GROWING TO THE NEXT LEVEL

ProSiebenSat.1
Media SE

Annual Report 2015

PROSIEBENSAT.1 AT A GLANCE

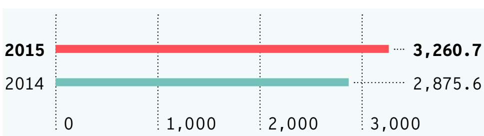
ProSiebenSat.1 Group is one of the most successful independent media companies in Europe with a strong lead in TV and the digital space. In 2015, the Group increased its revenues by 13.4 % to EUR 3.261 billion, while recurring EBITDA rose by 9.2 % to EUR 925.5 million.

Advertising-financed free TV is the Group's core business. The station family comprising SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, and ProSieben MAXX is the number 1 in the German audience and TV advertising markets. The Group has tapped into an additional attractive business area through the distribution of its television channels in HD quality. At the same time, the Group successfully networks the wide reach of its TV business with a strong digital unit. In this way, ProSiebenSat.1 is opening up new markets and has created a strong base for long-term growth. The Group is already Germany's leading video marketer on the Internet. With the video-on-demand portal maxdome, ProSiebenSat.1 is one of the most successful suppliers of digital entertainment. Studio71 is the largest multi-channel network in Germany and is among the top 5 worldwide. In recent years, ProSiebenSat.1 has also built up a successful e-commerce portfolio that is now one of its most important growth drivers. Via its international production and distribution business Red Arrow Entertainment Group, the Company is present with 15 companies in six countries.

By 2018, ProSiebenSat.1 intends to increase its revenues by EUR 1.85 billion up to around EUR 4.2 billion, compared to 2012. The ProSiebenSat.1 Group is headquartered in Unterföhring/Munich and employs approximately 4,900 people. The share was one of the largest MDAX stocks in 2015; in March 2016 it will be included in the leading equity index DAX as the first media stock.

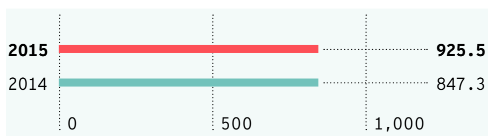
Revenues (I)

EUR m



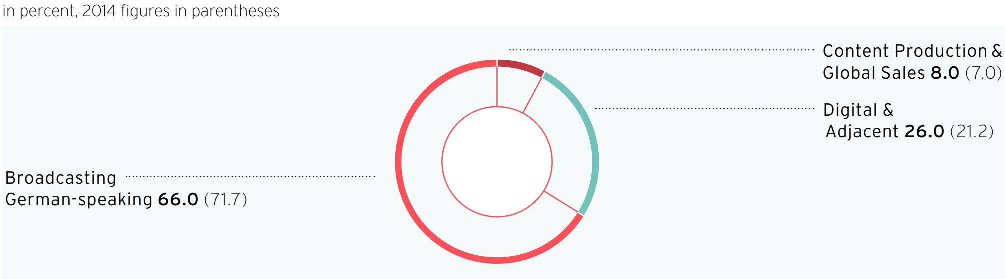
Recurring EBITDA (II)

EUR m



Group revenue share by segment (III)

in percent, 2014 figures in parentheses



All information relates to continuing operations.

FORECASTS 2015	ACTUAL FIGURES 2015		FORECASTS 2016/2017
Revenues **Significant increase** (2014: EUR 2,875.6 million)	**+13.4 %**	**Increase** to EUR 3,260.7 million	**Significant increase (2016)** **High single-digit increase (2017)**
Broadcasting German-speaking **Slight increase** (2014: EUR 2,062.7 million)	**+4.3 %**	**Increase** to EUR 2,152.1 million	**Slight increase**
Digital & Adjacent **Significant increase** (2014: EUR 610.7 million)	**+38.6 %**	**Increase** to EUR 846.4 million	**Significant increase**
Content Production & Global Sales **Significant increase** (2014: EUR 202.2 million)	**+29.7 %**	**Increase** to EUR 262.2 million	**Significant increase**
Recurring EBITDA **Mid single-digit increase** (2014: EUR 847.3 million)	**+9.2 %**	**Increase** to EUR 925.5 million	**Mid to high single-digit increase**
Broadcasting German-speaking **Slight increase** (2014: EUR 702.8 million)	**+4.5 %**	**Increase** to EUR 734.3 million	**Slight increase**
Digital & Adjacent **Significant increase** (2014: EUR 129.3 million)	**+31.6 %**	**Increase** to EUR 170.2 million	**Significant increase**
Content Production & Global Sales **Mid to high single-digit increase** (2014: EUR 19.1 million)	**+30.8 %**	**Increase** to EUR 25.0 million	**Significant increase**
Underlying net income **High single-digit increase** (2014: EUR 418.9 million)	**+11.6 %**	**Increase** to EUR 467.5 million	**Mid to high single-digit increase**
Leverage ratio[1] **1.5 - 2.5** (2014: 1.8)	**2.1**		**1.5 - 2.5**
German TV audience market[2] **At least maintain or slightly expand leading market position** (2014: 28.7 %)	**29.5 %**	**Growth** by 0.8 percentage points	**Consolidate leading market position at a high level**

