external revenues vs. 2012 from continuing operations.
2 External revenues including pay TV.
3 External revenues not including 9Live and pay TV.

- **Broadcasting German-speaking segment:** In view of the positive start to the year, we expect a further increase of revenues in the German television market. Net prices for TV advertising are expected to continue growing. For 2015 and 2016, the Group plans to at least maintain or to slightly expand its leading position in the audience and TV advertising markets. In addition, with the distribution of its HD stations, the ProSiebenSat.1 Group has established another dynamically growing business area within its TV business. Against this backdrop, we expect to continue our profitable growth in the Broadcasting German-speaking segment and anticipate a further increase in revenues and recurring EBITDA in the next two years.

Basic Principles of Media Policy and Legal Environment, page 98.
Interview with Conrad Albert, page 68.
Financial Glossary, page 298.

Intragroup Management System, page 80.

Media Glossary, page 301.

- **Digital & Adjacent segment:** In the Digital & Adjacent segment, the dynamic growth is likely to continue. For 2015 and 2016, we are again planning a significant increase in revenues and recurring EBITDA. We also expect a significant increase in EBITDA in the next two years. Due to diverging business models, the recurring EBITDA margins of the Digital & Adjacent segment are at around 20 %, as expected, slightly lower than in the core TV business. In the years to come, we aim to secure our leading competitive position in attractive digital entertainment markets and establish new verticals in the digital commerce sector. In addition, we will forge ahead with the internationalization of our digital business.

- **Content Production & Global Sales segment:** In the Content Production & Global Sales segment, we used acquisitions to become an established player in important TV markets such as the USA and the UK within previous years. In 2014, the Red Arrow Entertainment Group further strengthened its position in the US television market via a majority interest in the US production company Half Yard Productions. At the same time, the focus was on the consolidation of our investments and organic growth. In the financial year 2015, Red Arrow wants to strengthen its presence in the English-speaking markets via the existing subsidiaries and promote business with successful digital companies. Revenues and recurring EBITDA are expected to achieve a mid to high single-digit increase in the next two years.

Content Production & Global Sales segment: Production for Streaming Platforms, page 22.

Forecast for segment key figures – 2-year view (Fig. 88)

EUR m	2014 External revenues	2014 Recurring EBITDA	Forecasts[1] 2015/2016 External revenues	Forecasts[1] 2015/2016 Recurring EBITDA
Broadcasting German-speaking	2,062.7	702.8	Slight increase	Slight increase
Digital & Adjacent	610.7	129.3	Significant increase	Significant increase
Content Production & Global Sales	202.2	119.1	Mid to high single-digit increase	Mid to high single-digit increase

1 Percentage change vs. previous year.

Future Financial Position and Performance

Proposed Allocation of Profits, page 35.

ProSiebenSat.1 lets its shareholders participate in the Company's success appropriately. We intend to continue our current earnings-oriented dividend policy and distribute an annual dividend of 80 % to 90 % of underlying net income. For 2014, we will propose a dividend of EUR 1.60 per common share (previous year: EUR 1.47). This represents an expected payout of EUR 342 million or 81.6 % of underlying net income. This results in an attractive dividend yield of 4.6 % (previous year: 4.1 %) compared to the closing price at the end of 2014.

Financial Glossary, page 298.

The ProSiebenSat.1 Group's objective is to participate in the growth of dynamic markets and to establish its own brands there at an early stage. The Company will therefore continue to use its free cash flow also for strategic growth investments. In recent years, the ProSiebenSat.1 Group has expanded its portfolio primarily through smaller acquisitions or media-for-equity respectively media-for-revenue-share partnerships without large cash investments. In the future, the Group will also examine opportunities for growth through larger bolt-on acquisitions in the Digital & Adjacent segment alone or together with partners, if they fit from a strategic viewpoint and contribute to the growth of the whole Group.

Financing Analysis, page 128.

The expected operating performance is also likely to have a positive impact on our liquidity level and our free cash flow before M&A activities. In the future, the largest part of our investments with about EUR 900 million will continue to be made into the programming assets of the Broadcasting German-speaking segment. At the same time, the Group will adhere to the targeted leverage factor of 1.5 to 2.5.

Major Events and Changes in the Scope of Consolidation, page 117.

Borrowings and Financing Structure, page 126.

As of December 31, 2014, the Group was in a sound financial position with an equity ratio of 19.3 % and had an efficient financial structure with a leverage factor of 1.8. Through the placement of notes and the new facilities agreement, the Group has recently further optimized its financing and placed it on a broader basis at attractive conditions. At the same time, the ProSiebenSat.1 Group extended and diversified its maturity profile. Thanks to these measures, the Group also expects financing costs and cash flow (before taxes) to improve by approximately EUR 50 million over a period of four years.

CONSOLIDATED FINANCIAL STATEMENTS

C

CONSOLIDATED FINANCIAL STATEMENTS

Contents

During the last four years, Ralf Schremper has positioned the ProSiebenSat.1 Group's portfolio for strong growth. From April 2015, he will manage the Company's investment strategy as a member of the Executive Board.

Dr. Ralf Schremper, Member of the Executive Board, Corporate Strategy and Investments, ProSiebenSat.1 Media AG (from April 1, 2015)

Dr. Ralf Schremper

»AN ACQUISITION MUST LEAD TO A CLEAR GROWTH IN VALUE.«

You will be responsible for the newly created "Corporate Strategy and Investments" executive department from April 2015. Is this the starting signal for an offensive acquisition phase?

Ralf Schremper: It's a sign that ProSiebenSat.1 is continuing to pursue a consistent mergers and acquisitions growth strategy. The focus is on the Digital & Adjacent and Content Production & Global Sales segments.

ProSiebenSat.1 has significantly boosted its digital commerce business in the last few years with an innovative idea: You offer start-ups advertising space on your stations and in return receive a share in equity and/or revenues. How has this model turned out?

Ralf Schremper: Excellently. We're a pioneer on the German media market with the media-for-equity and media-for-revenue-share deals, and have built up several e-commerce verticals such as Travel, Home & Living, Fashion & Lifestyle or Beauty & Accessories. We're gradually rounding these off with acquisitions. Each vertical has the potential to generate over EUR 100 million in revenues in the medium term. The model is working so well that we now want to internationalize it.

With your investments in start-ups, you sometimes pursue exit strategies, like with lieferando.de and Tirendo. When is the optimum time for an exit?

Ralf Schremper: When there's a favorable opportunity, we'll use it. We expect to generate exit proceeds of EUR 10 million per year. As an active investor, however, we basically want to help build up a business without any time pressure and to increase the enterprise value.

With the sale of its TV and radio stations in Belgium, the Netherlands as well as Northern and Eastern Europe, the Group has gained more financial scope again. Is this now the era for M&A in cash?

Ralf Schremper: An acquisition isn't just a question of financial scope for us, but above all of quality. The investment must always lead to clear growth in value for the Group and must generate concrete synergies with TV and other areas of business. We carry out cash acquisitions with strategic investments in particular. In 2014, for example, we acquired a stake in the multi-channel network Collective Digital Studio and strengthened the English-language production business of the Red Arrow Entertainment Group with targeted investments such as the takeover of Half Yard.

What funding do you have available?

Ralf Schremper: On the debt side, the corridor is at a leverage between 1.5 and 2.5. The dividend payment of 80% to 90% of the underlying net income defines the volume on the income side. We adhere strictly to these financial guard rails.

Do you have a motto to support you in your professional life?

Ralf Schremper: With each acquisition, I'd like to have a good feeling that I would also invest as a private investor. If you're completely convinced of a decision in life, it's the right way. <

Income Statement

Income Statement of ProSiebenSat.1 Group (Fig. 89)

EUR m			2014	2013	Change	Change in %
CONTINUING OPERATIONS						
1.	Revenues	[8]	2,875.6	2,605.3	+270.4	+10.4%
2.	Cost of sales	[9]	-1,560.4	-1,431.8	-128.6	-9.0%
3.	**Gross profit**		**1,315.3**	**1,173.5**	**+141.8**	**+12.1%**
4.	Selling expenses	[10]	-312.2	-243.5	-68.7	-28.2%
5.	Administrative expenses	[11]	-331.5	-285.7	-45.8	-16.0%
6.	Other operating expenses	[12]	-4.8	-0.8	-4.0	>-100.0%
7.	Other operating income	[13]	27.9	25.4	+2.5	+9.6%
8.	**Operating profit**		**694.5**	**668.9**	**+25.7**	**+3.8%**
9.	Interest and similar income		3.6	6.5	-2.9	-44.7%
10.	Interest and similar expenses		-101.5	-135.0	+33.5	+24.8%
11.	Interest result	[14]	-97.9	-128.5	+30.7	+23.8%
12.	Income from investments accounted for using the equity method	[15]	2.9	5.1	-2.3	-44.2%
13.	Other financial result	[15]	-39.4	-18.6	-20.8	>-100.0%
14.	**Financial result**		**-134.4**	**-142.0**	**+7.6**	**+5.3%**
15.	**Profit before income taxes**		**560.1**	**526.9**	**+33.2**	**+6.3%**
16.	Income taxes	[16]	-178.6	-162.2	-16.4	-10.1%
17.	**Profit for the period from continuing operations**		**381.5**	**364.6**	**+16.8**	**+4.6%**
DISCONTINUED OPERATIONS						
18.	Result from discontinued operations (net of income taxes)	[7]	-27.1	-47.6	+20.5	+43.0%
PROFIT FOR THE PERIOD			**354.3**	**317.0**	**+37.3**	**+11.8%**
	Attributable to shareholders of ProSiebenSat.1 Media AG		346.3	312.1	+34.2	+11.0%
	Non-controlling interests		8.0	4.9	+3.1	+64.4%
EUR						
	Earnings per share					
	Basic earnings per share	[17]	1.62	1.47	+0.16	+10.7%
	Diluted earnings per share	[17]	1.61	1.45	+0.16	+11.0%
	Earnings per share from continuing operations					
	Basic earnings per share	[17]	1.75	1.69	+0.06	+3.7%
	Diluted earnings per share	[17]	1.74	1.67	+0.07	+3.9%
	Earnings per share from discontinued operations					
	Basic earnings per share	[17]	-0.13	-0.22	+0.10	+42.8%
	Diluted earnings per share	[17]	-0.13	-0.22	+0.09	+42.7%

Statement of Comprehensive Income

Statement of Comprehensive Income of ProSiebenSat.1 Group (Fig. 90)

EUR m	2014	2013	Change	Change in %
Profit for the period	**354.3**	**317.0**	**+37.3**	**+11.8%**
Items subsequently reclassified to profit or loss				
Change in foreign currency translation adjustment[1]	5.3	-16.6	+21.9	-/-
Changes in fair value of cash flow hedges	139.9	14.7	+125.2	>+100.0%
Deferred tax on other comprehensive income	-39.1	-4.0	-35.1	>-100.0%
Deconsolidation reclassifications	16.7	-35.7	+52.5	-/-
Items subsequently not reclassified to profit or loss				
Effects from valuation of pension obligations	-1.8	-0.9	-0.9	>-100.0%
Deferred tax on effects from valuation of pension obligations	0.5	0.2	+0.3	>+100.0%
Other comprehensive income for the period	**121.4**	**-42.3**	**+163.8**	**-/-**
Total comprehensive income for the period	**475.8**	**274.7**	**+201.1**	**+73.2%**
Attributable to Shareholders of ProSiebenSat.1 Media AG	467.7	269.7	+198.1	+73.4%
Non-controlling interests	8.0	5.0	+3.0	+61.0%

1 Includes non-controlling interests from change in foreign currency translation adjustment in 2014 of 0.0 EUR m (2013: 0.1 EUR m) as well as amounts associated with assets and liabilities held for sale of -1.1 EUR m (2013: 1.2 EUR m).

Statement of Financial Position

Statement of Financial Position of ProSiebenSat.1 Group (Fig. 91)

EUR m			12/31/2014	12/31/2013	Change
A.	**Non-current assets**				
I.	Intangible assets	[19]	1,307.5	1,164.5	+143.0
II.	Property, plant and equipment	[20]	213.7	204.8	+8.9
III.	Investments accounted for using the equity method	[21]	39.2	15.9	+23.3
IV.	Non-current financial assets	[24]	216.0	60.9	+155.1
V.	Programming assets	[22]	1,101.7	1,064.6	+37.1
VI.	Non-current tax assets		0.0	0.0	-/-
VII.	Other receivables and non-current assets	[25]	6.1	4.0	+2.1
VIII.	Deferred tax assets	[16]	13.3	20.7	-7.4
			2,897.5	**2,535.4**	**+362.1**
B.	**Current assets**				
I.	Programming assets	[22]	110.2	137.1	-26.9
II.	Inventories	[23]	1.3	1.3	+0.1
III.	Current financial assets	[24]	45.6	4.8	+40.8
IV.	Trade receivables	[24]	318.1	326.3	-8.2
V.	Current tax assets		27.7	49.3	-21.6
VI.	Other receivables and current assets	[25]	29.6	37.4	-7.8
VII.	Cash and cash equivalents	[26]	470.6	395.7	+74.9
VIII.	Assets held for sale		-/-	68.8	-68.8
			1,003.2	**1,020.7**	**-17.5**
	Total assets		**3,900.7**	**3,556.0**	**+344.6**

EUR m			12/31/2014	12/31/2013	Change
A.	**Equity**	[27]			
I.	Subscribed capital		218.8	218.8	-/-
II.	Capital reserves		592.4	585.7	+6.7
III.	Consolidated equity generated		-22.7	-55.8	+33.0
IV.	Treasury shares		-30.5	-37.6	+7.2
V.	Accumulated other comprehensive income from continuing operations		8.8	-97.0	+105.8
VI.	Accumulated other comprehensive income associated with assets and liabilities held for sale		-/-	-15.6	+15.6
VII.	Other equity		-28.4	-24.6	-3.8
	Total equity attributable to shareholders of ProSiebenSat.1 Media AG		738.4	573.9	+164.5
VIII.	Non-controlling interests		15.5	10.2	+5.3
			753.9	**584.1**	**+169.8**
B.	**Non-current liabilities**				
I.	Non-current financial debt	[30]	1,973.1	1,842.0	+131.1
II.	Other non-current financial liabilities	[30]	206.0	225.9	-19.9
III.	Trade payables	[30]	37.0	20.6	+16.4
IV.	Other non-current liabilities	[31]	37.8	4.4	+33.3
V.	Provisions for pensions	[28]	19.8	15.5	+4.3
VI.	Other non-current provisions	[29]	6.2	3.8	+2.4
VII.	Deferred tax liabilities	[16]	130.0	81.5	+48.5
			2,409.8	**2,193.7**	**+216.1**
C.	**Current liabilities**				
I.	Current financial debt	[30]	-/-	0.0	-/-
II.	Other current financial liabilities	[30]	56.4	85.5	-29.1
III.	Trade payables	[30]	374.6	352.5	+22.1
IV.	Other current liabilities	[31]	228.5	223.2	+5.3
V.	Provisions for taxes		27.6	21.4	+6.1
VI.	Other current provisions	[29]	49.8	55.4	-5.6
VII.	Liabilities associated with assets held for sale		-/-	40.2	-40.2
			736.9	**778.3**	**-41.3**
	Total equity and liabilities		**3,900.7**	**3,556.0**	**+344.6**

Cash flow Statement

Cash flow Statement of ProSiebenSat.1 Group (Fig. 92)

EUR m	2014	2013
Profit from continuing operations	381.5	364.6
Profit from discontinued operations (net of income taxes)	-27.1	-47.6
of which gain/loss on the sale of discontinued operations (net of tax)	-14.0	77.0
Profit for the period	**354.3**	**317.0**
Income taxes	178.6	162.2
Financial result	134.4	142.0
Depreciation/amortization and impairment of intangible and tangible assets	123.8	88.9
Consumption/reversal of impairment of programming assets	862.7	847.2
Change in provisions for pensions and other provisions	3.0	21.3
Gain/loss on the sale of assets	5.0	-3.2
Other non-cash income/expenses	0.9	2.9
Cash flow from continuing operations	1,690.0	1,626.1
Cash flow from discontinued operations	-4.6	108.2
Cash flow total	**1,685.4**	**1,734.3**
Change in working capital	-12.2	-14.8
Dividends received	5.7	5.9
Income tax paid	-163.4	-135.6
Interest paid	-91.2	-137.0
Interest received	2.1	3.8
Payments for financing costs from derivatives	-6.3	-/-
Cash flow from operating activities of continuing operations	1,424.8	1,348.3
Cash flow from operating activities of discontinued operations	19.5	58.4
Cash flow from operating activities total	**1,444.3**	**1,406.8**
Proceeds from disposal of non-current assets	7.9	3.6
Payments for the acquisition of intangible and tangible assets	-99.2	-93.8
Payments for the acquisition of financial assets	-47.8	-18.2
Proceeds from disposal of programming assets	7.3	12.1
Payments for the acquisition of programming assets	-889.7	-860.2
Payments for loans to associated companies	-0.1	-/-
Payments for loans to Group companies - not consolidated	-/-	-2.6
Payments for loans to other investments	-0.2	-0.8
Payments for the issuance of loan receivables to external parties	-5.9	-/-
Proceeds for the issuance of loan repayments from external parties	5.0	-/-
Cash flow from obtaining control of subsidiaries or other business (net of cash and cash equivalents acquired)	-122.2	-56.6
Cash flow from losing control of subsidiaries or other business (net of cash and cash equivalents disposed of)	-3.5	-1.7
Cash flow from investing activities of continuing operations	-1,148.4	-1,018.3
Cash flow from investing activities of discontinued operations	-25.2	1,181.9
of which proceeds from disposal of discontinued operation (net of cash disposed of)	-6.4	1,312.3
Cash flow from investing activities total	**-1,173.6**	**163.6**
Free cash flow of continuing operations	276.5	330.1
Free cash flow of discontinued operations	-5.7	1,240.3
Free cash flow	**270.7**	**1,570.4**

Cash flow Statement continued

EUR m	2014	2013
Free cash flow (amount carried over from page 172)	**270.7**	**1,570.4**
Dividends paid	-313.4	-1,201.4
Repayment of interest-bearing liabilities	-459.8	-1,032.5
Proceeds from issuance of interest-bearing liabilities	600.0	300.6
Repayment of finance lease liabilities	-9.6	-9.0
Proceeds from the sale of treasury shares	7.2	9.7
Payments for shares in other entities without change in control	-0.1	-1.4
Payments in connection with refinancing measures	-23.6	-8.8
Dividend payments to non-controlling interests	-8.9	-10.5
Cash flow from financing activities of continuing operations	-208.3	-1,953.2
Cash flow from financing activities of discontinued operations	0,0	-2.3
Cash flow from financing activities total	**-208.3**	**-1,955.5**
Effect of foreign exchange rate changes of continuing operations on cash and cash equivalents	4.0	-0.9
Effect of foreign exchange rate changes of discontinued operations on cash and cash equivalents	-0.3	-2.2
Change in cash and cash equivalents total	**66.1**	**-388.2**
Cash and cash equivalents at beginning of reporting period[1]	404.5[1]	792.6[1]
Cash and cash equivalents at end of reporting period[1]	**470.6**	**404.5**[1]
Cash and cash equivalents classified under assets held for sale at end of reporting period	–/–	-8.8
Cash and cash equivalents of continuing operations at end of reporting period (statement of financial position)	**470.6**	**395.7**

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

Statement of Changes in Equity

Statement of Changes in Equity of ProSiebenSat.1 Group 2013 (Fig. 93)

EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Accumulated other comprehensive income: Fair value changes of cash flow hedges	Accumulated other comprehensive income: Valuation of provisions for pensions	Accumulated other comprehensive income: Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media AG	Non-controlling interests	Total equity
December 31, 2012 – reported	218.8	581.6	829.6	-47.4	36.6	-142.9	-/-	39.9	-20.5	1,495.9	5.0	1,500.9
Adjustment from the adoption of IAS 19 (2011)	-/-	-/-	3.8	-/-	-/-	-/-	-5.3	1.5	-/-	0.0	-/-	0.0
December 31, 2012 – adjusted	218.8	581.6	833.4	-47.4	36.6	-142.9	-5.3	41.4	-20.5	1,495.8	5.0	1,500.8
Profit for the period	-/-	-/-	312.1	-/-	-/-	-/-	-/-	-/-	-/-	312.1	4.9	317.0
Other comprehensive income[1]	-/-	-/-	-/-	-/-	-16.7	14.7	-0.9	-3.8	-/-	-6.7	0.1	-6.6
Deconsolidation reclassifications	-/-	-/-	-/-	-/-	-36.8	1.4	-/-	-0.4	-/-	-35.7	-/-	-35.7
Total comprehensive income	**-/-**	**-/-**	**312.1**	**-/-**	**-53.5**	**16.1**	**-0.9**	**-4.2**	**-/-**	**269.7**	**5.0**	**274.7**
Dividends paid	-/-	-/-	-1,201.4	-/-	-/-	-/-	-/-	-/-	-/-	-1,201.4	-10.5	-1,211.8
Share-based payments	-/-	4.1	-/-	9.7	-/-	-/-	-/-	-/-	-/-	13.8	-/-	13.8
Other changes	-/-	-/-	0.0	-/-	-/-	-/-	-/-	-/-	-4.1	-4.1	10.7	6.6
December 31, 2013	**218.8**	**585.7**	**-55.8**	**-37.6**	**-16.9**	**-126.8**	**-6.2**	**37.2**	**-24.6**	**573.9**	**10.2**	**584.1**

1 Excluding effects from deconsolidation which are shown separately. Includes amounts associated with assets and liabilities held for sale from foreign currency translation (1.2 EUR m).

Statement of Changes in Equity of ProSiebenSat.1 Group 2014 (Fig. 94)

EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Accumulated other comprehensive income: Fair value changes of cash flow hedges	Accumulated other comprehensive income: Valuation of provisions for pensions	Accumulated other comprehensive income: Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media AG	Non-controlling interests	Total equity
December 31, 2013	218.8	585.7	-55.8	-37.6	-16.9	-126.8	-6.2	37.2	-24.6	573.9	10.2	584.1
Profit for the period	-/-	-/-	346.3	-/-	-/-	-/-	-/-	-/-	-/-	346.3	8.0	354.3
Other comprehensive income[1]	-/-	-/-	-/-	-/-	5.2	139.9	-1.8	-38.6	-/-	104.7	0.0	104.7
Deconsolidation reclassifications	-/-	-/-	-/-	-/-	16.7	-/-	-/-	-/-	-/-	16.7	-/-	16.7
Total comprehensive income	**-/-**	**-/-**	**346.3**	**-/-**	**22.0**	**139.9**	**-1.8**	**-38.6**	**-/-**	**467.7**	**8.0**	**475.8**
Dividends paid	-/-	-/-	-313.4	-/-	-/-	-/-	-/-	-/-	-/-	-313.4	-8.9	-322.3
Share-based payments	-/-	6.7	-/-	7.2	-/-	-/-	-/-	-/-	-/-	13.9	-/-	13.9
Other changes	-/-	-/-	0.1	-/-	-/-	-/-	-/-	-/-	-3.8	-3.6	6.2	2.5
December 31, 2014	**218.8**	**592.4**	**-22.7**	**-30.5**	**5.1**	**13.0**	**-7.9**	**-1.4**	**-28.4**	**738.4**	**15.5**	**753.9**

1 Excluding effects from deconsolidation which are shown separately. Includes amounts associated with assets and liabilities held for sale from foreign currency translation (-1.1 EUR m).

Notes

Basis of Preparation

1 General information

ProSiebenSat.1 Media AG is a listed stock corporation under German law and, as the ultimate parent company of the Group, is registered under the name ProSiebenSat.1 Media AG with the Munich District Court, Germany (HRB 124 169). 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). Its registered head office is in Unterföhring. Its address is: ProSiebenSat.1 Media AG, Medienallee 7, 85774 Unterföhring, Germany.

ProSiebenSat.1 Media AG and its subsidiaries (together "the Company," "ProSiebenSat.1 Group," "Group") is one of Europe's leading media companies. The Group is divided into the three reporting segments "Broadcasting German-speaking," "Digital & Adjacent" and "Content Production & Global Sales." The "Broadcasting German-speaking" segment includes the Group's core business, advertising-financed Free TV. The distribution revenues generated from the sale of its own HD and basic pay TV stations are also attributable to this segment. The "Digital & Adjacent" segment brings together the pillars Digital Entertainment (comprising online video and online games), Digital Commerce (covering all ventures activities), and Adjacent (including music, live entertainment, events, ticketing and artist management). The Group's international program production and distribution business is subsumed under the Content Production & Global Sales segment.

The consolidated financial statements of ProSiebenSat.1 Group for the financial year ending December 31, 2014 were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) in force at the reporting date, as adopted by the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards. The term IFRS also includes the International Accounting Standards (IAS) that are still in effect. All binding interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) and the Standing Interpretations Committee (SIC) mandatory for the financial year 2014 were also applied. The additional requirements of Section 315a of the German Commercial Code (HGB) were also followed.

ProSiebenSat.1 Media AG prepares and publishes its consolidated financial statements in euro. Unless specifically indicated otherwise, all amounts are presented in millions of euro (EUR m). The figures for the financial year 2014 reflect the continued operations of ProSiebenSat.1 Group unless otherwise stated.

Where necessary, the prior-year figures have been adjusted accordingly. Due to rounding, it is possible that individual figures in these consolidated financial statements do not add exactly to the totals shown and that the percentage figures presented do not reflect exactly the absolute figures they relate to. Change rates are presented using a business perspective: improvements are shown with a plus (+), declines with a minus (–).

In March 2014, the Executive Board and Supervisory Board of ProSiebenSat.1 Media AG 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 AG on the Group's website (www.prosiebensat1.com). The consolidated financial statements of ProSiebenSat.1 Media AG for financial year

2014 were approved for submission to the Supervisory Board by decision of the Executive Board on March 6, 2015.

.

2 Accounting policies

The annual financial statements for all entities included in the consolidated financial statements are prepared using uniform accounting policies.

The consolidated financial statements are based on the principle of historical cost, except for those items, especially such as certain financial instruments, that are recognized at fair value.

The recognition, measurement and presentation policies, as well as the explanations and information regarding the consolidated financial statements for the financial year 2014, are substantially applied consistently.

The consolidated income statement is presented using the cost-of-sales method. The consolidated financial statements follow the organizational requirements of IAS 1. In the consolidated statement of financial position, a distinction is made between current and non-current assets and liabilities. Assets and liabilities are classified as current when they are expected to be settled within one year. In deviation from this principle, deferred tax assets and liabilities must be reported as non-current in accordance with IAS 12. In addition, ProSiebenSat.1 Group presents its defined-benefit pension obligations under non-current liabilities in accordance with IAS 19.

To provide a clearer and more meaningful picture, certain items have been combined in the consolidated income statement and the consolidated statement of financial position, while specific explanations by item are provided in the Notes.

Recognition of income and expenses

ProSiebenSat.1 Group's **revenues** are mainly advertising revenues derived from the sale of advertising time on television. Advertising revenues are presented net of volume discounts, agency commissions, cash discounts and value-added tax.

Revenues are realized at the time when the service is provided, or when risk is transferred to the customer. Accordingly revenues are recognized once the service has been provided, the principal risks and rewards of ownership have been transferred to the buyer, the amount of the proceeds can be measured reliably, an economic benefit from the sale is sufficiently probable and the costs associated with the sale can be measured reliably.

Specifically, television advertising revenues are considered realized when the associated advertising spots are broadcast. If advertising services are agreed in return for the acquisition of company stakes ("media for equity"), the obligation for broadcasting the agreed advertising spots is initially recognized as a credit entry (deferred revenues) to reflect the equity stake capitalized and realized as revenues when the agreed advertising spots are broadcast.

Revenues from pay TV activities are considered realized when the service is provided. Revenues from the sale of merchandising licenses are realized at the agreed guarantee amount as of the inception of the license for the customer. Revenues from the sale of programming assets and ancillary programming rights are considered realized when the license term for the purchaser of the programming asset has begun and broadcast-ready materials have been delivered to the purchaser. In addition, ProSiebenSat.1 Group receives a share in the technical activation fees that end customers pay to the respective providers for programs in HD quality. Revenues from the Group's HD business are realized when the TV signal is made available to the relevant platform partner.

At ProSiebenSat.1 Group, barter transactions are primarily concluded as tradeoff transactions relating to the sale of advertising time. Revenues from such barter transactions are considered revenue-generating transactions only when dissimilar goods or services are exchanged, and the amount of the proceeds and costs, as well as the economic benefit, can be clearly measured. If advertising time is exchanged for goods or products, the revenues are measured according to the fair value of the goods or products received, provided this can be determined reliably. If advertising time is exchanged for advertising time, the revenues are determined according to the fair value of the advertising time provided. Revenues from barter transactions are considered realized when ProSiebenSat.1 Group performs the service, e.g. when the agreed advertising is broadcast.

As long as they can be reliably estimated, revenues arising in the programming production business are recorded using the percentage-of-completion method. The stage of completion is determined by the relation between actual costs incurred and estimated total costs of the contract. Applied to the planned revenues of the respective contract, this results in revenues being recognized in the relevant period. In case total revenues cannot be estimated reliably, revenues are recognized only to the extent of costs incurred. Contract costs are recognized as expenses in the period in which they occur. If it is expected that total contract costs will exceed contract revenues, the expected loss is recognized immediately as an expense. For further information, please refer to Note 8 "Revenues".

Other operating income is generally recognized when a service has been performed, the amount of the income can be measured reliably, and an economic benefit to the Group is sufficiently probable. This income has no direct connection to the income from ProSiebenSat.1 Group's core business activity. Additional information on the composition of other operating income can be found under Note 13 "Other operating income".

Operating expenses are recognized at the time when the service is utilized or when the expenses are otherwise incurred. **Cost of sales** comprises costs in direct connection with the generation of revenues. As well as directly attributable costs such as the consumption of programming assets, production costs, and personnel expenses, it includes overhead costs including depreciation of property, plant and equipment, amortization of intangible assets, and expenses from the disposal of programming assets. In addition, cost of sales includes items not relating to the core business of advertising-financed television and which relate to the Digital & Adjacent and Content Production & Global Sales segments. **Selling expenses** include the costs of the distribution business, marketing expenses, and personnel expenses. Sales commissions are also reported under this item. **Administrative expenses** include the pro rata personnel and operating expenses of Group management and the HR, Accounting and IT departments, provided they have not been allocated to other cost centers as internal services and thus in some cases to other functional areas. **Other operating expenses** primarily include losses from the disposal of affiliated companies, property, plant and equipment, and intangible assets, as well as impairments on intangible assets. For further information on types of cost, please refer to Notes 9 "Cost of sales", 10 "Selling expenses", 11 "Administrative expenses" and 12 "Other operating expenses".

Interest income and expenses are recognized on an accrual basis. Dividends from equity interests that are neither fully consolidated nor recognized at equity are recognized at the time when the legal entitlement arises. More detailed information is provided under Note 14 "Interest result".

Government grants are initially recognized as deferred income and then recognized through profit and loss as other operating income, as long as the respective company complies with the conditions and the grants are actually received. Recognition takes place on an accrual basis in accordance with the occurrence of the subsidized expenses in the case of grants for expenses or income or in line to the pattern of depreciation for investment subsidies.

Intangible assets

Intangible assets primarily comprise goodwill and brands from the acquisition of fully consolidated subsidiaries, together with trademarks and patents, as well as licenses to such assets and rights.

Acquired intangible assets are capitalized under IAS 38 if it is probable that the future economic benefits will flow to the Company and the cost of the asset can be measured reliably. Unless an asset has an indefinite useful life, it is amortized, and where applicable, impaired. Amortization is recognized on a straight-line basis in accordance with the expected useful life. The underlying useful life for purchased software is generally three to eight years. Licenses and other intellectual property rights are amortized over ten years or over the term of the license agreement. Other useful lives may be applied as an exception for intangible assets with a definite useful life that are acquired in business combinations. These are primarily broadcasting rights and customer relationships, which are amortized over an expected useful life of between four and 15 years. Useful lives and amortization methods are reviewed annually and adjusted in accordance with any changes in estimations.

The intangible assets with indefinite useful lives that are acquired through business combinations relate particularly to brand names. In accordance with IAS 36, these are not amortized, but tested at least annually for impairment and additionally in the event of indications of potential impairment.

Internally generated intangible assets are capitalized under IAS 38 if they are identifiable, it is probable that the future economic benefits will flow to the Company and the cost of the asset can be measured reliably. The determination of costs is subject to a distinction between costs for research and for development, with the former being expensed as incurred. Besides the criteria described above, costs for development are capitalized solely in cases where the product or process are realizable from a technical or economic perspective. The completion of the development as well as the usage or sale afterwards have to be ensured and intended both technically and financially. The subsequent measurement of internally generated intangible assets follows the principles for intangible assets acquired as stated above.

Goodwill is an asset that represents future economic benefits from other assets acquired in a business combination that are not individually identified and separately recognized. It arises when the costs of the acquisition of the business exceed the fair values of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill relating to the acquisition of a foreign entity and all adjustments to the fair value of the assets, liabilities and contingent liabilities acquired are treated as assets, liabilities and contingent liabilities of the reporting entity and translated using the exchange rates at the date of first-time consolidation. Goodwill is carried in the functional currency of the acquired foreign entity. Acquired goodwill is recognized at cost and tested annually for impairment and additionally in the event of indications of potential impairment.

Property, plant and equipment

Property, plant and equipment are measured at acquisition or production cost, less depreciation on the basis of use and, if necessary, impairments. The cost of internally created property, plant and equipment includes not only the purchase price, but the portions of overhead costs directly attributable to production. For items of property, plant and equipment produced over a longer period, borrowing costs incurred until the time of completion are included in the production cost. However, because there are no qualifying items of property, plant and equipment, such items are not material for the Group at present. Thus, borrowing costs are normally recognized in profit or loss of the period in which they occur.

Based on the expected useful lives, depreciation is recognized on a straight-line basis over the following periods:

Useful lives of property, plant and equipment (Fig. 95)

Years	
Buildings on land owned by others, fixtures and renovations	3 - 50
Technical facilities	2 - 10
Office furniture and equipment	3 - 20

Leasing

IAS 17 defines a lease as an agreement whereby a lessor conveys to the lessee the right to use an asset for an agreed period of time in return for payment or a series of payments. A distinction is made between finance leases and operating leases. Leases are classified as finance leases if substantially all the risks and rewards incidental to ownership of an asset are transferred to the lessee. All other leases are classified as operating leases.

For finance leases, the leased assets and the associated liabilities are recognized at fair value at the commencement of the lease term or, if lower, the present value of the lease payments. Depreciation is recognized on a straight-line basis over the shorter of the lease term or the expected useful life. Payment obligations resulting from finance leases are recognized as financial liabilities and subsequently measured applying the effective interest rate method.

The lease payments for operating leases are reported as an expense in the profit or loss. The leased assets are not capitalized.

Impairment of intangible assets and property, plant and equipment

In accordance with IAS 36, an entity must review assets with a finite useful life for impairment if there are indications that those assets may be impaired. If such an indication exists, the amortized carrying value of the asset is compared with the recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. The value in use is the discounted present value of future cash flows expected to arise from the continuing use of the asset. In the event of impairment, the difference between the amortized carrying amount and the lower recoverable amount is recognized as an expense in profit or loss. If evidence exists that the reason for the impairment no longer exists, the impairment loss is reversed. The reversal cannot result in an amount exceeding amortized cost.

Moreover, intangible assets with an indefinite useful life, intangible assets not yet ready for use or advance payments for them, and goodwill must be tested for impairment annually. A test is also performed whenever there is any indication that an asset might be impaired. Where there is no longer any reason for impairment, the impairment loss is reversed, except in the case of goodwill.

The recoverable amount is determined for each individual asset, unless an asset generates cash inflows that are not largely independent of those from other assets or other groups of assets or cash-generating units. In these cases, the impairment test is applied at the relevant level of cash-generating units to which the asset is attributable.

A goodwill acquired in a business combination is allocated to the cash-generating unit or group of cash-generating units that are expected to profit from the synergies deriving from the business combination as of the acquisition date. This also represents the lowest level at which goodwill is monitored for internal corporate management. These are the operating segments Broadcasting German-speaking, Digital & Adjacent and Content Production & Global Sales. Brand names acquired in business combinations are tested for impairment at the level at which a recoverable amount can be determined.

The Company normally determines the recoverable amounts using measurement methods based on discounted cash flows. For cash-generating units, ProSiebenSat.1 Group first determines the relevant recoverable amount as value in use, which it compares with the respective carrying amounts, including allocated goodwill in the case of impairment tests on goodwill. These discounted cash flows are based on five-year projections of financial plans approved by management. The cash flow projections consider past experience, and are based on management's best estimates of future developments, along with additional external information. Cash flows beyond the detailed planning period are extrapolated using individual growth rates, which however do not exceed the inflation expectations for the respective units. The most important assumptions underlying the changes in value in use concern future cash flows, estimated growth rates, tax rates and weighted average costs of capital. These assumptions, as well as the method used, may have a material effect on the resulting values. For further details regarding the determination of the value in use and the underlying assumptions, we refer to Note 19 "Intangible assets".

On disposal of cash-generating units or parts thereof or as part of an internal reorganization, goodwill at the time of disposal or transfer is to be allocated on the basis of relative values to the units being disposed of by the Group and those being retained.

Impairments on goodwill resulting from purchase price allocations are recognized in other operating expenses. The same applies to impairments on other intangible assets resulting from purchase price allocations if they cannot be appropriately allocated to functional costs. Otherwise, they are presented in the expenses of the relevant functional area.

Investments accounted for using the equity method

On the date significant influence or joint control is gained, investments in associates or joint ventures accounted for using the equity method are recognized at cost in the consolidated statement of financial position. In subsequent periods, the carrying amount is adjusted to reflect the changes in the equity share of the investee. Dividends received from investments accounted for using the equity method reduce their carrying amounts. The pro rata annual results of the relevant entities attributable to ProSiebenSat.1 Group are reported in the consolidated income statement as "Income from investments accounted for using the equity method".

Programming assets

Programming assets comprise rights to feature films, series, and commissioned productions and advance payments made (including advance payments for sport rights). Feature films and series are capitalized as of the beginning of the license term. Commissioned productions are capitalized as broadcast-ready programming assets as of their date of formal acceptance. Until being broadcast, sport rights are included in advance payments. The assets are initially recognized at cost. Borrowing costs are generally not included in the measurement because the requirements of IAS 23 are not fulfilled.

Consumption of licenses and commissioned productions intended for multiple showings begins at the start of the first broadcast, and depends on the number of showings permitted or planned respectively. Consumption resulting from showings is measured using a declining-balance method according to a matrix that is standardized Group-wide which reflects the expected revenues generation and audience reach potential relating to the respective broadcast. Commissioned productions intended for only one run and sports rights are fully consumed as of their broadcasting.

Impairments on programming assets are recognized if it is not expected that the costs are recoverable by future revenues. Indications for this assumption might include changes in the advertising environment, changing audience tastes, media-law restrictions on the usability of films, licenses that expire prior to broadcasting, or if a commissioned production is discontinued. Both consumption resulting from transmissions and impairments are reported within cost of sales. If there are indications for a potential impairment, titles no longer meeting the asset criteria or having limited usability are fully written down. The assessment of the recoverable amount of the remaining programming assets takes place at the level of genre-based program groups. To the extent that their carrying amounts exceed expected future revenues, impairments are recognized. A genre is the unit in which cash flows are generated independently of other programming assets, as individual genres are tailored to target audience groups and advertising customers book advertising for their products around certain genres. Titles contained in a genre are viewed as a homogenous mass; the individual titles are essentially interchangeable. Within the customization of cash-generating units, the Group makes further distinctions with regard to individual contract partners for studio licenses. This accounts for the fact that individual film studios provide delineated program types or serve genres that are considered in the design of programming units. Because these film studios generate clearly delineated cash flows as long-term contract partners, they are allocated to separate CGUs.

Impairments of programming assets are reversed if there are indications that the reason for the original impairment no longer exists, and a higher recoverable amount results. The reversal cannot result in an amount exceeding amortized cost. Write-ups are netted against cost of sales.

Programming assets intended for single runs and advance payments made on programming assets are normally recognized as current programming assets.

Provisions for expected losses from executory programming transactions are recognized if the Company currently estimates that the forecast revenues will not cover the costs. In addition, a two-step approach is used for recognizing provisions for onerous contracts that corresponds to the calculation of impairment. Firstly, the individual components of the acquisition transaction that are no longer used are reflected through corresponding provisions. Then, the executory acquisition transactions are allocated to the relevant program groups and the future revenues potential compared with the carrying amounts currently in the program groups. If there is insufficient cover, the executory transactions are analyzed in detail at the level of the individual contract.

Financial instruments

According to IAS 39, a financial instrument is any contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

ProSiebenSat.1 Group categorizes financial assets as loans and receivables (including cash and cash equivalents), financial assets measured at fair value through profit or loss, financial assets held for purposes of hedge accounting, and financial assets available for sale. ProSiebenSat.1 Group has no financial assets held to maturity.

Financial liabilities are categorized as financial liabilities measured at fair value through profit or loss, financial liabilities held for purposes of hedge accounting, and other financial liabilities. The latter category particularly includes loans and borrowings, issued bonds, and other financial liabilities, including trade accounts payable and liabilities under finance leases. The allocation is made on the date of initial recognition.

Financial instruments measured at fair value through profit or loss include financial assets and liabilities held for trading, such as derivative financial instruments that do not qualify as hedges under a hedging relationship and certain stakes in companies over which the Group exercises neither control, joint control nor significant influence. Furthermore, ProSiebenSat.1 Group has designated some units in investment funds, which were acquired to cover pension obligations and are not plan assets under IAS 19, at fair value through profit and loss upon initial recognition. Derivative financial instruments that qualify as hedges under a hedge relationship are allocated to the category of financial instruments held for the purposes of hedge accounting.

Arm's length purchases and sales of financial assets are accounted for as of the settlement date. Financial assets are recognized initially at fair value. For financial assets subsequently not recognized at fair value through profit and loss, transaction costs attributable to the acquisition are also capitalized on initial recognition. For financial assets subsequently recognized at fair value through profit and loss, transaction costs are recognized in profit or loss directly in the period in which they are incurred.

They are subsequently measured at amortized cost or at fair value. Amortized cost is determined by the effective interest rate method. The fair value of a financial instrument reflects the amount that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants on the measurement date. The fair value is generally equivalent to the market or exchange value. If there is no active market, the fair value is measured using a financial valuation technique (for example, by discounting the future cash flows at the market interest rate). If the fair value of financial instruments cannot be determined reliably, the financial instruments are measured at cost.

In accordance with IAS 39, a regular assessment is made as to whether there is substantive objective evidence of impairment of a financial asset or a portfolio of financial assets. After an impairment test, any necessary impairment loss is recognized in profit or loss. An impairment of trade receivables is recognized if objective indications show that the receivables cannot be fully recovered. Changes in the fair value of financial assets available for sale are recognized in other comprehensive income. If assets available for sale are sold or impaired, the changes in value recognized in other comprehensive income up to that point are reclassified to the income statement. Currently ProSiebenSat.1 Group has no financial assets available for sale that have been recognized at fair value.

Financial liabilities are derecognized if the contractual obligations are settled, cancelled or have expired. The Group derecognizes a financial asset if the contractual rights to cash flows from an asset expire or if the Group transfers the rights to receive cash flows in a transaction that also transfers all material risks and opportunities connected with the ownership of the financial asset.

Financial assets are set off and presented in the statement of financial position as a net value if the Group has a current legal right to set off the reported amounts against each other and the intention is either to settle on a net basis or to settle the associated liability simultaneously with the realization of the asset. ProSiebenSat.1 Group currently has netting agreements for derivative financial instruments, but presentation on a net basis in the statement of financial position is not possible under IAS 32. For further information, please refer to Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7".