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

1 Adjusted for LTM recurring EBITDA from the Eastern European business.
2 Relevant target group of 14- to 49-year-olds.

KEY FIGURES OF PROSIEBENSAT.1 GROUP (IV)

EUR m	2015	2014
Revenues	**3,260.7**	2,875.6
Revenue margin before income taxes (in %)	**18.5**	19.5
Total costs	**2,555.4**	2,209.0
Operating costs[1]	**2,354.5**	2,046.9
Consumption of programming assets	**895.5**	867.8
Recurring EBITDA[2]	**925.5**	847.3
Recurring EBITDA margin (in %)	**28.4**	29.5
EBITDA	**881.1**	818.4
Non-recurring items[3]	**-44.4**	-28.9
EBIT	**729.9**	694.5
Financial result	**-126.4**	-134.4
Profit before income taxes	**603.6**	560.1
Consolidated net profit (after non-controlling interests)[4]	**390.9**	346.3
Profit from discontinued operations (net of income taxes)	**0.3**	-27.1
Underlying net income[5]	**467.5**	418.9
Basic earnings per share (underlying)	**2.19**	1.96
Investments in programming assets	**943.9**	889.7
Free cash flow	**-1.2**	276.5
Cash flow from investing activities	**-1,521.7**	-1,148.4

EUR m	12/31/2015	12/31/2014
Programming assets	**1,252.4**	1,211.9
Equity	**943.1**	753.9
Equity ratio (in %)	**17.7**	19.3
Cash and cash equivalents	**734.4**	470.6
Financial liabilities	**2,674.8**	1,973.1
Leverage[6]	**2.1**	1.8
Net financial debt	**1,940.4**	1,502.5
Employees[7]	**4,880**	4,210

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 SE including discontinued operations.
5 Consolidated profit for the period attributable to shareholders before the effects of purchase price allocations and additional special items.
6 Ratio net financial debt to recurring EBITDA in the last twelve months; adjusted for the LTM recurring EBITDA contribution of Eastern European operations.
7 Full-time equivalent positions as of reporting date from continuing operations.

Explanation of reporting principles in the financial year 2015 / at December 31, 2015: The figures for the 2015 financial year 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.

< SELECTED KEY FIGURES AT A GLANCE

ProSiebenSat.1 Media SE

GROWING TO THE NEXT LEVEL

We pursue our success story with passion and a clear strategy. Our goal: dynamic growth and strong profitability. We view challenges as opportunities. We like to explore new paths. The industry around us is vibrant – and we generate the vibes to thrive in it.

We had another record year in 2015. The key to our success is how we network our high-reach TV business with our digital assets to enhance value. We have also taken on big projects for the years to come. We plan to build our revenues to EUR 4.2 billion by 2018. We establish synergies for growth, make the most of new technologies, and invest specifically in attractive markets. We will continue to push ahead and remain a reliable partner for the capital markets in the future.

Annual Report 2015

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HIGHLIGHTS 2015

Record revenues

3.261
billion EUR

ProSiebenSat.1 sees yet another substantial increase in consolidated revenues.

Group Earnings, page 135.

Ten-year high

29.5
percent

German station family further expands its market lead among viewers aged 14 to 49.

Development of the Audience Market, page 116.

Profitability

+31.6
percent

Profitable acquisitions in the Digital & Adjacent segment accelerate recurring EBITDA growth.

Business Development of Segments, page 147.

Attractive dividend proposal

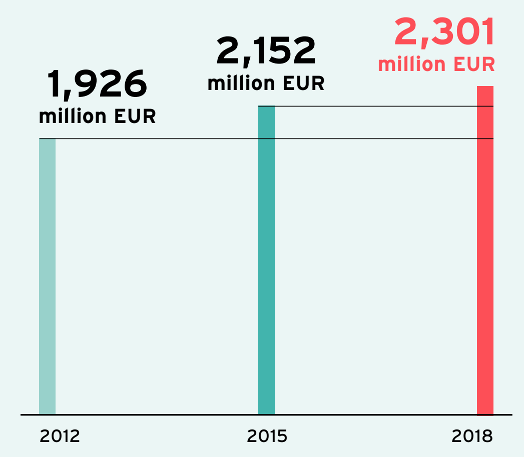
1.80
EUR per share

ProSiebenSat.1 continues its earnings-oriented dividend policy.

Overall Assessment of Future Development – Management View, page 150.

60
percent

We already achieved 60 % of our revenue growth target for 2018 at the end of 2015.

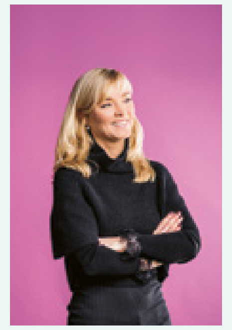


2018 revenue growth: **+375 million EUR***

Broadcasting German-speaking

ProSieben, SAT.1, kabel eins, sixx, SAT.1 Gold and ProSieben MAXX constitute Germany's most successful broadcasting group. We are Number 1 in audience ratings and advertising. We are gradually extending our portfolio of channels to offer advertising clients high-reach platforms for their customized campaign placements. We also pursue our multi-channel strategy in Austria and Switzerland with complementary channel profiles. Through our HD channels' distribution, we have built up a business model that goes beyond commercially financed free TV, with dynamically growing revenues independent from economic conditions. Each day, our free TV channels in Germany, Austria and Switzerland reach about 42 million households using TV.

STATIONS



New documentary channel goes on the air in 2016.

ProSiebenSat.1 has launched three successful stations for special-interest audiences over the past five years: sixx, SAT.1 Gold, and ProSieben MAXX have been performing above expectations in terms of both audience and advertising figures. In 2016, they will be joined by a free TV documentary channel. Katja Hofem, Chief Operating Officer at ProSiebenSat.1 TV Deutschland, discusses the strength of commercial television and the Group's future strategic evolution.

Small Channels, Big Successes, page 12.

SALES

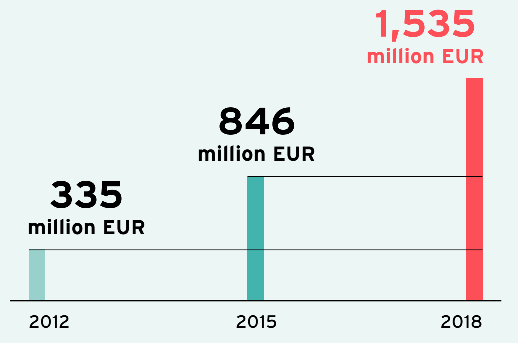
Addressable TV enjoys successful premiere.

ProSiebenSat.1 is initiating a new era in TV advertising. Addressable TV combines mass-media reach with a targeted approach via the Internet. Angelika Seemann, Sales Director at the ProSiebenSat.1 marketing company SevenOne Media, explains how innovative advertising formats are enlivening the TV market.

The Future of TV Advertising, page 16.

43
percent

We already achieved 43 % of our revenue growth target for 2018 at the end of 2015.



2018 revenue growth: **+1,200 million EUR***

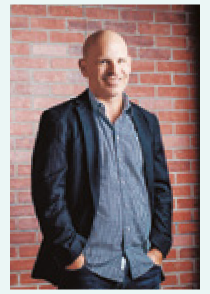
Digital & Adjacent

The Digital & Adjacent segment is our most important growth driver. We are Germany's leading video marketer on the Internet. Our digital entertainment portfolio reaches more than 30 million unique users every month. Our video-on-demand portal maxdome offers top-quality in digital entertainment. Studio71 is the largest multi-channel network (MCN) in Germany, and one of the top 5 in the world. Over the past few years, we have also built up a successful portfolio in e-commerce, which today has become our most important growth driver and includes well-known brands like weg.de and Verivox. Our activities in the digital segment have one thing in common: they benefit from the strength of our core business. We make the most of our TV channels' reach and advertising power to build up successful products in the digital sphere.