Derivative financial instruments and hedge accounting

To hedge risks posed by interest rates and foreign exchange rates, ProSiebenSat.1 Group uses derivative financial instruments in the form of interest rate swaps, interest rate option contracts (interest rate caps and swaptions) and forward exchange transactions. While interest rate risks result from liabilities carrying variable interest rates, foreign exchange risks are incurred particularly through license payments for programming assets denominated in US dollar.

Derivative financial instruments are reported at fair value as a financial asset or financial liability in the statement of financial position, irrespective of the purpose or intent for which the transaction was entered into. The fair value of derivative financial instruments is determined by discounting future cash flows at the market interest rate, and by other recognized methods of financial valuation techniques, such as option pricing models. Derivative financial instruments are recognized as of their trading date. The fair value of interest rate swaps is generally zero initial recognition. With interest rate options the fair value is the value of the option premium paid. Subsequently interest rate swaps and interest rate options are recognized in the statement of financial position at their market values as financial assets or other financial liabilities. The fair value of forward exchange transactions is likewise generally zero on initial recognition. Subsequently forward exchange transactions are recognized in the statement of financial position at their market values as financial assets or other financial liabilities. The valuation of derivative finance instruments includes specific counterparty credit risks. For further information, see Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7".

If a clear hedging relationship can be formally designated and documented, then it is accounted for in line with the regulations of IAS 39 on hedge accounting. Under hedge accounting, the recognition of changes in the market values of the relevant derivatives depends on the type of hedge relationship. If the hedge is a cash flow hedge, the changes in market value of the effective portion of the derivative are first recognized separately outside profit or loss, and are not recognized in profit or loss until the underlying transaction is realized. The ineffective portion is recognized immediately in profit or loss. To hedge currency risks on future license payments, hedge gains or losses accumulated in equity are removed from equity at the inception of the license, i.e. at the moment when the underlying transaction is capitalized, and the acquisition cost is increased or decreased accordingly. For fair value hedges, both changes in the market value of the derivative and adjustments in the carrying value of the associated underlying transaction are recognized in profit or loss. ProSiebenSat.1 Group has no fair value hedges at present.

At the inception of a hedge, IAS 39 requires comprehensive documentation of the hedging relationship, including a description of matters such as the associated risk management strategy and objectives in undertaking the hedge. Wherever possible, ProSiebenSat.1 Group gathers and manages the underlying transactions and hedges in what are known as hedge books. The effectiveness of the hedging relationship is measured regularly. If a hedging relationship does not meet, or no longer meets, the requirements of IAS 39, hedge accounting is terminated. After the termination, the amounts included in equity are recognized in the profit or loss when that the results of the underlying transactions affect the profit or loss.

Further information on the measurement of financial instruments and the determination of the relevant fair values are shown under Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7".

Loans and receivables
Financial assets classified as loans and receivables are measured at amortized cost, applying the effective interest rate method, less impairments. Impairments of trade accounts receivable are recognized in separate allowance accounts. In the valuation process, adequate allowances have been made, on the basis of objective evidence and values developed through experience, to cover known risks by valuation adjustments.

Financial assets measured at fair value through profit or loss
In addition to financial assets held for trading (such as derivative financial instruments and certain stakes in companies over which the Group exercises neither control, joint control nor significant influence), this category also includes financial assets that were designated at fair value through profit or loss on initial recognition, under what is known as the fair value option. Exceptions are equity instruments for which no market prices are quoted on active markets, and whose market values cannot be measured reliably. Fair value is determined on the basis of the type and depending on the marketability of the instrument in line with a three-level fair value hierarchy. For this information, please refer to our comments in Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7". The fair value option is furthermore subject to the condition that its exercise must eliminate or significantly reduce an accounting mismatch, the financial instrument includes one or more embedded derivatives, or that the portfolio of financial instruments is managed on a fair value basis. In line with the active risk management strategy pursued at ProSiebenSat.1 Media AG, the fair value option is currently only used for financial assets acquired to cover pension obligations that do not qualify for recognition as plan assets.

Financial assets available for sale
Investments in equity instruments, debt instruments and fund shares are classified as financial assets available for sale, and are recognized at fair value, if that value can be determined reliably. Equity instruments for which no price is quoted on an active market, and whose fair value cannot be determined reliably, are measured at acquisition cost.

Cash and cash equivalents
Cash and cash equivalents are short-term, highly liquid financial investments that can be converted to cash amounts at any time and that are subject only to minor risks of fluctuation in value. Cash and cash equivalents are measured at cost, with amounts in foreign currencies being translated at

the end of the applicable reporting period. They are identical to the respective cash flow statement line item.

Financial liabilities

With the exception of derivative financial instruments and contingent consideration in the context of business combinations (put options, earn-out provisions), financial liabilities are measured at amortized cost, applying the effective interest rate method. Term loans are recognized on the basis of their notional total, at amortized cost less issuing and financing costs. These costs are distributed over the term of the liability using the effective interest rate method. Contingent consideration in the context of business combinations is classified under liabilities at fair value on first-time consolidation. Subsequent measurement also takes place at fair value, with changes being recognized in profit and loss. ProSiebenSat.1 Group has no financial liabilities designated at fair value under the fair value option.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale (or groups thereof) are classified as held for sale if their carrying amounts are recovered principally through a sale transaction rather than continuing use, they are readily saleable and that sale is highly probable. They are measured at the lower of carrying amount and fair value less costs to sell, unless IFRS 5 does not apply to the measurement.

If a group of assets classified as held for sale constitutes discontinued operations as defined by IFRS 5, the related income statement items including any result on deconsolidation in case of a sale of these activities are separately presented together, after tax, as a single item, in the income statement as "result from discontinued operations". Previous-year income statement figures are adjusted accordingly. In line with IFRS 5, there is no adjustment to the figures in the previous-year statement of financial position.

Provision for pensions

Provision for pensions and similar obligations are accounted for in line with IAS 19. Pension obligations are determined by actuarial techniques on the basis of an expertise prepared annually using the Projected Unit Credit Method. This determines the expected benefits when they become due and distributes them over the entire employment period of the relevant employees. This method uses biometric calculation data and, particularly, the current long-term capital market interest rate for high quality corporate bonds, as well as current assumptions about future increases in salaries and pensions.

Differences between assumptions and actual events, as well as changes in actuarial assumptions for measuring defined-benefit pension plans, result in actuarial gains and losses. These remeasurement effects are recognized in other equity taking into account deferred taxes in the period they are generated. As a result the statement of financial position shows the full extent of the obligations, avoiding fluctuations in results which can occur in particular by changes in the calculation parameters. The actuarial gains and losses recognized in the respective reporting period are presented separately in the statement of comprehensive income. In subsequent periods there is no transfer through the income statement.

The interest component included in the pension expense is shown in the interest result. Past service cost resulting from a retroactive plan amendment is recognized immediately and completely in profit and loss under administrative expenses.

Other provisions

In accordance with IAS 37, provisions are recognized if a present legal or constructive obligation to third parties has arisen as a result of a past event, if payment is probable, and if the amount of the payment can be estimated reliably. They are measured using a best estimate of the expenditure required to settle the present obligation considering past experience. They are recognized at full cost, in the amount of the most probable outcome of the liability. The amount of the provision is regularly adjusted if new information becomes available or if circumstances change. Non-current provisions are formed as of the closing date at the present value of expected settlement amounts, taking estimated increases in prices or costs into account as the case requires. Discount rates are regularly adjusted to prevailing market interest rates.

The Company measures provisions for onerous contracts at the lower of the expected cost of settling the contract or the expected cost of terminating the contract minus any revenues expected from the contract.

Income taxes

Income taxes comprise the taxes levied on taxable profits in the Group's various countries, and changes in deferred tax items. Income taxes are recognized on the basis of the terms of law in effect or substantively enacted as of the reporting date, in the amount that will presumably have to be paid.

In accordance with IAS 12, deferred taxes are recognized for tax-deductible temporary differences between the carrying amounts of assets and liabilities under IFRS and their amounts in the statement of financial position for tax purposes, as well as for consolidation measures and for claims for tax reductions due to loss carry-forwards that can presumably be recovered in subsequent years. As an exception, no deferred tax liabilities are recognized on the initial recognition of goodwill. Calculation is based on the tax rates expected in the various countries at the realization date. These are generally based on the terms of law in effect or substantively enacted as of the reporting date.

Deferred tax assets are netted against tax liabilities to the extent they are owed by and to the same tax authority, and so far as the Company is legally entitled to offset current tax refund entitlements and tax liabilities against one another.

If the items underlying the temporary differences or tax expenses and income are recognized in other comprehensive income, the same rules apply for the current taxes and deferred tax assets and liabilities applicable to them.

Deferred tax assets resulting from temporary differences and loss carry-forwards are tested for impairment on the basis of projections particular to the Group company concerned regarding whether there will be sufficient taxable income to use the deferred tax assets in the future. This is based primarily on the tax planning for the next five years and the reversal of taxable temporary differences. Deferred tax liabilities are recognized on subsidiaries' planned dividend distributions.

The deferred tax items recognized in that regard are subject to ongoing review as to their underlying assumptions. Changes in assumptions or circumstances may require corrections, which may result in additional deferred taxes or reversals of such items. In accordance with IAS 12, deferred income tax items must always be measured without discounting and reported as non-current.

Earnings per share

Earnings per share represent consolidated net profit attributable to shareholders of ProSiebenSat.1 Media AG divided by the weighted average number of shares outstanding during the financial year. There was a special feature in the financial year 2013 as the previously issued common and preferred shares were combined into a single share class. The method for calculating earnings per share was adjusted due to the share class merger.

For purposes of determining diluted earnings per share, the average number of shares outstanding is adjusted by the number of all potentially dilutive shares. At ProSiebenSat.1 Group, these dilution effects arise from the issuance of stock options on shares of common stock under the Long Term Incentive Plans and from rights to shares (please refer to Note 37 "Share-based payments"). Diluted earnings per share are calculated on the assumption that all potentially diluting shares and share-based remuneration plans that are in the money are exercised.

Share-based remuneration

Share-based remuneration in ProSiebenSat.1 Group (stock options and rights to shares settled by equity instruments) comprises solely equity-settled remuneration plans. For this reason the relevant remuneration plans are measured at fair value at the grant date. The fair value of the obligation is recorded as personnel expenses in functional costs over the vesting period.

Summary of relevant measurement methods (Fig. 96)

Item	Measurement method
ASSETS	
Goodwill	At cost (subsequent measurement: impairment test)
Other intangible assets with indefinite useful lives	At cost (subsequent measurement: impairment test)
Other intangible assets with finite useful lives	At (amortized) cost
Property, plant and equipment	At (amortized) cost
Programming assets	At (amortized) cost
Investments accounted for using the equity method	Equity method
Financial assets	
Loans and receivables	At (amortized) cost
Held to maturity	Not applicable
At fair value through profit or loss	At fair value through profit or loss
Held for trading/derivatives	At fair value through profit or loss
Available for sale	At fair value with the resultant gains and losses recognised directly in equity or (in exceptional cases) at cost
Cash and cash equivalents	At cost
LIABILITIES AND PROVISIONS	
Loans and borrowings	At (amortized) cost
Provision for pensions	Projected unit credit method
Other provisions	At settlement value (discounted if non-current)
Financial liabilities	At (amortized) cost or fair value respectively
Other liabilities	At settlement value (discounted if non-current)

Judgments and estimates

In preparing the consolidated financial statements under IFRS, it is to some degree necessary for management to make assumptions and estimates that may affect the measurement of recognized assets and liabilities and the amounts of expenses and income. These assumptions and estimates are based on the information currently available to management. In particular, expectations of future business performance were based on the conditions in existence at the date of preparation of the consolidated financial statements and the presumably realistic future performance of the global and macro-economic industry-specific environment. If these circumstances should change differently from management assumptions, and in ways beyond management's control, the actual amounts may differ from the original estimates. If actual developments differ from expectations, the assumptions and, if applicable, the carrying amounts of the pertinent assets and liabilities will be adjusted accordingly (through profit or loss). Changes in estimates are generally recognized during the same period when they occur and taken into account in future periods.

Assumptions and estimates are particularly necessary for the following accounting matters:

- Recognition and measurement of assets (particularly intangible assets and goodwill) and liabilities resulting from the purchase price allocation at the time of initial consolidation, including the measurement of contingent considerations in the case of business combinations,
- Impairment testing of intangible assets (especially goodwill),
- Determining the useful lives to be applied for non-current assets,
- Recognition and measurement of programming assets,
- Measurement of receivables and necessary impairments,
- Measurement of financial assets,
- Recognition and measurement of provisions,
- Estimates and realization of future tax credits.

For purposes of the purchase price allocation in connection with business combinations, assumptions must be made with regard to the recognition and measurement of assets and liabilities. Assumptions are entailed in determining the fair value of acquired assets and assumed liabilities at the acquisition date, as well as the useful lives of the acquired intangible assets and property, plant and equipment. Measurement is largely based on projected cash flows. Actual cash flows may differ significantly from the cash flows assumed in measuring fair value. External, independent appraisals are obtained for the purchase price allocation of major acquisitions. Measurements in business combinations are based on information available at the acquisition date. By nature, assumptions and estimates are less certain for intangible assets than for all other assets. In the financial year 2014, EUR 79.1 million were recognized as identifiable intangible assets in connection with purchase price allocations (previous year: EUR 49.3 million), EUR 48.8 million as goodwill (previous year: EUR 51.1 million) and EUR 24.6 million as liabilities from contingent considerations (previous year: EUR 15.5 million). For detailed information on the acquisitions in the financial year 2014, refer to Note 7 "Acquisitions and disposals". Due to changes in estimates, valuation gains on put option liabilities of EUR 10.8 million (previous year: EUR 15.5 million) were recognized in other financial result in the financial year 2014 (please also refer to Note 15 "Result from investments accounted for using the equity method and other financial result").

The assumptions and the underlying methodology of the impairment tests may have a significant effect on the resulting values, and ultimately on the amount of a potential impairment of intangible assets and of property, plant and equipment. The calculation of discounted cash flows in particular is extensively subject to planning assumptions that may be sensitive to changes and can therefore exert a significant influence on impairment. In the financial years 2013 and 2014, no impairments of goodwill were recognized. On the other hand, in the current financial year there were impairments on intangible assets from purchase price allocations of EUR 1.0 million (previous year: EUR 9.2 million). These impairments all related to games licenses. As of December 31, 2014, the consolidated statement of financial position of ProSiebenSat.1 Group contained goodwill of EUR 1.048 billion (previous year: EUR 990.9 million) and other intangible assets and advance payments of EUR 259.8 million (previous year: EUR 173.6 million). For detailed information on intangible assets and on the assumptions used for impairment testing, refer to Note 19 "Intangible assets".

The expected useful lives and the depreciation and amortization schedules for intangible assets and property, plant and equipment are based on experiential values, plans, and estimates. The time period and distribution of future cash inflows are also estimated. As of the closing date, ProSiebenSat.1 Group had intangible assets, property plant and equipment of EUR 1.521 billion (previous year: EUR 1.369 billion). For more information, see Note 19 "Intangible assets" and Note 20 "Property, plant and equipment".

Key elements of programming assets are acquired as film packages from large film studios. Both the initial measurement of the individual licenses of these film packages and subsequent valuations of the programming assets are based on estimated earnings potential and viewer shares. These take into account the variable usability of programming assets, and duly reflect the required consumption of the programming assets as a function of the number of relevant broadcasts. As of the closing date, ProSiebenSat.1 Group had programming assets of EUR 1.212 billion (previous year: EUR 1.202 billion). For detailed information on programming assets, refer to Note 22 "Programming assets".

Individual receivables and any necessary write-downs are estimated and evaluated on the basis of the individual client's creditworthiness, current economic developments, and an analysis of historical defaults, on a portfolio basis.

Financial assets are tested for impairment on the basis of the best possible estimates of the macroeconomic environment and the individual solvency of the relevant contract partners.

Provisions are recognized and measured on the basis of estimates regarding the level and probability of future outflows of resources embodying benefits, as well as on the basis of historic experience and the circumstances known as of the reporting date. To determine the amount of provisions, in addition to the assessment of the associated matters and the claims asserted, in some cases the results from comparable matters are also consulted. Assumptions are also made as to the probabilities whether and within what ranges the provisions may be used. In respect to amount and certainty, provisions for onerous contracts and litigation are based to a considerable extent on management estimates. The assessment of whether a present obligation exists is generally based on assessments of internal experts. Estimates can change on the basis of new information and the actual charges may affect the earnings, financial position and performance of ProSiebenSat.1 Group. As of the reporting date, the carrying amount of other provisions totaled EUR 55.9 million (previous year: EUR 59.2 million). In addition, ProSiebenSat.1 Group had pension provisions of EUR 19.8 million (previous year: EUR 15.5 million). For more information, see Note 28 "Provisions for pensions", Note 29 "Other provisions" and Note 33 "Contingent liabilities".

Impairment of deferred tax assets is evaluated on the basis of internal projections about the Group company's future earnings situation. Evaluations of the possibility of realizing tax loss carryforwards are based on whether they can be used in the near future. If there are doubts that loss carryforwards can be used, in impairments of individual deferred tax assets are recognized. As of the reporting date, ProSiebenSat.1 Group had deferred tax assets of EUR 13.3 million after netting (previous year: EUR 20.7 million). EUR 15.9 million of this related to tax loss carryforwards before netting (previous year: EUR 10.5 million). For more information on deferred taxes, see Note 16 "Income taxes".

.

3 Changes in reporting standards

ProSiebenSat.1 Group prepares its consolidated financial statements, in accordance with Section 315a of the German Commercial Code (HGB), under those IFRS endorsed by the European Commission for use in the European Union. The following paragraphs describe the IFRS published by the IASB and endorsed for application in the EU that were applied for the first time during the reporting period. Thereafter Standards and Interpretations issued by the IASB at the reporting date are described which have not been applied early, as their application is either not mandatory or endorsement by the European Commission is still pending or which are not relevant for the consolidated financial statements of ProSiebenSat.1 Group.

a) Standards, interpretations and amendments to standards and interpretations initially applied in the reporting period with an impact on the amounts and disclosures reported

In May 2011, the IASB issued a package of five group accounting standards, whose application was mandatory for ProSiebenSat.1 Group for the first time from the financial year 2014. These include **IFRS 12 "Disclosure of Interests in Other Entities"**. IFRS 12 was adopted into European law on December 29, 2012, and contains disclosure requirements related to interests held in subsidiaries, joint arrangements, associates and/or non-consolidated so-called "structured entities" and to resulting risks. Disclosures prescribed in IFRS 12 are in some cases more extensive than under previous standards (see Note 21 "Associates and Joint Ventures").

b) Standards, interpretations and amendment to standards and interpretations initially applied in the reporting period without impact on the amounts and disclosures reported

The accounting standards or amendments to existing accounting standards required to be applied for the first time in the reporting period include in particular the new standards on group accounting, the basic content of which is described below:

IFRS 10 "Consolidated Financial Statements" replaces those parts of IAS 27 "Consolidated and Separate Financial Statements" relating to consolidated financial statements as well as the interpretation SIC-12 "Consolidation – Special Purpose Entities." IFRS 10 harmonizes the basis for determining the scope of consolidation by redefining the term "control." This is based on whether an investor has power over the relevant activities of an investee, is exposed to positive and negative variable returns from the investee and is able to affect the amount of the variable returns on the basis of its power.

The accounting for joint arrangements under joint control of several investors is regulated in **IFRS 11 "Joint Arrangements"**. IFRS 11 replaces IAS 31 "Interests in Joint Ventures". According to IFRS 11, joint arrangements are to be assessed based on the rights and obligations of the involved parties. In contrast to the previous requirements, there are now only two types of joint arrangements: "joint operations" and "joint ventures". Under IFRS 11, joint ventures must be accounted for using the equity method. The option under IAS 31 to apply proportionate consolidation is eliminated.

IFRS 10 and IFRS 11, issued by the IASB in May 2011, were adopted into European law on December 29, 2012, and have to be applied for financial years beginning on or after January 1, 2014.

In June 2012, the IASB issued **changed transition guidance for IFRS 10 to 12**. The changes clarify the transition guidance in IFRS 10 and provide additional relief in all three standards. In particular, this includes limiting the disclosure of adjusted comparative figures to the directly preceding comparative period at initial application. The changed transition guidance was endorsed for use in the European Union on April 5, 2013, and is mandatory for financial years beginning on or after January 1, 2014. Furthermore, the IASB published **limited amendments to IFRS 10, IFRS 12** and **IAS 27** for investment entities in October 2012, which were adopted into European law on November 21, 2013, and are applicable to reporting periods starting on or after January 1, 2014.

The retrospective application of IFRS 10 and IFRS 11 in the current version to January 1, 2013 (reporting date of the comparative 2013 year), had no effect on the Group. Moreover, the application of IFRS 10 did not change the accounting assessment for acquisitions of control in financial year 2013. As ProSiebenSat.1 Group already accounted for investments in joint ventures using the equity method under IAS 31, the first-time application of IFRS 11 had no impact on the earnings, financial position and performance of the Group.

As a result of the publication of IFRS 10 to 12 in May 2011, **IAS 27 "Consolidated and Separate Financial Statements"** and **IAS 28 "Investments in Associates"** were amended so that the requirements therein relate primarily to the accounting for investments in subsidiaries, joint ventures and associates in the IFRS separate financial statements of the investor. This has been emphasized by renaming the standards **IAS 27 "Separate Financial Statements"** and **IAS 28 "Investments in Associates and Joint Ventures"** respectively. The amended IAS 27 and IAS 28 were adopted into European law on December 29, 2012, and have to be applied for financial years beginning on or after January 1, 2014. The initial application had no impact on the earnings, financial position and performance of the Group.

In December 2011, the IASB issued amendments to **IAS 32 "Financial Instruments: Presentation"** regarding the offsetting of financial assets and liabilities. The requirements remain essentially unchanged, only the application guidance has been amended. The amendments were adopted into European law on December 29, 2012, and are applicable for the first time for financial years beginning on or after January 1, 2014. This did not have any impact on the presentation of the earnings, financial position and performance of the Group.

As a result of the amendment to **IAS 36 "Impairment of Assets"** published in May 2013 regarding disclosures on the recoverable amount of non-financial assets, the recoverable amount shall only be disclosed in the future if an impairment or reversal of impairment has occurred in the current period. The amendment was adopted into European law on December 20, 2013, and is applicable for the first time for financial years beginning on or after January 1, 2014. The initial application had no impact on the earnings, financial position and performance of ProSiebenSat.1 Group.

In June 2013 the IASB published the amendment to **IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"**. Due to this amendment to IAS 39, a novation of a hedging instrument to a central counterparty as a consequence of legal requirements does not result in the dissolution of a hedging relationship provided certain criteria are met. The amendment was adopted into European law on December 20, 2013; its first-time application is mandatory for financial years beginning on or after January 1, 2014. This did not have any impact on the earnings, financial position and performance of the Group.

IFRIC 21 "Levies" was published by the IASB in May 2013 and includes regulations for accounting for obligations to pay public levies that are not charges as defined by IAS 12 "Income Taxes". The interpretation was adopted into European law on June 14, 2014, and is applicable at the latest for financial years beginning on or after June 17, 2014; early application is possible on a voluntary basis. ProSiebenSat.1 Group has applied IFRIC 21 early. This did not have any impact on the earnings, financial position and performance of the Group.

c) Standards, interpretations and amendments to standards and interpretations issued by the IASB and the IFRIC respectively but not yet endorsed by the European Commission

The standards and interpretations described below were issued by the IASB or the IFRIC respectively at the reporting date but have not yet been applied by ProSiebenSat.1 Group as they have not been endorsed by the European Commission or they are not relevant to accounting within ProSiebenSat.1 Group.

In December 2014, the IASB issued **amendments to IAS 1 "Presentation of Financial Statements"**. In particular, these amendments made clarifications for preparers regarding the use of discretion in the presentation of financial statements. The amendments are to be applied in financial years beginning on or after January 1, 2016. Earlier application is permitted. As of the reporting date, endorsement by the European Commission is still outstanding. ProSiebenSat.1 Group expects no material changes from their first-time application.

In May 2014, the IASB issued **amendments to IAS 16 "Property, Plant and Equipment"** and **IAS 38 "Intangible Assets"**. These amendments entail guidelines to clarify acceptable depreciation and amortization methods for property, plant and equipment and intangible assets, especially with regard to revenue-based methods of depreciation and amortization. Endorsement of these amendments by the European Commission is still outstanding as of the reporting date. First-time application is mandatory for the financial year beginning on or after January 1, 2016. ProSiebenSat.1 Group is analyzing the developments resulting from the amendments to IAS 16 and IAS 38. Currently, it is not possible to state the quantitative effects on the consolidated financial statements.

The amendments to **IAS 16 "Property, Plant and Equipment"** and **IAS 41 "Agriculture**" issued by the IASB in June 2014 bring bearer plants that no longer undergo significant biological transformation into the scope of IAS 16, so that they are accounted for in the same way as property, plant, and equipment. As of the reporting date, these amendments, which are not relevant for ProSiebenSat.1 Group's consolidated financial statements, had not been endorsed by the European Commission. The first-time mandatory application is effective for financial years beginning on or after January 1, 2016.

IAS 19 "Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)" was issued by the IASB in November 2013. The changes clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it guarantees an expedient if the amount of the contributions is independent of the number of years of service: In this case, contributions may be recognized as a reduction in the service cost in the period in which the related service is rendered. In deviation from the effective date according to the IASB (July 1, 2014), the amendments become mandatory in IFRS financial statements for annual periods beginning on or after February 1, 2015; earlier application is permitted. The European Commission endorsed the amendments on January 9, 2015. ProSiebenSat.1 Group expects the initial application to have no significant effects on the consolidated financial statements.

Due to the amendment to **IAS 27 "Equity Method in Separate Financial Statements"** issued by the IASB in August 2014, the equity method is once again permitted as an accounting option for investments in subsidiaries, joint ventures and associates in the separate financial statements of an investor. The amendment is mandatory for annual periods beginning on or after January 1, 2016. However, endorsement by the European Commission is still outstanding as of the reporting date. The initial application will have no impact on the consolidated financial statements of ProSiebenSat.1 Group.

In July 2014, the IASB issued the final version of **IFRS 9 "Financial Instruments"**. This new standard for the classification and measurement of financial instruments supersedes all previous versions of IFRS 9. On initial recognition, financial assets are classified as assets "to be measured at fair value" and "to be measured at amortized cost" depending on the business model and the contractual cash flows of the relevant financial instruments. Depending on their categorization, the financial assets are subsequently measured either at amortized cost or at fair value. Changes in fair value are reportable in the income statement or in other comprehensive income. Regulations for financial liabilities have been taken over predominantly from IAS 39, with the material exception that fair value changes must be differentiated into changes due to credit risk and other value changes. Value changes due to credit risk are then presented in other comprehensive income, other value changes in the income statement. Also completely new are the requirements for the recognition of impairments, which is now based on an expected loss model. IFRS 9 also adds new hedge accounting requirements, which are more strongly focused on reflecting operational risk management. Application of the regulations of IFRS 9 is mandatory for the first time for financial years from January 1, 2018. Approval by the European Commission is still outstanding as of the reporting date. ProSiebenSat.1 Group is analyzing the developments relating to IFRS 9. Currently, it is not possible to state the quantitative effects of the application of IFRS 9 on the consolidated financial statements.

In September 2014, the IASB issued **amendments to IFRS 10** and **IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"**. These amendments serve to clarify that, in transactions with associates or joint ventures, the extent to which a gain or loss is recognized is dependent on whether the assets sold or contributed constitute a business. ProSiebenSat.1 Group expects the initial mandatory application for financial years from January 1, 2016, to have no material impact on the consolidated financial statements. As of the reporting date, endorsement by the European Commission is still outstanding.

In December 2014, the IASB issued **amendments to IFRS 10, IFRS 12 and IAS 28**. These amendments, **"Investment Entities: Applying the Consolidation Exception"**, address issues that have arisen in the context of applying the consolidation exception for investment entities. The amendments are effective for annual periods beginning on or after January 1, 2016. Early application is permitted. As of the reporting date, endorsement by the European Commission is still outstanding. The Group expects no changes from their first-time application.

Amendments to IFRS 11 "Joint Arrangements" were issued by the IASB in May 2014. These amendments are mandatory for the first time for financial years from January 1, 2016, and clarify accounting for acquisitions of interests in joint operations. As of the reporting date, the European Commission had not yet endorsed the amendments to IFRS 11, which will have no material impact on the consolidated financial statements.

In January 2014, the IASB issued the standard **IFRS 14 "Regulatory Deferral Accounts**". First-time application is mandatory for accounting periods beginning on or after January 1, 2016. With this interim standard, the IASB allows rate-regulated entities adopting IFRS for the first time to avoid changes in accounting policies in respect of regulatory deferral accounts until such time as the IASB can complete its comprehensive project on rate regulated activities. The application of IFRS 14 has not yet been endorsed by the European Commission, nor is it relevant for the accounting of ProSiebenSat.1 Group.

By issuing **IFRS 15 "Revenue from Contracts with Customers"** in May 2014, the IASB amended how and when revenues will have to be recognized. First-time application is mandatory for financial years beginning on or after January 1, 2017. IFRS 15 will then replace the current regulations of IAS 18 "Revenue", IAS 11 "Construction Contracts", and a range of revenue-related interpretations. Leases, financial instruments and insurance contracts do not fall within the scope of IFRS 15. The European Commission has not yet endorsed the application of IFRS 15. ProSiebenSat.1 Group is analyzing the developments and effects relating to IFRS 15. Currently, it is not possible to state the quantitative effects of the application of IFRS 15 on the consolidated financial statements.

In December 2013, as part of its **"Annual Improvement Project 2010–2012"**, the IASB published limited editorial changes to seven standards, including **IAS 16 "Property, Plant and Equipment"**, **IAS 24 "Related Party Disclosures"** and **IAS "38 Intangible Assets".** In addition, formulations in the standards **IFRS 2 "Share-Based Payment"**, **IFRS 3 "Business Combinations"**, **IFRS 8 "Operating Segments"** and **IFRS 13 "Fair Value Measurement"** were clarified. In deviation from the effective date according to the IASB (July 1, 2014), the amendments for entities reporting according to IFRS in the EU become mandatory for annual periods beginning on or after February 1, 2015; earlier application is permitted. The amendments were endorsed by the European Commission on January 9, 2015.

Also in December 2013, the IASB published the changes resulting from the **"Annual Improvement Project 2011–2013"**. These relate to clarifications in four standards, including **IFRS 1 "First-Time Adoption of International Financial Standards"**, **IFRS 3 "Business Combinations"**, **IFRS 13 "Fair Value Measurement"** and **IAS 40 "Investment Property"**. The amendments were adopted into European law on December 19, 2014, and — in deviation from the effective date according to the IASB (July 1, 2014) — are mandatory for entities reporting according to IFRS in the EU for annual periods beginning on or after January 1, 2015; earlier application is permitted.

In September 2014, the IASB formulated further amendments and clarifications to various IFRS as part of its **"Annual Improvement Project 2012–2014"**. These include four standards, **IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations"**, **IFRS 7 "Financial Instruments: Disclosures"**, **IAS 19 "Employee Benefits"** and **IAS 34 "Interim Financial Reporting"**. The amendments from this Improvement Project are applicable for the first time for financial years beginning on or after January 1, 2016; earlier application is permitted. The amendments had not yet been endorsed by the European Commission as of the reporting date. Overall, ProSiebenSat.1 Group expects the initial application of the amendments resulting from the three Improvement Projects mentioned above to have no significant effects on the consolidated financial statements.

4 Consolidation methods

Profits and losses, revenues, income and expenses deriving from transactions between consolidated companies as well as receivables and liabilities amongst consolidated companies are eliminated. The consolidation methods take into account deferred income tax effects if such tax effects are likely to reverse in later financial years. Where required, deferred tax assets and liabilities are offset against one another.

Capital is consolidated by eliminating the carrying amount of equity interests against the share of equity held in the subsidiary. Initial consolidation is carried out using the purchase method under IFRS 3 by eliminating the acquisition cost against the fair values of the acquired, identifiable assets and the assumed liabilities and contingent liabilities as of the acquisition date. The carrying amounts are carried forward to subsequent periods. Any excess of the acquisition cost over net fair value of the acquired entity's net assets is recognized as goodwill, which is presented under intangible assets. In accordance with IAS 36, goodwill is not amortized, but instead tested for impairment at least once a year.

If ProSiebenSat.1 Media AG gains control of the company as a result of the acquisition of a further equity interest in an associate or a joint venture respectively, then the company is to be fully consolidated from the time control is acquired. The fair value of the previously held stake is to be regarded as an extended part of cost for the new subsidiary. The difference between the fair value and the carrying amount determined using the equity method is recognized as a gain or loss.

Investments in entities over which ProSiebenSat.1 Group exerts or can exert significant influence ("associates") or which are jointly controlled with other investors ("joint ventures") are to be accounted for using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures". They are initially recognized at cost, which also includes attributable transaction costs. Subsequently, the carrying amounts of the investments are adjusted in accordance with the Group's share in other comprehensive income and other equity increases and decreases attributable to the Group. The equity method ceases to apply on the date on which the significant influence or joint control ends. Where relevant indications exist, the carrying amount of the investment is tested for impairment, and if applicable an impairment loss is recognized to the lower recoverable amount. The recoverable amount is determined primarily using the principles described for intangible assets and property, plant and equipment described in Note 2 "Accounting policies". If the reason for the impairment ceases to exist at a later date, the impairment is reversed to the amount that would have resulted if the impairment had not been recognized. There is no price quoted on active market for the entities measured using the equity method.

The financial year of ProSiebenSat.1 Media AG and all fully consolidated entities is the calendar year.

5 Scope of consolidation

The consolidated financial statements of ProSiebenSat.1 Media AG include all material subsidiaries. ProSiebenSat.1 Media AG controls an investee if it has power over the investee. This means ProSiebenSat.1 Media AG has existing rights that give ProSiebenSat.1 Media AG the current ability to control the relevant activities. The latter are activities with a significant influence on the investees' returns. In addition, ProSiebenSat.1 Media AG is exposed to variable returns from its investment in the investee or holds rights to these and is able to influence these returns using its power over the investee.

If applicable, the annual financial statements of the subsidiaries are aligned to the accounting policies of the Group.

12 (previous year: 19) subsidiaries with suspended or only minor business activities which are only of subordinate importance for presenting a fair picture of the earnings, financial position and performance as well as the cash flow of ProSiebenSat.1 Group are not included in the scope of consolidation. As no active market exists for these entities and their fair values cannot be reliably measured without incurring unreasonable expense, they are recognized in the consolidated financial statements at cost, where necessary including impairments. The total amount of equity and the total profit after taxes of these companies are less than 1% of the consolidated equity and less than 1% of the consolidated profit of ProSiebenSat.1 Group.

The number of subsidiaries included in the consolidated financial statements changed as follows in the financial year 2014:

Fully consolidated subsidiaries (Fig. 97)

	Germany	Other countries	Total
Included at December 31, 2013	63	73	136
Additions	10	6	16
Disposals	− 4	− 14	− 18
Included at December 31, 2014	**69**	**65**	**134**

Alongside newly founded entities, the additions in the 2014 financial year include the acquisitions described in more detail in Note 7 "Acquisitions and disposals". The disposals in the 2014 financial year relate in particular to the formerly fully consolidated subsidiaries abroad. This primarily pertains to the sale of the Eastern European portfolio (see Note 7 "Acquisitions and disposals").

In addition to the fully consolidated entities, 14 (previous year: 15) associates and two (previous year: 2) joint ventures were accounted for using the equity method. Associates are entities over which ProSiebenSat.1 Media AG has significant influence, but which are neither subsidiaries nor joint ventures. Joint ventures are entities that are jointly controlled with other entities (see also Note 21 "Associates and Joint Ventures").

The list of affiliated companies and investments required under Section 313 (2) of the German Commercial Code and which is part of the Notes is provided on pages 286 through 290. In addition, the list of affiliated companies and investments also contains a list of all subsidiaries which meet the requirements of Section 264 (3) of the German Commercial Code, and are exercising their option to be exempted from certain requirements concerning the preparation, auditing and publication of the annual financial statements and the management report.

6 Foreign currency translation

Transactions in foreign currencies are translated at the relevant exchange rates as of the transaction date. In subsequent periods, monetary assets and liabilities are measured at the spot rate as of the end of the reporting period, and translation differences are recognized in profit or loss. Non-monetary items that were measured at historical cost in a foreign currency are not retranslated.

Financial statements of subsidiaries and entities reported using the equity method in countries outside the eurozone are converted using the functional currency concept. For subsidiaries, the functional currency is determined on the basis of the primary environment in which they conduct their business activities. As a rule, this is the currency in which cash funds are generated and consumed.

Financial statements not denominated in euro are converted using the modified reporting date method, in which items of the income statement are converted using the average exchange rate for the year. Equity is converted at historical rates of exchange, while asset and liability items are converted at the closing rate as of the reporting date. Any currency translation differences resulting from the conversion of financial statements in foreign currencies are added to or charged against accumulated other comprehensive income, outside profit or loss. In the case of the disposal of the relevant subsidiary, such translation differences are recognized in profit and loss.

The following exchange rates were used in foreign currency translation within the Group:

Exchange rates (Fig. 98)

	Spot rate		Average rate	
Exchange rate: EUR 1 equals	**12/31/2014**	12/31/2013	**2014**	2013
Swiss Franc	**1.20240**	1.22690	**1.21469**	1.23091
Swedish Krona	**9.39990**	8.82630	**9.09757**	8.65024
Norwegian Krone	**9.03810**	8.36650	**8.35825**	7.81073
Danish Krone	**7.44520**	7.45970	**7.45481**	7.45792
US Dollar	**1.21550**	1.37680	**1.32895**	1.32815
British Pound Sterling	**0.77860**	0.83280	**0.80611**	0.84915
Hungarian Forint	**315.10000**	297.20000	**308.64937**	296.79630
Romanian Leu	**4.48390**	4.46690	**4.44396**	4.41885
Israeli Shekel	**4.72260**	4.78040	**4.74601**	4.79602
Hong Kong Dollar	**9.42600**	10.67430	**10.30550**	10.30270

7 Acquisitions and disposals

a) Acquisitions

Key acquisitions in the financial year 2014

Acquisition of COMVEL GmbH

By contract dated December 4, 2013, and effective as of January 7, 2014, ProSiebenSat.1 Group, via the Group company ProSieben Travel GmbH, Unterföhring, acquired 100.0 % of the shares in and thus control over COMVEL GmbH. The company, which is based in Munich, operates the travel websites "weg.de" and "ferien.de" and is one of Germany's most successful online travel agencies. A cash purchase price of EUR 40.8 million was paid for the shares acquired. Incidental costs of acquisition of EUR 0.4 million in connection with the acquisition of the company were recognized in functional costs back in 2013. With this acquisition, ProSiebenSat.1 Group has further expanded its activities in the e-commerce business. The company is allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting"). For materiality reasons, the company was initially consolidated in March 2014 including its revenues and results from January 2014.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group at the acquisition date. Only the items of the statement of financial position showing values are presented:

Acquisition Comvel GmbH (Fig. 99)

EUR m	Carrying amounts at acquisition	Step Up	Fair value at acquisition
Intangible assets	1.5	31.7	33.2
Property, plant and equipment	0.1	-/-	0.1
Deferred tax assets	1.6	-/-	1.6
Non-current assets	**3.2**	**31.7**	**34.9**
Trade receivables	0.8	-/-	0.8
Other current receivables and other assets	0.2	-/-	0.2
Cash and cash equivalents	1.4	-/-	1.4
Current assets	**2.4**	**-/-**	**2.4**
Deferred tax liabilities	-/-	10.6	10.6
Non-current liabilities and provisions	**-/-**	**10.6**	**10.6**
Trade payables	3.0	-/-	3.0
Other liabilities	1.0	-0.6	0.5
Current liabilities and provisions	**4.1**	**-0.6**	**3.5**
Total net assets	**1.5**	**21.6**	**23.1**
Purchase price per IFRS 3			40.8
Goodwill			**17.7**

The identified goodwill resulted from the positive difference between the purchase price paid and the fair values of the assets and liabilities acquired, including the applicable deferred taxes. It primarily represents strategic synergy and development potential. These mainly relate to synergies of the activities with those of the Group's Digital & Adjacent segment (see Note 36 "Segment reporting"). The goodwill resulting from this acquisition was allocated to the Digital & Adjacent cash-generating unit. It is not tax-deductible and is carried in the functional currency, the euro. Every acquired asset that did not fulfil the identification and recognition criteria for assets was included in goodwill.

The intangible assets identified in connection with the purchase price allocation primarily comprise the brand and internet domain "weg.de" with a fair value of EUR 19.7 million and an indefinite useful life. In addition, this item includes favourable contractual relationships in the field of marketing with a fair value of EUR 7.1 million and a useful life of three years, customer relationships of EUR 3.7 million with a useful life of five years and the order backlog with a fair value of EUR 1.2 million and a useful life of one year. The brand was valued using the relief-from-royalty method. Customer relationships and the order backlog were valued on the basis of the multi-period excess earnings method. The favourable contract relationships were valued using the incremental income method. Deferred tax liabilities of EUR 10.6 million were recognized relating to the intangible assets recognized separately from goodwill. The intangible assets identified in connection with the purchase price allocation at COMVEL GmbH were measured by independent external appraisers.

The carrying amounts of the receivables and other assets acquired equal their fair values.

Since the initial consolidation at the beginning of January 2014, the company has contributed revenues of EUR 20.6 million, operating expenses (before depreciation and amortization) of EUR 20.0 million and earnings after taxes of minus EUR 0.6 million to the Group.

Acquisition of Half Yard Productions, LLC
By sale and purchase agreement of February 26, 2014, and effective February 27, 2014, ProSiebenSat.1 Group, via the Group company Red Arrow International Inc., Los Angeles, USA, acquired 65.0 % of the shares in and thus control over Half Yard Productions, LLC, Bethesda, USA. The company produces factual entertainment formats (docu-soaps, docu-dramas or real life programs) and is allocated to the Content Production & Global Sales segment (see Note 36 "Segment reporting"). The acquisition strengthens the Group's international market position in the area of TV production. The company was initially consolidated in March 2014.

A cash purchase price of USD 25.0 million (EUR 18.1 million) was paid for the shares acquired. Incidental costs of acquisition of EUR 0.2 million in connection with the acquisition of the company were recognized in functional costs. The majority of the incidental costs of acquisition were incurred in the financial year 2014. Furthermore, the Group agreed a put option for the purchase of the remaining shares with the non-controlling shareholders. This was recognized as a financial liability at the fair value of USD 18.0 million (EUR 13.1 million) as of the acquisition date, as ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise. Because of this present ownership, non-controlling interests have not been recognized in the Group's financial statements. The carrying amount of this liability was USD 19.3 million (EUR 15.9 million) at the reporting date. In addition, an earn-out payment was agreed with the seller. The fair value of the earn-out component was USD 5.6 million (EUR 4.1 million) at the contract signing date. The remeasurement as of December 31, 2014, resulted in the full derecognition of the liability.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group at the acquisition date. It only contains those items of the statement of financial position showing values:

Acquisition Half Yard Productions, LLC (Fig. 100)

EUR m	Carrying amounts at acquisition	Step Up	Fair value at acquisition
Intangible assets	-/-	21.4	21.4
Property, plant and equipment	0.7	-/-	0.7
Non-current assets	**0.7**	**21.4**	**22.1**
Trade receivables	2.5	-/-	2.5
Other current receivables and other assets	0.2	-/-	0.2
Cash and cash equivalents	1.5	-/-	1.5
Current assets	**4.2**	**-/-**	**4.2**
Trade payables	1.7	-/-	1.7
Other liabilities	1.4	-/-	1.4
Current liabilities and provisions	**3.1**	**-/-**	**3.1**
Total net assets	**1.8**	**21.4**	**23.2**
Purchase price per IFRS 3			35.4
Goodwill			**12.2**

The identified goodwill resulted from the positive difference between the purchase price paid and the fair values of the assets and liabilities acquired. It primarily represents strategic synergy and development potential in the Content Production & Global Sales segment (see Note 36 "Segment reporting"), especially the area of program production. Every acquired asset that did not fulfil the identification and recognition criteria for assets was included in goodwill. The goodwill resulting from this acquisition was allocated to the Content Production & Global Sales cash-generating unit. It is fully tax deductible and is carried in the functional currency, the US dollar. The amortization for tax purposes takes place over a period of 15 years.

The intangible assets identified in connection with the purchase price allocation comprise customer relationships with a fair value as of the acquisition date of USD 15.1 million (EUR 11.0 million) and a useful life of 15 years, non-compete agreements with a fair value as of the acquisition date of USD 11.7 million (EUR 8.5 million) and a useful life of nine years, the order backlog with a fair value as of the acquisition date of USD 1.5 million (EUR 1.1 million) and a useful life of one year and shows currently in production with a fair value as of the acquisition date of USD 0.9 million (EUR 0.7 million) and a useful life of five years. Customer relationships, the order backlog and the shows in production were valued on the basis of the multi-period excess earnings method. The non-compete agreements were valued using the incremental income method. The intangible assets identified in connection with the purchase price allocation at Half Yard Productions, LLC were measured by independent external appraisers.

The carrying amounts of the receivables and other assets acquired equal their fair values.

The inclusion of the company in the consolidated financial statements from the beginning of the financial year to the initial consolidation in March 2014 would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: Revenues USD 3.3 million (EUR 2.4 million), operating expenses USD 3.2 million (EUR 2.3 million), profit USD 0.1 million (EUR 0.1 million). Since the initial consolidation, the company has contributed revenues of USD 29.4 million (EUR 22.1 million), operating expenses (before depreciation and amortization) of USD 25.3 million (EUR 19.0 million) and earnings after taxes of USD 3.7 million (EUR 2.8 million) to the Group.

Acquisition of Aeria Games Europe GmbH

By contract of February 19, 2014, and effective April 1, 2014, ProSiebenSat.1 Media AG, via the Group company ProSiebenSat.1 Games GmbH, Unterföhring, acquired a 100.0% stake in and thus control of Aeria Games Europe GmbH, Berlin, a subsidiary of Aeria Games & Entertainment Inc., Santa Clara, USA. The company provides online multiplayer and mobile games and is allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting"). The acquisition strengthens ProSiebenSat.1 Group's Games activities. The cash purchase price was USD 40.0 million (EUR 29.0 million as of the acquisition date), payable in two tranches. The first tranche of USD 20.0 million (EUR 14.5 million) was paid on March 31, 2014. Taking a purchase price adjustment clause into account, the second purchase price tranche of a further USD 20.0 million (EUR 14.5 million as of the acquisition date) was settled of USD 0.8 million (EUR 0.6 million as of the acquisition date) by July 29, 2014. Incidental costs of acquisition of EUR 2.4 million in connection with the acquisition of the company were recognized in functional costs. EUR 1.3 million of this related to the financial year 2013.

In addition, an earn-out payment (in euro) was agreed with the seller. On the date the contract was signed, the fair value of the earn-out component was EUR 7.4 million. The fair value of this liability was EUR 1.0 million as of the reporting date.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. It contains only those items of the statement of financial position showing values:

Acquisition Aeria Games Europe GmbH (Fig. 101)

EUR m	Carrying amounts at acquisition before contribution	Fair value adjustment in the context of contribution	Step Up	Fair value at acquisition
Intangible assets	4.3	13.3	-/-	17.6
Property, plant and equipment	0.5	-/-	-/-	0.5
Non-current assets	**4.8**	**13.3**	**-/-**	**18.1**
Trade receivables	1.6	-/-	-/-	1.6
Other current receivables and other assets	0.1	-/-	-/-	0.1
Cash and cash equivalents	0.1	-/-	-/-	0.1
Current assets	**1.8**	**-/-**	**-/-**	**1.8**
Trade payables	1.5	-/-	-/-	1.5
Other provisions	0.1	-/-	-/-	0.1
Other liabilities	0.7	-/-	-/-	0.7
Current liabilities and provisions	**2.4**	**-/-**	**-/-**	**2.4**
Total net assets	**4.2**	**13.3**	**-/-**	**17.5**
Purchase price per IFRS 3				35.9
Goodwill				**18.4**

In the context of the adjusted measurement of the assets acquired, there have been changes in intangible assets, purchase price and goodwill compared to the provisional figures reported during the year. The figures shown contain only minor changes as compared to the original preliminary purchase price allocation reported in the half-year interim financial statements as of June 30, 2014.

The identified goodwill resulted from the positive difference between the purchase price paid and the fair values of the assets and liabilities acquired. It primarily represents strategic synergy and development potential. These mainly relate to synergies of the activities with those of the Group's Digital & Adjacent segment (see Note 36 "Segment reporting"). Every acquired asset that did not fulfil the identification and recognition criteria for assets was included in goodwill. The goodwill resulting from this acquisition was allocated to the Digital & Adjacent cash-generating unit. It is fully tax deductible and is carried in the functional currency, the euro. The amortization for tax purposes takes place over a period of 15 years.

The intangible assets identified and adjusted are primarily games licenses with a fair value of EUR 14.4 million and a finite useful life, which depending on the game ranges between one and a maximum of six years. Furthermore, in connection with the purchase price allocation, the following intangible assets were identified and measured at fair value: Internally generated software relating to the online gaming portal of EUR 1.6 million with a useful life of three years, and the brand and the domains "aeriagames.com" and "aeriagames.de" with a fair value of EUR 1.5 million and an assumed useful life of 15 years. License rights for online games and brands are valued using the relief-from-royalty method. The replacement cost method was used to value the online platform. The intangible assets identified in connection with the purchase price allocation at Aeria Games Europe GmbH were measured by independent appraisers.

In the context of the transaction structure, the above fair value step-ups were already recognized in the opening statement of financial position of the acquired company. This is because, on the basis of the contribution agreement, all assets were transferred to the target company at fair value as of the acquisition date. Thus, there were no further fair value adjustments.

The carrying amounts of the receivables and other assets acquired equal their fair values.

The inclusion of the company in the consolidated financial statements from the beginning of the financial year to the initial consolidation in April 2014 would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: Revenues EUR 3.7 million, operating expenses EUR 3.3 million, earnings after taxes EUR 0.3 million. Since the initial consolidation, the company has contributed revenues of EUR 25.8 million, operating expenses (before depreciation and amortization) of EUR 30.1 million and earnings after taxes of minus EUR 10.0 million to the Group.

Due to the fact that ProSiebenSat.1 Group, by virtue of its position as majority shareholder, determines the relevant activities of the above companies, is exposed to variable returns and can affect the latter on the basis of its power, these subsidiaries have been included and fully consolidated in the consolidated financial statements since the date control was acquired.

There were no further acquisitions of subsidiaries with a material impact on the earnings, financial position and performance of the Group in the financial year 2014.

Other transactions relating to subsidiaries in financial year 2014

Put option for outstanding shares in wetter.com AG

By contract of March 23, 2012, ProSiebenSat.1 Media AG, via the Group company ProSiebenSat.1 Digital GmbH, Unterföhring, (ProSieben Travel Holding GmbH, Unterföhring, is now the majority shareholder) granted a put option for the remaining 27.0 % of shares in its subsidiary wetter.com AG, Singen, to the non-controlling shareholders. The option had a fair value of EUR 19.1 million as of the contract date and was recognized as a financial liability, as ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise. On the payment date of April 1, 2014, the carrying amount of the put option was EUR 22.5 million. EUR 22.5 million was paid.

Acquisition of another 7.4 % of the shares in SilverTours GmbH

In the financial year 2013, ProSiebenSat.1 Group acquired 60.0 % of the shares in SilverTours GmbH, Freiburg im Breisgau. Further information on this acquisition is given in the next section, "Key acquisitions in the financial year 2013". The share purchase agreement included an agreement for the acquisition of a further 14.9 % of the shares by 2016 at the latest at variable, performance-based purchase prices. The purchase price of EUR 5.8 million for the first tranche, an acquisition of 7.4 %, was paid on December 11, 2014. The fair value was recognized as a financial liability of EUR 5.5 million as of the date the contract was signed. On the payment date of December 11, 2014, the carrying amount of the total financial liability was EUR 5.8 million.

Key acquisitions in the financial year 2013

Acquisition of SilverTours GmbH

By sale and purchase agreement dated March 28, 2013, and effective as of May 13, 2013, ProSiebenSat.1 Group, via the Group company SevenVentures GmbH, Unterföhring, acquired 60.0 % of the shares in and thus control over SilverTours GmbH, Freiburg im Breisgau. The company operates the website "billiger-mietwagen.de" for rental car price comparison and arranging and organizing holidays and is allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting"). The acquisition strengthens the Group's market position in the area of online services. The company was initially consolidated in June 2013.

A cash purchase price of EUR 46.7 million was paid for the shares acquired. Moreover, an agreement for the acquisition of a further total share of 14.9 % by 2016 at the latest at variable, performance-based purchase prices was reached with the non-controlling shareholders, and a corresponding liability was recognized at its fair value of EUR 13.2 million. The carrying amount of this liability was EUR 7.0 million at the reporting date.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group at the acquisition date. The figures shown contain only minor changes as compared to the original preliminary purchase price allocation reported in the half-year interim financial statements as of June 30, 2013. It only contains those items of the statement of financial position showing values:

Acquisition SilverTours GmbH (Fig. 102)

EUR m	Carrying amounts at acquisition	Step up	Fair value at acquisition
Intangible assets	0.2	36.2	36.3
Property, plant and equipment	0.2	-/-	0.2
Non-current assets	**0.4**	**36.2**	**36.5**
Trade receivables	0.9	-/-	0.9
Other current receivables and other assets	0.5	-/-	0.5
Cash and cash equivalents	6.4	-/-	6.4
Current assets	**7.9**	**-/-**	**7.9**
Deferred tax liabilities	-/-	11.6	11.6
Non-current liabilities and provisions	**-/-**	**11.6**	**11.6**
Trade payables	0.5	-/-	0.5
Other provisions	0.8	-/-	0.8
Other liabilities	0.8	-/-	0.8
Current liabilities and provisions	**2.1**	**-/-**	**2.1**
Non-controlling interests	-/-	7.7	7.7
Total net assets	**6.1**	**16.9**	**23.0**
Purchase price per IFRS 3			59.9
Goodwill			**36.9**

The identified goodwill resulted from the positive difference between the purchase price paid and the fair values of the assets and liabilities acquired. It primarily represents strategic synergy and development potential. These mainly relate to synergies of the activities with those of the Group's Digital & Adjacent segment (see Note 36 "Segment Reporting"). Every acquired asset that did not fulfil the identification and recognition criteria for assets was included in goodwill. The goodwill resulting from this acquisition was allocated to the Digital & Adjacent cash-generating unit. It is not tax deductible and is carried in the functional currency, the euro. In line with the option allowed according to IFRS 3.19, ProSiebenSat.1 Group recognizes the goodwill resulting from this transaction only to the extent it relates to the acquirer.

The other intangible assets identified in connection with the purchase price allocation comprise trademarks with a fair value of EUR 25.5 million and indefinite useful lives, customer relationships of EUR 9.4 million with useful lives of five years as well as software of EUR 1.3 million with a useful life of two years. Deferred tax liabilities of EUR 11.6 million were recognized relating to the intangible assets recognized separately from goodwill.

The carrying amounts of the receivables and other assets acquired equal their fair values.

Other acquisitions in the financial year 2013

Individually the acquisitions shown below are not material for the presentation of earnings, financial position and performance of the Group. For this reason, the quantitative disclosures according to IFRS 3 are shown in summarized form. The other acquisitions are shown chronologically, i.e. based on the respective date of acquisition/initial consolidation.

By sale and purchase agreement dated April 10, 2013, and effective as of May 28, 2013, ProSiebenSat.1 Group, via the Group company SevenVentures GmbH, Unterföhring, acquired 75.1% of the shares in and thus control over mydays Holding GmbH, Munich. With "mydays.de", the company operates one of the leading portals for event presents in Germany. The company was allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting"). For materiality reasons, the company was initially consolidated in July 2013.

By sale and purchase agreement dated July 31, 2013, and effective as of August 1, 2013, ProSiebenSat.1 Group, via the Group company Starwatch Entertainment GmbH, Unterföhring, acquired 60.0% of the shares in and thus control over MMP Veranstaltungs- und Vermarktungs GmbH, Cologne. The purpose of the company is developing, planning, organizing, implementing, marketing and holding media or other events in the area of sport, art and culture as well as all related businesses. For materiality reasons, the company was initially consolidated in September 2013.

By sale and purchase agreement dated October 17, 2013, and effective as of October 31, 2013, ProSiebenSat.1 Group, via the Group company Magic Internet Musik GmbH, Berlin, acquired the website "songtexte.com" from Netdo Establishment, Vaduz, Liechtenstein, as part of an asset deal.

The following table illustrates the financial impact of the above individually immaterial business combinations and transactions on the consolidated financial statements of ProSiebenSat.1 Group at the respective acquisition dates. It only contains those items of the statement of financial position showing values:

Other acquisitions 2013 (Fig. 103)

EUR m	Carrying amounts at acquisition	Step up	Fair value at acquisition
Intangible assets	2.1	10.9	13.0
Property, plant and equipment	0.3	-/-	0.3
Deferred tax assets	0.6	-/-	0.6
Non-current assets	**3.0**	**10.9**	**13.9**
Trade receivables	1.5	-/-	1.5
Other current receivables and other assets	3.0	-/-	3.0
Cash and cash equivalents	1.3	-/-	1.3
Current assets	**5.7**	**-/-**	**5.7**
Deferres tax liabilities	-/-	3.5	3.5
Non-current liabilities and provisions	**-/-**	**3.5**	**3.5**
Trade payables	3.4	-/-	3.4
Other provisions	0.3	-/-	0.3
Other liabilities	13.9	-/-	13.9
Current liabilities and provisions	**17.5**	**-/-**	**17.5**
Non-controlling interests	-/-	-0.7	-0.7
Total net assets	**-8.8**	**8.0**	**-0.7**
Purchase price per IFRS 3			13.4
Goodwill			**14.2**

The acquisitions named above support the growth strategy of ProSiebenSat.1 Group in the areas of online services and music and licensing. The purchase prices as per IFRS 3 amounted to EUR 13.4 million and include variable components due in the future with a fair value at the time of initial consolidation totaling EUR 2.4 million. As of the reporting date on December 31, 2014, these liabilities had been settled apart from a remaining amount of EUR 0.3 million.

The goodwill capitalized in this connection primarily represents strategic synergy potential in the stated areas as well as the acquired workforce and is not deductible for tax purposes. In line with the option allowed according to IFRS 3.19, ProSiebenSat.1 Group recognizes the goodwill resulting from the above transactions only to the extent it relates to the acquirer. This is allocated to the companies acquired as follows:

- mydays Holding GmbH: EUR 9.7 million
- MMP Veranstaltungs- und Vermarktungs-GmbH: EUR 4.5 million

In the context of the above transactions, the separately recognized intangible assets primarily relate to internet domains. At the time of initial consolidation, their fair value amounted to EUR 8.7 million, they are assumed to have indefinite useful lives. Customer relationships (expected useful lives of between two and five years) with a fair value of EUR 2.1 million and software (expected remaining useful life of one to three years) with a fair value of EUR 1.9 million were also capitalized. Deferred tax liabilities of EUR 3.5 million were recognized relating to the intangible assets recognized separately from goodwill.

The intangible assets identified in connection with the purchase price allocation at SilverTours GmbH and mydays Holding GmbH were measured by independent external appraisers. The brand was valued using to the relief-from-royalty method. Customer relationships were valued using the multi-period excess earnings method. The software was valued by the replacement cost method. The purchase price allocation for the acquisition of the majority stake in MMP Veranstaltungs- und Vermarktungs-GmbH was carried out by ProSiebenSat.1 Media AG experts. The fair values for the identified customer relationships were calculated using the multi-period excess earnings method. The intangible assets acquired as part of the asset deal for the acquisition of the internet domain "www.songtexte.com" were also measured by independent external appraisers using the relief-from-royalty method.

The carrying amounts of the receivables acquired and other current assets equal their fair values.

Due to the fact that ProSiebenSat.1 Group, by virtue of its position as majority shareholder, determines the significant activities of the above companies, is exposed to variable returns and can affect the latter on the basis of its power, the above subsidiaries have been included and fully consolidated in the consolidated financial statements since the date control was acquired.

There were no further acquisitions of subsidiaries with a material impact on the earnings, financial position and performance of the Group in the financial year 2013.

b) Discontinued operations and disposals of subsidiaries

Discontinued operations

By signing contracts on December 20 (Hungary) and December 19 and 23, 2013 (Romania), ProSiebenSat.1 Group sold its Central and Eastern European TV and radio stations. The transactions reflected an aggregate enterprise value of EUR 32.3 million of which an amount of EUR 14.7 million is allocated to the Hungarian companies and the remaining enterprise value is allocated to the Romanian entities. The disposal serves to sharpen the strategic focus on German-speaking television, the international program production and distribution business, and digital and adjacent business activities.

Sale of Hungarian operations

The Hungarian television stations TV2, FEM 3, PRO4 and Super TV2 were acquired by their management team in the course of a management buyout. The transaction was formally and legally completed on February 25, 2014. The companies sold were deconsolidated as of this date due to the loss of control entailed by the transaction. The sale had the following impact on the earnings, financial position and performance of the Group:

Impact of deconsolidation on the group (Fig. 104)

EUR m	Carrying amounts at the date of sale
Intangible assets	1.2
Property, plant and equipment	3.0
Programming assets	10.2
Other assets (incl. deferred taxes)	9.6
Cash and cash equivalents	10.3
Foreign currency effects recognized in other comprehensive income	16.7
Provisions	-6.6
Other liabilities	-20.9
Net Assets	**23.6**
Purchase price	**14.7**
Purchase price (cash)	0.5
Outstanding receivable	14.2
Costs to sell[1]	-0.4
Purchase price less cost to sell	**14.3**
Purchase price (cash)	**0.5**
Cash and cash equivalents disposed	-10.3
Net cash outflow on sale	**-9.8**
Result from deconsolidation	**-9.3**

1 Costs to sell of EUR 5.7 million have been fully recognized in profit or loss in the financial year 2013.

The loss on deconsolidation recognized in the result from discontinued operations resulting from the sale of the subsidiaries amounted to EUR 9.3 million. This amount is fully attributable to the shareholders of ProSiebenSat.1 Media AG.

On the deconsolidation date, foreign currency rate effects of EUR 16.7 million attributable to the Hungarian entities were reclassified from other comprehensive income to profit or loss.

In addition to a cash component of EUR 0.5 million already settled in the first quarter of 2014, the purchase price of EUR 14.7 million includes a loan to finance the purchase price with a nominal amount of EUR 15.5 million, maturing on December 31, 2016. The present value of the receivable amounted to EUR 14.2 million as of the deconsolidation date. As of December 31, 2014, the fair value of the receivable was EUR 15.6 million.

In connection with the sale of the Hungarian subsidiaries, ProSiebenSat.1 Group agreed a credit facility of EUR 9.0 million with the buyers. As of the closing date, this credit facility had been utilized in full. Due to the current business performance of the sold subsidiaries in Hungary, the Group carried out a probability-weighted scenario calculation with respect to recoverability as of December 31, 2014. This expected value led to an impairment of EUR 8.3 million as of the reporting date. ProSiebenSat.1 Group also granted a bridge loan of up to HUF 1.6 billion (EUR 5.1 million) for the Hungarian operations in early 2015. In addition, ProSiebenSat.1 Group guaranteed existing license agreements with a total obligation of approximately EUR 33 million as of December 31, 2014.

Sale of Romanian operations

By sale and purchase agreement of December 19, 2013, and effective on April 2, 2014, the Romanian entrepreneur, Cristian Burci, acquired the TV station Prima TV. The following table shows the impact of the disposal of the affected Romanian subsidiaries SBS Broadcasting Media S.R.L. and Prime Time Productions S.R.L. The impact of the resulting loss of control on April 2, 2014 on the earnings, financial position and performance of ProSiebenSat.1 Group is based on the figures on the deconsolidation date:

Impact of deconsolidation on the group (Fig. 105)

EUR m	Carrying amounts at the date of sale
Intangible assets	1.2
Property, plant and equipment	0.2
Programming assets	13.0
Other assets (incl. deferred taxes)	4.8
Cash and cash equivalents	0.6
Provisions	-0.4
Deferred tax liabilities	-0.1
Other liabilities	-8.3
Net Assets	**11.2**
Purchase price	**10.2**
thereof outstanding receivable	10.2
Costs to sell[1]	-0.5
Purchase price less cost to sell	**9.7**
Cash and cash equivalents disposed	-0.6
Net cash flow on sale	**-0.6**
Result from deconsolidation	**-1.5**

1 Cost to sell of EUR 2.1 million have been recognized in profit or loss in the financial year 2013.

The deconsolidation impact is reported in the result from discontinued operations and is fully attributable to the shareholders of ProSiebenSat.1 Media AG.

The measurement of the deconsolidation impact includes the purchase price receivable from the sale of Prima TV with a market value of EUR 10.2 million. ProSiebenSat.1 Group agreed an earn-out payment with the buyer. Thus, the Group participates in the potential proceeds from a future disposal of these shares up to December 31, 2020. After this date, feigning a disposal has been agreed contractually so that ProSiebenSat.1 Group then participates in formula-based exit proceeds. These proceeds will reflect the earnings of the company, taking into account fixed minimum value. The fair value of the receivable was EUR 3.8 million as of the reporting date. Further information on the calculation of fair value can be found in Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7."

The television channel Kiss TV and the radio stations Kiss FM, Magic FM, One FM and Rock FM were sold by purchase agreement dated December 23, 2013, and effective August 4, 2014, to the Greek Antenna Group, Southeast Europe's leading media group. The companies sold were deconsolidated as of this date due to the loss of control entailed by the transaction. The sale had the following impact on the earnings, financial position and performance of the Group:

Impact of deconsolidation on the group (Fig. 106)

EUR m	Carrying amounts at the date of sale
Intangible assets	0.1
Property, plant and equipment	0.7
Other assets (incl. deferred taxes)	6.5
Cash and cash equivalents	2.0
Non-controlling interest	-0.1
Other liabilities	-1.9
Net Assets	**7.2**
Purchase price	**6.1**
Purchase price (cash)	6.1
Costs to sell	-2.0
Purchase price less cost to sell	**4.1**
Purchase price (cash)	**6.1**
Cash and cash equivalents disposed	-2.0
Net cash inflow on sale	**4.0**
Result from deconsolidation	**-3.2**

The deconsolidation impact is reported in the result from discontinued operations and is fully attributable to the shareholders of ProSiebenSat.1 Media AG.

The purchase price of EUR 6.1 million was received by ProSiebenSat.1 Group on August 4, 2014.

Presentation of assets held for sale and associated liabilities

After the full deconsolidation of the Hungarian and Romanian TV and radio activities, no further assets of the subsidiaries held for sale or associated liabilities are reported in the consolidated statement of financial position as of December 31, 2014. The comparative figures as of December 31, 2013, were not adjusted in accordance with IFRS 5.40 and, alongside the assets and liabilities of the Hungarian subsidiaries held for sale at this time or sold and deconsolidated in the first quarter of 2014, also include the assets and liabilities of the Romanian TV operations deconsolidated in the second quarter of 2014 and of the Romanian radio activities sold and deconsolidated in the third quarter of 2014.

Due to the deconsolidation of the Eastern European operations in the financial year 2014, no assets or liabilities were recognized as held for sale as of December 31, 2014. As of December 31, 2013, the following material assets and liabilities attributable to discontinued operations were reported separately as held for sale in connection with the presentation of discontinued operations:

Held for sale assets and associated liabilities (Fig. 107)

EUR m	12/31/2014	12/31/2013
Intangible assets	-/-	2.6
Property, plant and equipment	-/-	4.0
Programming assets	-/-	21.0
Other assets (incl. deferred taxes)	-/-	32.4
Cash and cash equivalents	-/-	8.8
Total assets held for sale	**-/-**	**68.8**
Trade payables	-/-	21.7
Other liabilities and provisions (incl. deferred taxes)[1]	-/-	18.6
Total liabilities associated with assets held for sale	**-/-**	**40.2**
Net assets	**-/-**	**28.6**

1 Includes liabilities of EUR 1.9 million on December 31, 2013, relating to the sale of the northern european operations.

The subsidiaries disposed of were allocated to the former Broadcasting International segment and constitute discontinued operations as defined by IFRS 5 due to their significance for the earnings, financial position and performance of ProSiebenSat.1 Group. As a consequence, the result from discontinued operations is combined and presented separately in the income statement.

Presentation of the result from discontinued operations

The following table contains the result from discontinued operations for the financial year 2014. As well as the TV activities in Hungary deconsolidated as of February 25, 2014, and the Romanian TV companies deconsolidated as of April 2, 2014, this also includes the Romanian radio companies until their deconsolidation on August 4, 2014.

In addition to the operating results of the Romanian radio companies, the result of discontinued operations for the financial year 2014 also includes the result of the deconsolidation of these companies, the operating results of the Hungarian operations and Romanian TV companies, and the corresponding deconsolidation results relating to these subsidiaries deconsolidated in the first and second quarters of 2014 respectively. The values shown for the comparative financial year 2013 also include the operating results of the Northern European TV and radio companies until their deconsolidation on April 9, 2013, and the corresponding deconsolidation result.

Income statement discontinued operations (Fig. 108)

	EUR m	2014	2013
1.	Revenues	12.3	212.8
2.	Operating expenses	-20.2	-349.3
3.	Operating income	0.3	0.6
4.	**Operating profit**	**-7.6**	**-135.9**
5.	Financial result	-13.2	-2.4
6.	**Profit before tax**	**-20.8**	**-138.3**
7.	Income tax	7.6	13.6
8.	**Profit, net of income tax**	**-13.2**	**-124.6**
9.	Result on sale of discontinued operations	-14.0	77.0
10.	Income tax on result on sale of discontinued operations	-/-	-/-
11.	**Profit after tax**	**-27.1**	**-47.6**

Minus EUR 27.1 million (previous year: minus EUR 47.3 million) of the result from discontinued operations is attributable to the shareholders of ProSiebenSat.1 Media AG in the financial year 2014.

Other disposals of subsidiaries in financial year 2014

By share purchase and transfer agreement of December 18, 2013, and effective January 1, 2014, Red Arrow Entertainment Group GmbH sold its 74.9 % stake in Producers at Work GmbH. The sale price was EUR 1. Contracts were rescinded in connection with the sale, which triggered a termination payment of EUR 1.6 million. In addition, Red Arrow Entertainment Group GmbH had undertaken to contribute EUR 0.4 million to the equity of Producers at Work GmbH by no later than December 31, 2013. As of January 1, 2014, Mr. Christian Popp manages the production company founded for fictional TV entertainment as sole shareholder. With the sale of the entire shareholding in Producers at Work GmbH, 100.0 % of the shares in Magic Flight Film GmbH, a subsidiary of Producers at Work GmbH, were also sold. In the future, Magic Flight Film GmbH will likewise be continued as an independent film production company under the umbrella of Producers at Work GmbH. The loss on deconsolidation recognized in other operating expenses amounted to EUR 2.0 million. Both companies sold were allocated to the Content Production & Global Sales segment (see Note 36 "Segment reporting").

By share purchase and transfer agreement of June 4, 2014, and effective August 1, 2014, ProSiebenSat.1 Media AG sold its 100.0 % stake in Magic Internet Musik GmbH to Odyssey Music Group S.A. via the Group company Magic Internet Holding GmbH. The consideration received for the transfer of shares and the contribution of media services includes an option to receive shares in Odyssey Music Group S.A. with a fair value as of the closing date on August 1, 2014, of EUR 20.0 million (see Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7"). The gain on deconsolidation recognized in other operating income amounted to EUR 3.7 million. Magic Internet Musik GmbH was allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting").

No other disposals of subsidiaries took place in the financial year 2014.

Deconsolidation of the activities in Scandinavia in the financial year 2013

By sale and purchase agreement of December 14, 2012, ProSiebenSat.1 Group sold its TV and radio operations in Denmark, Sweden, Norway and Finland to Discovery Networks International Holdings Ltd., London, Great Britain. The transaction was formally and legally closed on April 9, 2013, following approval by the responsible cartel authorities. The sold subsidiaries were allocated to the former Broadcasting International segment. The transaction was based on an enterprise value of EUR 1.325 billion.

The companies sold were deconsolidated as of this date due to the loss of control entailed by the transaction. The gain on sale, included in the result from discontinued operations in financial year 2013, amounted to EUR 77.0 million.

In the financial year 2013, the sale had the following impact on the earnings, financial position and performance of the Group:

Impact of deconsolidation on the group (Fig. 109)

EUR m	Carrying amounts at the date of sale
Goodwill	889.2
Other intangible assets	257.9
Property, plant and equipment	22.8
Programming assets	239.5
Other assets (incl. deferred taxes)	128.8
Cash and cash equivalents	80.5
Foreign currency effects recognized in other comprehensive income	-36.3
Non-controlling interest	-0.1
Provisions	-17.3
Deferred tax liabilities	-42.5
Other liabilities	-206.9
Net Assets	**1,315.8**
Purchase price (cash)	**1,392.7**
Cost to sell[1]	-/-
Purchase price less cost to sell	**1,392.7**
Purchase price (cash)	**1,392.7**
Cash and cash equivalents disposed	-80.5
Net cash inflow on sale	**1,312.3**
Deconsolidation gain on sale of discontinued operations	**77.0**

1 Costs to sell of EUR 13.1 million have been incurred until signing on December 14, 2012 and have thus been fully recognized in profit or loss in the financial year 2012.

The gain on sale is attributable in full to the shareholders of ProSiebenSat.1 Media AG. When calculating the gain on sale, goodwill was allocated to the units remaining and the units sold on the basis of relative values, as required by IAS 36.86.

Other disposals of subsidiaries in financial year 2013

By share purchase and transfer agreement on September 23, 2013, Red Arrow Entertainment Ltd. sold its entire stake in Mob Film Holdings Ltd. at a price of EUR 1. The gain on disposal included in other operating income in the financial year 2013 amounted to EUR 1.6 million and is primarily attributable to the derecognition of put options. Mob Film Holdings Ltd. was deconsolidated as of the above date because of the loss of control that occurred as part of the sale. No other material disposals of subsidiaries took place in the financial year 2013.

Notes to the Income Statement

8 Revenues

Revenues (Fig. 110)

EUR m	2014	2013
Advertising revenues	2,127.5	2,067.3
Barter transactions	59.7	36.0
Revenues from content production	154.5	95.2
Distribution revenues	93.0	75.2
Other revenues	441.0	331.6
Total	**2,875.6**	**2,605.3**

Advertising revenues and barter transactions comprise revenues generated by the Broadcasting German-speaking and Digital & Adjacent segments. The first item also includes revenues from the sale of advertising time under the “media-for-revenue-share” model. Revenues from the Group’s “media-for-equity” business are reported under barter transactions.

Additionally, revenues from content productions determined by application of the percentage-of-completion method are reported in the Content Production & Global Sales segment. These revenues relate to content production projects and amounted to EUR 154.5 million in the financial year 2014 (previous year: EUR 95.2 million).

As of the reporting date, some of these projects are still in the production phase. In the financial year 2014, these projects generated a result of EUR 12.7 million (previous year: EUR 2.7 million) with costs occurred until the reporting date totaling EUR 86.1 million (previous year: EUR 21.5 million). Advance payments made for these projects but not yet offset against claims amount to EUR 12.6 million (previous year: EUR 3.8 million).

The Group generates distribution revenues from the distribution of its HD stations. Here, the Group participates in technical fees that cable network, satellite, and IPTV operators generate from the distribution of ProSiebenSat.1 HD stations. Revenues from the marketing of the basic pay TV stations are also presented under distribution revenues.

Other revenues particularly include revenues from

- the distribution of rights and other merchandising services,
- sales of programming rights and ancillary rights,
- the online business.

9 Cost of sales

Cost of sales (Fig. 111)

EUR m	2014	2013
Consumption of programming assets (incl. impairments)	867.8	858.7
Production costs	369.6	239.8
Personnel expenses	172.9	143.8
Depreciation of property, plant and equipment and amortization of intangible assets (incl. impairment)	64.6	47.0
Expenses from the disposal of programming assets	12.1	10.8
Other	73.4	131.7
Total	**1,560.4**	**1,431.8**

Consumption of programming assets covers consumption and impairments of programming assets as well as additions to provisions for onerous contracts. Production costs relate primarily to production-related purchased services, license expenses and copyright fees. Personnel expenses include wages and salaries of employees in production, including performance-based bonus claims, termination indemnities and social insurance contributions. Depreciation, amortization and impairment on property, plant and equipment and intangible assets relate primarily to technical facilities and licenses. Expenses from the disposal of programming assets result from sales of programming rights and ancillary rights. The key item in the "Other" position is the cost of sales not relating to the core business of advertising-financed television and which relate to business activities in the Digital & Adjacent and Content Production & Global Sales segments. This also includes the cost of sales for the travel operator business, IT and travel costs.

10 Selling expenses

Selling expenses (Fig. 112)

EUR m	2014	2013
Marketing and marketing related expenses	99.9	66.1
Distribution	70.7	64.4
Thereof distribution fees	44.8	41.8
Thereof satellite rental	25.9	22.4
Personnel expenses	62.5	50.7
Sales comissions	33.8	27.8
Production costs	17.8	11.3
Depreciation of property, plant and equipment and amortization of intangible assets (incl. impairment)	11.6	7.2
Other	15.9	16.1
Total	**312.2**	**243.5**

Marketing und marketing-related expenses relate primarily to costs for market research, advertising and public relations. Personnel expenses include wages and salaries of employees in sales, including performance-based bonus claims, termination indemnities and social insurance contributions. Sales commissions include mainly costs and commissions for marketing performance. Production costs relate primarily to expenses for rights of sale. Depreciation, amortization and impairment relate primarily to intangible assets in the sales area.

11 Administrative expenses

Administrative expenses (Fig. 113)

EUR m	2014	2013
Personnel expenses	156.2	126.5
Depreciation of property, plant and equipment and amortization of intangible assets (incl. impairment)	46.4	34.7
IT operations	24.3	21.1
Use of buildings	23.4	16.0
Marketing expenses	17.1	15.5
Consultancy fees	16.5	23.6
Production related expenses	7.6	6.5
Corporate hospitality and travel	7.5	6.8
Automobile expenses	4.4	4.0
Other	28.1	30.9
Total	**331.5**	**285.7**

Personnel expenses include wages and salaries of employees in administration, including performance-based bonus claims, termination indemnities and social insurance contributions. Depreciation, amortization and impairment on property, plant and equipment and intangible assets relate primarily to administrative buildings, office furniture and equipment and software licenses. Use of buildings relates primarily to rent, ancillary, and maintenance costs. Consulting costs primarily include management and M&A consultancy costs as well as legal consulting costs.

12 Other operating expenses

Other operating expenses (Fig. 114)

EUR m	2014	2013
Disposal of affiliated companies	1.8	0.2
Disposal of property, plant and equipment and intangible assets	1.3	0.4
Impairments of intangible assets	1.0	-/-
Derecognition of receivables from previous years	0.7	0.1
Other	0.0	0.1
Total	**4.8**	**0.8**

In the current financial year, the key items in other operating expenses were losses of EUR 1.8 million from the disposal of affiliated companies (previous year: EUR 0.2 million) and losses of EUR 1.3 million from the disposal of property, plant and equipment and intangible assets (previous year: EUR 0.4 million). These mainly include losses from the disposal of intangible assets, office furniture and equipment and internally generated intangible assets. In addition, impairments on intangible assets of EUR 1.0 million (previous year: EUR 0.0 million) and derecognitions of receivables from previous years of EUR 0.7 million (previous year: EUR 0.1 million) were also incurred in the reporting period.

13 Other operating income

Other operating income (Fig. 115)

EUR m	2014	2013
Other income relating to other periods	7.4	4.8
Recharges	4.1	4.7
Income from the disposal of affiliated companies	3.7	3.2
Government grants	2.6	2.0
Partial reclaim purchase price payments	2.4	0.8
Public investment grants	1.6	0.0
Cost allocations/refunds	1.6	1.2
Release of items for which the statute of limitations has elapsed	0.9	0.2
Income from release of valuation allowance on receivables	0.2	0.1
Insurance benefits/compensation for damages	0.2	-/-
Income from disposal of property, plant and equipment and intangible assets	0.2	1.3
Income from receipt of barter liabilities	0.1	0.7
Rental income	0.1	0.1
Income from value added tax refunds previous years	-/-	4.3
Other	3.0	2.1
Total	**27.9**	**25.4**

Income relating to other periods primarily includes corrections on prior-period billings of marketing and service agreements. Recharges primarily contain income from the contractual assumption of costs by third parties. The income from the disposal of affiliated companies for the 2014 financial year includes the gain on the deconsolidation of Magic Internet Musik GmbH. Government grants primarily comprise subsidies received for productions in Austria and investment subsidies for the expansion of the business premises of Aeria Games Europe in Berlin. The item "Partial reclaim purchase price payments" contains subsequent purchase price reductions with external service providers. The public investment subsidies contain subsidies for productions abroad granted by public bodies.

Cost allocations/refunds primarily include income from payment differences and returned direct debits. The item "Release of items for which the statute of limitations has elapsed" mainly comprises derecognitions of VAT liabilities from previous years that were declared invalid in the course of tax audits. The "Other" item contains a various number of different, immaterial individual items.

14 Interest result

Interest result (Fig. 116)

EUR m	2014	2013
Interest and similar income	3.6	6.5
Thereof from available for sale financial assets	1.2	0.2
Thereof interest income from tax authorities	1.0	4.6
Thereof from unwinding of discount interest income from corporate income taxes	0.7	0.8
Thereof from banks	0.2	0.5
Thereof other interest and similar income	0.5	0.3
Interest and similar expenses	-101.5	-135.0
Thereof from financial liabilities at amortized cost	-53.8	-67.6
Thereof from hedging derivatives	-41.7	-59.5
Thereof other interest and similar expenses	-6.0	-7.9
Interest result	**-97.9**	**-128.5**

Interest income in the current financial year resulted largely from interest income in connection with financial assets held for sale. This item includes the interest component from revenues from cable retransmission. The interest from tax authorities exclusively comprises income relating to taxes. The main interest expense items pertain to interest on loans drawn. The decline in interest expenses in 2014 by EUR 33.5 million compared to the previous year resulted from the refinancing of the Group's loans and borrowings in April 2014. For further details on the syndicated loan agreement of ProSiebenSat.1 Group, please refer to Note 30 "Financial liabilities".

The interest from hedging derivatives includes expenses for hedging instruments relating to exchange rate and interest rate risks. The "other interest and similar income/expenses" items contain a various number of different, immaterial individual items.

15 Result from investments accounted for using the equity method and other financial result

Result from investments accounted for using the equity method and other financial result (Fig. 117)

EUR m	2014	2013
Share of income from associates	2.9	5.1
Income from investments accounted for using the equity method	**2.9**	**5.1**
Changes in earn-out and put option liabilities	10.8	15.5
Result from disposal of investments	3.2	0.9
Foreign currency translation gains/losses	1.5	3.1
Thereof from financial assets and liabilities held for trading	17.4	-5.4
Thereof from loans and receivables	4.2	-3.2
Thereof from cash and cash equivalents	1.5	1.8
Thereof from financial liabilities at amortized cost	-23.8	12.5
Thereof other	2.1	-2.4
Impairment of financial assets and securities	-30.3	-24.1
Financing costs	-21.5	-12.7
Other effects from measurement of financial instruments	-3.4	-1.4
Other	0.2	0.1
Other financial result	**-39.4**	**-18.6**

Income from investments accounted for using the equity method relate to shares in the income of Goldbach Media (Switzerland) AG, Stylight GmbH and the investments in the online perfume shop Flaconi GmbH and the US-based Collective Digital Studio, LLC acquired during the financial year 2014.

The income from the change of earn-out and put option liabilities of EUR 10.8 million (previous year: EUR 15.5 million) results from measurement adjustments to the earn-out and put option agreements concluded in connection with business combinations. According to IFRS 3, these liabilities are to be recognized as liabilities at fair value at the respective acquisition date. Changes in value after the acquisition are to be recognized in the income statement (refer to Note 7 "Acquisitions and disposals").

Result from the disposal of investments includes a large number of profitable sales of various entities from the ventures investment portfolio.

The foreign currency gains and losses mainly comprise currency effects from the revaluation of liabilities for programming assets and underlying hedges against exchange rate fluctuations.

Impairments on financial investments and securities, also recognized in the other financial result, amounted to EUR 30.3 million in the reporting period (previous year: EUR 24.1 million) and related primarily to the investment in ZeniMax Media Inc., Rockville, USA, a developer of interactive entertainment content for consoles, PCs and wireless devices, with an amount of EUR 7.3 million (previous year: EUR 12.4 million). To a lesser extent, there were also impairments on individual investments, including various media-for-equity investments.

Financing cost line item primarily includes expenses of EUR 9.9 million for deferred fees in the context of non-current loans at ProSiebenSat.1 Group (previous year: EUR 7.2 million) and one-off expenses of EUR 6.3 million resulting from the early unwinding of hedges in connection with the refinancing of the Group's loans and borrowings in April 2014 (previous year: EUR 0.0 million). In addition, costs for the utilization of the revolving credit facility of EUR 1.6 million (previous year: EUR 1.7 million) are also presented in financing costs. For further details on the syndicated loan agreement, please refer to Note 30 "Financial liabilities".

The other effects from the measurement of financial instruments mainly include expenses relating to the measurement of derivative hedges and other remeasurement effects.

16 Income taxes

Income taxes include both taxes paid or owed on income and deferred tax items. Taxes on income comprise the following:

Income tax expenses (Fig. 118)

EUR m	2014	2013
Current income tax expenses - Germany	157.0	132.8
Current income tax expenses - other countries	12.3	10.1
Current tax expenses	**169.3**	**142.9**
Deferred income tax expenses - Germany	9.0	15.2
Deferred income tax expenses - other countries	0.3	4.1
Deferred income tax expenses	**9.3**	**19.3**
Total income tax expenses	**178.7**	**162.2**

The current tax expenses comprise all domestic and foreign taxes which are based on taxable profits in 2014 (corporate income tax, trade tax and respective foreign taxes) and income taxes expenses for prior years of EUR 6.8 million. In the previous year, there was income tax income for previous years of EUR 3.4 million. In the financial year 2014, as in the previous year, there was no significant reduction in the actual income tax expenses due to previously unrecognized tax losses or temporary differences from a prior period.

Deferred tax expenses for the financial year 2014 of EUR 9.3 million (previous year: EUR 19.3 million) include deferred tax income of EUR 0.5 million (previous year: EUR 4.6 million deferred tax expenses) resulting from the ongoing change in deferred taxes on loss carryforwards. Previously unrecognized tax losses resulted in deferred tax income of EUR 1.2 million (previous year: EUR 0.3 million).

In the financial year 2014, deferred tax expenses of EUR 12.1 million (previous year: EUR 14.7 million) resulted from the current change in temporary differences. EUR 1.1 million of the deferred tax income related to previously unrecognized temporary differences. In the previous year, there were deferred tax expenses of EUR 0.3 million.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. For the following countries the deferred tax rate applied was reduced by reason of new tax legislation. These changes in tax rates resulted in no material deferred tax expenses in the financial year 2014. In the previous year, changes in tax rates resulted in an immaterial deferred tax income.