DIGITAL ENTERTAINMENT

Studio71 becomes a global player.

Just two years after its launch, ProSiebenSat.1 subsidiary Studio71 has become one of the world's largest multi-channel networks. In 2015, ProSiebenSat.1 acquired Collective Digital Studio (CDS), one of the leading multi-channel networks in the US and brought it together with Studio71. CDS founder Michael Green, head of the new Studio71 office in Los Angeles, reports on how young YouTubers become big Web stars.



The Boom in Multi-Channel Networks, page 20.

VENTURES & COMMERCE

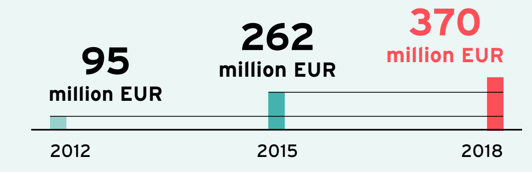
E-commerce as a growth driver.

ProSiebenSat.1's business in e-commerce is growing both its revenues and profits. It rounded off its portfolio in 2015 with strategic acquisitions of leading companies in their markets – like travel agency etraveli and Online Comparison Portal Verivox. Christian Wegner, Member of the Executive Board, Digital & Adjacent, ProSiebenSat.1, has now pushed the start button for the next stage in the brand's expansion: internationalization.

E-Commerce – A Growth Market, page 26.

61
percent

We already achieved 61 % of our revenue growth target for 2018 at the end of 2015.



2018 revenue growth: **+275 million EUR***

Content Production & Global Sales

Red Arrow Entertainment Group now has 15 companies in six countries. It develops, produces, and markets TV programs for the ProSiebenSat.1 Group's stations and third-party providers. Its customer list includes not only classic TV corporations but also digital platforms, among which Red Arrow is benefiting from a fast growing market in orders. Its strategic focus is to expand into the world's most important TV markets – the US and UK – and enlarge its portfolio in English-language fiction programming. Red Arrow is consolidated in the Content Production & Global Sales segment. Founded in 2010, the company is growing profitably and largely organically.

INTERNATIONAL TV PRODUCTION

Red Arrow Entertainment Group expands into the world's largest TV market: the US.

The launch of Ripple Entertainment and the acquisition of the production firms Karga Seven Pictures and Dorsey Pictures has diversified Red Arrow's range of programming and further strengthened its fast-growing position in the world's most important TV market, the US. Jan David Frouman, Chairman and CEO of Red Arrow, talks about how the company has risen to the top in the international league.

Red Arrow's Expansion Strategy in the US, page 30.

TARGETS 2018

Still on the success track

+1.85
billion EUR

Revenue gain vs. 2012

ProSiebenSat.1 is growing in all of its segments, and aims to increase consolidated revenues to around EUR 4.2 billion in the medium term, with about 50 % of revenues coming from operations other than TV advertising.

Comparison of Actual and Expected Business Performance, page 127.

Broadcasting German-speaking segment

+375
million EUR

Revenue gain vs. 2012

The TV segment continues to grow steadily and is highly profitable. We expect a revenue gain of EUR 375 million by 2018; the Distribution business is expected to contribute EUR 100 million of this amount.

Strategy and Management, page 89.

Digital & Adjacent segment

+1.2
billion EUR

Revenue gain vs. 2012

The Digital & Adjacent segment, along with our successful Ventures & Commerce business, will continue to deliver the largest share of growth in the medium term.

Company Outlook, page 182.

Content Production & Global Sales segment

+275
million EUR

Revenue gain vs. 2012

Red Arrow is enjoying especially strong growth in the US market, and revenues are rising fast. Digitalization is opening up new prospects for us here as well.

Company Outlook, page 182.

*Forecast

2018 GROWTH TARGETS: RIGHT ON TRACK

In 2015, ProSiebenSat.1 grew faster than expected in all segments. As a result, we raised our medium-term financial targets considerably. The new revenue target for 2018 is EUR 4.2 billion – EUR 850 million more than originally planned. In addition to our strong TV business, organic growth and acquisitions in the digital and program production areas are also contributing to this dynamic development.

MEMBERS OF THE EXECUTIVE BOARD

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

CEO Thomas Ebeling looks back on financial year 2015 and explains how ProSiebenSat.1 plans to keep up its track record of growth in the years to come.

3.261
billion EUR
of revenues were generated by ProSiebenSat.1 Group in the financial year 2015. This is an increase of 13.4 %.