Changes in expected tax rates (Fig. 119)

	Expected tax rate 2014	Expected tax rate 2013
Denmark	**23.5%**	25.0%
Norway	**27.0%**	28.0%

The corporate income tax rate in Germany in 2014 of 15.0 % as well as the German reunification surtax ("solidarity surtax") of 5.5 % both remain unchanged compared to the previous year. Including the trade tax (local business income tax) with an average basis factor of 340.3 % (previous year: 340.0 %), the rounded total tax rate for 2014 was 28.0 % (previous year: 28.0 %).

As in the previous year, the tax rates for foreign companies varied from 16.0 % to 39.8 %.

The nominal tax rate relevant for the Group is 28.0 %. Regarding continuing operations, the expected tax expense can be reconciled with the current tax expense as follows:

Reconciliation of tax expenses (Fig. 120)

EUR m	2014	2013
Profit before taxes	**560.1**	**526.9**
Applicable group tax rate	28.0%	28.0%
Expected income tax expense	156.8	147.5
Adjustments to the expected income tax expense:		
Tax deviations		
Effects due to foreign tax rate differences	1.6	0.8
Effects due to domestic tax rate differences	-1.7	-1.8
Effects due to changes in statutory tax rates	0.0	0.0
Effects from deviation in taxable base		
Non-deductible interest expenses	2.7	3.6
Other non-deductible operating expenses	13.0	11.3
Tax-free income	-2.5	-1.3
Non-taxable disposal effects	-1.4	-1.5
Recognition and measurement of deferred tax assets		
Changes in the realization of deferred tax assets	7.1	7.1
Other effects		
Taxes from previous years	6.1	-2.8
Investments accounted for using the equity method	-1.3	0.1
Other	-1.9	-0.8
Total income tax expenses	**178.6**	**162.2**

Deferred tax assets on tax loss carryforwards and on temporary differences were recognized and measured on the basis of projected future taxable income. In the financial year 2014, deferred tax assets recognized on loss carryforwards were written down by EUR 0.8 million (previous year: EUR 2.3 million). No deferred tax assets recognized on tax loss carryforwards were written up in the financial year 2014 (previous year: EUR 0.3 million). As in the previous year, there was an immaterial write-down on temporary differences relating to deferred tax assets.

Deferred tax assets on temporary differences and tax loss carryforwards are recognized only to the extent that it is probable that sufficient taxable profit will be available in future to allow the benefit of the deferred tax asset to be utilized. This is based primarily on the tax planning for the next five years and the reversal of taxable temporary differences. As of December 31, 2014, no deferred tax assets were recognized for tax loss carryforwards regarding corporate income tax amounting to EUR 135.5 million (previous year: EUR 94.7 million) and for tax loss carryforwards regarding trade tax amounting to EUR 55.2 million (previous year: EUR 31.6 million). As was the case last year, none of these tax loss carryforwards will expire within the next ten years if they are not utilized. In the financial year 2014, no deferred taxes were recognized for tax credits of EUR 0.3 million (previous year: EUR 0.0 million). As in the previous year, all deferred taxes were recognized for temporary differences.

Tax loss carryforwards regarding corporate income tax for which no deferred tax assets were recognized amounted to EUR 26.0 million (previous year: EUR 18.6 million). Tax loss carryforwards regarding trade tax for which no deferred tax assets were recognized amounted to EUR 7.7 million (previous year: EUR 4.3 million).

As of December 31, 2014, deferred tax assets in excess of deferred tax liabilities of EUR 2.4 million (previous year: EUR 2.2 million) were recognized for companies that suffered losses in the current financial year or the previous year. On the basis of current tax planning, the use of these deferred tax assets can be expected in the next five years.

Recognized deferred tax assets and liabilities relate to the following items:

Allocation/origin of deferred taxes (Fig. 121)

	2014		2013	
EUR m	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Intangible assets	3.2	114.8	1.5	95.4
Property, plant and equipment	0.0	32.4	0.0	32.1
Financial assets	5.5	0.7	4.8	1.3
Programming assets	0.0	15.2	9.2	21.7
Inventories and other assets	4.5	33.9	19.0	7.6
Provision for pensions	1.1	-/-	1.7	1.1
Other provisions	5.2	-/-	4.2	0.1
Liabilities	63.6	18.8	74.2	26.6
Tax loss carryforwards	15.9	-/-	10.5	-/-
Netting	-85.8	-85.8	-104.4	-104.4
Total	**13.3**	**130.0**	**20.7**	**81.5**

Regarding the netting of deferred tax assets and deferred tax liabilities, please refer to Note 2 "Accounting policies".

A deferred tax liability for planned future dividend distributions of EUR 0.7 million (previous year: EUR 0.6 million) was recognized for ownership interests in subsidiaries (outside basis differences). Furthermore, taxable temporary differences of EUR 11.2 million (previous year: EUR 39.0 million) exist, arising from outside basis differences. No deferred tax liabilities were recognized on these taxable temporary differences as the time line of the release of temporary differences is under control of the company and a reversal of the temporary differences is assessed not to be probable over a foreseeable time period.

For disclosures on the deferred taxes that were recognized in other comprehensive income and on the current taxes recognized in capital reserves, please refer to Note 27 "Shareholders' equity".

17 Earnings per share

The table below shows the parameters for calculating earnings per share for the financial years 2014 and 2013.

Earnings per share (Fig. 122)

EUR m	2014 Basic	2013 Basic	2014 Diluted	2013 Diluted
Reconciliation of income figures				
Profit for the period attributable to shareholders of ProSiebenSat.1 Media AG	**346.3**	**312.1**	**346.3**	**312.1**
Thereof from continuing operations	373.5	359.5	373.5	359.5
Thereof from discontinued operations	-27.1	-47.3	-27.1	-47.3
Shares				
Reconciliation of weighted average number of shares				
Weighted average number of shares outstanding	213,315,036	212,897,705	213,315,036	212,897,705
Dilution effect based on stock options and rights to shares			1,685,201	2,151,637
Calculation basis of outstanding shares	**213,315,036**	**212,897,705**	**215,000,238**	**215,049,342**
EUR				
Earnings per share	**1.62**	**1.47**	**1.61**	**1.45**
Thereof from continuing operations	1.75	1.69	1.74	1.67
Thereof from discontinued operations	-0.13	-0.22	-0.13	-0.22

Under IAS 33, basic earnings per share are calculated by dividing the profit share relating to the shareholders by the average number of outstanding shares.

For purposes of calculating diluted earnings per share, the average number of shares outstanding is adjusted by the number of all potentially dilutive shares. These dilution effects arise from the issuance of stock options on shares under the Long Term Incentive Plans and from rights to shares (please refer to Note 37 “Share-based payments”).

For the financial year 2014, basic earnings per share amount to EUR 1.62 (previous year: EUR 1.47).

The possible conversion of all stock options on common shares in the money and on potentially issued common shares results in a dilutive effect of EUR 0.01 (previous year: EUR 0.01).

Due to share options being exercised, the weighted average number of outstanding shares increased from 212,897,705 to 213,315,036 in the financial year 2014. At the reporting date, executives and selected employees had 1,685,201 rights to stock options or to shares (previous year: 2,151,637).

18 Other disclosures

Personnel expenses and number of employees

The personnel expenses included in cost of sales, selling expenses and administrative expenses comprise:

Personnel expenses (Fig. 123)

EUR m	2014	2013
Wages and salaries	348.4	283.2
Social security contributions and expenses for pensions and other employee benefits	43.3	37.8
Total	**391.7**	**321.0**

Expenses for pensions totaled EUR 0.7 million in financial year 2014 (previous year: EUR 0.8 million).

The Group had the following average numbers of employees during the year:

Number of employees (Fig. 124)

	2014	2013
Female employees	1,874	1,605
Male employees	2,244	1,795
Total	**4,118**	**3,400**

Part-time positions are reported as an equivalent number of full-time employees.

Depreciation and amortization

Scheduled consumption and impairment of programming assets of EUR 867.8 million (previous year: EUR 858.7 million) is part of EBITDA and is presented as cost of sales. The following depreciation, amortization and impairments on intangible assets and property, plant and equipment are included under cost of sales, selling expenses and administrative expenses:

Depreciation and amortization (Fig. 125)

EUR m	2014	2013
Amortization of intangible assets	81.3	57.8
Depreciation of property, plant and equipment	31.2	28.1
Impairment of intangible assets	10.9	3.0
Impairment of property, plant and equipment	0.4	-/-
Total	**123.8**	**88.9**

The values presented relate to the income from continuing operations and therefore deviate from those presented in the section "Notes to the Statement of Financial Position."

Notes to the Statement of Financial Position

19 Intangible assets

Statement of changes in intangible assets (Fig. 126)

EUR m	Other intangible assets	Goodwill	Advances paid	Total
COST				
Balance as of January 1, 2013	**321.7**	**1,032.9**	**19.7**	**1,374.3**
Exchange rate differences	-5.2	-7.9	-/-	-13.1
Additions due to change in scope of consolidation	49.8	52.5	0.1	102.4
Additions	79.5	-/-	16.4	95.9
Reclassifications	9.3	-/-	-9.3	0.0
Disposals due to change in scope of consolidation	-416.4	-1,044.8	-/-	-1,461.2
Disposals	-12.6	-/-	-0.1	-12.7
Reclassification to assets held for sale	388.6	1,050.7	0.0	1,439.4
Balance as of December 31, 2013 / January 1, 2014	**414.6**	**1,083.5**	**26.8**	**1,524.9**
Exchange rate differences	-2.0	8.0	-/-	6.0
Additions due to change in scope of consolidation	79.6	48.8	-/-	128.4
Additions	92.5	-/-	7.7	100.2
Reclassifications	15.6	-/-	-15.6	-/-
Disposals due to change in scope of consolidation	-2.7	0.0	-/-	-2.7
Disposals	-1.5	-/-	-1.8	-3.3
Reclassification to assets held for sale	5.9	-/-	0.0	5.9
Balance as of December 31, 2014	**601.9**	**1,140.3**	**17.2**	**1,759.4**
AMORTIZATION				
Balance as of January 1, 2013	**216.7**	**92.6**	**2.5**	**311.7**
Exchange rate differences	-3.2	0.0	-/-	-3.2
Additions due to change in scope of consolidation	0.5	-/-	-/-	0.5
Additions[1]	79.7	-/-	1.1	80.8
Reclassifications	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	-158.0	-155.9	-/-	-313.9
Disposals	-10.0	-/-	-2.5	-12.5
Reclassification to assets held for sale	141.2	155.9	-/-	297.0
Balance as of December 31, 2013 / January 1, 2014	**266.7**	**92.6**	**1.1**	**360.4**
Exchange rate differences	-4.3	-/-	-/-	-4.3
Additions due to change in scope of consolidation	0.6	-/-	-/-	0.6
Additions[1]	92.1	-/-	0.3	92.4
Reclassifications	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	-0.9	-/-	-/-	-0.9
Disposals	-0.9	-/-	-1.1	-2.0
Reclassification to assets held for sale	5.8	-/-	-/-	5.8
Balance as of December 31, 2014	**359.0**	**92.6**	**0.3**	**451.9**
Carrying amount December 31, 2014	**242.9**	**1,047.7**	**16.9**	**1,307.5**
Carrying amount December 31, 2013	**147.9**	**990.9**	**25.7**	**1,164.5**

1 Of the impairments recognized in this position, EUR 9.9 million (previous year: EUR 3.0 million) are presented in the expenses of the corresponding functional area, EUR 0.0 million (previous year: EUR 21.0 million) relate to discontinued operations.

In accordance with IFRS 5, assets classified as for sale must be reclassified to the statement of financial position item "Assets held for sale." The assets of the Eastern European companies sold in the 2014 financial year were removed directly from this statement of financial position item as of their respective dates of consolidation. Therefore, the disposal of the affected assets is not shown in the above table. In the previous year, the disposal of the affected assets occurred after a corresponding reclassification from intangible assets.

Other intangible assets include brands, software, intellectual property rights, customer relationships and broadcasting licenses. Expenses for internally generated intangible assets were also recognized in other intangible assets in the financial year. However, the amount recognized is immaterial for the consolidated financial statements of ProSiebenSat.1 Group. Depreciation and amortization are recognized in line with the accounting policies described in Note 2 "Accounting policies".

The other intangible assets with indefinite useful lives relate to brand names and rights. The increase in the carrying amount in the financial year 2014 to EUR 65.3 million as of the reporting date (previous year: EUR 42.5 million) is due primarily to the brand names identified in the context of the purchase price allocation at COMVEL GmbH, which were recognized at fair value. All such brands are tested for impairment annually in accordance with IAS 36 on the basis of the recoverable amount, applying the procedure described in Note 2 "Accounting policies".

As of December 31, 2014, goodwill amounted to EUR 1,047.7 million (previous year: EUR 990.9 million). The increase in financial year 2014 resulted chiefly from initial consolidations in the Digital & Adjacent segment, largely from the acquisition of stakes in COMVEL GmbH and Aeria Games Europe GmbH (please refer to Note 7 "Acquisitions and disposals"). Goodwill is tested for impairment as required by IAS 36 on the basis of the procedure described in Note 2 "Accounting policies."

The other intangible assets with indefinite useful lives (brand names and rights) and goodwill are allocated to the individual segments as follows:

Allocation of brands and goodwill to segments (Fig. 127)

Name of segment	Broadcasting German-speaking	Digital & Adjacent	Content Production & Global Sales	**Total**
Name of cash generating unit [1]	Broadcasting German-speaking	Digital & Adjacent	Content Production & Global Sales	
Carrying amount of brands at December 31, 2013 (EUR m)	3.4	39.1	-/-	**42.5**
Carrying amount of brands at December 31, 2014 (EUR m)	3.4	61.9	-/-	**65.3**
Carrying amount of goodwill at December 31, 2013 (EUR m)	464.0	457.2	69.7	**990.9**
Carrying amount of goodwill at December 31, 2014 (EUR m)	464.0	493.7	90.0	**1,047.7**

1 The cash generating units correspond to the operating segments (refer to Note 36 "Segment reporting").

On the basis of the impairment test performed in line with IAS 36, there were no impairments for intangible assets with indefinite useful lives in the 2014 financial year. In the previous year, in connection with the "Prima TV" and "Kiss FM" brands of the subsidiaries in Central and Eastern Europe named in Note 7 "Acquisitions and disposals," impairments totaling EUR 3.8 million were recognized in the result from discontinued operations.

In the past financial year, impairments of EUR 1.0 million were recognized on other intangible assets with definite useful lives identified and recognized in connection with earlier purchase price allocations. These assets were games licenses, which were recognized at fair value in the purchase price allocation for the acquisition of Aeria Games Europe GmbH. In the financial year 2013, no impairments were recognized on intangible assets with definite useful lives resulting from earlier purchase price allocations.

In addition to the above impairments recognized on brand carrying amounts for subsidiaries that were held for sale at that time, in the previous year impairments were also recognized on the Eastern European subsidiaries' broadcasting licenses totaling EUR 5.4 million.

According to the impairment tests for goodwill carried out in the 2014 financial year and the previous year, the carrying amounts are still recoverable. Consequently, no impairment was recognized. The following table summarizes the assumptions applied in the respective impairment tests of goodwill in the cash-generating units as of the measurement date of November 30.

Disclosures on impairment testing of brands (Fig. 128)

Name of segment	Broadcasting German-speaking	Digital & Adjacent	Content Production & Global Sales
Name of cash generating unit[1]	**Broadcasting German-speaking**	**Digital & Adjacent**	**Content Production & Global Sales**
Revenues growth p.a. in the projection period (CAGR)[2]	2.6% (2.5%)	14.4% (8.0%)	5.0% (6.6%)
Ø EBITDA margin in the projection period[2]	31.7% (30.4%)	24.3% (19.5%)	11.8% (9.8%)
Duration of projection period	5 years	5 years	5 years
Revenues growth p.a. at the end of projection period[2]	1.5% (1.5%)	1.5% (1.5%)	1.5% (1.5%)
EBITDA margin at the end of projection period[2]	32.2% (31.1%)	21.0% (21.2%)	11.0% (10.3%)
Ø Discount rate[2]	9.0% (9.9%)	9.3% (9.6%)	9.8% (9.9%)

1 The cash generating units correspond to the operating segments (refer to Note 36 "Segment reporting").
2 Previous-year figures in parentheses.

The assumptions for revenues growth used in the impairment tests are based on externally published sources for the projection period. In some cases, risk discounts were applied for regional characteristics. The assumed EBITDA margins are based on historical experience, or were adjusted on the basis of cost-cutting measures that have already been introduced. Information on the procedure for preparing the long-term corporate plan, which forms the basis for deriving the free cash flows relevant for valuation in the context of determining the value in use, is to be found in the Group management report (refer to the chapter "Strategy and Management" on page 79).

The discount rate used for the weighted average total cost of capital for each case reflects the weighted average cost of capital (WACC) - the risk-adjusted interest rate before taxes entitlement derived from the capital market for each case. The discount rate is based on the risk-free and maturity-matched interest rate of 2.0 % (previous year: 2.5 %) and a market risk premium of 6.3 % (previous year: 6.5 %). In addition, for each cash-generating unit a separate beta factor is derived from the relevant peer group. The debt spread and the capital structure is also taken into consideration as are the country-specific tax rates and risk premiums.

To the extent that a reasonably possible change in a key assumption, which is integrated into the impairment test, could result in a reduction of the recoverable amount to below the carrying amount of the respective other intangible asset with indefinite useful life or goodwill, a sensitivity analysis has to be performed on this key assumption. In financial year 2014, on the basis of current conditions, a possible change in a key assumption of the impairment test did not reduce the recoverable amount below the carrying value.

20 Property, plant and equipment

Statement of changes in property, plant and equipment (Fig. 129)

EUR m	Buildings on land owned by others, fixtures and renovations	Technical facilities	Office furniture and equipment	Advances paid	Total
COST					
Balance as of January 1, 2013	**229.1**	**123.8**	**55.1**	**13.4**	**421.4**
Exchange rate differences	-0.2	-1.4	-0.3	0.0	-1.8
Additions due to change in scope of consolidation	0.1	0.4	1.2	-/-	1.7
Additions	5.4	15.5	5.2	10.1	36.2
Reclassifications	8.3	4.4	0.6	-13.3	0.0
Disposals due to change in scope of consolidation	-7.6	-49.5	-16.9	-0.1	-74.1
Disposals	-4.6	-7.6	-3.4	0.0	-15.6
Reclassification to assets held for sale	8.0	52.0	17.2	0.1	77.4
Balance as of December 31, 2013 / January 1, 2014	**238.6**	**137.5**	**58.9**	**10.3**	**445.2**
Exchange rate differences	-0.3	0.1	-0.1	-0.0	-0.4
Additions due to change in scope of consolidation	0.6	1.2	1.3	-/-	3.0
Additions	7.5	22.6	6.0	4.1	40.3
Reclassifications	8.2	0.2	0.6	-9.0	-/-
Disposals due to change in scope of consolidation	-0.4	-0.0	-0.2	0.0	-0.6
Disposals	-0.2	-7.6	-8.4	-0.2	-16.4
Reclassification to assets held for sale	0.8	0.4	0.3	-0.2	1.2
Balance as of December 31, 2014	**254.8**	**154.3**	**58.3**	**5.1**	**472.4**
DEPRECIATION AND AMORTIZATION					
Balance as of January 1, 2013	**91.4**	**87.9**	**43.5**	**-/-**	**222.8**
Exchange rate differences	-0.1	-1.0	-0.2	-/-	-1.3
Additions due to change in scope of consolidation	0.1	0.3	0.8	-/-	1.2
Additions	7.7	26.9	4.5	-/-	39.1
Reclassifications	-/-	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	-5.5	-34.8	-10.9	-/-	-51.2
Disposals	-4.1	-7.3	-3.7	-/-	-15.1
Reclassification to assets held for sale	5.8	27.2	11.8	-/-	44.8
Balance as of December 31, 2013 / January 1, 2014	**95.4**	**99.1**	**45.8**	**-/-**	**240.4**
Exchange rate differences	0.0	0.0	-0.1	-/-	-0.1
Additions due to change in scope of consolidation	0.2	0.6	0.8	-/-	1.6
Additions	9.9	17.2	4.7	-/-	31.7
Reclassifications	-/-	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	-0.4	0.7	-0.1	-/-	0.2
Disposals	-0.1	-7.0	-8.3	-/-	-15.5
Reclassification to assets held for sale	0.4	-0.2	0.2	-/-	0.4
Balance as of December 31, 2014	**105.4**	**110.4**	**42.9**	**-/-**	**258.7**
Carrying amount December 31, 2014	**149.3**	**43.9**	**15.4**	**5.1**	**213.7**
Carrying amount December 31, 2013	**143.1**	**38.4**	**13.0**	**10.3**	**204.8**

In accordance with IFRS 5, assets classified as for sale must be reclassified to the statement of financial position item "Assets held for sale." The assets of the Eastern European companies sold in the 2014 financial year were removed directly from this statement of financial position item as of their respective dates of consolidation. Therefore, the disposal of the affected assets is not shown in the above table. In the previous year, the disposal of the affected assets occurred after a corresponding reclassification from property, plant and equipment.

The buildings on land owned by others, fixtures and renovations line item relates to leased buildings with a residual carrying amount of EUR 104.3 million (previous year: EUR 106.6 million) where the underlying lease agreements qualify as finance leases, and which are therefore reported as assets on which the Group has beneficial ownership. The underlying leases cover land and buildings at the Unterföhring site. Each of them has a lease term of 22 years. The earliest expiration is scheduled for 2019, but the interest rate conversion points (the end of the lock-in period for interest rates) are not yet determined. The real estate leases were signed on prevailing market terms. Other leases with a carrying amount of EUR 11.0 million (previous year: EUR 7.0 million) exist mainly for technical equipment which also qualify as finance leases.

As of December 31, 2014, and the previous year's reporting date, the minimum lease payments comprise the following:

Minimum lease payments (Fig. 130)

EUR m	Remaining term 1 year or less	Remaining term 2 to 5 years	Remaining term over 5 years	Total 12/31/2014
Property, plant and equipment				
Minimum lease payments	14.3	48.1	4.7	**67.1**
Share of interest minimum lease payments	3.9	10.8	0.6	**15.3**
Present value of minimum lease payments	10.4	37.3	4.1	**51.8**

EUR m	Remaining term 1 year or less	Remaining term 2 to 5 years	Remaining term over 5 years	Total 12/31/2013
Property, plant and equipment				
Minimum lease payments	13.6	46.2	15.1	**74.9**
Share of interest minimum lease payments	4.4	13.2	3.1	**20.6**
Present value of minimum lease payments	9.2	33.0	12.1	**54.3**

Additionally, lease obligations related to buildings on land owned by others of EUR 37.4 million (previous year: EUR 37.4 million) still exist that under the repayment plan will not be paid until 2019 or 2023. Therefore, the lease liabilities at December 31, 2014, amounted to EUR 89.2 million (previous year: EUR 91.7 million).

21 Associates and Joint Ventures

As of the reporting date of December 31, 2014, ProSiebenSat.1 Group held investments in 14 (previous year: 15) associates and two (previous year: 2) joint ventures, which were consolidated using the equity method (see Note 5 "Scope of consolidation").

Associates

The following entities are classified as material associates in accordance with IAS 28:

Associated entities (Fig. 131)

Entity	Headquarter	Share of voting rights	Accounting
Goldbach Media (Switzerland) AG	Küsnacht, Switzerland	22.96%	Equity method
Stylight GmbH	Munich, Germany	22.08%	Equity method
Flaconi GmbH	Berlin, Germany	46.99%	Equity method
Collective Digital Studio LLC	Los Angeles, USA	20.00%	Equity method

Goldbach Media (Switzerland) AG is a marketing organization for private electronic media in the fields of television, video and digital in Switzerland. The investment allows the Group to bundle advertising space more effectively.

Stylight GmbH operates the visual search portal "stylight.de" for fashion articles on all popular online stores. The investment serves the expansion of the e-commerce business.

Flaconi GmbH operates an online store for perfume and cosmetics in the German-speaking market via the website "flaconi.de." The investment serves the expansion of the e-commerce business. In the financial year 2013, Flaconi GmbH was presented under other investments with a 13.63% holding.

Collective Digital Studios LLC is one of the leading multi-channel networks in the United States. The company produces, distributes and markets video content on digital platforms. The investment gives ProSiebenSat.1 Group a partner in the development and marketing of online talents across all platforms as well as access to the global online video market and numerous international top talents.

The above entities only have non-listed common shares or GmbH shares, which are held by ProSiebenSat.1 Group in the context of its investment. The following overview shows aggregated information relating to the material associates. The figures do not reflect the stakes held by ProSiebenSat.1 Group, but represent the figures on a 100% basis.

Financial information on associated entities (Fig. 132)

EUR m	Goldbach Media (Switzerland) AG 12/31/2014	Goldbach Media (Switzerland) AG 12/31/2013	Stylight GmbH 12/31/2014	Stylight GmbH 12/31/2013	Flaconi GmbH 12/31/2014	Flaconi GmbH 12/31/2013	Collective Digital Studios LLC 12/31/2014	Collective Digital Studios LLC 12/31/2013
Share ProSiebenSat.1 Group (in %)	**22.96**	**22.96**	**22.08**	**22.08**	**46.99**	**-/-**	**20.00**	**-/-**
Total non-current assets	**1.0**	**0.8**	**0.1**	**0.1**	**0.5**	**-/-**	**0.3**	**-/-**
Other current assets	47.2	39.9	5.8	3.5	6.1	-/-	14.2	-/-
Cash and cash equivalents	34.1	41.2	1.9	2.5	1.3	-/-	3.7	-/-
Total current assets	**81.3**	**81.1**	**7.7**	**6.0**	**7.4**	**-/-**	**18.0**	**-/-**
Non-current financial liabilities	0.0	0.0	-/-	-/-	-/-	-/-	2.9	-/-
Other non-current liabilities	1.6	1.4	-/-	-/-	-/-	-/-	-/-	-/-
Total non-current liabilities	**1.6**	**1.4**	**-/-**	**-/-**	**-/-**	**-/-**	**2.9**	**-/-**
Current financial liabilities	0.0	0.0	0.5	0.3	1.0	-/-	4.6	-/-
Other current liabilities	63.6	59.8	0.7	0.4	4.0	-/-	3.4	-/-
Total current liabilities	**63.6**	**59.8**	**1.2**	**0.6**	**5.0**	**-/-**	**8.0**	**-/-**
Total net assets (equity)	**17.1**	**20.7**	**6.6**	**5.4**	**2.8**	**-/-**	**7.4**	**-/-**
Revenues	235.7	270.0	17.7	11.7	7.7	-/-	19.0	-/-
Depreciation/amortization and impairment of intangible and tangible assets	-0.3	-0.3	0.0	0.0	-0.2	-/-	-0.2	-/-
Interest income	0.0	0.0	0.0	0.0	-/-	-/-	-/-	-/-
Interest expenses	0.0	0.0	0.0	0.0	-0.1	-/-	-/-	-/-
Tax expenses	-4.2	-5.4	-0.3	-/-	-/-	-/-	-/-	-/-
Profit/loss for the period	**17.5**	**23.1**	**1.2**	**-0.1**	**-0.7**	**-/-**	**-4.2**	**-/-**
Other comprehensive income	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-
Comprehensive Income	**17.5**	**23.1**	**1.2**	**-0.1**	**-0.7**	**-/-**	**-4.2**	**-/-**
Reconciliation to carrying amount								
Total net assets (opening)	20.7	25.3	5.4	5.5[1]	3.6[1]	-/-	12.0[1]	-/-
Profit/loss for the period	17.5	23.1	1.2	-0.1	-0.7	-/-	-4.2	-/-
Other comprehensive income	0.0	-2.3	-/-	-/-	-/-	-/-	-/-	-/-
Effects of currency translation	0.4	-0.4	-/-	-/-	-/-	-/-	-0.4	-/-
Dividend payments	-21.5	-25.4	-/-	-/-	-/-	-/-	-/-	-/-
Total net assets (closing)	**17.1**	**20.7**	**6.6**	**5.4**	**2.8**	**-/-**	**7.4**	**-/-**
Share ProSiebenSat.1 Group (in %)	3.9	4.8	1.5	1.2	1.3	-/-	1.5	-/-
Goodwill	-/-	-/-	4.5	4.5	6.8	-/-	11.1	-/-
Other changes recognized in shareholders' equity	-/-	0.5	-/-	-/-	-/-	-/-	-/-	-/-
Carrying amount	**3.9**	**5.3**	**6.0**	**5.8**	**8.1**	**-/-**	**12.6**	**-/-**

1 The amounts reflect the total net assets as of the aquisition date in the year of the respective year of the initial consolidation.

In the reporting year, ProSiebenSat.1 Group received dividends from associates of EUR 5.6 million (previous year: EUR 5.8 million). As of December 31, 2014, there were no contingent liabilities or other financial obligations in connection with associates, or they were immaterial for ProSiebenSat.1 Group. In subsequent measurement, only investments that were material from ProSiebenSat.1 Group's perspective were measured using the equity method.

ProSiebenSat.1 Group also holds other investments in associates. As these entities are classified as immaterial for the Group, the disclosures required by IFRS 12.21(c) are not made.

Joint Ventures

The investments in joint ventures held by the ProSiebenSat.1 Group as of December 31, 2014, were only of subordinate importance. For these reason, they are not disclosed as per IFRS 12.21(c).

Investments in non-consolidated structured entities

ProSiebenSat.1 Group legally owns a 100 % stake in Hold Fast Productions LLC, Los Angeles, USA via the Group company Fabrik Entertainment LLC, Los Angeles, USA. The entity was founded exclusively to develop, produce and distribute a specific program together with a strategic partner. As the relevant activities are primarily governed by contractual arrangements between the partners and not by the exercise of voting rights, the entity is a structured entity according to IFRS 10. The partner entity assumes the overwhelming majority (85 %) of the costs initially advanced by the entity and has ultimate discretion during production regarding budget, production planning, casting and shooting locations. ProSiebenSat.1 Group is therefore not able to control this entity, so it is not consolidated in these consolidated financial statements.

The maximum risk from ProSiebenSat.1 Group's perspective is therefore limited to the carrying value of the receivables from the partner entity regarding cost components not yet reimbursed. As of December 31, 2014, these amounted to USD 0.1 million (EUR 0.0 million).

22 Programming assets

The following presents a summary of the Group's current and non-current programming assets:

Statement of changes in programming assets (Fig. 133)

EUR m	Capitalized TV rights	Advances paid	Total
Carrying amount January 1, 2013	**1,131.8**	**145.1**	**1,276.9**
Exchange rate difference	-2.4	-0.5	-2.9
Additions due to change in scope of consolidation	-/-	-/-	-/-
Additions	910.1	73.1	983.2
Disposals due to change in scope of consolidation	-216.2	-23.4	-239.6
Disposals	-12.7	-0.3	-12.9
Reclassifications	108.9	-108.9	-/-
Consumption[1]	-1,059.7	-/-	-1,059.7
thereof scheduled			-876.1
thereof impairment			-183.6
Reclassification to assets held for sale	220.1	36.6	256.6
Carrying amount December 31, 2013 and January 1, 2014	**1,079.9**	**121.7**	**1,201.6**
thereof non-current programming assets			1,064.6
thereof current programming assets			137.1
Exchange rate difference	-1.1	0.3	-0.8
Additions due to change in scope of consolidation	-/-	0.0	0.0
Additions	838.6	61.1	899.7
Disposals due to change in scope of consolidation	0.0	-0.3	-0.3
Disposals	-12.7	-0.1	-12.8
Reclassifications	93.5	-93.5	-/-
Consumption[1]	-873.3	-/-	-873.3
thereof scheduled			-816.9
thereof impairment			-56.4
Reclassification to assets held for sale	-2.0	-0.4	-2.3
Carrying amount December 31, 2014	**1,122.9**	**88.9**	**1,211.9**
thereof non-current programming assets			1,101.7
thereof current programming assets			**110.2**

1 Consumption including provisions for onerous contracts from prior periods of EUR 4.4 million (previous year: 18.5 million).

Because of their high importance for ProSiebenSat.1 Group, programming assets, which would normally be classified under intangible assets, are presented as a separate item in the statement of financial position. Capitalized TV rights primarily contain free TV rights of EUR 1,111.0 million (previous year: EUR 1,077.6 million) as well as other TV rights such as pay TV, video-on-demand and mobile TV rights of EUR 11.9 million (previous year: EUR 2.3 million).

Consumption and impairments of programming assets are presented under cost of sales. Reversals of impairments are netted against consumption. There were no material reversals of impairments in 2014 or in the previous year.

Consumption resulting from broadcasts is measured using a declining-balance method according to a uniform standardized matrix for the entire Group. Consumption of programming assets reflects the portion of advertising revenues/audience reach for the given reporting period in relation to the total advertising revenues/audience reach expected from the broadcasts defined by contract or planned by management. These estimates are regularly reviewed, and impairments are recognized if necessary. In addition, provisions for onerous contracts in programming are established in line with a two-stage procedure. For more information on establishing provisions for onerous contracts in programming, refer to Note 2 "Accounting policies." Obligations to purchase programming assets in future years are reported in Note 34 "Other financial obligations."

In accordance with IFRS 5, assets classified as for sale must be reclassified to the statement of financial position item "Assets held for sale." The assets of the Eastern European companies sold in the 2014 financial year were removed directly from this statement of financial position item as of their respective dates of consolidation. Therefore, the disposal of the affected assets is not shown in the above table. In the previous year, the disposal of the affected assets occurred after a corresponding reclassification from programming assets.

23 Inventories

Inventories consist primarily of marketing materials, promotional products and video material which are not presented under programming assets. The inventories are considered immaterial by the Group.

24 Financial receivables and assets

Financial assets (Fig. 134)

	12/31/2014			12/31/2013		
EUR m	Current	Non-current	Total	Current	Non-current	Total
Total trade accounts receivable	**318.1**	**-/-**	**318.1**	**326.3**	**-/-**	**326.3**
Derivatives	35.8	92.6	128.4	4.8	0.3	5.1
Investments	-/-	83.7	83.7	-/-	45.4	45.4
Securities	-/-	18.1	18.1	-/-	13.6	13.6
Other financial assets	9.8	21.6	31.5	-/-	1.6	1.6
Total financial assets	**45.6**	**216.0**	**261.6**	**4.8**	**60.9**	**65.7**
Total	**363.7**	**216.0**	**579.7**	**331.1**	**60.9**	**392.0**

More detailed information on the carrying amounts of financial receivables and assets in accordance with IFRS 7 categories is presented in Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7".

As of December 31, 2014, the trade receivables also included receivables from commissioned productions of EUR 86.2 million (previous year: EUR 20.4 million), which were determined by the percentage-of-completion method.

Receivables from content production (Fig. 135)

EUR m	12/31/2014	12/31/2013
Contract cost incurred	86.1	21.5
Profits recognized less loss recognized	12.7	2.7
Content production contracts with debit/credit balance towards customers	**98.7**	**24.2**
Advances received from customers	-12.6	-3.8
Receivables from content production contracts	**86.2**	**20.4**

The derivatives relate mostly to currency hedges with positive market values. The item also includes a financial derivative from a warrant agreement with Odyssey Music Group S.A., Paris (operator of the music streaming portal "Deezer"). Further detailed information can be found in Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7."

In addition to various minor investments, the investments item includes the 1.8 % share acquired in the 2014 financial year in AliphCom, San Francisco, USA (provider of fitness wearables under the Jawbone brand) and the 6.9 % (previous year: 6.9 %) share in ZeniMax Media Inc., based in Rockville, USA, a developer of interactive entertainment content for consoles, PCs and wireless devices. These investments are valued at acquisition cost, including any impairment (see Note 15 "Result from investments accounted for using the equity method and other financial result").

Securities essentially comprise shares in investment funds recognized at fair value through profit and loss acquired to cover the pension obligations, which do not qualify as plan assets under IAS 19.

As of December 31, 2014, other financial assets mainly included receivables from loan agreements in connection with the sale of the Eastern European activities. In the 2014 financial year, impairments of EUR 14.7 million were recognized on these assets in the result from discontinued operations. As these impairments were not recognized in separate allowance accounts, discloses required by IFRS 7.16 are not made.

The following table shows the changes in credit allowances on the gross total of current and non-current trade accounts receivable:

Changes in credit allowances (Fig. 136)

EUR m	12/31/2014	12/31/2013
Credit allowances at the beginning of the reporting period	24.0	25.6
Additions	7.3	6.4
Release	-2.2	-4.4
Usage	-4.8	-3.7
Foreign currency effects	0.0	-/-
Changes to the scope of consolidation	0.2	-/-
Reclassification to assets held for sale	0.1	0.1
Credit allowances at the end of the reporting period	**24.6**	**24.0**

As of December 31, 2014, the Group's trade accounts receivable had the following aging structure:

Aging structure (Fig. 137)

EUR m	12/31/2014	12/31/2013
Trade accounts receivables not due	257.5	260.1
Amount past due the following time ranges:		
Less than 3 months	39.8	46.1
Between 3 and 6 months	6.9	5.9
Between 6 and 9 months	1.2	3.5
Between 9 and 12 months	4.2	5.3
More than 12 months	8.7	5.4
Total trade accounts receivables	**318.1**	**326.3**

Where objective indications of impairment exist, overdue trade receivables are usually written down in full, taking experiential values regarding their recoverability into account. Trade receivables that are not written down in full are very rare in the Group and their amounts are immaterial.

25 Other receivables and assets

Other receivables and assets (Fig. 138)

EUR m	12/31/2014 Current	12/31/2014 Non-current	12/31/2014 Total	12/31/2013 Current	12/31/2013 Non-current	12/31/2013 Total
Advance payments	17.2	-/-	17.2	16.7	-/-	16.7
Accrued items	3.1	-/-	3.1	2.8	-/-	2.8
Other	9.3	6.1	15.4	17.9	4.0	21.9
Total other receivables and assets	**29.6**	**6.1**	**35.7**	**37.4**	**4.0**	**41.4**

Miscellaneous other assets mainly include the transaction costs connected to the issuance of the credit facilities from 2012 and 2013 and the signing fee for a new revolving credit facility, which will be amortized in profit or loss over the entire term until April 2019.

26 Cash and cash equivalents

Cash and cash equivalents of ProSiebenSat.1 Media AG comprise the categories shown in the table below. Bank balances have a maturity of three months or less as of their acquisition date.

Cash and cash equivalents (Fig. 139)

EUR m	12/31/2014	12/31/2013
Cash in Bank	368.4	293.7
Other cash equivalents	101.5	101.5
Cash on hand	0.5	0.3
Cash in transit	0.2	0.2
Total cash and cash equivalents	**470.6**	**395.7**

Other cash and cash equivalents include call accounts with maturities of two months or less held in different currencies.

27 Shareholders' equity

As of December 31, 2014, the subscribed capital of ProSiebenSat.1 Media AG remained unchanged at EUR 218.8 million, each share representing a nominal value of EUR 1 of the share capital. As of December 31, 2014, the number of common shares outstanding was therefore 218,797,200, of which the Company itself held 5,178,600 common shares in treasury (previous year: 5,707,400 common shares).

Capital reserves amounted to EUR 592.4 million (previous year: EUR 585.7 million). They mainly comprise the share premium from the share issuance in 1997 and the capital increase in 2004.

Moreover, in the financial year 2014, EUR 6.7 million (previous year: EUR 4.1 million) was recognized in capital reserves in connection with share-based payments. This item includes EUR 9.3 million (previous year: EUR 7.5 million) in connection with rights to shares, current taxes in connection with stock options of EUR 1.1 million (previous year: EUR 1.4 million), and EUR 0.6 million (previous year: EUR 0.2 million) in connection with stock option plans. This was countered by the cash settlement of stock options of EUR 4.3 million (previous year: EUR 5.1 million). Detailed information on the share-based payments granted in the 2014 financial year is given under Note 37 "Share-based payments."

The change in consolidated equity generated resulted primarily from the consolidated profit generated in the past financial year of EUR 346.3 million (previous year: EUR 312.1 million), which is attributable to the shareholders of ProSiebenSat.1 Media AG. This was countered by the dividend payment for the financial year 2013 of EUR 313.4 million (previous year: EUR 1.201 billion), which was paid on June 27, 2014, from the distributable profit shown in the annual financial statements of ProSiebenSat.1 Media AG.

The change in treasury shares is attributable to the disposal of common shares due to the exercise of stock options (see Note 37 "Share-based payments").

Accumulated other comprehensive income of ProSiebenSat.1 Group in the amount of EUR 8.8 million (previous year: minus EUR 112.6 million) results from cash flow hedge accounting, the currency translation adjustments of the financial statements of foreign subsidiaries and the effects of measurement of pension obligations which are to be recognized outside profit or loss. Cash flow hedge accounting relates to currency hedges with a fair value of EUR 97.9 million (previous year: minus EUR 29.9 million) and interest rate hedges amounting to minus EUR 84.9 million (previous year: minus EUR 96.9 million) before deduction of related deferred taxes. The deferred tax liabilities relate to currency hedges of minus EUR 27.4 million (previous year: minus EUR 8.4 million). Deferred tax assets of EUR 23.8 million (previous year: EUR 27.1 million) relate to interest rate hedges.

Actuarial losses of minus EUR 7.9 million (previous year: minus EUR 6.2 million) and attributable deferred tax assets of EUR 2.2 million (previous year: EUR 1.7 million) were recognized in the measurement of pension obligations. These items will be reclassified to profit or loss in future periods, either on deconsolidation of the entities concerned or on recognition of the hedged transactions in profit or loss.

In addition, accumulated other comprehensive income of the Group contains amounts from currency translation adjustments of the annual financial statements of foreign subsidiaries totaling EUR 5.1 million (previous year: minus EUR 16.9 million). In the previous year, EUR 15.6 million related to assets and liabilities held for sale.

In connection with the deconsolidation of the Eastern European subsidiaries, EUR 16.7 million relating to the currency translation of the financial statements of the subsidiaries disposed were recognized in the income statement.

Results recognized in accumulated other comprehensive income over the course of the 2014 financial year comprised the following:

Changes of accumulated other comprehensive income (Fig. 140)

	2014			2013		
EUR m	Before Taxes	Deferred Taxes	After Taxes	Before Taxes	Deferred Taxes	After Taxes
Currency translation ProSiebenSat.1 foreign susidiaries	6.3	-/-	6.3	31.7	-/-	31.7
Currency translation non-controlling interests of foreign subsidiaries	0.0	-/-	0.0	0.1	-/-	0.1
Associated with assets and liabilities held for sale	-1.1	-/-	-1.1	-48.4	-/-	-48.4
Currency translation effects recognised in other comprehensive income	5.3	-/-	5.3	-16.6	-/-	-16.6
Deconsolidation effects	16.7	-/-	16.7	-36.8	-/-	-36.8
Effect from foreign currency translation	**22.0**	**-/-**	**22.0**	**-53.3**	**-/-**	**-53.3**
Currency hegdes	127.8	-35.8	92.0	-35.6	10.0	-25.6
Interest rate hedges	12.0	-3.3	8.7	48.9	-13.6	35.3
Associated with assets and liabilities held for sale	-/-	-/-	-/-	1.4	-0.4	1.0
Effects from cash flow hedge accounting recognised in other comprehensive income	139.9	-39.1	100.7	14.7	-4.0	10.7
Deconsolidation effects	-/-	-/-	-/-	1.4	-0.4	1.0
Recognition of cash flow hedges	**139.9**	**-39.1**	**100.7**	**16.1**	**-4.4**	**11.7**
Valuation effects of provisions for pensions recognised in other comprehensive income	**-1.8**	**0.5**	**-1.3**	**-0.9**	**0.2**	**-0.6**
Total other comprehensive income/loss for the period	**160.1**	**-38.6**	**121.4**	**-38.1**	**-4.2**	**-42.3**

Non-controlling interests

Other shareholders in addition to ProSiebenSat.1 Group are invested in the following subsidiaries to a material extend from the Group's perspective. Due to ProSiebenSat.1 Group's controlling position as defined by IFRS 10, these entities are fully consolidated in the consolidated financial statements:

General information on non-controlling interests (Fig. 141)

Entity	Registered office (country)	Purpose of business	Non-controlling interests	Carrying amount of non-controlling interests 12/31/2014 (EUR m)	Carrying amount of non-controlling interests 12/31/2013 (EUR m)
SAT.1 Privatrundfunk und -programmgesellschaft m.b.H	Austria	Advertising-financed Free TV (distribution of SAT.1 broadcast signals in Austria)	49.00%	4.1	2.6
moebel.de Einrichten & Wohnen AG	Germany	Operating of website „moebel.de" for the areas furniture, setting and living	49.90%	2.8	-/-
SilverTours GmbH	Germany	Operating of website „billiger-mietwagen.de" for comparing rental cars as well as arranging and organizing travelling	25.10%	7.2	7.2
Total carrying amount				**14.1**	**9.8**
Other, not substantially non-controlling interests				**1.4**	**0.5**
Non-controlling interests as per balance sheet				**15.5**	**10.2**

For the above entities, there are no differences between the proportions of shares and voting rights attributable to the shareholders. Due to the agreement presented in Note 7 "Acquisitions and disposals" for the acquisition of additional shares in SilverTours GmbH, the value of the non-controlling interest shown here differs from the information in the list of affiliated companies and investments (p. 286 – 290) and presents the minority interest shown in the statement of financial position after the capital consolidation.

The tables below contain summarized financial information on the non-controlling interests (before consolidation adjustments) deemed material from the Group's perspective. The figures are not based on the stakes held by ProSiebenSat.1 Group, but represent the figures of a notional holding of 100%. The previous year column for moebel.de Einrichten & Wohnen AG does not contain any values because ProSiebenSat.1 Group acquired the majority in this entity in the 2014 financial year.

Balance sheet information on non-controlling interests (Fig. 142)

	SAT.1 Privatrundfunk und -programmgesellschaft m.b.H		moebel.de Einrichten & Wohnen AG		SilverTours GmbH	
EUR m	**12/31/2014**	12/31/2013	**12/31/2014**	12/31/2013	**12/31/2014**	12/31/2013
Non-current assets	-/-	-/-	7.9	-/-	32.4	34.8
Current assets	8.3	9.0	9.2	-/-	7.9	6.9
Total assets	**8.3**	**9.0**	**17.1**	**-/-**	**40.2**	**41.7**
Equity	7.2	7.9	11.8	-/-	28.6	28.7
Non-current liabilities	-/-	-/-	1.1	-/-	10.2	11.0
Current liabilities	1.2	1.1	4.2	-/-	1.4	2.0
Total liabilities	**8.3**	**9.0**	**17.1**	**-/-**	**40.2**	**41.7**

Income statement information on non-controlling interests (Fig. 143)

	SAT.1 Privatrundfunk und -programmgesellschaft m.b.H		moebel.de Einrichten & Wohnen AG		SilverTours GmbH	
EUR m	**12/31/2014**	12/31/2013	**12/31/2014**	12/31/2013	**12/31/2014**	12/31/2013
Revenues	28.4	30.3	6.5	-/-	24.4	17.2
Result before taxes	9.2	10.2	1.9	-/-	7.4	5.9
Profit/loss for the period	6.9	7.6	1.3	-/-	5.3	4.0
Other comprehensive income	-/-	-/-	-/-	-/-	-/-	-/-
Comprehensive income	6.9	7.6	1.3	-/-	5.3	4.0
Non-controlling interests	3.4	3.7	0.6	-/-	1.3	1.0
Dividends to non-controlling interests	-1.9[1]	-3.4[1]	-/-	-/-	-2.1	-2.4

1 In accordance with the shareholder agreement, the dividend was paid out disproportionately.

Cashflow information on non-controlling interests (Fig. 144)

	SAT.1 Privatrundfunk und -programmgesellschaft m.b.H		moebel.de Einrichten & Wohnen AG		SilverTours GmbH	
EUR m	**12/31/2014**	12/31/2013	**12/31/2014**	12/31/2013	**12/31/2014**	12/31/2013
Cash flow from operating activities	7.2	10.0	2.0	-/-	6.3	4.9
Cash flow from investing activities	-/-	-/-	1.4	-/-	-0.2	6.4
Cash flow from financing activities	-7.6	-7.0	-0.0	-/-	-5.4	-6.0
Change in cash and cash equivalents[1]	-/-	-/-	3.4	-/-	0.7	5.2
Cash and cash equivalents at the beginning of reporting period	-/-	-/-	-/-[2]	-/-	5.2	-/-[2]
Effects of foreign exchange rate changes	-/-	-/-	-/-	-/-	-/-	-/-
Cash and cash equivalents at the end of reporting period	-/-	-/-	3.4	-/-	6.0	5.2

1 This contains additional effects from Group clearing.

2 As part of initial consolidation, acquired cash and cash equivalents are presented as investing cash flows.

There are no material restrictions to the Group's access to subsidiaries' assets. For further information on the Group's investment structure, see the list of affiliated companies and investments (p. 286–290).

Allocation of profits

In the financial year just ended, under a resolution adopted at the Annual General Meeting on June 26, 2014, a dividend of EUR 313.4 million was paid out to shareholders of ProSiebenSat.1 Media AG out of ProSiebenSat.1 Media AG's 2013 distributable profit of EUR 1.841 billion. This equates to a dividend distribution of EUR 1.47 per dividend-entitled common share. The dividend of EUR 313.4 million was disbursed on June 27, 2014.

In accordance with the German Stock Corporations Act, the dividend payable to shareholders depends on the distributable profit shown in the annual financial statements of ProSiebenSat.1 Media AG under the German Commercial Code. It is planned to allocate the distributable profit at ProSiebenSat.1 Media AG for the financial year 2014 of EUR 1.836 billion as follows:

Proposed allocation of profit (Fig. 145)

EUR	
Distribution of a dividend of EUR 1.60 per bearer share of preferred stock	341,789,760.00
Balance to be carried forward to the next accounting period	1,485,757,349.66
ProSiebenSat.1 Media AG distributable profit	**1,827,547,109.66**

Distribution of the dividend is contingent on the approval of the Annual General Meeting on May 21, 2015. The final amount distributed depends on the number of entitled shares at the time of the resolution on the profit allocation proposal. This depends on the amount of Company's treasury stock. Under Section 71b of the German Stock Corporation Act these shares are not entitled to receive dividends. However, up to the day of the Annual General Meeting the level of stock can change.

Authorized capital

The authorization of the Executive Board to increase the share capital (Authorized Capital) previously under Article 4 (4) of the Group's articles of incorporation was limited to June 3, 2014. The Annual General Meeting on July 23, 2013 therefore approved a new Authorized Capital, together with an authorization to exclude pre-emptive rights, 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 now 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 no-par shares of stock.

Contingent capital

The Annual General Meeting of June 4, 2009, approved a contingent increase of the share capital by a total of not more than EUR 109,398,600, by issuing not more than 109,398,600 registered shares of common stock or bearer shares of preferred stock. The contingent capital increase serves to grant stock to holders of, or creditors under, convertible bonds and/or warrant-linked bonds, which the Company was also authorized to issue by the Annual General Meeting of the same date. The authorization to issue convertible and/or warrant-linked bonds granted to the Executive Board by resolution of the Annual General Meeting on June 4, 2009, expired on June 3, 2014.

Treasury shares

The Annual General Meeting of May 15, 2012, in line with Section 71 (1) 8 of the German Stock Corporation Act had authorized the Company to acquire its own common and/or preferred stock on or before May 14, 2017, up to the total nominal amount of 10 % of the Company's share capital at the time of the authorization. The Annual General Meeting of July 23, 2013 resolved an amendment to the existing authorizations according to which the previous regulations for the acquisition and deployment of treasury stock continue with the provison that the conditions stipulated for the acquisition of preference shares apply to the acquisition of common shares after merging the share classes.

In the financial year 2014, 528,800 share options from the LTIP 2010 (Cycle 2010) and LTIP 2008 (Cycles 2008 and 2009) were exercised. Therefore, treasury shares declined from 5,707,400 as of December 31, 2013, to 5,178,600 as of December 31, 2014.

Information about capital management

The primary capital management tools used by ProSiebenSat.1 Group are equity capital measures, dividend payments to the shareholders, repurchase of shares and borrowing.

ProSiebenSat.1 Group's capital management pursues the goal of safeguarding the Company as a going concern for the long term, and of generating a fair return for its shareholders. In this regard, the changes in economic conditions and risks resulting from the underlying business operations are monitored. It is also important to ProSiebenSat.1 Group to ensure its unrestricted access to various borrowing options in the capital market, and its ability to service its financial liabilities.

As part of active management of borrowings, particular attention is given to managing leverage, measured as the ratio of net financial debt to recurring EBITDA of the last twelve months, as well as needs for capital and liquidity, and to matching the timing of refinancing measures.

ProSiebenSat.1 Group's capital structure as of the closing date was as follows:

Capital structure (Fig. 146)

EUR m	12/31/2014	12/31/2013
Shareholders' equity	**753.9**	**584.1**
Share of total capital	19.3 %	16.4 %
Financial debt	**1,973.1**	**1,842.0**
Share of total capital	50.6 %	51.8 %
Leverage	**1.8**	**1.8**
Total Capital (total equity and liabilities)	**3,900.7**	**3,556.0**

Shareholders' equity of ProSiebenSat.1 Group increased against December 31, 2013, by 29.1 % or EUR 169.8 million to EUR 753.9 million (previous year: EUR 584.1 million) This is primarily due to the repeated increase in consolidated net profit to EUR 354.3 million (previous year: EUR 317.0 million). In addition, equity also increased in particular because of positive effects from the measurement of cash flow hedges of EUR 139.9 million (previous year: EUR 14.7 million) before deferred taxes as well as effects from the deconsolidation of the Eastern European activities amounting to EUR 16.7 million. This was countered by dividends paid in the past financial year to shareholders of ProSiebenSat.1 Media AG and non-controlling interests of EUR 322.3 million (previous year: EUR 1.212 billion). Accordingly, the equity ratio increased to 19.3 % (December 31, 2013: 16.4 %).

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 loan agreement comprises a bullet loan (term loan) of EUR 1.400 billion and a revolving credit facility (RCF) 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. They are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7).

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

ProSiebenSat.1 Group and its financial liabilities are not officially rated by international rating agencies.

For further information on financial management in ProSiebenSat.1 Group, refer to the chapter "Borrowings and Financing Structure" in the management report.

28 Provision for pensions

Pension provisions were recognized for obligations to provide benefits for active and former members of the Executive Board of ProSiebenSat.1 Media AG and their survivors. The pension agreements provide for benefits after reaching the contractual age limit, in the case of permanent disability and after the death of the beneficiary. The benefits can be granted as monthly pension for life, in several annual installments or as a one-off payment. As a result of these pension agreements with the present and former members of the Executive Board, ProSiebenSat.1 Group is subject to a salary adjustment risk, an investment, interest rate and longevity risk and the risk of providing benefits to surviving dependents. None of these risks, either currently or in the future, individually or in combination with other risk, results in a material adverse effect on ProSiebenSat.1 Group's financial performance and position.

In calculating pension expenses, ProSiebenSat.1 Media AG considers the expected service cost and the accrued interest on the pension obligation. The change in the present value of the defined benefit obligation is calculated as follows:

Present value of obligation (Fig. 147)

EUR m	2014	2013
Present value of obligation at January 1	**15.5**	**12.8**
Current service cost	0.5	0.5
Interest cost	0.6	0.5
Total amount recognized in profit or loss	**1.1**	**1.0**
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	2.1	0.5
Experience losses/(gains)	-0.3	0.3
Total amount recognized in other comprehensive income	**1.8**	**0.9**
Deferred compensation	1.8	1.2
Pension payments	-0.3	-0.3
Present value of obligation at December 31	**19.8**	**15.5**

The interest expense relating to pension obligations is presented as part of the net interest expense. The other components of pension expenses included in the income statement are recognized as administrative expenses. Actuarial gains and losses are recognized immediately in other comprehensive income in the period in which they occur. This results primarily from changes in the financial assumptions. Amounts shown in other comprehensive income are not recognized in profit or loss in future periods. The deferred compensation relates to conversions of bonus entitlements earned in previous years into pension entitlements.

Pension obligations are measured using the actuarial Projected Unit Credit Method. The measurement date for the present value of obligations is December 31 in each case. The following parameters and assumptions were applied:

Overview actuarial parameters (Fig. 148)

	2014	2013
Discount rate	2.4%	3.8%
Salary growth rate	0.0%	0.0%
Pension growth rate	1.0%	1.0%

One of the key measurement parameters is the discount rate used. According to IAS 19.83, the discount rate shall be chosen with reference to the rates of high quality corporate bonds of matching maturities and currencies. Decreasing or increasing the discount rate by 0.5 percentage points would result in the present value of obligations as of December 31, 2014 rising by EUR 0.9 million or falling by EUR 0.8 million. On the basis of sensitivity analyses performed, there was no material impact on pension expense. Each of the sensitivity analyses described takes into account the change of one assumption, with the other assumptions remaining unchanged against the original calculation, i.e. possible correlations between the individual assumptions are not taken into consideration. For materiality reasons, no sensitivity analyses were performed for additional parameters.

The weighted average duration of the pension obligation is nine years until retirement age. In the financial year 2014, pension payments were made to former Executive Board members with pension entitlements amounting to EUR 0.3 million (previous year: EUR 0.3 million). Pension payments expected for the financial year 2015 amount to EUR 0.5 million; EUR 0.6 million is expected for the financial year 2016 and EUR 0.8 million for 2017. Pension payments of EUR 1.9 million are expected for 2018. Pension payments of EUR 8.1 million are expected for the financial year 2019.

The expected payments in 2015 to acquire shares in investment funds to cover the obligation for defined-benefit pension plans are EUR 0.8 million. These shares in investment funds do not qualify as plan assets for offsetting against the pension obligation, but are presented separately as financial assets (see Note 24 "Financial receivables and assets").

29 Other provisions

Other provisions (Fig. 149)

EUR m	As of 01/01/2014	Foreign exchange differences	Additions	Usage	Release	Changes in scope of consolidation	Reclassification under IFRS 5	As of 12/31/2014
Provisions for onerous contracts	**9.1**	**-0.3**	**6.3**	**-5.8**	**-0.7**	**0.0**	**0.6**	**9.3**
thereof current provisions	6.6							**6.9**
Provisions for business operations	**11.2**	**-/-**	**14.7**	**-10.7**	**-0.5**	**-/-**	**-/-**	**14.7**
thereof current provisions	11.2							**14.7**
Other provisions	**38.9**	**0.0**	**14.9**	**-10.7**	**-11.3**	**0.1**	**0.1**	**31.9**
thereof current provisions	37.6							**28.1**
Total	**59.2**	**-0.3**	**35.8**	**-27.2**	**-12.4**	**0.1**	**0.8**	**55.9**

In accordance with IFRS 5, liabilities and provisions classified as for sale must be reclassified to the statement of financial position item "Liabilities associated with assets held for sale". The liabilities and provisions of the Eastern European companies sold in the 2014 financial year were removed directly from this statement of financial position item as of their respective dates of consolidation. Therefore, the disposal of the affected assets is not shown in the above table. ProSiebenSat.1 Media AG expects that the large part of the provisions will fall due within the next year. Non-current provisions are expected to be settled within five years.

The provisions are made up of current provisions totaling EUR 49.8 million (previous year: EUR 55.4 million) and non-current provisions of EUR 6.2 million (previous year: EUR 3.8 million).

Provisions for onerous contracts (refer to Note 2 "Accounting policies") relate primarily to programming assets of EUR 5.7 million (previous year: EUR 4.9 million). As of the reporting date, there were therefore provisions of EUR 1.3 million (previous year: EUR 2.6 million) in connection with the disposal of N24 which took place in 2010. Provisions for onerous contracts include EUR 2.3 million non-current provisions (previous year: EUR 2.5 million). Provisions for business operations largely include provisions for outstanding invoices and for sales discounts. The remaining provisions comprise provisions for interest on taxes of EUR 6.8 million (previous year: EUR 5.4 million), provisions for VAT of EUR 2.7 million (previous year: EUR 8.9 million), provisions for additional payments to bestseller authors of EUR 6.8 million (previous year: EUR 13.8 million), provisions for litigation of EUR 2.2 million (previous year: EUR 1.5 million) and other provisions of EUR 14.5 million (previous year: EUR 9.4 million). Other provisions include EUR 3.8 million non-current provisions (previous year: EUR 1.3 million).

In the financial year 2014, interest effects from unwinding of provisions amounted to EUR 0.1 million (previous year: EUR 0.3 million).

30 Financial liabilities

Financial liabilities (Fig. 150)

EUR m	Current	Non-current	Total 12/31/2014
Secured Term Loan	-/-	1,379.3	1,379.3
Notes	-/-	593.8	593.8
Financial debt	**-/-**	**1,973.1**	**1,973.1**
Trade payables	**374.6**	**37.0**	**411.7**
Accrued interest	18.5	-/-	18.5
Liabilities from finance lease	10.4	78.8	89.2
Liabilities from derivatives	-/-	84.9	84.9
Liabilities to investments accounted for using the equity method	0.5	-/-	0.5
Earn-out liabilities and liabilities from put options[2]	8.2	42.3	50.5
Accrued media authority liabilities[1]	14.4	-/-	14.4
Various other liabilities[1]	4.4	-/-	4.4
Total other financial liabilities	**56.4**	**206.0**	**262.4**
Total financial liabilities	**431.1**	**2,216.1**	**2,647.1**

EUR m	Current	Non-current	Total 12/31/2013
Secured Term Loan	0.0	1,842.0	1,842.0
Notes	-/-	-/-	-/-
Financial debt	**0.0**	**1,842.0**	**1,842.0**
Trade payables	**352.5**	**20.6**	**373.1**
Accrued interest	13.6	-/-	13.6
Liabilities from finance lease	9.2	82.5	91.7
Liabilities from derivatives	20.4	113.9	134.3
Liabilities to investments accounted for using the equity method	0.2	-/-	0.2
Earn-out liabilities and liabilities from put options[2]	42.1	29.6	71.7
Accrued media authority liabilities[1]	-/-	-/-	-/-
Various other liabilities[1]	-/-	-/-	-/-
Total other financial liabilities	**85.5**	**225.9**	**311.4**
Total financial liabilities	**438.0**	**2,088.5**	**2,526.5**

1 In the financial year 2013, the figures were presented under Note 31 „Other liabilities".

2 In the financial year 2013, the figures contain EUR 11.5 million deferred purchase price liabilities not measured at fair value.

The carrying amounts of financial liabilities according to IFRS 7 categories are disclosed under Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7."

Liabilities to banks comprise the following:

Syndicated facilities agreement

On April 2, 2014, as part of a comprehensive refinancing, a new syndicated loan agreement was concluded for EUR 2.000 billion with a five-year term to April 2019. This new loan agreement comprises an unsecured bullet loan of EUR 1.400 billion and an unsecured revolving credit facility (RCF) with a volume of EUR 600.0 million. The loan agreement is provided by an international banking group. Loans and borrowings are variable-interest financial liabilities. Interest rates are based on Euribor money market conditions. The revolving credit facility can also be drawn in currencies other than euro. As of December 31, 2014, no drawings had been made on the RCF.

In addition, ProSiebenSat.1 Group issued seven-year unsecured notes for EUR 600.0 million with a coupon of 2.625 % maturing in April 2021. They are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7).

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. The new revolving credit facility maturing in April 2019 replaces the unutilized RCF maturing in July 2018.

The repayment amount of the term loan at December 31, 2014, is EUR 1.400 billion (previous year: EUR 1.860 billion). These financial liabilities are measured at amortized cost using the effective interest rate method and have a carrying amount of EUR 1.379 billion as of December 31, 2014 (previous year: EUR 1.842 billion).

As of December 31, 2014, the repayment amount of the notes issued in the financial year 2014 is EUR 600.0 million. These financial liabilities are measured at amortized cost using the effective interest rate method and have a carrying amount of EUR 593.8 million as of December 31, 2014.

ProSiebenSat.1 Group hedges risks from the change of variable interest rates with derivative financial instruments in the form of interest rate swaps and interest rate options. In relation to the entire long-term financing portfolio, the hedge ratio/proportion of fixed interest is 95.0 % as of December 31, 2014 (previous year: 85.5 %).

The loan agreement includes the customary grounds for termination by the lender which are covered by more detailed provisions of the contract for breaches of contract. In case of a change of control under corporate law as a result of an acquisition of a majority stake in the company, each lender is entitled to require the termination of its participation in the loan and a repayment of the outstanding amount within a certain time period. The agreement obligates the Company, among other things, to maintain a certain ratio between consolidated net debt and consolidated EBITDA (as defined in the agreement). In the financial year 2014, ProSiebenSat.1 Group complied with all contractual obligations.

31 Other liabilities

Other liabilities comprise the following:

Other liabilities (Fig. 151)

EUR m	12/31/2014 Current	12/31/2014 Non-current	12/31/2013 Current	12/31/2013 Non-current
Liabilities to employees	52.3	-/-	48.0	-/-
Advance payments received	48.1	-/-	26.3	-/-
Liabilities from VAT	43.7	-/-	44.6	-/-
Liabilities from outstanding advertising services	24.2	36.2	8.0	3.0
Accrued items	23.1	-/-	20.1	-/-
Liabilities from other taxes	10.9	-/-	28.7	-/-
Vacation payment accruals	10.1	-/-	9.8	-/-
Liabilities from rebates	6.1	-/-	8.8	-/-
Liabilities to artists social fund	1.7	-/-	1.0	-/-
Accruals from social security payments	0.7	-/-	0.4	-/-
Liabilities to collecting societies[1]	-/-	-/-	12.3	-/-
Debtors with credit balances[1]	-/-	-/-	7.7	-/-
Other	7.6	1.6	7.4	1.5
Total	**228.5**	**37.8**	**223.2**	**4.4**

1 In the financial year 2014, the figures were presented under Note 30 „Financial liabilities".

On the basis of the development of ProSiebenSat.1 Group's transaction business in the digital sector, there was a considerable increase in non-current other liabilities from outstanding advertising services of EUR 33.2 million, which resulted from media-for-equity transactions.

The accrued items are made up largely of advance payments received, deferred marketing rights and liabilities to media agencies.

Additional Notes

32 Cash flow statement

The cash flow statement shows how cash and cash equivalents have changed as a result of cash inflows and outflows during the period. In accordance with IAS 7, cash flows are distinguished between operating activities, investing activities and financing activities.

The funds covered by the cash flow statement include all cash and cash equivalents shown in the statement of financial position with terms of not more than three months, subject only to minor risks of fluctuation in value. Cash is not subject to restrictions.

Cash flows from investing and financing activities are calculated using the direct method. On the other hand, cash flows from operating activities are derived indirectly from net income. In this indirect derivation the changes of the relevant statement of financial position items relating to operating activities are adjusted for effects from foreign currency translation and from changes to the scope of consolidation. For this reason, the changes of the statement of financial position items cannot be reconciled with the relevant figures on the basis of the published Group and segment statements of financial position.

In line with IAS 7.31 and IAS 7.35, payments for taxes and interest are shown in the cash flow from operating activities.

The following table provides an overview of the cash flow in the segments.

Cash flow by segments (Fig. 152)

EUR m	Segment Broadcasting German-speaking	Segment Digital & Adjacent	Segment Content Production & Global Sales	Eliminations and other transition items	Total segments of continuing operations 12/31/2014
Cash flow from operating activities	1,302.3	115.0	-18.4	26.0	**1,424.8**
Cash flow from investing activities	-919.0	-167.9	-9.8	-51.7	**-1,148.4**
Free cash flow	383.3	-52.9	-28.2	-25.7	**276.5**
Cash flow from financing activities[1]	712.6	-25.2	33.7	-929.4	**-208.3**

EUR m	Segment Broadcasting German-speaking	Segment Digital & Adjacent	Segment Content Production & Global Sales	Eliminations and other transition items	Total segments of continuing operations 12/31/2013
Cash flow from operating activities	1,257.5	93.0	-11.9	9.7	**1,348.3**
Cash flow from investing activities	-901.9	-111.4	22.8	-27.8	**-1,018.3**
Free cash flow	355.7	-18.5	11.0	-18.1	**330.1**
Cash flow from financing activities[1]	-490.1	200.2	-9.1	-1,654.2	**-1,953.2**

1 Dividends paid in financial year 2014 by ProSiebenSat.1 Media AG are disclosed in column „Eliminations and other transition items". Previous year figures were adjusted accordingly.

The higher cash flow from operating activities in financial year 2014 is primarily due to higher consolidated net profit and lower interest payments year-on-year. In the past financial year, consolidated net profit was reduced by higher tax payments of EUR 163.4 million (previous year: EUR 135.6 million). The reduction in interest payments to EUR 91.2 million (previous year: EUR 137.0 million) is attributable to the refinancing implemented in 2014 and the positive interest rate development.

The higher cash flow from investing activities was due primarily to programming investments being higher at EUR 889.7 million (previous year: EUR 860.2 million), increased investments in property, plant and equipment and intangible assets of EUR 99.2 million (previous year: EUR 93.8 million) as well as a EUR 65.6 million increase in investments for expanding the scope of consolidation (2014: EUR 122.2 million; 2013: EUR 56.6 million). The EUR 53.6 million decline in free cash flow in the financial year 2014 reflects this trend (2014: EUR 276.5 million; 2013: EUR 330.1 million).

In the last financial year, the cash outflow from financing activities was EUR 208.3 million after a cash outflow of EUR 1.953 billion in the previous year. The payment of the dividend for the 2013 financial year of EUR 313.4 million resulted in cash outflow in June 2014. This was offset by a net cash inflow of EUR 116.3 million from the refinancing of financial liabilities. The high cash outflow in the previous year reflects not only the dividend payment for 2012 but also the repayment of loans amounting to EUR 730.7 million in the second quarter of 2013.

For more information, refer to the section "Analysis of Liquidity and Capital Expenditure" in the Group management report.

33 Contingent liabilities

Tax risks in connection with the disposal of subsidiaries in Sweden. The Swedish tax authorities completed the tax audit of a former Swedish branch of ProSiebenSat.1 Group for the tax years 2008 to 2011 in December 2013 and for the tax years 2012 and 2013 in December 2014. As of December 31, 2014, therefore, all outstanding tax years of the former Swedish branch had been audited. In the judgment of the tax authorities, interest payments connected to the financing of shares in the former TV and radio companies of the SBS Group are not tax deductible in Sweden. The reports of the two audits therefore earmark additional payments totaling approximately SEK 368 million (around EUR 39.2 million as of December 31, 2014).

ProSiebenSat.1 Group appealed against all the tax assessments within the deadline. In accordance with the request, a suspension of the enforcement of the assessments was granted in January 2014 (tax years 2008 to 2011) and in February 2015 (tax year 2012). In June 2014, first instance proceedings were brought before the Swedish Administrative Court regarding the tax years 2008 to 2011. On February 6, 2015, a verdict of first instance was issued in which the Administrative Court followed the legal opinion of the Swedish tax authorities. An appeal against this verdict is possible and currently in preparation. The second instance proceedings are expected to take 12 to 18 months. As things stand, a judicial dispute is also likely for the tax years 2012 and 2013.

ProSiebenSat.1 Group continues to consider actual claims unlikely and is supported in this opinion by corresponding assessments of renowned Swedish tax and legal consultants. As a consequence, no provisions were recognized as of the closing date.

Guarantees from the disposal of the Belgian TV activities. By sale and purchase agreement of April 20, 2011, ProSiebenSat.1 Group sold its Belgian TV operations to De Vijver NV ("DV"). ProSiebenSat.1 Media AG 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 detailed review and the resulting reassessment of the factual and legal situation in the third quarter of 2014, ProSiebenSat.1 Group considers this risk very unlikely to materialize. As a consequence, no provision was recognized as of December 31, 2014.

Risks in connection with the disposal of the Eastern European operations. In connection with the sale of the Hungarian and Romanian operations, there are receivables from a purchase price loan and a working capital facility (Hungary) and a receivable from a deferred purchase price component (Romania and Hungary) due from the buyers of the entities sold. The loans and purchase price receivable are subject to impairment risks in the event that the business operations do not generate sufficient cash funds. As of December 31, 2014, the net risk position with regard to the loans and purchase price receivables amounted to EUR 20.0 million.

In addition, ProSiebenSat.1 Group provided guarantees for various license agreements between the Hungarian and Romanian television stations and Universal Studios, CBS and Programs for Media totaling EUR 32.5 million. ProSiebenSat.1 Group also granted a bridge loan of up to HUF 1.6 billion (EUR 5.1 million) for the Hungarian operations in early 2015. In the event of payment default, ProSiebenSat.1 Group has corresponding liquidation rights to the Romanian and Hungarian shares in the amounts of 25 % and 100 % of the shares respectively.

ProSiebenSat.1 Group considers the materialisation of this risk not as probable but still as possible. As a consequence, no provisions/impairments were recognized as of the reporting date in excess of those already recognized in the financial year 2014.

Major outstanding litigation procedures in which ProSiebenSat.1 Media AG and/or companies controlled by ProSiebenSat.1 Media AG are involved as defendants and for which no provisions have been recognized as of December 31, 2014 are shown below:

- **Claims for disclosure and action for damages by RTL 2 Fernsehen GmbH & Co. KG and El Cartel Media GmbH & Co. KG against SevenOne Media GmbH and the stations SAT.1 Satelliten Fernsehen GmbH, ProSieben Television GmbH, kabel eins Fernsehen GmbH and N24 Gesellschaft für Nachrichten und Zeitgeschehen mbH (no longer part of the Group) pending at the Düsseldorf Regional Court since November 10, 2008.** Claims for disclosure and action for damages by RTL 2 Fernsehen GmbH & Co. KG and El Cartel Media GmbH & Co. KG against SevenOne Media GmbH and the stations SAT.1 Satelliten Fernsehen GmbH, ProSieben Television GmbH, kabel eins Fernsehen GmbH and N24 Gesellschaft für Nachrichten und Zeitgeschehen mbH (no longer part of the Group) have been pending at the Düsseldorf Regional Court since November 10, 2008. The plaintiff is asserting disclosure and damages claims in connection with the marketing of advertising time by SevenOne Media GmbH. On April 13, 2012, the Regional Court resolved to obtain an expert appraisal on the probability of loss. An expert has since been appointed. It is not yet known when the expert's report will be submitted. The outcome of the case cannot currently be predicted. As a consequence, no provision was recognized as of the closing date.

- **Legal action for additional payments to bestseller authors against companies of ProSiebenSat.1 Group.** Authors of TV programs have made claims on the basis of Section 32a of the Copyright Act against companies of ProSiebenSat.1 Group, in and out of court. The station group has since agreed so-called "Common Compensation Rules" with three organizations (directors, screenwriters and actors) under section 36 of the Copyright Act, which stipulate that additional compensation be paid to directors, screenwriters and actors if TV movies or series achieve certain viewer shares.

  For this subject matter, a provision of EUR 6.8 million (previous year: EUR 13.8 million) was recognized as of December 31, 2014, on the basis of best estimates considering the state of negotiations. For more information, see Note 29 "Other provisions." It is possible that third parties may assert further claims under section 32a of the Copyright Act that are not covered by the aforementioned "Common Compensation Rules".

- **Patent claims.** The Kudelski Group claimed that certain business activities of ProSiebenSat.1 Group infringed its patent rights. Back in the third quarter of 2014, the provision recognized in this respect was reversed on the basis of a further detailed review and the resulting reassessment of the factual and legal situation. The case was settled in the fourth quarter of 2014.

  In addition, ProSiebenSat.1 Media AG and companies under its control are defendants or participants in further court or arbitration actions and institutional proceedings. On the basis of current knowledge, these cases have no material impact on the economic position of ProSiebenSat.1 Group.

34 Other financial obligations

Other financial obligations comprise off-balance-sheet financial obligations in addition to the liabilities shown in the statement of financial position. These derive from contractual agreements entered into before the reporting date and pertain to payment obligations due after the reporting date. The figures are nominal amounts, i.e. there was no discounting. Due to the full deconsolidation of the Eastern European operations in the financial year 2014, no other financial obligations connected to the assets and liabilities held for sale were recognized as of December 31, 2014. As of December 31, 2013, as part of the presentation of discontinued operations, associated other financial obligations were recognized at EUR 8.7 million.

The purchase commitments for programming assets reflects contracts for film and series licenses and commissioned productions entered into before December 31, 2014. Most of the contracts were concluded in US dollar.

Other financial obligations (Fig. 153)

EUR m	12/31/2014	12/31/2013
Remaining term 1 year or less	546.1	522.7
Remaining term 1 to 5 years	1,882.0	1,760.7
Remaining term over 5 years	711.9	378.8
Purchase commitments for programming assets	**3,140.0**	**2,662.1**
Remaining term 1 year or less	66.6	71.4
Remaining term 1 to 5 years	131.1	194.0
Remaining term over 5 years	12.3	42.7
Distribution	**210.0**	**308.1**
Remaining term 1 year or less	19.4	17.4
Remaining term 1 to 5 years	49.2	53.3
Remaining term over 5 years	16.8	15.6
Leasing and long-term rental commitments	**85.4**	**86.2**
Remaining term 1 year or less	85.5	107.4
Remaining term 1 to 5 years	29.9	48.6
Remaining term over 5 years	0.5	1.0
Other financial obligations	**115.8**	**157.0**
Other financial obligations relating to assets held for sale and associated liabilities	-/-	8.7
Total	**3,551.3**	**3,222.1**

Distribution includes financial obligations for satellite rental, obligations under contracts for terrestrial transmission facilities and cable feed charges.

Non-cancelable lease and long-term rental obligations essentially comprise obligations under leases for motor vehicles along with property rental obligations which are classified as operating leases due to their economic substance. Together with satellite rental, operating lease expenses amounted to EUR 43.2 million in 2014 (previous year: EUR 48.6 million). Thereof, EUR 0.4 million were presented in the result from discontinued operations (previous year: EUR 13.0 million).

35 Further notes on financial risk management and financial instruments according to IFRS 7

In its operating business and due to its borrowings, ProSiebenSat.1 Group is exposed to various financial risks. These risks are managed as a part of financial risk management by the corporate department Group Finance & Treasury. Financial risk management aims to secure solvency and to manage market price risks in line with risks. The derivative financial instruments acquired for this purpose serve solely to hedge existing risk positions, not for speculative purposes. For Group companies, the principles, duties and responsibilities of financial risk management are governed by the internal corporate financial guidelines of ProSiebenSat.1 Group. Risk reports are reviewed by the Executive Board on a monthly basis.

The following risks have been identified as material and are assessed on an ongoing basis. After consideration of hedging activities, ProSiebenSat.1 Group does not consider itself to be exposed to any material concentrations of risk.

Interest rate risks

By interest rate risk, ProSiebenSat.1 Group refers to the risk of rising financing costs as a result of increased interest rates. Through its financial liabilities with variable interest rates, ProSiebenSat.1 Group is exposed to an interest rate risk. In the second quarter of 2014, the Group concluded a comprehensive refinancing of its financial liabilities. The new loan agreement comprises an unsecured term loan of EUR 1.400 billion and revolving credit facility (RCF) of EUR 600.0 million, both maturing in April 2019. Interest payable on the term loan and the amounts drawn under the RCF are variable and based on Euribor money market rates plus an additional credit margin. ProSiebenSat.1 Group also issued seven-year unsecured notes maturing in April 2021 in the amount of EUR 600.0 million in the context of the refinancing. They are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7).

The nominal amount of the new term loan was EUR 1.400 billion as of December 31, 2014. The previous term loan D totaled EUR 1.860 billion as of the previous year's reporting date. As of the reporting date, the new revolving credit facility amounted to EUR 600.0 million. The revolving credit facility of the previous year also amounted to EUR 600.0 million. No cash drawings were made as of December 31, 2014, nor as of the previous year's reporting date.

ProSiebenSat.1 Group hedges the interest rate risk inherent in the variable-interest loans using interest rate swaps and options. In interest rate swaps, variable-rate interest payments are exchanged for fixed-rate interest payments. Future, variable-rate interest payments, the amounts of which are therefore uncertain, on the borrowings described above are thus compensated and replaced with fixed-rate interest payments. The market value of interest rate swaps is obtained by discounting expected future cash flows. As a buyer of interest rate options, ProSiebenSat.1 Media AG has the right but not the obligation to exchange future variable-rate interest payments for fixed-rate interest payments. Variable-rate future interest payments on the borrowings described above are thus compensated and replaced with fixed-rate interest payments if this is advantageous for ProsiebenSat.1 Media AG. For this right an option premium must generally be paid. Market values for interest rate options are measured on the basis of a standard option pricing model known as the Blacks or Black-Scholes model. Differences may arise where other measurement methods are used. However, since the interest rate derivatives are used exclusively for hedging existing interest rate risks, there is no intention to close them out.

As of December 31, 2014, there were interest rate swaps with a total volume of EUR 1.300 billion (previous year: EUR 1.600 billion), hedging interest rate risk until 2016. ProSiebenSat.1 Group has also entered into further interest rate hedging transactions with a total volume of EUR 1.350 billion, hedging the interest rate risk in the period from 2016 to 2018. EUR 850.0 million were interest rate swaps and EUR 500.0 million interest rate swaptions. The hedge ratio/proportion of fixed interest for the loans and borrowings was roughly 95% as of December 31, 2014 (previous year: approximately 86%). The average fixed-interest swap rate is 3.1% per annum (previous year: 3.9%). The fixed-rate coupon of the notes is 2.625% per annum.

Due to the sustained low interest rate level, interest expenses of EUR 41.6 million (previous year: EUR 59.2 million) were incurred as a result of these transactions. The interest rate swaps qualify as cash flow hedges that are covered by hedge accounting. As of December 31, 2014, they had a negative market value of EUR 84.9 million (previous year: negative value of EUR 96.8 million). An amount of EUR 84.9 million (previous year: EUR 96.9 million) was recognized as a separate item within accumulated other comprehensive income and unrealized accrued interest amounting to EUR 4.2 million (previous year: EUR 6.0 million) within interest expenses. As of December 31, 2014, there was no hedge ineffectiveness (previous year: none). On the other hand, the interest rate options are stand-alone hedging transactions, which are not recognized in the context of hedge accounting.

Apart from the unhedged portion of the term loans, the remaining variable interest rate risk results also from any cash drawings the Group may take on its revolving credit facility. As of December 31, 2014, as on the previous year's reporting date, there were no cash drawings on the syndicated facility. An interest rate risk in the sense of a change in market value is of no relevance as ProSiebenSat.1 Group measures its financial liabilities at amortized cost. Thus any possible change in market value will have no effect on the statement of financial position.

The interest-rate risk position is assessed regularly using current market data, and existing risks are quantified with the help of sensitivity analyses. The following table shows the effects of a one percentage point increase (decrease) in the relevant interest rates on the interest result. As the interest rate swaps qualify for hedge accounting, changes in market value are recognized in accumulated other comprehensive income. This effect would amount to plus EUR 33.4 million in case of an interest rate increase by one percentage point and minus EUR 34.8 million in case of an interest rate decrease by one percentage point. Hedge accounting was not used for the interest rate options. With the interest rate options an interest rate increase or decrease by one percentage point would result in an earnings effect of EUR 2.8 million or EUR 0.0 million respectively.

interest rate risks (Fig. 154)

EUR m	Interest	2014	2013
Cash and cash equivalents	variable	470.6	395.7
Liabilities to banks	variable	-1,379.3	-1,842.0
Notes	fix	-593.8	-/-
Gross exposure	**variable**	**-908.7**	**-1,446.3**
	fix	**-593.8**	**-/-**
Interest rate hedges		1,300.0	1,600.0
Net exposure	**variable**	**391.3**	**153.7**
Hedge ratio		143.1%	110.6%
Annual potential effect of an increase in short-term interest rates by 100 basis points (1 percentage point)		3.9	1.5
Annual potential effect of a decrease in short-term interest rates by 100 basis points (1 percentage point)		-3.9	-1.5

Currency risks

By currency risks, ProSiebenSat.1 Group refers to the danger of losses resulting from changes in foreign exchange rates.

ProSiebenSat.1 Group signs a substantial number of its license agreements with production studios in the United States. In general, the Group meets its financial obligations deriving from these programming rights purchases in US dollar. Consequently fluctuations in the exchange rate between euro and US dollar may adversely affect ProSiebenSat.1 Group's earnings and financial position. The currency risk from receivables and liabilities in other foreign currencies, or for other purposes, are not considered here because of their low volume.

ProSiebenSat.1 Group deploys a Group portfolio approach. Foreign currency exposure is regarded as the total volume of all future US dollar payments which result from existing license agreements and – since the implementation of the new hedging strategy in the reporting year – are due within a period of seven years (previous year: five years). As part of its foreign currency management, ProSiebenSat.1 Group uses a variety of derivative and non-derivative financial instruments to hedge fluctuations in exchange rates. This includes currency forwards and cash holdings in US dollar. Currency forwards are unconditional contractual agreements to exchange two currencies. The total par value, exchange rate and maturity date are specified when the contract is entered into.

Derivative financial instruments which qualify for hedge accounting under IAS 39 are recognized in hedge accounting as cash flow hedges. The changes in fair value of these instruments are recognized in accumulated other comprehensive income and only impact profit and loss when the hedged license payments are broadcast. Hedging instruments which do not qualify for hedge accounting are allocated to the held-for-trading category. Changes in fair value are directly recognized in profit or loss.

As of December 31, 2014, ProSiebenSat.1 Group had currency forwards in its portfolio with a par value of USD 2.042 billion (previous year: USD 1.561 billion with a term of five years). The increase in the par value is primarily attributable to the extension of the hedging period from five to seven years. The market value of currency forwards is based on market forward exchange rates. Measurement was based on market figures (mid-rates) on December 31, 2014. As of December 31, 2014, the currency holdings in US dollar amounted to USD 31.3 million (previous year: USD 13.4 million).

Currency-related transactions and balances (Fig. 155)

	Year of maturity			Nominal amount	Fair Value	Fair Value
	2015 USD m	2016-2019 USD m	from 2020 USD m	12/31/2014 USD m	12/31/2014 EUR m	12/31/2013 EUR m
Currency forwards	519.4	1,288.0	235.0	2,042.4	**108.3**	**-35.3**
thereof within cash flow hedges	345.4	1,265.0	235.0	1,845.4	**96.0**	**-30.4**
Currency holdings	31.3	-/-	-/-	31.3	**25.7**	**9.7**

Under hedge accounting, at December 31, 2014, plus EUR 97.9 million (previous year: minus 29.9 million) were recognized in a separate item within accumulated other comprehensive income. In 2014, EUR 5.3 million (previous year: EUR 1.8 million) was taken from equity and allocated directly to the purchase cost of the underlying licenses. This impacts profit and loss at the time the relevant license is consumed. No hedge ineffectiveness occurred either in 2014 or in the previous year.

The risk position in US dollars is assessed regularly using current market data and existing risks are quantified using sensitivity analyses. The following table shows the impact of a 10.0 % rise/fall in the value of the US dollar on the equivalent value in euro for future payments in US dollar. It shows the change in the impact of the exchange rate for the US dollar on cash flows in US dollar in economic terms, and is therefore not an accounting analysis. From an accounting perspective the foreign exchange effects resulting from license liabilities, currency forwards in the held-for-trading category and cash holdings impact profit or loss. A fall (rise) of the US dollar by 10.0 % would result in an effect of minus EUR 3.1 million (plus EUR +3.8 million) in the foreign exchange result. The foreign exchange impact of minus EUR 127.4 million from a 10.0 % fall of the US dollar and of plus EUR 154.5 million from a 10.0 % rise of the US dollar relating to currency forwards used under hedge accounting would be recognized in accumulated other comprehensive income.