* Executive Board responsibilities: reference date 12/31/2015

Mr. Ebeling, what was financial year 2015 like?

Thomas Ebeling: Both financially and strategically, 2015 was a good year for ProSiebenSat.1. We were able yet again to set new records in revenues and earnings. All three segments are growing profitably, and the digital and production businesses remain dynamic. Verivox and etraveli were our first two larger acquisitions, which strengthened our e-commerce business. At the same time, we're pushing ahead with forward-looking topics like addressable TV advertising to ensure long-term growth. So we're well positioned in all our segments.

"Growing to the Next Level" is the title of the Annual Report. What does that specifically refer to?

Thomas Ebeling: We're outpacing our growth projections in all three segments. Which is why we've raised our targets for 2018 and are now expecting revenues to grow by EUR 1.85 billion compared to 2012. That means that by the end of 2018, our consolidated revenues will be around EUR 4.2 billion. Just a few years ago, ProSiebenSat.1 was a classic TV company. Today, we're a significant digital player. Now our goal is to get above critical mass in multiple digital businesses. One example is our Travel Vertical, which we've been expanding systematically over the past few years.

925.5
million EUR
of recurring EBITDA was reached by the Group in 2015 – 9.2 % more than in the previous year.

What kind of reception has that strategy been getting in the capital market?

Thomas Ebeling: We've earned a reputation with investors for being a frequent pioneer in innovative ideas and for picking up on trends very early and successfully. At the same time, we've set ourselves ambitious financial targets that we've achieved reliably. Our combination of dynamic growth and a high dividend yield makes us an attractive partner for investors. Our market capitalization has grown by a factor of forty since 2009. In 2015, our total shareholder return – meaning the total return on our stock, including dividend and trading price gains – was nearly 40 %, well above the DAX. We've also outperformed our European competitors. This year, we'll again give our shareholders an adequate share in the Company's success and have proposed to the Supervisory Board a dividend of EUR 1.80 per share of common stock for last financial year.

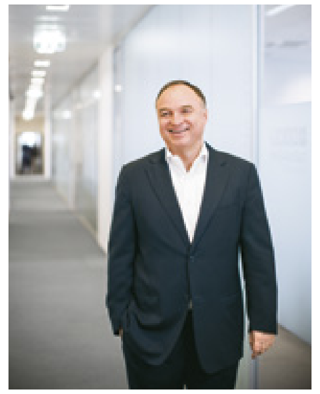
1.80
EUR
per common share is the dividend proposal.

Let's turn to business operations. How did the TV segment perform in 2015?

Thomas Ebeling: In Germany, we earned the biggest Group audience share in ten years – 29.5 %. At the same time, we expanded our lead in the TV advertising market to a gross share of 44.4 %. Every year, our TV advertising business has shown extraordinarily sound growth, and our shareholders appreciate that very much. On top of that, our distribution business performed dynamically again in 2015. Our HD subscriber base grew by nearly 20 % to 6.2 million, and we want to attract a total of nine million subscribers by 2018.

How do you view the medium-term growth outlook for TV?

Thomas Ebeling: We're very optimistic about the future of TV. At the same time, we're keeping a firm eye on the changing environment. Media usage habits will further develop. The fragmentation of the TV market will continue. We're responding with new programming and services and are networking our TV content with digital platforms. That makes the TV experience even more intense, and the advertising business will profit from additional space. Our aim is to continuously expand our reach and attract new viewers and users. We want to be a leading digital entertainment provider both locally and globally. Which is why, for example, we acquired a majority stake in US multi-channel network CDS in 2015 and brought it together with Studio71, our own multi-channel network. That makes us Number 1 in Germany, and one of the top 5 in the world. We'll keep expanding in the TV business as well.



Strong partner: Our combination of dynamic growth and a high dividend yield makes us an attractive partner for investors.

Will there be new TV channels?