Currency risks (Fig. 156)

USD m	**12/31/2014**	12/31/2013
Gross foreign currency exposure	**-2,983.2**	**-2,020.3**
Currency hedges	2,073.7	1,574.1
thereof hedge accounting	1,845.4	1,389.7
thereof held for trading	197.0	171.0
thereof currency holdings	31.3	13.4
Net exposure	**-909.5**	**-446.2**
Hedge Ratio	69.5%	77.9%
Spot rate	1.2155	1.3768
US Dollar increase by 10%	1.0940	1.2391
US Dollar decrease by 10%	1.3371	1.5145
EUR m		
Change in future payments resulting from a 10 % increase in the US dollar	-83.1	-36.0
Change in future payments resulting from a 10 % decrease in the US dollar	68.0	29.5

The reporting currency of the Group is the euro. The financial statements of companies with their registered office outside the euro zone are converted to euro for the consolidated financial statements. In the context of foreign currency management, the holdings in these companies are regarded as a long-term investments. For this reason, ProSiebenSat.1 Group does not hedge the translation risk.

Credit and counterparty risks

ProSiebenSat.1 Group is exposed to a credit and counterparty risk from its financing and operating activities. The carrying amount of financial assets in the statement of the financial position reflects the maximum credit risk exposure.

Under financing activities credit and counterparty risks for ProSiebenSat.1 Group normally exist in the form of credit default risks relating to receivables. To minimize this risk, ProSiebenSat.1 Group attempts to enter into financial transactions as well as derivative contracts exclusively with counterparties with first-class to good credit ratings. The carrying amounts of the financial assets after impairments represent the maximum risk of ProSiebenSat.1 Group. Credit risks of financial instruments are regularly monitored and analyzed. In addition, credit value adjustments are recognized in the measurement of derivative financial instruments at fair value. Default probabilities are calculated on the basis of credit default swap spreads with matching maturities per counterparty. The determination of the credit risk taken into account as part of the valuation is based on a multiplication of the default probability in line with the duration by the discounted cash flows of the derivative financial instrument. In the financial year, credit value adjustments of EUR 0.5 million were recognized within equity in other comprehensive income. In addition, minor credit value adjustments totaling less than EUR 0.1 million were recognized in profit and loss. The Group has no significant concentration of counterparty risk with regard to any single counterparty or any clearly definable group of counterparties. As of the reporting date, there were no significant agreements reducing the maximum counterparty risk. In total ProSiebenSat.1 Group does not believe it is exposed to any major counterparty risk. As of December 31, 2014, the total market value of the derivative financial instruments for which ProSiebenSat.1 Group recognizes a net positive market value per counterparty was EUR 57.6 million (previous year: EUR 1.2 million). The maximum risk is the positive market value of these non-collateralized derivative financial instruments. The value was determined without reference to credit value adjustments.

ProSiebenSat.1 Group has established appropriate risk provisions against credit value adjustment arising from operating activities. For this purpose all receivables are reviewed regularly. If objective evidence for default or other breaches of contracts exists, credit allowances are recognized. If such evidence points to the definitive default, the corresponding receivable is derecognized, where applicable against a previously recognized credit allowance. Considering the net value of trade account receivables and other financial assets, there were no indications of material payment defaults as of the reporting date. For information on the aging analysis of trade accounts receivable, please refer to Note 24 "Financial receivables and assets." Information regarding major customers is to be found under Note 36 "Segment reporting."

Liquidity risk

As part of its liquidity management, ProSiebenSat.1 Group ensures that adequate cash and cash equivalents are available at all times, in spite of the industry's sharp seasonal fluctuations in revenues. An unsecured term loan of EUR 1.400 billion, drawn under the new loan agreement concluded in the second quarter of 2014 and a revolving credit facility (RCF), constitute the major components of Group wide financing. The revolving credit facility available as of December 31, 2014, amounted to EUR 600.0 million. ProSiebenSat.1 Group may use the revolving credit facility variably for general operative purposes. As of December 31, 2014, there was no utilization of the facility (previous year: no utilization). In addition, there was no drawing on guarantees, so EUR 600.0 million under the revolving credit facility was unused at December 31, 2014 (previous year: EUR 600.0 million). Both the new term loan and the new RCF mature in April 2019.

Additionally, as of December 31, 2014, ProSiebenSat.1 Group had total cash and cash equivalents of EUR 470.6 million (previous year: EUR 395.7 million). Thus, the Group had cash funds and unused credit facilities of EUR 1.071 billion as of December 31, 2014 (previous year: EUR 995.7 million).

As a part of the disclosure of liquidity risks, a maturity analysis is provided for non-derivative financial liabilities on the basis of remaining contractual maturities and for derivative financial liabilities based on the expected timing of cash outflows. The undiscounted contractual payments are disclosed. ProSiebenSat.1 Group assigned expected payments for financial instruments as of December 31, 2014, and the previous financial year to the following maturity ranges:

Financial liabilities by maturity (Fig. 157)

EUR m	1 year or less	1-5 years	More than 5 years	Total contractual cash flows 12/31/2014
Notes	15.8	63.0	631.5	710.3
Loans and borrowings	23.5	1,486.5	-/-	1,510.0
Liabilities from finance leases	14.5	48.2	41.8	104.5
Trade accounts payable	374.6	37.0	-/-	411.6
Non-derivative financial liabilities	**428.4**	**1,634.7**	**673.3**	**2,736.4**
Interest rate swaps	40.3	49.4	-/-	89.7
Currency forwards	-/-	-/-	-/-	-/-
Derivative financial liabilities	**40.3**	**49.4**	**-/-**	**89.7**
Total	**468.8**	**1,684.1**	**673.3**	**2,826.2**

EUR m	1 year or less	1-5 years	More than 5 years	Total contractual cash flows 12/31/2013
Notes	-/-	-/-	-/-	-/-
Loans and borrowings	58.2	2,125.4	-/-	2,183.6
Liabilities from finance leases	13.7	46.3	52.4	112.3
Trade accounts payable	352.5	20.6	-/-	373.1
Non-derivative financial liabilities	**424.4**	**2,192.3**	**52.4**	**2,669.0**
Interest rate swaps	48.4	56.2	-/-	104.6
Currency forwards	6.4	30.7	-/-	37.1
Derivative financial liabilities	**54.8**	**86.9**	**-/-**	**141.7**
Total	**479.2**	**2,279.1**	**52.4**	**2,810.7**

Information on the carrying amounts and market values of financial instruments

The table below shows the carrying amounts and fair values of all categories of financial assets and liabilities of ProSiebenSat.1 Group: The fair value hierarchy reflects the significance of the input data used for measurement and is organized as follows:

- (Unadjusted) quoted prices on active markets for identical assets or liabilities (Level 1),
- Input data for the asset or liability that are observable either directly (as prices) or indirectly (derived from prices) but that are not quoted prices as in Level 1 (Level 2),
- Input data used for the asset or liability that are not based on observable market data (non-observable input data) (Level 3).

Carrying amounts and fair values of financial instruments 12/31/2014 (Fig. 158)

			Category					Fair Value			
EUR m	Presented in the Statement of Financial Position as	**Carrying amount**	At fair value through profit and loss	Hedging instru-ments	Loans and receiv-ables	Available-for-sale	Other financial liabilities	Level 1	Level 2	Level 3	**Total**
Financial assets											
Measured at fair value											
Financial assets designated at fair value[1]	Non-current financial assets	**16.2**	16.2	-/-	-/-	-/-	-/-	16.2	-/-	-/-	**16.2**
Other equity instruments	Non-current financial assets	**60.6**	60.6	-/-	-/-	-/-	-/-	-/-	-/-	60.6	**60.6**
Purchase price receivable	Non-current financial assets	**3.8**	3.8	-/-	-/-	-/-	-/-	-/-	-/-	3.8	**3.8**
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	**32.4**	32.4	-/-	-/-	-/-	-/-	-/-	12.4	20.0	**32.4**
Hedge derivatives	Current and non-current financial assets	**96.0**	-/-	96.0	-/-	-/-	-/-	-/-	96.0	-/-	**96.0**
Not measured at fair value											
Cash and cash equivalents	Cash and cash equivalents	**470.6**	-/-	-/-	470.6	-/-	-/-				
Loans and receivables	Current financial assets	**345.1**	-/-	-/-	345.1	-/-	-/-				
Financial assets at cost[2]	Current and non-current financial assets	**25.7**	-/-	-/-	-/-	23.1	-/-				
Total		**1,050.3**	**112.9**	**96.0**	**815.7**	**23.1**	**-/-**	**16.2**	**108.4**	**84.4**	**208.9**
Financial Liabilities											
Measured at fair value											
Liabilities from put options and earn-outs	Other financial liabilities	**50.5**	50.5	-/-	-/-	-/-	-/-	-/-	-/-	50.5	**50.5**
Derivatives for which hedge accounting is not applied	Other financial liabilities	**-/-**	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-	**-/-**
Hedge derivatives	Other financial liabilities	**84.9**	-/-	84.9	-/-	-/-	-/-	-/-	84.9	-/-	**84.9**
Not measured at fair value											
Bank loans	Financial debt	**1,379.3**	-/-	-/-	-/-	-/-	1,379.3		1,422.6		**1,422.6**
Notes	Financial debt	**593.8**	-/-	-/-	-/-	-/-	593.8	624.8			**624.8**
Liabilities from finance leases	Other financial liabilities	**89.2**	-/-	-/-	-/-	-/-	89.2		100.5		**100.5**
Financial liabilities at (amortised) cost	Other financial liabilities and trade payables	**449.4**	-/-	-/-	-/-	-/-	449.4				
Total		**2,647.1**	**50.5**	**84.9**	**-/-**	**-/-**	**2,511.7**	**624.8**	**1,608.1**	**50.5**	**2,283.4**

1 This item only includes shares in investment funds.

2 Position also includes shares in affiliated, not consolidated entities measured at cost which are therefore not allocated to any IAS 39 category.

Carrying amounts and fair values of financial instruments 12/31/2013 (Fig. 159)

			Category					Fair Value			
EUR m	Presented in the Statement of Financial Position as	Carrying amount	At fair value through profit and loss	Hedging instru-ments	Loans and receiv-ables	Available-for-sale	Other financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets											
Measured at fair value											
Financial assets designated at fair value[1]	Non-current financial assets	13.6	13.6	-/-	-/-	-/-	-/-	13.6	-/-	-/-	13.6
Other equity instruments	Non-current financial assets	15.1	15.1	-/-	-/-	-/-	-/-	-/-	-/-	15.1	15.1
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	2.9	2.9	-/-	-/-	-/-	-/-	-/-	2.9	-/-	2.9
Hedge derivatives	Current and non-current financial assets	2.2	-/-	2.2	-/-	-/-	-/-	-/-	2.2	-/-	2.2
Not measured at fair value											
Cash and cash equivalents	Cash and cash equivalents	395.7	-/-	-/-	395.7	-/-	-/-				
Loans and receivables	Current financial assets	326.3	-/-	-/-	326.3	-/-	-/-				
Financial assets at cost[2]	Current and non-current financial assets	32.0	-/-	-/-	-/-	30.4	-/-				
Total		**787.7**	**31.6**	**2.2**	**722.0**	**30.4**	**-/-**	**13.6**	**5.1**	**15.1**	**33.8**
Financial Liabilities											
Measured at fair value											
Liabilities from put options and earn-outs	Other financial liabilities	60.2	60.2	-/-	-/-	-/-	-/-	-/-	-/-	60.2	60.2
Derivatives for which hedge accounting is not applied	Other financial liabilities	4.9	4.9	-/-	-/-	-/-	-/-	-/-	4.9	-/-	4.9
Hedge derivatives	Other financial liabilities	129.3	-/-	129.3	-/-	-/-	-/-	-/-	129.3	-/-	129.3
Not measured at fair value											
Bank loans	Financial debt	1,842.0	-/-	-/-	-/-	-/-	1,842.0		1,912.0		1,912.0
Liabilities from finance leases	Other financial liabilities	91.7	-/-	-/-	-/-	-/-	91.7		98.9		98.9
Financial liabilities at (amortised) cost	Other financial liabilities and trade payables	398.4	-/-	-/-	-/-	-/-	398.4				
Total		**2,526.5**	**65.1**	**129.3**	**-/-**	**-/-**	**2,332.1**	**-/-**	**2,145.2**	**60.2**	**2,205.4**

1 This item only includes shares in investment funds.

2 Position also includes shares in affiliated, not consolidated entities measured at cost which are therefore not allocated to any IAS 39 category.

The financial assets reported at fair value under the fair value option are shares in investment funds that are held to cover pension commitments but which do not qualify as plan assets under IAS 19. The maximum risk of default for the investment funds recognized at fair value through profit and loss corresponds to the market value of this position at December 31, 2014. The assets are not hedged against a potential counterparty risk since considering the market conditions this risk is seen as unlikely.

The minority stakes in other companies that the Group acquires in the context of its "media-for-equity" strategy are reported in other equity instruments. These investments and options to shares in companies held by SevenVentures GmbH are measured at fair value in profit or loss. In the context of measuring fair value, valuations are deployed which are obtained on the basis of observable prices achieved as part of the most recently implemented financing rounds or on the basis of present value methods using risk-adjusted discount rates.

As a result of the sale of the TV station Prima TV in Romania, a purchase price receivable was capitalized at fair value (see Note 7 "Acquisitions and disposals"). This fair value is based on significant non-observable input data. On the initial measurement date, the following assumptions were applied:

- Development of EBITDA to 2020 (mean 2.4708 %, standard deviation 2.4975; positive correlation to the change in market value),
- Exit probability of investor (mean 5.8 years; positive correlation to the change in market value),
- EBITDA multiple (8 to 8.8; positive correlation to the change in market value),
- Yield curve for discounting (0.11 % to 1.54 %, mean 0.79 %; negative correlation to the change in market value)

An option pricing model based on a Monte Carlo simulation was used to calculate the fair value. Due to current developments in the contractual relationship, the Group carried out a probability-weighted scenario calculation as of the reporting date. On the basis of this expected value, an impairment of EUR 6.4 million was recognized as of December 31, 2014. Accordingly, the fair value amounted to EUR 3.8 million as of the reporting date. The purchase price receivable is classified as a level 3 financial instrument.

In the first half of 2014, through its subsidiary SevenVentures GmbH, ProSiebenSat.1 Group acquired a subscription right at EUR 6.7 million for the future acquisition of shares in Shopkick Inc., California, USA. The subscription right includes a financial derivative with a fair value of EUR 3.5 million. By way of agreement dated September 21, 2014, a merger was agreed between Shopkick Inc. and one other company. This activated clauses in the agreement between ProSiebenSat.1 Group and Shopkick Inc. for the acquisition of the subscription right which resulted in the exercise of the subscription right in return for cash. The agreement was closed on October 10, 2014. The impairment of the derivative and other contrary remeasurement effects resulted in an accounting loss of EUR 1.9 million. The financial derivative was classified as a level 3 financial instrument. The financial derivative had already been derecognized as of the reporting date.

In the second half of 2014, ProSiebenSat.1 Group concluded a warrant agreement in the amount of EUR 20.0 million with Odyssey Music Group S.A., Paris, via its subsidiary Magic Internet Holding GmbH, Berlin. Among other things, Odyssey Music Group S.A. operates the music streaming portal "Deezer." The warrant agreement constitutes a financial derivative. As of the reporting date, there was no objective evidence of a change in fair value. Its fair value was calculated by way of a two-stage measurement process using a multiplier valuation and a Monte Carlo simulation. The measurement took into account a discounting in line with market rates. The input parameters used in the valuation were not based on data observable on the market. Therefore, the financial derivative was assigned to hierarchy level 3. The changes in the fair value are essentially dependent on the forecast development in revenues at Deezer and the correlation with the forecast development in the market for music streaming services. Given an increase/reduction in the forecast revenue growth of 10 %, the fair value would increase by EUR 10.0 million/decrease by EUR 8.0 million. Given an increase/reduction in correlation of 0.05, the fair value would decrease by EUR 2.0 million/increase by EUR 3.0 million. There are non-linear dependencies between the two parameters.

In addition, the Group holds derivative financial instruments measured at fair value, primarily for hedging interest rate and currency risks. Instruments with positive market values are reported as assets, those with negative market values as liabilities. Present values on the basis of risk-free discount rates and standard option pricing models (Blacks or Black-Scholes model) are used for measurement.

The fair values of cash and cash equivalents, of trade accounts receivable and payable, of current financial receivables and liabilities, and of revolving credit facilities and other financing debt are approximately equivalent to their carrying amount. This is due to the short maturity of these instruments. For this reason no separate fair value is disclosed.

Other financial assets at amortized cost include in particular shares in affiliated, non-consolidated companies and equity investments measured at cost in accordance with IAS 39.46(c). This primarily includes an investment in ZeniMax Media Inc. This is measured at cost because its fair value cannot be determined reliably. No market price was available for the investment. If objective evidence of impairment exists, the investment is tested for impairment. In the financial year 2014, an impairment of EUR 7.3 million (previous year: EUR 12.4 million was recognized in the other financial result. As of December 31, 2014, there was no objective evidence of any further impairment. At the preparation date of the financial statements, there was no intention to sell the investment.

Financial liabilities comprise liabilities from put options relating to minority stakes in companies acquired and which are recognized at fair value. In addition, financial liabilities also relate to earn-out agreements. The fair value of the liabilities from put options and earn-outs is based on significant non-observable input data. In calculating these valuations, multiplication methods are used on the basis of relevant income figures such as EBITDA or EBIT. A 5.0 % increase/reduction of the underlying variables, which largely determine the nominal amount, would increase/decrease the fair value as of the reporting date by EUR 2.3 million/EUR 2.8 million). In addition, a change in the interest rate by one percentage point would result in the fair value of these financial liabilities falling by EUR 1.5 million or increasing by EUR 1.1 million. The liabilities are classified as level 3 financial instruments.

Bank loans relate to a term loan measured at amortized cost granted in the context of an unsecured loan agreement.

The fair values of non-current liabilities to banks and other long-term financing debt, liabilities from finance leases, and other non-current financial liabilities are determined by discounting the expected future cash flows at the interest rates applicable for similar financial debt with comparable maturity terms.

The following table shows the reconciliation of the respective fair values to the end of the reporting period for the items listed, which are regularly measured at fair value and assigned to level 3:

Reconciliation of level 3 fair values (Fig. 160)

EUR m	Derivatives, for which hedge accounting is not applied, at fair value through profit and loss	Purchase price receivable at fair value through profit and loss	Liabilities from put options and earn-outs at fair value through profit and loss
December 31, 2013	**-/-**	**-/-**	**60.2**
Gains included in other financial result			
Net change in fair value (unrealized)	-3.3	-6.4	-3.7
Additions from acquisitions	26.8	10.2	24.6
Disposals/Payments	-3.5	-/-	-30.6
December 31, 2014	**20.0**	**3.8**	**50.5**

In the financial years 2014 and 2013 financial years, there were neither transfers between Level 1 and Level 2 nor into or out of Level 3 of the fair value hierarchies.

Offsetting of financial instruments

The derivatives contracted by ProSiebenSat.1 Group are subject to contractual offsetting provisions which do not, however, meet the criteria of IAS 32 for offsetting in the statement of financial position. They are therefore reported gross in the statement of financial position. There are no contractual regulations regarding the offsetting of other financial assets and liabilities. The table below shows the disclosures required on the offsetting on financial instruments in accordance with IFRS 7. The amounts shown are the fair values calculated without taking into account credit value adjustments:

Netting of Financial Instruments (Fig. 161)

EUR m	Financial assets (gross presentation)	Financial liabilities offset in the statement of financial position	Financial assets (net presentation)	Amounts subject to netting agreements	Financial assets after offsetting (not reflected in the statement of financial position)
Derivative financial instruments 12/31/2014	109.5	-/-	109.5	51.9	57.6
Derivative financial instruments 12/31/2013	5.1	-/-	5.1	-3.9	1.2

EUR m	Financial liabilities (gross presentation)	Financial assets offset in the statement of financial position	Financial liabilities (net presentation)	Amounts subject to netting agreements	Financial liabilities after offsetting (not reflected in the statement of financial position
Derivative financial instruments 12/31/2014	85.5	-/-	85.5	-51.9	33.6
Derivative financial instruments 12/31/2013	136.6	-/-	136.6	-3.9	132.7

36 Segment reporting

Explanatory notes to segment reporting

In accordance with IFRS 8, operating segments must be defined on the basis of the Company's own internal management and reporting. The organizational and reporting structure of ProSiebenSat.1 Group is based on management by business segment. On the basis of this reporting system, the Executive Board, as the chief operating decision maker, evaluates the performance of the various segments and the allocation of resources.

The Broadcasting German-speaking segment aggregates the Group's German TV stations SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold and ProSieben MAXX (organized under the umbrella of ProSiebenSat.1 TV Deutschland GmbH), the stations of the subsidiaries in Austria and Switzerland as well as the sales companies SevenOne Media, SevenOne AdFactory and ProSiebenSat.1 Produktion. The Broadcasting German-speaking segment also participates in technical fees that cable network, satellite, and IPTV operators generate from the distribution of ProSiebenSat.1 HD stations. The SAT.1 regional companies and the Pay TV activities are also presented in this segment.

As a TV company, ProSiebenSat.1 Group owns an extensive stock of premium video content that the Group can use on all platforms including TV, mobile, online and video-on-demand. Business activities in the digital media area, such as online, video-on-demand or HbbTV are pooled in the Digital & Adjacent segment, as well as the adjacent business activities ventures & commerce, online games, travel and music.

The Content Production & Global Sales segment combines all activities in the areas of development, production and global sales of programming content which are bundled under the umbrella of the Red Arrow Entertainment Group.

Segment information

Segment information is generally based on the same accounting policies as are described under Note 2 "Accounting policies" for the consolidated financial statements under IFRS.

The Executive Board, as the chief operating decision maker, measures the segments' success on the basis of a segment result figure that is known as "recurring EBITDA" in the Company's internal management and reporting. At the same time, this earnings benchmark is a key parameter for ongoing compliance with covenant conditions at Group level. Recurring EBITDA is defined as earnings before interest, taxes, depreciation and amortization adjusted for non-recurring effects. Further information regarding these non-recurring effects is presented in the "Group Earnings" section of the management report.

Segment assets cover all assets used for operating activities. They contain intangible assets (including goodwill), property, plant, and equipment, as well as programming assets, current assets net of income tax receivables, deferred tax assets, current financial assets and cash and cash equivalents. Segment assets are not used for internal management and reporting but are nevertheless reported on a voluntary basis as part of segment reporting.

Segment investments relate to additions to non-current assets. They comprise additions to intangible assets, to property, plant, and equipment, and to programming assets.

Depreciation and amortization apply to the assets allocated to each of the segments. A distinction is made between two separately recognized figures, depreciation or amortization and impairments. The figure does not include impairment of programming assets, financial investments or current financial assets.

Other non-cash expenses and income mainly contain the consumption of programming assets, allocations to provisions, expenses from the valuation of the stock option plans, and write-downs of receivables. These expenses are offset by income from the release of provisions.

Net financial liabilities defined as segment liabilities are stated on a voluntary basis as part of segment reporting. Net financial debt is calculated as total loans and borrowings of the relevant segment minus cash and cash equivalents and current financial assets. Debt is not managed at segment level by the chief operating decision makers. For this reason, this figure is not part of regular internal reporting. Rather, debt is managed at Group level and in connection with recurring EBITDA is important for the purpose of complying with specific financial covenants. Thus, this figure is provided as additional voluntary information.

In addition, there is non-mandatory disclosure of segment information on investments accounted for using the equity method and the relevant earnings contributions from the measurement using the equity method, interest expenses and income as well as income taxes. This information is not part of the segment result and segment assets, but is provided on a voluntary basis due to the relevance of the information.

.

Segment information continuing operations 2014 (Fig. 162)

EUR m	Segment Broadcasting German-speaking 2014	Segment Digital & Adjacent 2014	Segment Content Production & Global Sales 2014	Total segments continued operations 2014	Eliminations and other reconciling items 2014	Total consolidated financial statements 2014
Revenues	2,139.4	615.3	244.5	2,999.2	-123.5	2,875.6
External revenues	2,062.7	610.7	202.2	2,875.6	-/-	2,875.6
Internal revenues	76.6	4.5	42.4	123.5	-123.5	-/-
Recurring EBITDA	702.8	129.3	19.1	851.3	-3.9	847.3
Recurring EBITDA margin	32.9%	21.0%	7.8%	28.4%	-/-	29.5%
EBITDA[1]	686.8	123.6	16.0	826.4	-8.0	818.4
Income from investments accounted for using the equity method[1]	3.8	-0.1	-/-	3.7	-0.8	2.9
Interest and similar income[1]	11.2	0.6	0.0	11.8	-8.3	3.6
Interest and similar expenses[1]	100.7	5.6	4.0	110.3	-8.8	101.5
Income taxes[1]	177.5	-0.7	1.5	178.4	0.2	178.6
Depreciation and amortization	46.2	56.8	9.4	112.3	0.2	112.5
Impairment	-0.2	9.9	-/-	11.3	-/-	11.3
thereof goodwill	-/-	-/-	-/-	-/-	-/-	-/-
Other non-cash expenses (-) and income (+)	-871.2	-22.3	2.7	-890.8	-5.0	-895.8
Segment assets[1]	2,128.5	785.1	211.1	3,124.7	-47.7	3,077.0
thereof goodwill	464.0	493.7	90.0	1,047.7	-/-	1,047.7
Segment investments	923.8	52.5	11.8	988.1	0.9	988.9
Segment free cash flow[1]	383.3	-52.9	-28.2	302.1	-25.7	276.5
Investments accounted for using the equity method[1]	4.1	24.4	-/-	28.5	10.7	39.2
Segment liabilities[1]	1,584.7	15.7	1.1	1,601.5	-99.0	1,502.5

1 This information is provided on a voluntary basis as part of segment reporting.

Segment information continuing operations 2013 (Fig. 163)

EUR m	Segment Broadcasting German-speaking 2013	Segment Digital & Adjacent 2013	Segment Content Production & Global Sales 2013	Total segments continued operations 2013	Eliminations and other reconciling items 2013	Total consolidated financial statements 2013
Revenues	2,074.4	487.2	167.5	2,729,1	-123.8	2,605.3
External revenues	1,997.8	483.7	123.8	2,605,3	-/-	2,605.3
Internal revenues	76.6	3.5	43.8	123,8	-123.8	-/-
Recurring EBITDA	678.6	105.4	10.6	794,6	-4.3	790.3
Recurring EBITDA margin	32.7%	21.6%	6.3%	29,1%	-/-	30.3%
EBITDA[1]	649.9	100.9	11.5	762,3	-4.5	757.8
Income from investments accounted for using the equity method[1]	5.6	-0.5	-/-	5,1	-/-	5.1
Interest and similar income[1]	26.7	0.4	0.0	27,1	-20.6	6.5
Interest and similar expenses[1]	129.0	7.1	7.6	143,6	-8.6	135.0
Income taxes[1]	144.6	6.9	1.6	153,2	9.0	162.2
Depreciation and amortization	40.6	42.4	2.9	86,0	0.0	86.0
Impairment	1.1	1.8	-/-	3,0	-/-	3.0
thereof goodwill	-/-	-/-	-/-	-/-	-/-	-/-
Other non-cash expenses (-) and income (+)	-950.8	-19.7	-0.7	-971,1	38.4	-932.6
Segment assets[1]	2,300.5	792.3	162.2	3,255,0	-325.6	2,929.4
thereof goodwill	464.0	457.2	69.7	990,9	-/-	990.9
Segment investments	911.2	41.8	4.7	957,7	-3.6	954.0
Segment free cash flow[1]	355.7	-18.5	11.0	348,2	-18.1	330.1
Investments accounted for using the equity method[1]	5.5	10.2	-/-	15,7	0.1	15.9
Segment liabilities[1]	1,535.8	74.7	6.6	1,617,2	-170.9	1,446.3

1 This information is provided on a voluntary basis as part of segment reporting.

The reconciliation between the segment values and the consolidated values from continuing operations is shown below:

Reconciliation of segment information (Fig. 164)

EUR m	2014	2013
REVENUES		
Revenues from reportable segments	2,999.2	2,729.1
Eliminations	-123.5	-123.8
Revenues of the Group	**2,875.6**	**2,605.3**
RECURRING EBITDA		
Recurring EBITDA of reportable segments	851.3	794.6
Eliminations	-3.9	-4.3
Recurring EBITDA of the Group	**847.3**	**790.3**
Non-recurring result	-28.9	-32.6
Financial result	-134.4	-142.0
Depreciation and amortization	-112.5	-86.0
Impairment	-11.3	-3.0
Consolidated profit/loss before taxes	**560.1**	**526.9**
OTHER NON-CASH INCOME/EXPENSES		
Other non-cash income/expenses of reportable segments	890.8	971.1
Eliminations	5.0	-38.4
Other Group non-cash income/expenses	**895.8**	**932.6**
thereof consumption of programming assets	867.8	858.7
thereof other	28.0	73.9
ASSETS		
Total assets of reportable segments	3,124.7	3,255.0
Eliminations	-47.7	-325.6
Group's segment assets	**3,077.0**	**2,929.4**
Investments accounted for using the equity method	39.2	15.9
Non-current financial assets	216.0	60.9
Deferred tax assets	13.3	20.7
Current financial assets	45.6	4.8
Other interest-bearing assets	8.0	8.1
Current tax assets	31.0	51.8
Cash and cash equivalents	470.6	395.7
Group assets	**3,900.7**	**3,487.2**
INVESTMENTS		
Investments of reportable segments	988.1	957.7
Eliminations	0.9	-3.6
Group's investments	**988.9**	**954.0**
thereof investments in programming assets	889.7	860.2
thereof investments in property, plant and equipment	32.8	32.0
thereof investments in intangible assets	66.4	61.8

The eliminations include consolidation of business transactions between the segments as well as certain reconciliation and reclassification items. The reconciliation figures show values that by definition are not integral to the segments. This item also shows effects from continuing operations which cannot be allocated to any reportable segment. Transactions between segments are eliminated in the reconciliation. These are generally conducted on arm's length terms.

Entity-wide disclosures for ProSiebenSat.1 Group are provided below. The breakdown is on the basis of Germany (GER), Austria (AT) and Switzerland (CH), the United Kingdom (UK), the United States (USA) and Other.

Entity-wide disclosures (Fig. 165)

Geographical breakdown	GER		AT/CH		UK		USA		Other		Total consolidated financial statements	
EUR m	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
External revenues	2,476.7	2,271.5	223.5	208.6	36.6	29.9	111.3	61.2	27.6	34.1	**2,875.6**	**2,605.3**
Non-current assets	2,443.6	2,333.8	21.8	22.5	28.4	26.5	81.8	41.4	47.2	9.5	**2,622.8**	**2,433.8**
Investments	973.9	938.9	9.1	10.6	-0.9	0.6	3.9	1.6	2.8	2.4	**988.9**	**954.0**

In 2014, EUR 2,476.7 million (previous year: EUR 2,271.5 million) external revenues were generated in Germany. This corresponds to a share of 86.1% (previous year: 87.2%) of consolidated revenues from continuing operations. Revenues are attributed to the country of the company that provided the service.

Non-current assets reported under the entity-wide disclosures include intangible assets, property, plant and equipment as well as non-current programming assets.

The share of non-current segment assets attributable to Germany amounted to 93.2% in 2014 (previous year: 95.9%).

More than 10% of consolidated revenues from continuing operations were generated with each of two clients in the financial period 2014. With Client A EUR 446.8 million was generated (previous year: EUR 458.2 million), with Client B EUR 296.7 million (previous year: EUR 312.7 million). In the previous reporting period, there was another client with which more than 10% of consolidated revenues were generated, totaling EUR 280.2 million. All these clients are agency associations, which in turn comprise several media agencies.

37 Share-based payments

ProSiebenSat.1 Group has various programs that fall under the provisions of IFRS 2. Since the merger of share classes in the 2013 financial year, all plan conditions relate to common shares in the Company.

Stock options

Long Term Incentive Plan (LTIP)

As of December 31, 2014, ProSiebenSat.1 Media AG 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. The stock option plans are share-based remuneration, with ProSiebenSat.1 Media AG having the option to determine the type of settlement. As ProSiebenSat.1 Media AG has no present obligation to settle in cash, the plans are accounted for as equity settled. Each stock option carries the right to purchase one common share of ProSiebenSat.1 Media AG stock in return for payment of an exercise price.

Number of stock options

The LTIP 2008 covers the grant of up to 4,900,000 stock options. If options already granted expire unexercised, the number of stock options which can potentially be granted increases by the number of these expired unexercised options. A total of 3,547,500 stock options were issued under the LTIP 2008 until December 31, 2013. Of these stock options, 20,550 expired in the financial year 2014. As a consequence, 3,526,950 stock options under the LTIP 2008 were outstanding as of December 31, 2014. As of December 31, 2014, all stock options of the Cycle 2008 of the LTIP 2008 were outstanding or expired.

The LTIP 2010 covers the grant of up to 2,000,000 stock options. If granted options expire unexercised, the number of stock options increases by the number of these expired unexercised options. A total of 1,528,600 stock options were issued under the LTIP 2010 until December 31, 2013. Of these stock options, 50,800 expired in the financial year 2014. Furthermore, during the financial year 20,000 stock options which had been reported as expired in the previous year were reinstated. As a consequence, 1,497,800 stock options were outstanding as of December 31, 2014.

Beneficiaries

The stock options are intended exclusively for purchase by members of the Executive Board of ProSiebenSat.1 Media AG, senior members of other managements, and other selected executives of ProSiebenSat.1 Media AG and its dependent Group companies. As an exception to this rule, members of the Executive Board are not beneficiaries in the context of the LTIP 2010. The individual beneficiaries and the number of stock options to be granted to them are chosen by the Executive Board of ProSiebenSat.1 Media AG, subject to the consent of the Supervisory Board, or – where the Executive Board members themselves are concerned – by the Supervisory Board.

Issue periods

The stock options for the LTIP 2008 were issuable in one or more annual tranches. Options must be issued during the first three months of a calendar year and/or during the period between the Company's regular Annual General Meeting and the end of the calendar year. Stock options under the LTIP 2008 could have been issued initially in 2008 and could not be issued after 2009.

The stock options for the LTIP 2010 may be issued in one or two annual tranches. Options may only be issued during the first four months of a calendar year and/or during the period between the Company's regular Annual General Meeting and the end of the calendar year. Stock options under the LTIP 2010 could have been issued initially in 2010 and could not be issued after 2011.

Exercise periods

Stock options may be exercised only when a vesting period has elapsed at the time of exercise. This vesting period starts on January 1 of the year in which the respective stock options are issued. For stock options issued under the LTIP 2008 and the LTIP 2010, the vesting period for one-fifth of the options issued to a given beneficiary will expire at the end of each full year after January 1 of the year in which the options were issued. Furthermore, the statutory lock-up period of two years (LTIP 2008) and four years (LTIP 2010) from the issue date of the options must have expired at the time of exercise.

Non-exercised stock options issued under the LTIP 2008 and the LTIP 2010 expire without compensation after seven years after January 1 of the year in which they were issued.

Exercise price

The contractual regulations of the stock option plans LTIP 2008 and LTIP 2010 include an adjustment of the strike prices in the case of events that may dilute the options' value, such as changes in the share capital or significant dividend distributions. These regulations also include a "super dividend," in which more than 90 % of the earnings per preference share are paid out. In the 2013 financial year, such a "super dividend" was paid. Because the contractual value limits were exceeded in the previous year, the exercise prices and exercise hurdles for the stock options of LTIP 2008 and LTIP 2010 were adjusted to protect the beneficiaries from diluting effects on their stock options.

The minimum exercise price for the LTIP 2008 (Cycle 2009) stock options is the volume weighted average closing auction price of ProSiebenSat.1 common shares in trading on the XETRA system over the last 30 days of trading on the Frankfurt Stock Exchange prior to January 1 of the year in which the stock options were issued. In the event that the volume weighted average closing auction price of ProSiebenSat.1 common shares in trading on the XETRA system (or a comparable successor system) over the last 30 days of trading on the Frankfurt Stock Exchange prior to the exercise date exceeds the strike price by more than EUR 20, the strike price for the options concerned is to be increased by the amount in excess of EUR 20.

Due to the adjustment of the exercise price in the wake of the distribution of the "super dividend," the minimum exercise price for the LTIP 2008 (Cycle 2009) is EUR 0. As the exercise gain for stock options of this Cycle is limited to EUR 20 and the average ProSiebenSat.1 Media AG share price was over EUR 32 in the 2014 financial year, the exercise price actually achieved in the 2014 financial year was higher.

The minimum exercise price for the LTIP 2010 (Cycle 2010) stock options is EUR 13.62. In the event that the volume weighted average closing auction price of ProSiebenSat.1 common shares in the XETRA system (or a comparable successor system) over the last 30 days of trading on the Frankfurt Stock Exchange prior to the exercise date exceeds the strike price by more than 200 %, but at least by EUR 30, the strike price for the options concerned is to be increased by the amount in excess of this threshold.

The minimum exercise price for the LTIP 2010 (Cycle 2011) stock options is EUR 17.96. In the event that the volume weighted average closing auction price of ProSiebenSat.1 common shares in the XETRA system (or a comparable successor system) over the last 30 days of trading on the Frankfurt Stock Exchange prior to the exercise date exceeds the strike price by more than 200 %, but at least by EUR 30, the strike price for the options concerned is to be increased by the amount in excess of this threshold.

Performance target

As a performance target for the LTIP 2008 (2009 Cycle) and the LTIP 2010 (Cycles 2010 and 2011), stock option plans are to specify that the stock's trading price at the time of exercise of the options must exceed the strike price by at least 30 %.

The following table provides information about the ProSiebenSat.1 Media AG stock option program:

Stock option plans (Fig. 166)

	LTIP 2008 Cycle 2008	LTIP 2008 Cycle 2009	LTIP 2010 Cycle 2010	LTIP 2010 Cycle 2011
As of January 1, 2014	21,400	357,000	510,500	1,018,100
Options exercised in 2014[1]	850	347,750	373,200	-/-
Reclassification of options expired relating to the prior period	-/-	-/-	20,000	-/-
Options expired or forfeited in 2014	20,550	-/-	3,000	47,800
As of December 31, 2014	**0**	**9,250**	**154,300**	**970,300**
Thereof eligible for exercise on December 31, 2014	0	9,250	154,300	810,200
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	-/-	20.00	27.24	35.92
Exercise periods[2]	July 15 to November 30	July 3 to December 30	August 1 to November 1	September 1 to December 22
Fair value per option in EUR[3]	0.13-0.19	1.97-5.71	2.63-4.77	1.64-2.57
Expected volatility of the underlying share[4]	50.0%	70.0%	60.0%-65.0%	55.0%-60.0%
Risk-free interest rate[3]	4.32%-4.34%	1.79%-2.68%	1.54%-1.90%	0.80%-1.44%
Expected dividend yield	16.0%	2.0%-3.0%	4.0%-5.5%	8.0%
Vesting period[5]	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011
End of exercise period	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017

1 Within 2014 financial year 193,000 options were settled in cash.
2 Issue in several tranches
3 Depending on when vesting occurs and exercise time.
4 Due to the merger of share classes in 2013 the underlying share refers to common stock as of December 31st, 2013 and December 31st, 2014.
5 LTIP 2008 and LTIP 2010: Earliest end of vesting period for the first fifth of the issued options (each additional fifth is one year later).

ProSiebenSat.1 Media AG uses the binomial model of Cox/Ross/Rubinstein to calculate the financial values of stock options. The assumptions used in the valuation of the stock options (volatility, expected dividend yield, interest rate) reflect the market conditions at the grant date.

The weighted average price of the ProSiebenSat.1 Media AG common share on the exercise days of the stock options in the first quarter of the financial year was EUR 34.15, in the second quarter EUR 30.60, and in the third quarter EUR 30.64. The weighted average price of the ProSiebenSat.1 Media AG common share was EUR 33.17 in the fourth quarter. Weighting took place on the basis of the stock options exercised on the relevant dates.

The expense for the stock options issued in the financial year 2014 was EUR 0.6 million (previous year: EUR 1.5 million). Stock options outstanding at the end of the financial year have an average remaining duration of 2.8 years.

Rights to shares

Group Share Plan

As of December 31, 2014, ProSiebenSat.1 Media AG had three programs with rights to shares, the Group Share Plan 2012, 2013 and 2014.

In the third quarter of 2014, members of the Executive Board and other selected executives and employees of ProSiebenSat.1 Group were again granted rights to shares in the form of a new Group Share Plan 2014. The basic structure and mechanisms to exercise the rights largely correspond to those of the Group Share Plans 2012 and 2013.

All programs involve long-term remuneration instruments developed by ProSiebenSat.1 Media AG for members of the Executive Board and selected managers and employees of ProSiebenSat.1 Group. The Annual General Meeting approved the introduction of the Group Share Plan 2012 on May 15, 2012. These plans relate to share-based payments, with ProSiebenSat.1 Media AG having the option to determine the type of settlement. ProSiebenSat.1 Media AG has no present obligation to settle in cash, the plan is accounted for as equity-settled. The structures of the plans are identical in many aspects. For this reason, several occasions below refer to one plan. However, where there are differences, these are described separately.

In the Group Share Plan, plan participants are issued so-called Performance Share Units ("PSUs," "virtual shares"). They entitle the plan participants to receive common shares in ProSiebenSat.1 Media AG at the end of the plan term.

For the commitment in relation to common shares granted there is a holding period of at least four years from the start of the year of grant. The number of common shares actually granted after the end of the holding period depends on the achievement of predefined EBITDA and net income targets and can vary between 0% and 150%.

The PSUs are measured at fair value as of the date they are granted to those participating in the program. This is derived from the value of the common shares to be received at the end of the plan term and approximates to the market value of the underlying shares. Because the shares do not carry entitlement to receive dividends during the plan term, the fair value is reduced by the time value of the dividends expected. The corresponding dividend deductions were derived from ProSiebenSat.1 Group's dividend history.

Beneficiaries

The performance share units in all three programs are intended exclusively for members of the Executive Board of ProSiebenSat.1 Media AG, senior members of other managements, and other selected executives and employees of ProSiebenSat.1 Media AG and its dependent Group companies. The individual beneficiaries and the number of performance share units to be granted to them are chosen by the Executive Board of ProSiebenSat.1 Media AG, subject to the consent of the Supervisory Board, or – where the Executive Board members themselves are concerned – by the Supervisory Board.

Minimum hurdles and performance target

At the end of each year, 25.0% of the performance share units become vested on achievement of the minimum hurdles relating to a comparison of EBITDA with the previous period and to the Group's annual profit.

The performance target for the Group Share Plan 2012 is achieving the cumulated EBITDA target over the four-year plan term for the financial years 2012 to 2015. The Group Share Plan 2013 relates to the period from 2013 to 2016. The financial years 2014 to 2017 are applicable for the Group Share Plan 2014. The performance target of the Group Share Plan 2014 is the respective annual EBITDA target attainment.

The number of physical shares which program participants receive at the end of the four-year plan term depends on the respective level of target achievement. To reflect individual performance, the Supervisory Board can change the conversion rate of virtual into physical shares for the Executive Board by a factor of plus/minus 25.0% for the respective Group Share Plan.

The conversion for the Group Share Plan 2012 takes place after the publication of the 2015 Annual Report expected in the second quarter 2016 and after agreement of the respective plan participant. As for the Group Share Plan 2013, the conversion takes place accordingly after the publication of the 2016 Annual Report expected in the second quarter of 2017, likewise after agreement of the respective program participant. The conversion for the Group Share Plan 2014 takes place after the publication of the 2017 Annual Report expected in the second quarter 2018, also after the agreement of the corresponding plan participant. Thus for the common shares in all programs there is a holding period of at least four years from the start of the year in which the grant was made.

The following table provides information about the individual Group Share Plans of ProSiebenSat.1 Media AG:

Group Share Plans (Fig. 167)

	GSP 2012	GSP 2013	GSP 2014
Performance Share Units as of January 1, 2014	464,406	362,909	-/-
Performance Share Units granted in 2014	-/-	-/-	384,942
Performance Share Units forfeited in 2014	11,136	10,410	642
Performance Share Units as of December 31, 2014	453,270	352,499	384,300
Grant date	November 1, 2012	September 9, 2013	September 15, 2014
Fair Value as of grant date in EUR[1]	20.65	31.70	31.18
Vesting period	2012 until 2015	2013 until 2016	2014 until 2017

1 Share price as of grant date less dividend deduction.

The expense for the financial year 2014 for performance share units granted under the programs amounted to EUR 9.3 million (previous year: EUR 7.5 million) and is recognized under personnel expenses.

38 Executive Board and Supervisory Board

In the context of disclosure requirements on related parties the following information is provided on the total amount of remuneration paid to groups of related parties defined as "Executive Board" and "Supervisory Board."

The members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media AG are listed from page 284, together with their memberships on other statutorily required supervisory boards and comparable bodies. Details of the system of compensation for members of the Executive Board and the Supervisory Board of ProSiebenSat.1 Media AG are explained on pages 49 to 59.

The members of the Executive Board also participate in a ProSiebenSat.1 Media AG stock option plan (the Long Term Incentive Plan or LTIP), which was first introduced in 2005 and was superseded by a share-based compensation plan in the form of rights to shares (the Group Share Plan) in the financial year 2012. For the LTIP 2010, members of the Executive Board are not beneficiaries for the first time. As of December 31, 2014, the active members of the Executive Board held no stock options issued in 2006 (Cycle 2006) (previous year: none), no options issued in 2008 (Cycle 2008) (previous year: none) and no options issued in 2009 (Cycle 2009) (previous year: 165,000). In the 2014 financial year, the Company bought back a total of 165,000 (previous year: 225,000) stock options from active members of the Executive Board. In line with the individual vesting period, some of the stock options issued in 2008 can be exercised from July 2010 at the earliest and the options issued in 2009 can be exercised from July 2011 at the earliest.

In the financial year, the Executive Board of ProSiebenSat.1 Media AG exercised options totaling EUR 3.9 million, which were settled in cash.

The Group Share Plan, introduced in the financial year 2012, is a long-term remuneration instrument on the basis of shares. It was developed by ProSiebenSat.1 Media AG for members of the Executive Board as well as selected managers and employees of ProSiebenSat.1 Group. In the Group Share Plan, plan participants are issued so-called Performance Share Units ("PSUs," "virtual shares"). They entitle the plan participants to receive shares in ProSiebenSat.1 Media AG at the end of the plan term. As of December 31, 2014, members of the Executive Board had been allocated 134,704 PSUs from the Group Share Plan 2014, 132,452 PSUs (previous year: 132,452) from the Group Share Plan 2013 and 184,021 PSUs (previous year: 184,021) from the Group Share Plan 2012.

The Company has not extended loans, guarantees or warranties to the members of the Executive Board.

Compensation paid to members of the Executive Board of ProSiebenSat.1 Media AG in office on December 31, 2014, amounted to EUR 12.5 million (previous year: EUR 10.9 million). These figures include a variable component of EUR 9.1 million (previous year: EUR 7.6 million) and fringe benefits of EUR 0.1 million (previous year: EUR 0.1 million). The variable compensation includes annual and multi-year variable compensation.

Following the sale of all of its indirectly held shares in ProSiebenSat.1 Media AG, Lavena 3 S.à r.l., ProSiebenSat.1 Media AG's former indirect majority shareholder, made a voluntary one-off special payment to the Executive Board members of ProSiebenSat.1 Media AG and selected employees of ProSiebenSat.1 Group totaling EUR 76.8 million at the end of June 2014. EUR 59.7 million of the special payment went to the Executive Board members of ProSiebenSat.1 Media AG. This partial amount was attributed to the Executive Board members as follows: Thomas Ebeling EUR 23.4 million, Conrad Albert EUR 8.5 million, Axel Salzmann EUR 12.8 million, Heidi Stopper EUR 4.3 million and Dr. Christian Wegner EUR 10.7 million.

The payment was processed via ProSiebenSat.1 Media AG in order to simplify the withholding and payment of the wage tax incurred. This was not recognized as an expense for ProSiebenSat.1 Media AG or the Group companies, as the special payment was not a payment by the Company or the Group and ProSiebenSat.1 Media AG had been provided with the full gross amount of the special payment by Lavena 3 S.à r.l. for the purposes of processing the payment.

By its press releases of September 10, 2014, and September 19, 2014, the Company announced that two members would be leaving the Executive Board of ProSiebenSat.1 Media AG, Heidi Stopper as of September 30, 2014, and Axel Salzmann as of March 31, 2015. The employment contracts for both Executive Board members end on March 31, 2015. A provision for payments made in connection with these departures amounting to EUR 2.7 million was recognized as of December 31, 2014.

For the financial year 2014, Heidi Stopper received total compensation of EUR 0.2 million in the months from October to December. No payments were made to former members of the Executive Board in the previous year.

The ProSiebenSat.1 Media AG has recognized pensions provisions totaling EUR 8.6 million (previous year: EUR 5.5 million) for pension commitments made to active members of the Executive Board as of December 31, 2014. For pension obligations to former members of the Executive Board, provisions of EUR 11.2 million were recognized at December 31, 2014 (previous year: EUR 10.0 million).

The accrued pension entitlement as of December 31, 2014, for members of the Executive Board in office as of December 31, 2014, was EUR 0.2 million (previous year: EUR 0.2 million) per year for active members of the Executive Board, and EUR 0.4 million (previous year: EUR 0.4 million) per year for former Executive Board members. Pension payments of EUR 0.3 million (previous year: EUR 0.3 million) were made to former members of the Executive Board in 2014. Funds have been endowed to guarantee these pension provisions which, however, are not classified as plan assets because the requirements of IFRS are not fulfilled.

Payments to management, except for pension entitlements, are all payable short term.

Expenses for the Supervisory Board of ProSiebenSat.1 Media AG amount to EUR 1.0 million during the reporting period (previous year: EUR 0.6 million). The members of the Supervisory Board receive fixed compensation. The Chairman and Vice Chairman of the Supervisory Board receive two and a half times and one and a half times the amount of this fixed base figure respectively. The Supervisory Board members receive fixed annual compensation for annual membership in the individual committees. The Committee Chairman receives additional compensation for his activities. In addition, members of the Supervisory Board receive a separate meeting honorarium for each meeting attended in person. The Supervisory Board Chairman receives one and a half times the standard meeting honorarium.

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.

Members of the Supervisory Board received no remuneration or other consideration for personal services, especially consulting and mediation services, during the 2014 financial year and the previous year.

Altogether, the current members of the Executive Board and Supervisory Board directly hold 155,000 (previous year: 152,000) shares in ProSiebenSat.1 Media AG as of December 31, 2014. This is equivalent to 0.1% of the share capital (previous year: 0.1%).

For information on the individual remuneration of members of the Executive Board and the Supervisory Board in line with Section 314 (1) No. 6 a Sentence 5 through 9 of the German Commercial Code, please refer to the disclosures in the compensation report which forms part of the Group management report.

Under Section 15a of the German Securities Trading Act (WpHG) and Item 6.6 of the German Corporate Governance Code, the members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media AG are required to report securities transactions relating to ProSiebenSat.1 stock. They are furthermore required to report securities transactions by family members. In 2014, 3 transactions were reported to ProSiebenSat.1 Media AG, in which members of the Executive Board or Supervisory Board sold a total of 85,000 shares of ProSiebenSat.1 Media AG and acquired 3,000 shares of ProSiebenSat.1 Media AG. In compliance with Section 15a of the Securities Trading Act, ProSiebenSat.1 Media AG reported these transactions immediately on its website (www.prosiebensat1.com). In the previous year, 3 transactions were reported, in which members of the Executive Board or Supervisory Board sold a total of 311,680 preference shares of ProSiebenSat.1 Media AG.

39 Related party transactions

For ProSiebenSat.1 Group, related parties within the definition of IAS 24 are persons or entities who have control or a significant influence over ProSiebenSat.1 Group, or over which ProSiebenSat.1 Group has control or a significant influence.

As of the reporting date, the members of the Executive Board, Supervisory Board of ProSiebenSat.1 Media AG as well as joint ventures and associates of ProSiebenSat.1 Group are accordingly defined as related parties.

All related parties that are controlled by ProSiebenSat.1 Group, or over which the Group may exercise a significant influence, are listed among the shareholdings on pages 286 through 290 along with the percentage interest held and the equity and earnings of the company concerned. Transactions with subsidiaries included in the consolidated financial statements are eliminated in the consolidation process and are not explained further.

As of January 1, 2014, Lavena Holding 1 GmbH, Munich, held a 16.6 % share in the voting rights ProSiebenSat.1 Media AG. Effective January 21, 2014, Lavena Holding 1 GmbH, Munich, sold all its voting shares in ProSiebenSat.1 Media AG (see also Note 40 "Group affiliation and disclosures on voting rights notifications as per Section 21 (1) German Securities Trading Act (WpHG)").

As a result of the sale of the entire shareholding, the portfolio companies held by Kohlberg Kravis Roberts & Co. L.P. (KKR) and Permira Holdings Limited (Permira) were no longer related parties as defined by IAS 24 as of December 31, 2014. Transactions of immaterial amounts for ProSiebenSat.1 Group were carried out with the corresponding related parties up to January 21, 2014.

Under a share participation plan introduced in the financial year 2008, members of the Executive Board as well as selected executives of ProSiebenSat.1 Media AG were given a one-off opportunity to participate indirectly in ProSiebenSat.1 Media AG via German limited partnerships (Kommanditgesellschaften), which acquired shares in ProSiebenSat.1 Media AG at market value for this purpose. As a result of the exit of KKR and Permira, the corresponding entities were liquidated and the proceeds distributed to the shareholders. The structure of this participation program was designed in such a way that there was no impact on earnings, no liability and no contingent liability for ProSiebenSat.1 Group.

The commission fee liability to KKR of EUR 1.3 million as of January 1, 2014, was paid in full on February 5, 2014, and was thus finally settled.

The Company's new Supervisory Board was appointed at the Annual General Meeting of ProSiebenSat.1 Media AG on June 26, 2014. As part of this appointment, one position each was again taken by KKR and Permira with Philipp Freise and Stefan Dziarski. Stefan Dziarski resigned his Supervisory Board mandate effective October 30, 2014.

The Company's Supervisory Board was therefore made up as follows as of December 31, 2014:

Dr. Werner Brandt (Chairman),
Philipp Freise (Deputy Chairman, member of the Supervisory Board since March 7, 2007),
Lawrence A. Aidem,
Antoinette P. Aris,
Adam Cahan,
Dr. Marion Helmes,
Erik Adrianus Hubertus Huggers,
Prof. Harald Wiedmann (member of the Supervisory Board since March 7, 2007).

For disclosures and information on transactions between the Company and the Executive Board or Supervisory Board, refer to Note 38 "Executive Board and Supervisory Board."

Joint ventures and associated companies
ProSiebenSat.1 Media AG conducts transactions with some of its joint ventures and associates in the normal course of business. In these transactions, the Company buys and sells products and services on prevailing market terms.

Revenues from the sale of goods and the rendering of services as well as other income from transactions with joint ventures and associates in the financial year 2014 amounted to EUR 115.1 million (previous year: EUR 107.6 million). Goods and services received and other expenses relating to transactions with joint ventures and associates in the financial year 2014 amounted to EUR 19.0 million (previous year: EUR 19.9 million).

As of December 31, 2014, receivables from joint ventures and associates amounted to EUR 30.6 million (previous year: EUR 30.2 million). Liabilities to joint ventures and associates amounted to EUR 3.8 million (previous year: EUR 8.3 million).

40 Group affiliation and disclosures on voting rights notifications as per Section 21 (1) German Securities Trading Act (WpHG)

According to Article 160 (1) No. 8 of the German Stock Corporation Act (AktG), disclosures must be made regarding the existence of investments that ProSiebenSat.1 Media AG has been notified of in accordance with Article 21 (1) or (1a) of the German Securities Trading Act (WpHG).

The table below shows the reportable investments for which notification was given in the financial year 2014. In each case, the information was taken from a reporting entity's most recent notification to the Company. All voting rights notifications were published in financial year 2014 by ProSiebenSat.1 Media AG in line with Section 26 (1) of the German Securities Trading Act (WpHG) 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 2014 (Fig. 168)

Notifying party	Date of reaching, exceeding or falling below the threshold	Reporting threshold	Notification pursuant to WpHG	Shareholdings in %	Number of voting rights
BlackRock, Inc., New York, NY, USA[1]	01/09/2014	Exceeding 10 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	10.02	21,919,191[1]
BlackRock Financial Management, Inc., New York, NY, USA[2]	01/14/2014	Exceeding 10 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	10.006	21,892,504[2]
BlackRock Holdco 2, Inc., Wilmington, Delaware, USA[3]	01/14/2014	Exceeding 10 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	10.006	21,892,504[3]
KKR & Co. L.P., Wilmington, Delaware, USA	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR 1996 Overseas Limited, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR 2006 Fund (Overseas), Limited Partnership, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR 2006 Limited, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Associates 2006 (Overseas), Limited Partnership, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Associates Europe II, Limited Partnership, Calgary, Alberta, Canada	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Europe II Limited, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR European Fund II, Limited Partnership, Calgary, Alberta, Canada	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Fund Holdings GP Limited, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Fund Holdings L.P., George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 Abs. 1, 22	0.00	0
KKR Glory (2006) Limited, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Glory (European II) Limited, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Glory (KPE) Limited, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Group Holdings L.P., George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Group Limited, George Town, Grand Cayman, Cayman Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Management LLC, Wilmington, Delaware, USA	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
KKR Partners (International), Limited Partnership, Calgary, Alberta, Canada	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Lavena 1 S.à r.l., Luxembourg, Luxembourg	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Lavena 2 S.à r.l., Luxembourg, Luxembourg	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Lavena 3 S.à r.l., Luxembourg, Luxembourg	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Lavena Holding 1 GmbH, Munich, Germany	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
P4 Co-Investment L.P., St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
P4 Sub L.P.1, St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Permira Holdings Limited, St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Permira Investments Limited, St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Permira IV GP L.P., St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0

Notification voting rights in financial year 2014

Notifying party	Date of reaching, exceeding or falling below the threshold	Reporting threshold	Notification pursuant to WpHG	Shareholdings in %	Number of voting rights
Permira IV GP Limited, St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Permira IV L.P.1, St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Permira IV L.P.2, St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Permira IV Managers L.P., St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Permira IV Managers Limited, St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Permira Nominees Limited, St Peter Port, Guernsey, Channel Islands	01/21/2014	Falling below 15 %, 10 %, 5 % and 3 %	§§ 21 sec. 1, 22	0.00	0
Ameriprise Financial, Inc., Minneapolis, USA	06/27/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	3.003	6,569,547
Bankhaus Lampe KG, Bielefeld, Germany	07/01/2014	Falling below 5% and 3%	§ 21 sec. 1	0.00	0
Ministry of Finance on behalf of the State of Norway, Oslo, Norway	07/11/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 1	3.03	6,637,047
Norges Bank (the Central Bank of Norway), Oslo, Norway	07/11/2014	Exceeding 3 %	§ 21 sec. 1	3.03	6,637,047
TAM UK Holdings Limited, London, UK	07/14/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	3.02	6,611,141
Threadneedle Asset Management Holdings Limited, London, UK	07/14/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	3.02	6,611,141
Threadneedle Asset Management Holdings SARL, Luxembourg, Luxembourg	07/14/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	3.02	6,611,141
Threadneedle Asset Management Limited, London, UK	07/14/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6	3.02	6,611,141
Threadneedle Asset Management UK Ltd, London, UK	07/14/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	3.02	6,611,141
Threadneedle Holdings Limited, London, UK	07/14/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	3.02	6,611,141
BlackRock (Luxembourg) S.A., Senningerberg, Luxembourg	07/25/2014	Falling below 3%	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6	2.99	6,551,091
BlackRock Luxembourg Holdco S.à r.l., Senningerberg, Luxembourg	09/03/2014	Falling below 3%	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	2.98	6,521,176
Invesco Limited, Hamilton, Bermuda	10/03/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.004	6,573,700
BlackRock Investment Management (UK) Limited, London, UK	11/03/2014	Falling below 3%	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	2.99	6,541,239
BlackRock Advisors Holdings, Inc., New York, NY, USA	11/11/2014	Falling below 3%	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	2.95	6,450,664
BlackRock Group Limited, London, UK	11/11/2014	Falling below 3%	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	2.74	5,997,819

Notification voting rights in financial year 2014

Notifying party	Date of reaching, exceeding or falling below the threshold	Reporting threshold	Notification pursuant to WpHG	Shareholdings in %	Number of voting rights
BlackRock International Holdings, Inc., New York, NY, USA	11/11/2014	Falling below 3%	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	2.95	6,450,664
BR Jersey International Holdings L.P., St Helier, Jersey, Channel Islands	11/11/2014	Falling below 3%	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2, § 22 sec. 1 sent. 1 no. 1	2.95	6,450,664
Massachusetts Financial Services Company (MFS), Boston, USA	11/11/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.24	7,091,588
Sun Life Assurance Company of Canada – U.S. Operations Holdings, Inc., Wellesley Hills, USA	11/11/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.24	7,091,588
Sun Life Financial (U.S.) Holdings, Inc., Wellesley Hills, USA	11/11/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.24	7,091,588
Sun Life Financial (U.S.) Investments LLC, Wellesley Hills, USA	11/11/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.24	7,091,588
Sun Life Financial Inc., Toronto, Canada	11/11/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.24	7,091,588
Sun Life Global Investments Inc., Toronto, Canada	11/11/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.24	7,091,588
Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston, USA	11/11/2014	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.24	7,091,588
Capital Income Builder, Inc., Los Angeles, California, USA	12/01/2014	Falling below 3%	§ 21 sec. 1	2.95	6,454,032
Capital Research and Management Company, Los Angeles, California, USA	12/05/2014	Falling below 10%	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6	9.96	21,790,060
The Capital Group Companies, Inc., Los Angeles, California, USA	12/05/2014	Falling below 10%	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2 and 3	9.96	21,790,060

1 BlackRock, Inc. notified ProSiebenSat.1 Media AG on September 30, 2014, pursuant to § 22 sec. 1 of the German Securities Trading Act (WpHG), that its share of voting rights amounted to 9.75% (21,342,377) as of September 25, 2014.

2 BlackRock Financial Management, Inc. notified ProSiebenSat.1 Media AG on September 30, 2014, pursuant to § 22 sec. 1 of the German Securities Trading Act (WpHG), that its share of voting rights amounted to 9.61% (21,018,096) as of September 25, 2014.

3 BlackRock Holdco 2, Inc. notified ProSiebenSat.1 Media AG on September 30, 2014, pursuant to § 22 sec. 1 of the German Securities Trading Act (WpHG), that its share of voting rights amounted to 9.66% (21,143,526) as of September 25, 2014.

41 Professional fees of the independent auditor

The professional fees for the services of the Group auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, totaled EUR 2.6 million in the financial year 2014 (previous year: EUR 2.4 million). Of that total, EUR 1.4 million (previous year: EUR 1.2 million) relates to audit services for the financial statements, EUR 0.5 million (previous year: EUR 0.6 million) to other attestation services, EUR 0.3 million (previous year: EUR 0.4 million) to tax advisory services and EUR 0.4 million (previous year: EUR 0.2 million) to other services. The disclosures relate exclusively to the independent legal entity of the appointed auditor, KPMG AG Wirtschaftsprüfungsgesellschaft.

42 Events after the reporting period

Acquisition of 24.9 % of the shares in mydays Holding GmbH

In the financial year 2013, ProSiebenSat.1 Group acquired 75.1% of the shares and therefore control over mydays Holding GmbH, Munich, via the Group company SevenVentures GmbH, Unterföhring (see Note 7 "Acquisitions and disposals"). With mydays.de, the company operates one of the leading portals for event presents in Germany. The company is now held by ProSieben Travel GmbH, Unterföhring. By purchase and transfer agreement of November 28, 2014, and effective January 13, 2015, ProSieben Travel GmbH acquired the remaining 24.9 % stake in mydays Holding GmbH. The fixed purchase price amounted to EUR 0.5 million and was transferred to the seller on January 13, 2015. The share purchase agreement contains an earn-out provision. On the execution date, the fair value of the earn-out was EUR 5.1 million. As of the reporting date, the nominal amount is recognized in other financial liabilities.

Further events after the reporting period

Beyond this, no reportable events materially impacting the earnings, financial position and performance of ProSiebenSat.1 Group or ProSiebenSat.1 Media AG occurred between the end of the financial year 2014 and the date of the release of this report for publication.

Release date for publication

The Executive Board of the Company shall approve the consolidated financial statements for publication and submission to the Supervisory Board on March 6, 2015. The consolidated financial statements will be presented to the Supervisory Board for approval on March 13, 2015. Publication is on March 17, 2015.

March 6, 2015
The Executive Board

Members of the Executive Board

Members of the Executive Board of the ProSiebenSat.1 Media AG (Fig. 169)

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
Axel Salzmann CFO	Member of the Executive Board since May 1, 2008, CFO since July 1, 2008	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, Shareholder & Boards Management
Dr. Christian Wegner	Member of the Executive Board since October 1, 2011	Responsibilities: Digital & Adjacent, Digital Entertainment, Digital Commerce & Ventures, Adjacent
Heidi Stopper	Member of the Executive Board from October 1, 2012 until September 30, 2014	Responsibilities: Human Resources, Compensation & Benefits, HR People Development, HR Processes & Controlling, Labour Law & Freelance Management

Members of the Supervisory Board

Members of the Supervisory Board of the ProSiebenSat.1 Media AG (Fig. 170)

Dr. Werner Brandt Chairman	Member of the Supervisory Board since June 26, 2014 (Consultant)	Mandates: RWE AG (non-executive), QIAGEN N.V. (non-executive), Osram Licht AG (non-executive), Deutsche Lufthansa AG (non-executive)
Philipp Freise Vice Chairman	Member of the Supervisory Board since March 7, 2007 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)
Lawrence Aidem	Member of the Supervisory Board since June 26, 2014 Iconic Entertainment Inc. (President, CEO)	Mandates: none
Antoinette (Annet) P. Aris	Member of the Supervisory Board since June 26, 2014 INSEAD (Adjunct Professor of Strategy)	Mandates: Thomas Cook PLC (non-executive), Kabel Deutschland Holding AG (non-executive), Jungheinrich AG (non-executive), ASR Netherlands N.V. (non-executive), Sanoma Group (non-executive)
Adam Cahan	Member of the Supervisory Board since June 26, 2014 Yahoo Inc. (Senior Vice President Mobile and Emerging Products)	Mandates: none
Dr. Marion Helmes	Member of the Supervisory Board since June 26, 2014 (Consultant)	Mandates: NXP Semiconductors N.V. (non-executive)
Erik Adrianus Hubertus Huggers	Member of the Supervisory Board since June 26, 2014 (Advisor)	Mandates: Consolidated Media Industries B.V. (non-executive)
Prof. Dr. Harald Wiedmann	Member of the Supervisory Board since March 7, 2007 Gleiss Lutz Hootz Hirsch Partnergesellschaft von Rechtsanwälten und Steuerberatern (German Certified Public Accountant, Tax Adviser, Attorney at Law)	Mandates: DO Deutsche Office AG (non-executive), Universal-Investment GmbH (non-executive)
Stefan Dziarski	Member of the Supervisory Board from May 15, 2012 until October 30, 2014 Permira Beteiligungs- beratung GmbH (Principal)	Mandates: none
Lord Clive Hollick	Member of the Supervisory Board from March 7, 2007 until June 26, 2014 G.P. Bullhound, LLP (Partner)	Mandates: Honeywell Inc. (non-executive), We Predict Ltd. (non-executive)
Johannes Peter Huth	Member of the Supervisory Board from March 7, 2007 until June 26, 2014 (Chairman from June 4, 2009 until June 26, 2014) Kohlberg Kravis Roberts & Co. Ltd. (Partner and Member of the Investment Committee)	Mandates: KION Holding 1 GmbH (non-executive), KION Group GmbH (non-executive), KKR & Co. Partners LLP (executive), NXP B.V. (non-executive), Wild Flavors GmbH (non-executive), WMF AG (non-executive)
Götz Mäuser	Member of the Supervisory Board from March 7, 2007 until June 26, 2014 Permira Beteiligungsberatung GmbH (Partner)	Mandates: none
Dr. Jörg Rockenhäuser	Member of the Supervisory Board from June 4, 2009 until June 26, 2014 (Vice Chairman from July 23, 2013 until June 26, 2014) Permira Beteiligungsberatung GmbH (Managing Partner)	Mandates: Member of Permira Investment Committee (executive), Executive Group of Permira (executive), Permira Holdings Limited Board (executive), Board member of Permira Asesores (non-executive), AmCham Board of Directors (non-executive), Netafim Board of Directors (non-executive)

List of affiliated companies and investments

List of affiliated companies and investments of the ProSiebenSat.1 Media AG (Fig. 171)

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousands[7]	Profit/loss for the period[7]
1	ProSiebenSat.1 Media AG	Unterföhring	100.00		EUR	2,665,061.3	362,179.8
	Affiliated companies						
	Germany						
2	12Auto Group GmbH	Unterföhring	100.00	33	EUR	967.5	178.3
3	9Live Fernsehen GmbH[1]	Unterföhring	100.00	1	EUR	520.5	0.0[3]
4	Advopedia GmbH	Unterföhring	70.00	33	EUR	0.0	0.0[4]
5	Aeria Games Europe GmbH	Berlin	100.00	37	EUR	1,105.3	486.4
6	Booming GmbH[1]	Munich	100.00	60	EUR	457.5	0.0[3]
7	COMVEL GmbH	Munich	100.00	26	EUR	1,521.0	-361.9
8	Discavo GmbH	Berlin	100.00	26	EUR	-576.0	-601.0
9	EPIC Companies GmbH i.L.	Berlin	100.00	32	EUR	10.6	-1,060.0
10	Fem Media GmbH[1]	Unterföhring	100.00	33	EUR	399.8	0.0[3]
11	Gymondo GmbH	Berlin	100.00	31	EUR	-1,318.0	-2,343.0
12	kabel eins Fernsehen GmbH[1]	Unterföhring	100.00	40	EUR	82,358.9	0.0[3]
13	lokalisten media GmbH[1]	Unterföhring	100.00	33	EUR	385.8	0.0[3]
14	MAGIC Internet GmbH	Berlin	100.00	15	EUR	-907.9	294.9
15	MAGIC Internet Holding GmbH[1]	Berlin	100.00	33	EUR	4,525.4	0.0[3]
16	maxdome GmbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
17	MMP Veranstaltungs- und Vermarktungs-GmbH	Cologne	60.00	63	EUR	28.2	311.9
18	moebel.de Einrichten & Wohnen AG	Hamburg	50.10	60	EUR	2,458.5	498.3
19	mydays Event GmbH	Munich	100.00	20	EUR	-333.9	55.2
20	mydays GmbH	Munich	100.00	21	EUR	-22,998.0	-128.2
21	mydays Holding GmbH	Munich	75.10	26	EUR	711.1	3.8
22	P7S1 Erste SBS Holding GmbH[1]	Unterföhring	100.00	1	EUR	956,394.4	0.0[3]
23	P7S1 Zweite SBS Holding GmbH[1]	Unterföhring	100.00	1	EUR	239,055.6	0.0[3]
24	Preis24.de GmbH	Düsseldorf	60.00	60	EUR	-764.7	993.1
25	ProSieben Television GmbH[1]	Unterföhring	100.00	40	EUR	450,485.7	0.0[3]
26	ProSieben Travel GmbH[1]	Unterföhring	100.00	32	EUR	185,025.0	-334.4[5]
27	ProSiebenSat.1 Accelerator GmbH	Unterföhring	100.00	57	EUR	0.0	0.0[4]
28	ProSiebenSat.1 Achte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	26.3	0.0[3]
29	ProSiebenSat.1 Adjacent Holding GmbH[1]	Unterföhring	100.00	1	EUR	25,444.2	0.0[3]
30	ProSiebenSat.1 Applications GmbH[1]	Unterföhring	100.00	1	EUR	2,025.0	0.0[3]
31	ProSiebenSat.1 Commerce GmbH[1]	Unterföhring	100.00	32	EUR	25.0	0.0[3]
32	ProSiebenSat.1 Digital & Adjacent GmbH[1]	Unterföhring	100.00	1	EUR	204,959.9	0.0[3]
33	ProSiebenSat.1 Digital GmbH[1]	Unterföhring	100.00	32	EUR	44,203.9	0.0[3]
34	ProSiebenSat.1 Erste Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
35	ProSiebenSat.1 Fünfzehnte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
36	ProSiebenSat.1 Games Core GmbH[1]	Unterföhring	100.00	37	EUR	25.0	0.0[3]
37	ProSiebenSat.1 Games GmbH[1]	Unterföhring	100.00	33	EUR	6,460.4	0.0[3]
38	ProSiebenSat.1 Licensing GmbH[1]	Unterföhring	100.00	29	EUR	1,702.1	0.0[6]
39	ProSiebenSat.1 Produktion GmbH[1]	Unterföhring	100.00	1	EUR	8,977.7	0.0[3]
40	ProSiebenSat.1 TV Deutschland GmbH[1]	Unterföhring	100.00	1	EUR	976,835.3	0.0[3]
41	ProSiebenSat.1 Vierzehnte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
42	ProSiebenSat.1 Welt GmbH[1]	Unterföhring	100.00	1	EUR	-41.5	14.5
43	PS Event GmbH	Cologne	67.00	44	EUR	-30.0	-244.6
44	PSH Entertainment GmbH[1]	Unterföhring	100.00	1	EUR	2,925.2	0.0[3]
45	Red Arrow Entertainment Group GmbH[1]	Unterföhring	100.00	1	EUR	50,420.6	0.0[3]
46	Red Arrow International GmbH[1]	Unterföhring	100.00	45	EUR	125.0	0.0[3]

List of affiliated companies and investments of the ProSiebenSat.1 Media AG

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousands[7]	Profit/loss for the period[7]
47	RedSeven Entertainment GmbH[1]	Unterföhring	100.00	45	EUR	25.0	0.0[3]
48	SAM - Starwatch Artist Management GmbH[1]	Unterföhring	100.00	63	EUR	192.4	0.0[3]
49	SAM Sports - Starwatch Artist Management GmbH	Hamburg	75.00	63	EUR	0.0	0.0[4]
50	Sat.1 Norddeutschland GmbH[1]	Hanover	100.00	51	EUR	24.9	0.0[3]
51	SAT.1 Satelliten Fernsehen GmbH[1]	Unterföhring	100.00	40	EUR	443,610.2	0.0[3]
52	Seven Scores Musikverlag GmbH[1]	Unterföhring	100.00	1	EUR	26.0	0.0[3]
53	SevenGames Network GmbH[1]	Berlin	100.00	37	EUR	1,342.1	0.0[3]
54	SevenOne AdFactory GmbH[1]	Unterföhring	100.00	55	EUR	30.0	0.0[3]
55	SevenOne Brands GmbH[1]	Unterföhring	100.00	1	EUR	5,168.3	0.0[3]
56	SevenOne Capital (Holding) GmbH	Unterföhring	100.00	57	EUR	0.0	0.0[4]
57	SevenOne Investment (Holding) GmbH	Unterföhring	100.00	1	EUR	0.0	0.0[4]
58	SevenOne Media GmbH[1]	Unterföhring	100.00	55	EUR	5,771.7	0.0[3]
59	SevenPictures Film GmbH[1]	Unterföhring	100.00	40	EUR	2,268.3	0.0[3]
60	SevenVentures GmbH[1]	Unterföhring	100.00	32	EUR	515.0	0.0[3]
61	SilverTours GmbH	Freiburg im Breisgau	67.45	26	EUR	5,396.0	4,891.0
62	Sixx GmbH[1]	Unterföhring	100.00	40	EUR	25.0	0.0[3]
63	Starwatch Entertainment GmbH[1]	Unterföhring	100.00	29	EUR	10,559.5	0.0[3]
64	Studio 71 GmbH[1]	Berlin	82.25	32	EUR	25.0	0.0[3]
65	Sugar Ray GmbH[1]	Unterföhring	100.00	40	EUR	25.0	0.0[3]
66	TROPO GmbH	Hamburg	90.00	26	EUR	-6,118.0	-4,531.1
67	tv weiss-blau Rundfunkprogrammanbieter GmbH[1]	Unterföhring	100.00	51	EUR	1,027.0	0.0[3]
68	wer-weiss-was GmbH[1]	Unterföhring	100.00	33	EUR	6,565.9	0.0[3]
69	Wetter Fernsehen – Meteos GmbH	Konstanz	100.00	70	EUR	693.8	0.0[3]
70	wetter.com GmbH	Konstanz	100.00	26	EUR	-907.9	294.9
	Austria						
71	Austria 9 TV GmbH	Vienna	100.00	74	EUR	10.8	0.8
72	AUSTRIA 9 TV GmbH & Co KG	Vienna	100.00	74	EUR	0.0	0.0[4]
73	ProSieben Austria GmbH	Vienna	100.00	74	EUR	35.7	1.1
74	ProSiebenSat.1Puls 4 GmbH	Vienna	100.00	55	EUR	24,424.8	18,849.3
75	Puls 4 TV GmbH	Vienna	100.00	74	EUR	33.0	0.0
76	PULS 4 TV GmbH & Co KG	Vienna	100.00	74	EUR	2,600.1	-2,953.8
77	SAT.1 Privatrundfunk und Programmgesellschaft m.b.H	Vienna	51.00	51	EUR	7,877.9	7,618.6
78	SevenVentures Austria GmbH	Vienna	100.00	60	EUR	697.0	197.0
	Belgium						
79	Sultan Sushi BVBA, in vereffening	Mechelen	100.00	45	EUR	-620.0	-843.9
	Denmark						
80	Snowman Productions ApS	Copenhagen	100.00	97	DKK	1,719.6	-373.2
	Hong Kong						
81	Red Arrow International Limited	Hong Kong	100.00	45	HKD	0.0	0.0[4]
	Israel						
82	July August Communications and Productions Ltd.	Ramat Gan	51.00	45	ILS	648.0	-303.0
83	The Band´s Visit LP	Ramat Gan	55.00	82	ILS	0.0	0.0[4]
	Jersey						
84	Scandinavian Broadcasting System (Jersey) Limited	Jersey	100.00	87	GBP	0.0	0.0[4]
	Luxembourg						
85	P7S1 Broadcasting S.à r.l.	Luxembourg	100.00	22; 23	EUR	336,106.7	-89,349.5
	The Netherlands						
86	Danube Broadcasting B.V. in liquidatie	Amsterdam	100.00	87	EUR	-94.7	-43.2
87	P7S1 Broadcasting Europe B.V.	Amsterdam	100.00	88	EUR	118,886.0	-121,647.0
88	P7S1 Broadcasting Holding I B.V.	Amsterdam	100.00	85	EUR	581,626.0	491,431.0
89	P7S1 Finance B.V. in liquidatie	Amsterdam	100.00	87	EUR	6,177.0	75,031.0

List of affiliated companies and investments of the ProSiebenSat.1 Media AG

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousands[7]	Profit/loss for the period[7]
90	P7S1 Nederland B.V.	Amsterdam	100.00	87	EUR	1,050.0	-35.0
91	Sultan Sushi B.V.	Amsterdam	100.00	45	EUR	-1,047.9	-908.6
	Norway						
92	Snowman Productions AS	Oslo	100.00	97	NOK	429.3	-4,913.8
	Romania						
93	MyVideo Broadband S.R.L.	Bucharest	100.00	15	EUR	1,155.5	-4,221.8
	Sweden						
94	100 Code AB	Stockholm	100.00	97	SEK	0.0	0.0[4]
95	Hard Hat AB	Stockholm	90.00	97	SEK	659.7	-1,213.0
96	P7S1 Broadcasting (Sweden) AB i likvidation	Stockholm	100.00	87	SEK	21,023.0	4,535.0
97	Snowman Productions AB	Stockholm	100.00	45	SEK	4,941.1	-17,693.9
	Switzerland						
98	mydays (Schweiz) AG	Küsnacht ZH	100.00	21	CHF	0.0	0.0[4]
99	ProSieben (Schweiz) AG	Küsnacht ZH	100.00	101	CHF	434.9	260.6
100	Sat.1 (Schweiz) AG	Küsnacht ZH	60.00	51	CHF	6,732.4	5,501.0
101	SevenOne Media (Schweiz) AG	Küsnacht ZH	100.00	55	CHF	22,159.4	21,494.3
102	SevenVentures (Schweiz) AG	Küsnacht ZH	100.00	60	CHF	204.3	104.3
	United Kingdom						
103	CPL Productions Limited	London	100.00	110	GBP	45.1	-19.5
104	Endor (Esio Trot) Limited	London	100.00	108	GBP	0.0	0.0[4]
105	Endor (HBJ) Limited	London	100.00	108	GBP	1.0	0.0
106	Endor (T&T) Limited	London	100.00	108	GBP	0.0	0.0[4]
107	Endor (Will) Limited	London	100.00	108	GBP	0.0	0.0[4]
108	Endor Productions Limited	London	51.00	113	GBP	-318.8	-383.6
109	European Radio Investments Limited	London	100.00	112	GBP	-4,653.4	-4,921.2
110	LHB Limited	London	68.25	113	GBP	-90.3	-22.6
111	New Entertainment Research and Design Limited	London	96.70	113	GBP	-643.8	-261.9
112	P7S1 Broadcasting (UK) Limited	London	100.00	87	GBP	40,233.7	38,481.2
113	Red Arrow Entertainment Limited	London	100.00	45	GBP	1,274.4	-1,816.7
114	Romanian Broadcasting Corporation Limited	London	100.00	112	GBP	15,820.9	-1,107.7
115	TEA Endor Limited	London	100.00	108	GBP	0.0	0.0[4]
	United States of America						
116	95 Ends LLC	New York	100.00	128	USD	0.0	0.0[4]
117	Digital Demand LLC	Los Angeles	100.00	123	USD	0.0	0.0[4]
118	Fabrik Entertainment, LLC	Los Angeles	51.00	133	USD	-192.2	-348.3
119	Fortitude Production Services, LLC	New York	100.00	128	USD	0.0	0.0[4]
120	Half Yard Productions, LLC	Bethesda	65.00	133	USD	0.0	0.0[4]
121	HB Television Development LLC	Los Angeles	100.00	118	USD	0.0	0.0[4]
122	Hold Fast Productions LLC	Los Angeles	100.00	118	USD	0.0	0.0[4]
123	Kinetic Content LLC	Los Angeles	51.00	133	USD	-1,181.8	495.6
124	Kinetic Content Publishing LLC	Los Angeles	100.00	123	USD	0.0	0.0[4]
125	Kinetic Operations LLC	Los Angeles	100.00	123	USD	0.0	0.0[4]
126	Kinpro LLC	Los Angeles	100.00	123	USD	0.0	0.0[4]
127	KinPro Music Publishing LLC	Los Angeles	100.00	123	USD	0.0	0.0[4]
128	Left/Right Holdings, LLC	New York	60.00	133	USD	3,732.6	6,411.7
129	Left/Right, LLC	New York	100.00	128	USD	0.0	0.0[4]
130	Moving TV LLC	Los Angeles	100.00	123	USD	0.0	0.0[4]
131	Nerd TV LLC	Los Angeles	100.00	111	USD	-21.1	-21.1
132	Production Connection LLC	Los Angeles	100.00	123	USD	0.0	0.0[4]
133	Red Arrow International, Inc.	Los Angeles	100.00	45	USD	39,710.7	3,557.3
134	Three Tables Music LLC	Los Angeles	100.00	123	USD	0.0	0.0[4]

List of affiliated companies and investments of the ProSiebenSat.1 Media AG

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousands[7]	Profit/loss for the period[7]
135	WDSP LLC	New York	100.00	116	USD	0.0	0.0[4]
	Associates						
	Germany						
136	Covus Ventures GmbH	Munich	44.12	60	EUR	1,692.9	-192.0
137	eFashion Boulevard GmbH	Georgsmarienhütte	30.00	60	EUR	0.0	0.0[4]
138	Flaconi GmbH	Berlin	46.99	60	EUR	0.0	0.0[4]
139	Lottohelden GmbH	Hamburg	26.54	60	EUR	-90.4	-556.2
140	SMARTSTREAM.TV GmbH	Munich	25.00	60	EUR	366.1	366.1
141	Sonoma Internet GmbH	Berlin	23.21	60	EUR	250.3	-804.2
142	Stylight GmbH	Munich	22.08	60	EUR	5,514.6	2.3
143	Tejado GmbH	Oldenburg	20.69	60	EUR	9,348.0	-1,252.5
144	travista GmbH	Offenburg	25.13	60	EUR	0.0	0.0[4]
145	VG Media Gesellschaft zur Verwertung der Urheber- und Leistungsschutzrechte von Medienunternehmen mbH	Berlin	29.54	1	EUR	378.3	0.0
	Austria						
146	Visivo Consulting GmbH	Vienna	39.97	78	EUR	0.0	0.0[4]
	Switzerland						
147	Goldbach Media (Switzerland) AG	Küsnacht ZH	22.96	101	CHF	26,750.5	28,762.6
148	swiss radioworld AG	Zurich	22.96	101	CHF	0.0	0.0[4]
	United States of America						
149	Collective Digital Studio, LLC	Beverly Hills	20.00	133	USD	0.0	0.0[4]
	Affiliated companies, not consolidated						
	Germany						
150	Department 47 GmbH i.L.	Berlin	100.00	151	EUR	-314.0	-339.0
151	Department 47 Holding GmbH i.L.	Berlin	100.00	9	EUR	2.0	-4.0
152	Discavo Holding GmbH i.L.	Berlin	100.00	9	EUR	22.0	-3.0
153	EPIC Verwaltung I GmbH i.L.	Berlin	100.00	9	EUR	22.0	-3.0
154	EPIC Verwaltung VI GmbH i.L.	Berlin	100.00	9	EUR	22.0	-3.0
155	Petobel GmbH i.L.	Berlin	100.00	156	EUR	-480.0	-4,005.0
156	Petobel Holding GmbH i.L.	Berlin	100.00	9	EUR	3,954.0	-46.0
157	Todaytickets GmbH	Berlin	45.00	9	EUR	0.0	0.0[4]
158	Valmano GmbH	Berlin	51.00	31	EUR	-1,546.0	-4,346.0
159	Valmano Holding GmbH i.L.	Berlin	100.00	9	EUR	2,983.0	-17.0
	The Netherlands						
160	New Century Media Holdings B.V. in liquidatie	Amsterdam	100.00	87	EUR	0.0	0.0[4]
	Turkey						
161	Tasfiye Halinde Anadolu Televizyon ve Radyo Yayıncılık ve Ticaret Anonim Sirketi	Istanbul	100.00	112	TRY	0.0	0.0[4]
	Joint ventures						
	Germany						
162	AdAudience GmbH	Munich	14.29	58	EUR	1,785.5	33.0
	United Kingdom						
163	One Three Media RA UK Limited	London	50.00	113	GBP	0.0	0.0[4]
	Other material investments						
	Germany						
164	AFK Aus- und Fortbildungs GmbH für elektronische Medien	Munich	12.00	1	EUR	1,560.7	-1,263.4
165	ampido GmbH	Cologne	5.00	60	EUR	13.2	-135.0
166	asgoodasnew electronics GmbH	Frankfurt (Oder)	18.44	60	EUR	1,044.6	-3,801.9
167	auxmedia GmbH	Jena	5.00	60	EUR	0.0	0.0[4]
168	babymarkt.de GmbH	Dortmund	8.34	60	EUR	9,226.5	-15,720.6
169	b-neun Media & Technologie Center GmbH	Unterföhring	6.09	1	EUR	351.1	27.4

List of affiliated companies and investments of the ProSiebenSat.1 Media AG

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousands[7]	Profit/loss for the period[7]
170	circle concepts GmbH	Berlin	5.00	60	EUR	0.0	0.0[4]
171	Deutscher Fernsehpreis GmbH	Cologne	25.00	1	EUR	313.7	-43.1
172	DREAMA MEDIA UG (haftungsbeschränkt)	Unterföhring	5.03	60	EUR	0.0	0.0[4]
173	Evolution Internet Fund GmbH	Munich	15.00	60	EUR	0.0	0.0[4]
174	FilmFernsehFonds Bayern GmbH, Gesellschaft zur Förderung der Medien in Bayern (FFF Bayern)	Munich	6.59	40	EUR	51.1	0.0
175	get2play GmbH	Berlin	15.00	60	EUR	0.0	0.0[4]
176	Kiveda Holding GmbH	Berlin	10.33	60	EUR	0.0	0.0[4]
177	Little Postman GmbH	Berlin	5.00	60	EUR	0.0	0.0[4]
178	Media4Care UG (haftungsbeschränkt)	Berlin	5.03	60	EUR	0.0	0.0[4]
179	onbelle GmbH	Cologne	5.00	60	EUR	0.0	0.0[4]
180	Outstore GmbH	Miesbach	17.51	60	EUR	0.0	0.0[4]
181	Privatfernsehen in Bayern GmbH & Co. KG	Munich	10.00	67	EUR	248.2	29.5
182	Privatfernsehen in Bayern Verwaltungs-GmbH	Munich	10.00	67	EUR	54.5	2.1
183	Storyfeed GmbH	Berlin	5.00	60	EUR	0.0	0.0[4]
184	Tickethelden GmbH	Munich	5.00	60	EUR	0.0	0.0[4]
185	videostream360 GmbH	Leipzig	5.00	60	EUR	0.0	0.0[4]
186	Wirkstoff TV Gattungsmarketing GmbH	Berlin	6.25	58	EUR	0.0	0.0[4]
187	Wonderland4U GmbH	Hanover	5.00	60	EUR	0.0	0.0[4]
	Austria						
188	expressFlow GmbH	Vienna	5.00	60	EUR	0.0	0.0[4]
	Israel						
189	Adam, the Film Ltd.	Ramat Gan	5.00	82	ILS	0.0	0.0[4]
190	Seven Days LP	Ramat Gan	50.00	82	ILS	0.0	0.0[4]
	Switzerland						
191	Numbrs AG	Zurich	5.00	60	CHF	0.0	0.0[4]
	United States of America						
192	AliphCom	San Francisco	1.77	60	USD	0.0	0.0[4]
193	Talenthouse, Inc.	Los Angeles	10.91	63	USD	0.0	0.0[4]
194	ZeniMax Media Inc.	Rockville	6.90	87	USD	657,959.4	-75,132.3

1 Company meets the requirements of Section 264 (3) of the German Commercial Code and exercises the option to be exempted from certain requirements on the preparation, auditing and disclosure of the annual financial statements and the financial report.
2 The figures for Equity and Profit/loss for the period presented have been translated using the foreign exchange rates reported in Note 6 "Foreign currency translation".
3 Result after profit and loss transfer agreement.
4 No figures available. Company acquired in 2014 or founded or in liquidation.
5 Shortened financial year from November 5, 2013 to December 31, 2013.
6 Shortened financial year from July 29, 2013 to December 31, 2013.
7 The figures for Equity and Profit/loss refer to financial year 2013 and partly reflect local accounting rules which do not necessarily correspond to IFRS.

Responsibility Statement

To the best of our knowledge we certify that, in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of profit or loss, the financial position and the assets and liabilities of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Unterföhring, March 6, 2015

Thomas Ebeling (CEO)

Axel Salzmann (CFO)

Conrad Albert (Legal, Distribution & Regulatory Affairs)

Dr. Christian Wegner (Digital & Adjacent)

Auditor's Report

We have audited the consolidated financial statements prepared by the ProSiebenSat.1 Media AG, Unterföhring, comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and the notes to the consolidated financial statements, together with the group management report for the financial year from January 1 to December 31, 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) of the German commercial law [HGB] are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 of the German Commercial Code [HGB] and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [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 consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group 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 consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the consolidated financial statements and group 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 consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Section 315a (1) of the German Commercial Code [HGB] and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, March 6, 2015

KPMG AG
Wirtschaftsprüfungsgesellschaft
[original German version signed by:]

Schmidt
Wirtschaftsprüfer
[German Public Auditor]

Specht
Wirtschaftsprüfer
[German Public Auditor]

D ADDITIONAL INFORMATION

Contents

A s Managing Director at SevenOne Media, the ProSiebenSat.1 Group's marketing company, Sabine Eckhardt is responsible among other things, for developing new business fields. With her teams at SevenOne AdFactory, she has also been implementing 360 degree communication concepts and special advertising formats for the past five years.

Sabine Eckhardt, Managing Director, SevenOne Media GmbH and Managing Director, SevenOne AdFactory

»EVERY SUCCESSFUL BRAND TELLS A STORY. OUR STRENGTH IS IN STAGING THIS STORY.«

Content marketing, i.e. advertising that prioritizes high-quality content and stories, was one of the major buzzwords of 2014. SevenOne AdFactory is one of the biggest players on the German market. How important is the topic for you?

Sabine Eckhardt: We now talk to advertisers about content marketing on an almost daily basis. Interest in it is growing palpably. A paradigm shift is happening right now: Customers who three, four years ago were fixated on price communication are now pursuing more holistic brand strategies.

What caused this rethinking?

Sabine Eckhardt: Sales campaigns achieve quick, measurable results, but are not very sustainable. Many companies now recognize that brands cannot be strengthened in the long term on the basis of prices alone. On the contrary, sales pressure rises and suddenly the product finds itself in a fatal discount spiral leading ever further downward. On the other hand, storytelling is a very effective tool to appeal to consumers' emotions and inspire their long-term loyalty to a product.

What does this development mean for your position as a marketer?

Sabine Eckhardt: Given the fragmented media landscape and dynamic technological development, customers especially expect guidance and individual support from us. We have evolved into a concept marketer and advise companies intensively.

Are the media agencies not responsible for that?

Sabine Eckhardt: Our customers know that our TV stations allow us to rapidly establish a wide reach for their brands and to produce high-quality, individual branded content. This is why they come to us, be it independently or with their agency. Together, we develop a coherent concept, a story that does justice to the brand and fits into the programming environment of our station brands so we can ensure a positive image transfer. Because we know one thing for certain: Every successful brand tells a good story. And our strength is in staging this story.

How important are such projects for new customer business?

Sabine Eckhardt: We offer many innovative advertising approaches with which we inspire new customers, for instance branded entertainment and product placement. But those are just two elements that make us so successful in the new business segment. We have strong arguments for TV, which show that TV advertising is demonstrably worthwhile and that big impacts are possible even on small budgets.

What does this mean for your revenues?

Sabine Eckhardt: We gained over 100 new TV customers in the last year alone, continuing the positive development of the previous years. Companies that previously advertised mainly in print media, such as in the fashion and beauty segment, are increasingly turning to TV. We are making their entry easier with intensive consulting and support. As well as complete conceptualization, we can also offer media planning and spot production ourselves. This service is particularly attractive to small and medium-sized enterprises.‹

Group Key Figures: Multi-Year Overview (Fig. 172)

EUR m	Q4 2014	Q4 2013	Q4 2012	Q4 2011	Q4 2010	Q4 2009	Q4 2008	Q4 2007	Q4 2006	Q4 2005
Revenues	**965.9**	840.8	789.3	712.4	828.9	880.4	876.8	989.3	657.2	636.0
Revenue margin before income taxes (in percent)	**26.2**	27.3	27.3	26.7	23.9	19.5	-14.6	14.4	27.1	23.3
Total costs	**694.2**	587.9	554.1	466.7	572.6	651.8	915.8	772.3	471.6	480.6
Operating costs[1]	**645.6**	547.3	509.5	434.7	520.8	576.2	621.6	695.1	460.3	-/-
Consumption of programming assets	**255.0**	247.2	244.6	239.0	279.3	290.1	327.5	395.6	264.2	288.8
Recurring EBITDA[2]	**325.1**	302.1	285.7	281.9	312.5	307.2	279.3	296.9	200.8	-/-
Recurring EBITDA margin (in percent)	**33.7**	35.9	36.2	39.6	37.7	34.9	31.9	30.0	30.6	-/-
EBITDA	**316.9**	288.7	269.3	266.5	292.9	293.0	251.7	281.1	200.2	167.8
Non-recurring items[3]	**-8.2**	-13.4	-16.5	-15.4	-19.6	-14.2	-27.6	-15.8	-0.6	-/-
EBIT	**281.8**	262.1	241.3	249.3	260.8	239.2	3.5	222.1	189.4	156.8
Financial result	**-29.1**	-32.3	-25.9	-58.9	-63.0	-67.3	-133.3	-79.6	-11.0	-10.0
Profit before income taxes	**252.7**	229.8	215.4	190.4	197.8	171.9	-128.0	142.5	178.4	147.9
Consolidated net profit (after non-controlling interests)[4]	**149.4**	59.4	99.0	129.9	181.4	113.4	-170.0	39.5	113.4	96.9
Profit from discontinued operations (net of income taxes)	**-18.4**	-95.6	-63.7	-36.2	34.4	-/-	-/-	-/-	-/-	-/-
Underlying net income[5]	**180.4**	158.9	163.8	175.9	158.8	137.1	78.2	75.3	114.4	-/-
Basic earnings per share (underlying)[6]	**0.84**	0.75	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-
Investments in programming assets	**182.8**	182.5	183.8	211.4	240.0	267.8	329.3	366.9	261.1	253.9
Free cash flow	**297.3**	306.4	262.8	237.5	203.5	241.6	389.2	213.9	190.7	162.7
Cash flow from investing activities	**-227.9**	-223.4	-207.5	-222.8	-285.7	-305.1	-67.1	-432.1	-268.0	-261.1

EUR m	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues	**2,875.6**	2,605.3	2,356.2	2,199.2	2,601.0	2,760.8	3,054.2	2,710.4	2,104.6	1,989.6
Revenue margin before income taxes (in percent)	**19.5**	20.2	19.4	15.8	12.6	8.4	-2.2	9.2	18.4	17.6
Total costs	**2,209.0**	1,961.9	1,768.8	1,628.0	2,045.4	2,310.7	2,851.0	2,341.9	1,672.4	1,620.3
Operating costs[1]	**2,046.9**	1,835.8	1,624.6	1,482.9	1,820.6	2,077.5	2,413.1	2,063.1	1,629.7	-/-
Consumption of programming assets	**867.8**	858.7	838.7	864.3	957.0	1,068.6	1,247.1	1,145.8	946.0	947.2
Recurring EBITDA[2]	**847.3**	790.3	744.8	725.5	791.5	696.5	674.5	662.9	487.0	-/-
Recurring EBITDA margin (in percent)	**29.5**	30.3	31.6	33.0	30.4	25.2	22.1	24.5	23.1	-/-
EBITDA	**818.4**	757.8	680.4	652.5	693.8	623.0	618.3	522.3	484.3	418.5
Non-recurring items[3]	**-28.9**	-32.6	-64.4	-73.0	-97.7	-73.5	-56.2	-140.6	-2.7	-/-
EBIT	**694.5**	668.9	600.9	580.5	566.8	475.1	263.5	385.3	444.3	382.7
Financial result	**-134.4**	-142.0	-144.4	-232.7	-238.2	-242.4[9]	-334.9	-135.5	-57.6	-33.0
Profit before income taxes	**560.1**	526.9	456.5	347.8	328.6	233.1[9]	-68.4	249.8	386.7	350.7
Consolidated net profit (after non-controlling interests)[4]	**346.3**	312.1	295.0	637.5	312.7	146.6[9]	-129.1	89.4	240.7	220.9
Profit from discontinued operations (net of income taxes)	**-27.1**	-47.6	-30.2	373.2	78.1	-/-	-/-	-/-	-/-	-/-
Underlying net income[5]	**418.9**	379.7	355.5	272.4	275.2	186.8[9]	170.4	272.8	244.8	-/-
Basic earnings per share (underlying)[6]	**1.96**	1.78	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-
Investments in programming assets	**889.7**	860.2	843.3	938.9	1,098.6	1,227.2	1,397.0	1,176.7	955.0	907.3
Free cash flow	**276.5**	330.1	256.3	201.2	179.0	157.4	183.8	-1,675.4	292.4	70.1
Cash flow from investing activities	**-1,148.4**	-1,018.3	-945.8	-973.4	-1,186.4	-1,320.1	-1,175.0	-3,269.0	-979.6	-1,095.7

Group Key Figures: Multi-Year Overview

EUR m	12/31/2014	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009	12/31/2008	12/31/2007	12/31/2006	12/31/2005
Programming assets	**1,211.9**	1,201.6	1,276.9	1,531.3	1,654.6	1,526.5	1,380.0	1,317.7	1,056.3	1,057.5
Equity	**753.9**	584.1	1,500.8	1,441.4	1,025.9	607.0[9]	506.7[9]	1,090.1[9]	1,240.5	1,187.7
Equity ratio (in percent)	**19.3**	16.4	27.7	28.6	16.2	9.8[9]	8.5[9]	18.2[9]	64.2	58.9
Cash and cash equivalents	**470.6**	395.7	702.3	517.9	740.7	737.4	632.9	250.8	63.5	157.6
Financial liabilities	**1,973.1**	1,842.0	2,573.1	2,335.7	3,761.9	4,032.1	4,039.8	3,579.5	185.6	387.2
Leverage[7]	**1.8**[13]	1.8[10]	2.0[12]	2.1	3.3	4.7	5.1	5.0	0.3	-/-
Net financial debt	**1,502.5**	1,446.3[11]	1,780.4[12]	1,817.8	3,021.0	3,294.6	3,406.7	3,328.4	121.8	227.2
Employees[8]	**4,210**	3,590	3,026	2,605	4,117	4,814	5,450	4,852	2,976	2,788

Segment Group Key Figures: Multi-Year Overview (Fig. 173)

EUR m	2014	2013	2012
Broadcasting German-speaking			
External revenues	**2,062.7**	1,997.8	1,926.0
Recurring EBITDA[2]	**702.8**	678.6	665.1
Recurring EBITDA margin (in percent)[14]	**32.9**	32.7	33.3
EBITDA	**686.8**	649.9	613.2
Digital & Adjacent			
External revenues	**610.7**	483.7	334.8
Recurring EBITDA[2]	**129.3**	105.4	84.9
Recurring EBITDA margin (in percent)[14]	**21.0**	21.6	25.3
EBITDA	**123.6**	100.9	76.6
Content Production & Global Sales			
External revenues	**202.2**	123.8	95.4
Recurring EBITDA[2]	**19.1**	10.6	4.3
Recurring EBITDA margin (in percent)[14]	**7.8**	6.3	3.1
EBITDA	**16.0**	11.5	1.5

1 Total costs excl. D&A and non-recurring expenses.
2 EBITDA before non-recurring (exceptional) items.
3 Non-recurring expenses netted against non-recurring income.
4 Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media AG including discontinued operations.
5 Consolidated profit for the period attributable to shareholders of ProSiebenSat.1 Media AG before the effects of purchase price allocations and additional special items.
6 Due to the merger of share classes in 2013, from this year on basic earnings per share (underlying) are shown. Prior year figures were not determined.
7 Ratio net financial debt to recurring EBITDA in the last twelve months.
8 Full-time equivalent positions as of reporting date from continuing operations.
9 After changes in accounting policies according to IAS 8 and corresponding adjustment of previous-year figures. For information regarding the change in accounting policy, please refer to the Annual Report 2010, page 123.
10 After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for the LTM recurring EBITDA contribution of Northern and Eastern European operations.
11 After reclassification of cash and cash equivalents of Eastern European activities.
12 Before reclassification of cash and cash equivalents from the Northern and Eastern European activities.
13 Adjusted for the LTM recurring EBITDA contribution of Eastern European operations.
14 Based on total segment revenues, see Note 36 "Segment reporting".

Explanation of reporting principles in the financial year 2014 / at December 31, 2014: The figures for the 2014 financial year and the fourth quarter of 2014 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. The result from discontinued operations includes both the net profit generated by the companies sold in Hungary and Romania as well as the respective gain on disposal and is presented after taxes. The figures for the financial years 2013 and 2012 for the income statement and the cash flow statement have been presented on a comparable basis. In the financial year 2011 the Belgian TV operations and the Dutch TV and print operations were deconsolidated on closing of the respective share purchase agreements in June and July 2011 respectively. The income statement items for the operations concerned are reported separately as the result from discontinued operations. The 2011 result from discontinued operations contains the net profit as well as the gain on disposal and is presented after taxes. The figures for 2010 (income statement and the cash flow statement) have only been restated for the figures of the operations sold in the financial year 2011.
The previous year's figures in the statement of financial position were not adjusted.

Finance Glossary

C

Cash flow hedge

Guarding against the risk of variable cash flows with derivative financial instruments.

Cash flow statement

The cash flow statement shows how cash and cash equivalents have changed as a result of cash inflows and outflows during the period. 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 the cash and cash equivalents reported on the statement of financial position as of at the reporting date. Cash flow from operating activities is derived indirectly from the consolidated profit or loss from continuing operations for the period.

Common share

Voting share without any preferential rights (opposite: preference share).

Credit facility

Defined loan framework at one or more banks which can be utilized to cover credit requirements.

D

Deconsolidation

If an entity is separated from the Group, all assets and liabilities are eliminated from the consolidated financial statements by way of deconsolidation. This applies if the Group parent loses control, such as by selling all of its shares or its majority interest to third parties, if the parent's ownership interest is diluted such that it loses control, or if the entity's valuation changes (e.g. subordinate importance).

Derivate

According to IAS 39.9 a derivative exists when the value of a financial instrument depends on an underlying, for example, the development of an interest rate, a share price, an index or a foreign currency. In addition, the standard stipulates that in comparison to other instruments which would be expected to have a similar response to changes in market conditions a derivative requires little or no initial investment. Furthermore, settlement or offsetting takes place at a time in the future.

Derivative finance instruments

Financial instruments whose value or price depends on future prices or other asset values (underlyings). These include swaps and options.

Dividend

The share of the profit of a stock corporation distributed to the shareholders. The amount of the dividend is proposed by the Executive Board and approved by the Annual General Meeting. The dividend depends, among other things, on the profitability, economic situation and dividend policy of the company. The basis of assessment for the distribution is the profit calculated according to commercial law.

E

EBIT

Abbreviation for Earnings before Interest and Taxes.

EBITDA

Abbreviation for Earnings before Interest, Taxes, Depreciation and Amortization.

F

Fair Value

The fair value is defined according to IFRS 13.9 as the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants on the measurement date.

Financial covenants

Obligations in the context of loan contracts. These relate primarily to key financial indicators that the borrower has to comply with.

Financial result

Is composed of the interest result, other financial result and income from investments accounted for using the equity method.

Free cash flow

A key parameter for assessing the financial strength of the Group. Total cash and cash equivalents generated in operating business less the balance of cash used and generated in the context of investing activities.

Free float

The number of shares in a company that are owned by many different shareholders and are thus widely spread.

H

Hedge
A hedge is a financial transaction to secure another transaction against risks such as exchange rate fluctuations or changes in commodity prices.

Hedge accounting
Shows an economic hedge relationship in line with IAS 39. Here what are often opposing value changes of the hedged underlying transactions and the derivative financial instruments used for hedging are recorded in accounting terms.

I

Impairment test
Examination of the value of assets, especially for goodwill and intangible assets with indefinite useful lives. If the carrying amount exceeds the recoverable amount, then an impairment must generally be recognized in the income statement.

Interest rate swaps
Derivative financial instruments to swap cash flows. For example, with interest rate swaps a swap is made between fixed and floating rate cash flows.

L

Leverage
Shows how high net debt is in relation to recurring EBITDA in the last twelve months.

Leverage factor
Common key ratio for measuring the debt position. It is calculated as the ratio of net financial debt to recurring EBITDA of the last twelve months.

N

Net financial debt
Total loans and borrowings minus cash and cash equivalents and current financial assets.

O

Operating costs
Total costs excluding depreciation and amortization as well as non-recurring expenses. Relevant cost variable for calculating recurring EBITDA.

P

Preference share
Share that does not generally confer a voting right, but instead grants other benefits, usually in the form of a higher dividend (opposite: common share).

Programming assets
Rights to TV program content (e.g. feature films, series, commissioned productions) capitalized as a separate item due to their particular importance for the financial position and performance at the ProSiebenSat.1 Group. Feature films and series are posted on the statement of financial position as of the beginning of the license term. Commissioned productions are capitalized as broadcast-ready programming assets as of their date of formal acceptance. Until being broadcast, sport rights are included in advance payments. They are then posted to programming assets. When programs are broadcast, a program consumption item is posted in the income statement.

Purchase price allocation
Process by which the purchase price for a newly acquired entity is allocated to the acquired assets and (contingent) liabilities on the acquisition date.

R

Recurring EBITDA
Earnings before Interest, Taxes, Depreciation and Amortization. Describes earnings before interest, taxes, depreciation and amortization, adjusted for non-recurring items.

Revolving Credit Facility (RCF)
A credit framework that can be repaid and then utilized again within a specific time period.

S

Scope of consolidation
The full group of entities to be included in the consolidated financial statements.

Syndicated facilities agreement
Loans granted jointly by multiple financial institutions, which must involve at least two lenders. Syndicated facilities are granted when the total credit is very high. The distribution among several banks serves to spread the risk. Syndicated facilities are also known as consortium loans.

T

Term loan

Loan in which the loan obligation is repaid at the end of the agreed duration (secured term loan).

Total costs

Total of cost of sales, selling expenses and administrative expenses, as well as other operating expenses.

U

Underlying net income

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

W

Working capital

Calculated on the basis of current assets minus current liabilities, thus providing an assessment of liquidity.
Guarding against the risk of variable cash flows with derivative financial instruments.

Media Glossary

A

Arbeitsgemeinschaft Fernsehforschung (AGF)

In the Arbeitsgemeinschaft Fernsehforschung (Working Group of Television Research), the ARD and ZDF broadcasters, the ProSiebenSat.1 Media AG station groups and the RTL Deutschland media group join forces to carry out and develop continual quantitative television audience research in Germany (ratings). The data collected exclusively by the GfK TV research department is recognized in the television market as the common currency for advertising and program planning. The AGF/GfK television panel includes 5,000 households consisting of almost 10,500 persons, which report on a daily basis (reporting basis D+EU television panel). This shows the television consumption of 72.20 million people from the age of 3 or 36.71 million television households (as of January 1, 2015).

Arbeitsgemeinschaft Online Forschung (AGOF)

Affiliation of leading online marketers in Germany. By providing standardized online coverage currency and comprehensive data on online media consumption, AGOF makes traditional and mobile internet a transparent and plannable advertising medium.

D

Digitalization

Digitalization and digital technology have established themselves in people's everyday lives and are changing the production, distribution and reception of content. The rapid spread of smartphones, tablets, smart TVs and other internet-connected entertainment devices, plus access to information anytime anywhere, are having a major impact on media use. The media convergence that digitalization allows – e.g. of television and internet – has spawned even more interactivity. New media formats and distribution channels make interactive media consumption possible and offer consumers, providers and the advertising industry many new opportunities. Fully digitalizable content that can be distributed via online platforms is just one of the outcomes.

Dual broadcasting system

A dual broadcasting system means the concurrent existence of private and public broadcasters. The most important difference between the two broadcasting systems is in the form and purpose of the organization. The duty of the public broadcasting organizations, with the main stations ARD and ZDF, is the "basic provision of the population with information." Their financing is guaranteed by law and provided by license fees. The private providers operate as independent commercial enterprises, obtaining most of their revenues from marketing advertising.

G

GfK Fernsehforschung

GfK Fernsehforschung is a department within the GfK Group (Gesellschaft für Konsumforschung) that collects TV consumption data for Germany exclusively on behalf of the Arbeitsgemeinschaft Fernsehforschung (AGF). On a daily basis, GfK Fernsehforschung records the TV consumption of the households on the television panel, the people living in these households and their guests with electronic measuring instruments. This data is considered "the currency" in Germany's TV market.

Gross advertising expenditure

Money spent by advertisers on the placement of advertising. Gross advertising expenditure allows only limited conclusions to be drawn on actual advertising revenues, as it does not take into account discounts, self-promotional advertising or agency commissions.

H

High definition (HD)

High-definition video content as opposed to standard definition (SD). HD content is predominantly distributed via television, Blu-ray and the internet. On televisions, the standards used are 720p, 1080i und 1080p. Online, HD content is streamed (e.g. on YouTube) or distributed in various file formats (e.g. avi, mp4, mkv, mov) and specifications. "Native HD" means that the content was produced with HD devices from the start, and that it does not need to be upscaled to be broadcast in HD. HD content is transferred between devices via HDMI und can be protected against copying (HDCP). The HD standard is in further development.

Hybrid broadcast broadband TV (HbbTV)
Enables the link-up between TV and internet offerings. HbbTV, the standard for interactive television, is implemented in various ways by the TV broadcasters. HbbTV applications can offer comprehensive EPGs, HD Videotext, additional interactive services such as information to accompany programs, interactive voting fields or access to videos. HbbTV also supports the full provision of additional television-related services via a broadband internet connection.

I

Incubator
An institution that helps start-ups and entrepreneurs to found businesses and accompanies them on the way to self-sufficiency. The support ranges from technical consulting and coaching, through the provision of the required funding and infrastructure, to extensive service packages.

In-stream video ads
In-stream advertising is video advertising. This includes all forms of video advertising shown before, after or during a video stream. Linear in-stream video ads play – like TV commercials– before (pre-roll), during (mid-roll) or after (post-roll) the video content. They can also allow interaction (interactive video ads). Another category is non-linear video ads, which play in parallel and overlap with the video content.

IPTV
Stands for Internet Protocol Television (IPTV). Films and television are transmitted over the internet – and in contrast to traditional broadcasting, not via cable or satellite. IPTV is neither a standard nor a design, and therefore only a generic term that may be encountered in various forms.

M

Media-for-revenue-share/media-for-equity
Describes a business model introduced by the ProSiebenSat.1 Group where start-up companies receive advertisement time in return for a revenue share and/or equity.

Multi-channel network
A company that enters partnerships with online platforms like MyVideo and offers support in areas such as product, programming, financing, cross-promotion, partner management, digital rights management, monetization/sale and establishing an audience. As a kind of record label, the multi-channel networks manage online video makers.

N

Net advertising revenue
Advertising revenues less discounts, self-promotional advertising, agency commissions, etc.

Nielsen Media Research
Subsidiary of the American market research institute AC Nielsen. Nielsen Media Research, based in Hamburg, is devoted to monitoring the advertising market. It determines the gross advertising revenues (AdEx data) of the most important media types and advertising media (television, consumer and trade magazines, newspapers, radio, online and billboards) according to economic field, product group and family, company and brand.

P

Pay TV
Television programming that can only be received if additional fees are paid. Special equipment (a decoder) is usually required.

R

Real-Time-Response Test (RTR)
An instrument of market and program research: When initial sequences or a pilot episode of new TV formats 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. This makes it possible to measure intuitive and spontaneous reactions without the participants first having to verbalize their impressions.

S

Second Screen
A term describing the use of a second screen (mobile devices such as smartphones, tablets and notebooks) in parallel with broadcast television.

Smart TV
Ability of the TV set to be connected to the Internet. The TV set can therefore receive and display both broadcast and internet services. Some of the internet services are shown as apps in a gallery or portal, others are activated directly from a TV station's live programming by pressing the red button on the remote control.

Social TV
The linking of social media and television.

U

Unique User

The "unique user" is the basis of the AGOF Internet Facts. The unit expresses how many people in a given period were exposed to an advertising medium or individual booking units and equates to net reach. The unique user is the basis for the calculation of the reach and audience structure of online advertising media and the regulation of essential factors for media planning such as weekly consumption, monthly consumption or building exposure.

V

Vertical

The ProSiebenSat.1 Group is expanding its value chain across all segments and thus diversifying its revenue and earnings base. By diversifying vertically, the Company is generating additional revenues in digital commerce in particular. For example, ProSiebenSat.1 bundles websites such as weg.de, tropo.de, Wetter.com, Billiger-Mietwagen.de and MyDays.de into a vertical in the online travel market. ProSiebenSat.1 has significantly increased the name recognition and revenues of the consolidated travel portals with the aid of TV spots. The companies are also increasingly gaining reciprocal benefits from synergies from the integration of advertising and sales, as their platforms complement each other. As this area is growing so dynamically, other verticals are also being established.

Video-on-demand

Allows the user to stream or download videos at any time.

Z

Zentralverband der deutschen Werbewirtschaft (ZAW)

As a combination of associations whose members are business advertisers, the Zentralverband der deutschen Werbewirtschaft e. V. (ZAW) brings together the interests of the advertising industry, represents them to the outside world and determines the advertising investments (net) of all media types and advertising media on an annual basis. The association is dedicated to all matters concerning the advertising industry with the intention of making government regulation unnecessary.

Index of Figures and Tables

Front and Back Cover

Creating Long-Term Growth

To Our Shareholders

Group Management Report

Consolidated Financial Statements

Additional Information

Editorial Information

How to reach us

Press
ProSiebenSat.1 Media AG
Corporate Communications
Medienallee 7
85774 Unterföhring
Tel. +49 [89] 95 07 – 11 45
Fax +49 [89] 95 07 – 11 59
E-Mail: info@ProSiebenSat1.com

Investor Relations
ProSiebenSat.1 Media AG
Investor Relations
Medienallee 7
85774 Unterföhring
Tel. +49 [89] 95 07 – 15 11
Fax +49 [89] 95 07 – 15 21
E-Mail: aktie@ProSiebenSat1.com

Published by

ProSiebenSat.1 Media AG
Medienallee 7
85774 Unterföhring
Tel. +49 [89] 95 07 – 10
Fax +49 [89] 95 07 – 11 21
www.ProSiebenSat1.com
HRB 124 169 AG München

Content and Design
ProSiebenSat.1 Media AG
Corporate Communications

hw.design gmbh

MIX
Paper
FSC FSC® C002390

ClimatePartner
climate neutral
Print | ID: 53152-1501-1001

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/

FINANCIAL CALENDAR (Fig. 174)

26/02/2015	**Press Conference/IR Conference on figures 2014** Press Release, Press Conference in Munich, Conference Call with journalists
03/17/2015	**Publication of the Annual Report 2014**
05/07/2015	**Publication of the Quarterly Report Q1 2015** Press Release, Conference Call with analysts and investors, Conference Call with journalists, Webcast
05/21/2015	**Annual General Meeting 2015**
05/22/2015	**Dividend payment**
30/07/2015	**Publication of the Quarterly Report Q2 2015** Press Release, Conference Call with analysts and investors, Conference Call with journalists, Webcast
10/29/2015	**Publication of the Quarterly Report Q3 2015** Press Release, Conference Call with analysts and investors, Conference Call with journalists, Webcast

GROUP STRUCTURE OF THE PROSIEBENSAT.1 MEDIA AG (V)

ProSiebenSat.1 TV Deutschland GmbH 100%

- sixx GmbH **100%**
- SAT.1 Satelliten Fernsehen GmbH **100%**
- ProSieben Television GmbH **100%**
- kabel eins Fernsehen GmbH **100%**
- SevenPictures Film GmbH **100%**

SevenOne Brands GmbH 100%

- SevenOne Media GmbH **100%**
- ProSiebenSat.1 Puls 4 GmbH **100%**
- SevenOne Media (Schweiz) AG **100%**
- SevenOne AdFactory GmbH **100%**

Red Arrow Entertainment Group GmbH 100%

- RedSeven Entertainment GmbH **100%**
- Red Arrow International GmbH **100%**

ProSiebenSat.1 Welt GmbH 100%

P7S1 Erste SBS Holding GmbH 100%

P7S1 Zweite SBS Holding GmbH 100%

- P7S1 Broadcasting S.à r.l. **80%/20%**
- P7S1 Broadcasting Holding I B.V. **100%**

maxdome GmbH 100%

ProSiebenSat.1 Digital & Adjacent GmbH 100%

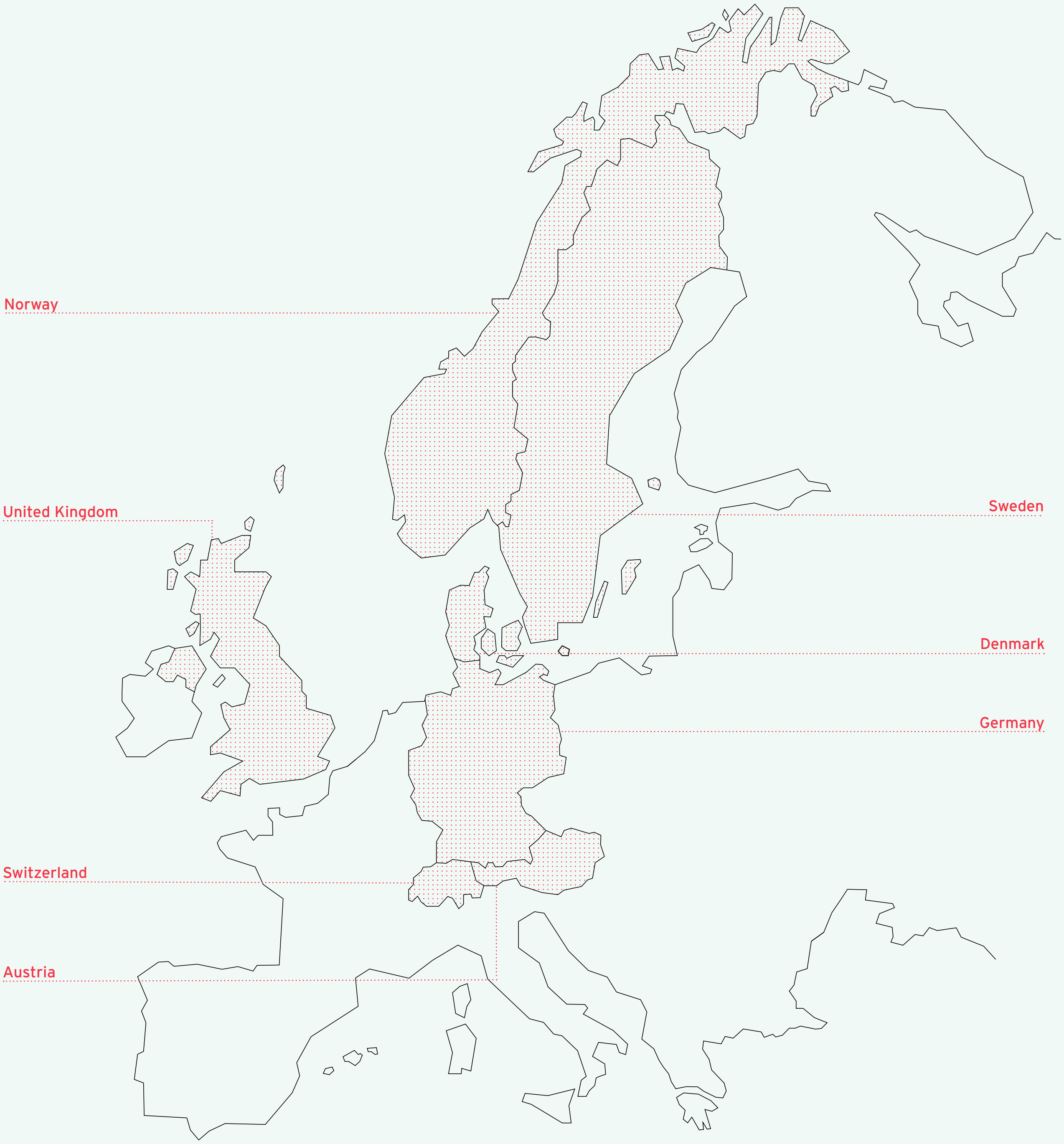
- ProSieben Travel GmbH **100%**
- ProSiebenSat.1 Digital GmbH **100%**
- Studio71 GmbH **100%**
- SevenVentures GmbH **100%**

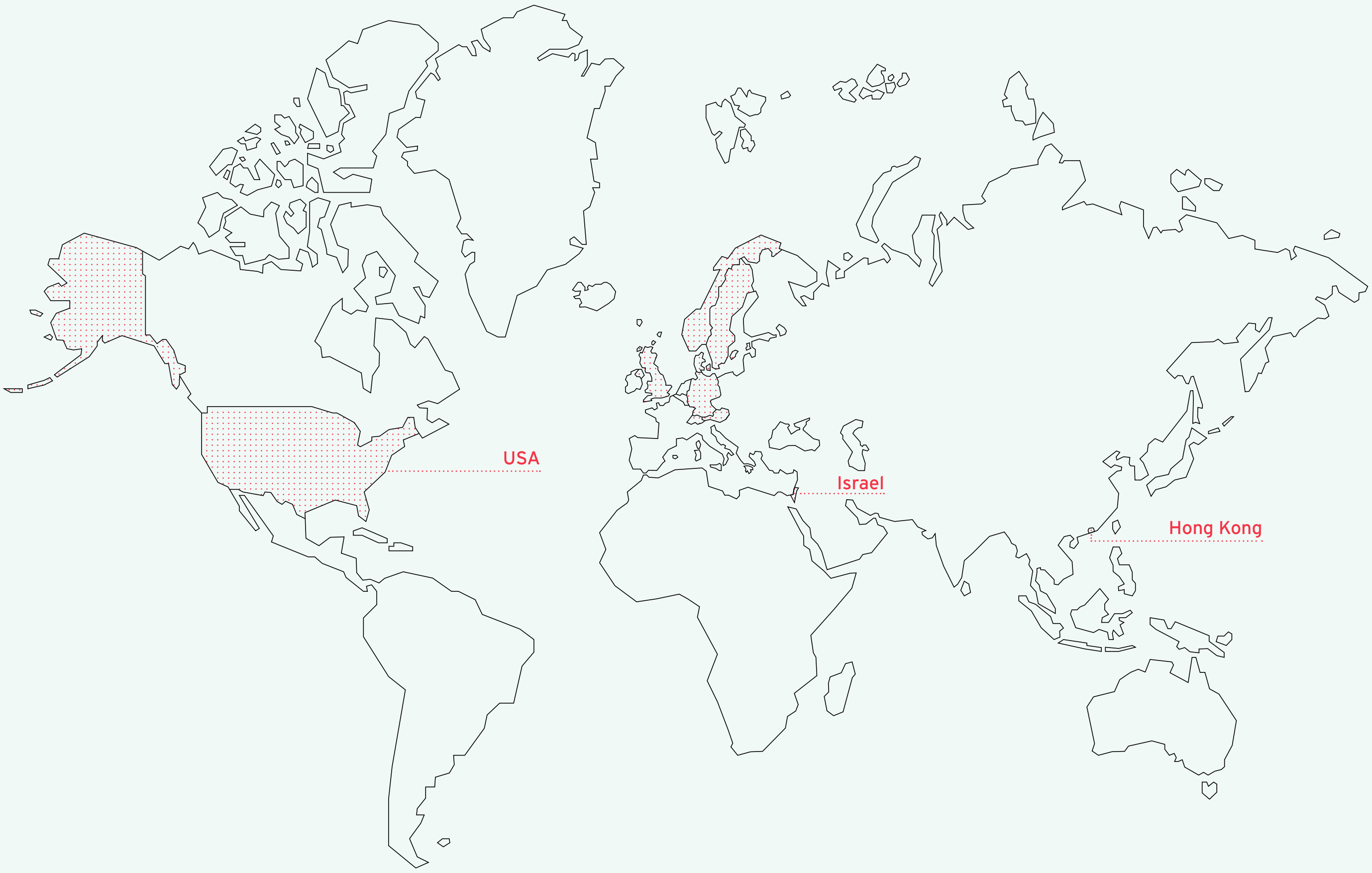
ProSiebenSat.1 Adjacent Holding GmbH 100%

- ProSiebenSat.1 Licensing GmbH **100%**
- Starwatch Entertainment GmbH **100%**

LOCATIONS OF THE PROSIEBENSAT.1 GROUP (VI)

The ProSiebenSat.1 Group is one of the largest independent media corporations in Europe and represented across the world with successful brands. The company headquarters is located in Unterföhring near Munich in Germany.





GERMANY

ProSiebenSat.1 Media AG, **Headquarters**

Broadcasting German-speaking
ProSiebenSat.1 TV Deutschland, SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX, SevenOne Media, SevenOne AdFactory, SevenPictures, ProSiebenSat.1 Produktion, Sugar Ray

Digital & Adjacent
ProSieben Travel, ProSiebenSat.1 Digital, SevenVentures, Studio71, ProSiebenSat.1 Games, maxdome, MyVideo, ProSiebenSat.1 Licensing, Starwatch Entertainment, Booming

Content Production & Global Sales
Red Arrow Entertainment Group, Red Arrow International, RedSeven Entertainment

AUSTRIA

Broadcasting German-speaking
ProSiebenSat.1 PULS 4, SAT.1 Österreich, ProSieben Austria, kabel eins austria, sixx Austria, PULS 4, SAT.1 Gold Österreich, ProSieben MAXX Austria, SevenOne AdFactory (Österreich)

Digital & Adjacent
SevenVentures (Österreich)

DENMARK

Content Production & Global Sales
Snowman Productions Denmark

HONG KONG

Content Production & Global Sales
Red Arrow International (Hong Kong)

ISRAEL

Content Production & Global Sales
July August Productions

NORWAY

Content Production & Global Sales
Snowman Productions Norway

SWEDEN

Content Production & Global Sales
Hard Hat

SWITZERLAND

Broadcasting German-speaking
SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, SevenOne Media (Schweiz), SevenOne AdFactory (Schweiz)

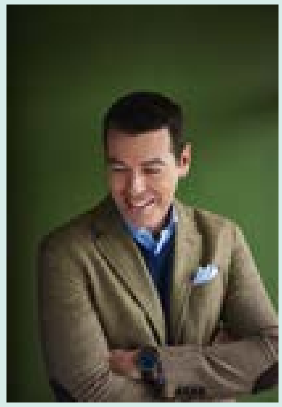
Digital & Adjacent
SevenVentures (Schweiz)

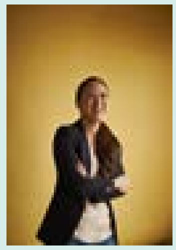
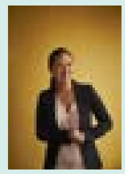
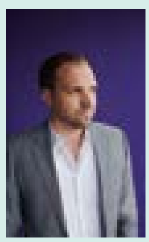
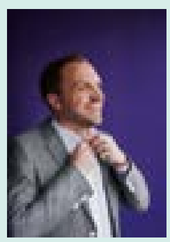
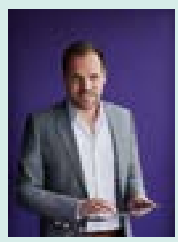
UNITED KINGDOM

Content Production & Global Sales
CPL Productions, Endor Productions, NERD, Red Arrow Entertainment UK

USA

Content Production & Global Sales
Collective Digital Studio, Fabrik Entertainment, Kinetic Content, Half Yard Productions, Left/Right, Red Arrow International (Los Angeles)



ProSiebenSat.1 Group
Medienallee 7
85774 Unterföhring
www.ProSiebenSat1.com