Thomas Ebeling: We've launched three new free TV channels in the last five years – sixx, SAT.1 Gold and ProSieben MAXX – and they've been significant drivers for our growth with audiences. We foresee potential for additional channels, and will be launching a new

38.6

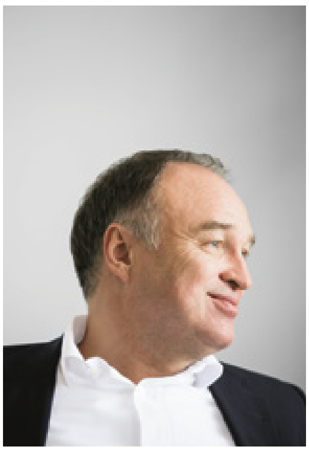
percent

to EUR 846.4 million was the increase of external revenues in the Digital & Adjacent segment.

documentary channel in 2016. We're also strengthening our group of channels with attractive content. In 2015, we signed long-term license agreements with Disney and Warner Bros. So in Germany, our group of channels now carries six out of the Big Eight US studios. Our programming supply is secure beyond 2019. But that's only part of our programming strategy. In the future, we'll focus even more on developing our own content, so as to maintain as much control as possible over programming rights.

You're still generating most of your revenue from classic TV advertising. The TV advertising market is growing. What do you expect in the years ahead?

Thomas Ebeling: **Television has an outstanding position among entertainment media as its consistently high reach shows. As the media landscape becomes more and more fragmented, high reach will become increasingly important to advertisers. So TV advertising will continue to gain in value. That's very clearly reflected through developments in the UK, where the rise in prices for TV advertising is ongoing. And we also have attractive growth opportunities in the TV ad market thanks to new technologies and forms of advertising. As TVs become networked with the Internet, we'll be able to focus TV advertising regionally and even individually. We carried out the first projects on those lines successfully in 2015 with BMW, Daimler and Opel. We've also got into marketing digital outdoor signs, and can now offer advertising clients a full portfolio of video spaces: TV, online, mobile and digital outdoor advertising.**



Let's turn to the digital business. How did the Digital & Adjacent segment finish up last financial year?

Thomas Ebeling: **Very successfully. We increased external revenues by nearly 40 % and recurring EBITDA by nearly 32 %. On an organic basis, we had double-digit percentage growth. The main contributors were our Ventures business, our video-on-demand portal maxdome, and our Travel Vertical.**

Verivox and etraveli, which joined the Group in 2015, represent the Group's first two major acquisitions in e-commerce. How are they performing?

Thomas Ebeling: **Verivox and etraveli show that TV advertising works and can make a major contribution for many different kinds of business. We just bought Verivox in June. In the months since then, advertising on our TV channels has significantly boosted growth on the Online Comparison Portal. That's a very nice demonstration of how strategically networking our TV and digital business can enhance value. As our portfolio expands, growth synergy also picks up because the number of our marketing spaces rises. We call that intrasynergies.**

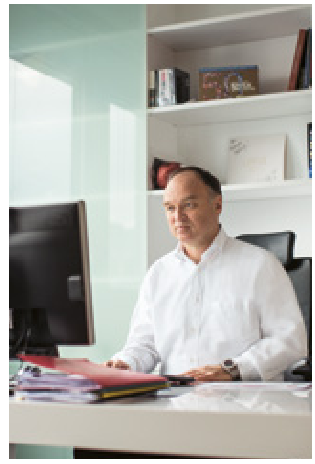
Excellent outlook: Television has an outstanding position among entertainment media, as its consistently high reach shows.

Is ProSiebenSat.1 planning any other major acquisitions in 2016?

Thomas Ebeling: **We're continuing to explore the market very attentively. But we don't need any major acquisitions to achieve our growth targets. In the digital business, we grew organically in a double-digit percentage range in 2015. Basically, our strategy focuses on smaller and larger bolt-on acquisitions. We aim for those primarily to expand our strong position in e-commerce, digital entertainment, and advertising technology. And we'll also keep expanding with Red Arrow in the US and the UK. But 2015 already showed that we can grow and add value very nicely with smaller acquisitions. That's because we have a major competitive advantage over many other sectors that must also face the challenges of digitalization: our major-reach TV channels.**

How does that competitive advantage work?

Thomas Ebeling: **We often acquire shares in a company in return for advertising space, which enables us to finance our growth without large cash investments. That's one reason why as a rule we can distribute 80 % to 90 % of our underlying net income for the year as a dividend to our shareholders, and yet we still keep growing dynamically. Besides, our approach is associated with significantly lower risk. In 2015, we built up our holdings in the two e-commerce platforms Amorelie and Flaconi. We had already acquired a minority interest in both of them before, and over a period of a year or two, we tried out how well their material could be marketed via our media. On top of that, we carefully monitor how the management teams can implement the business case successfully. If all those questions are answered with a clear yes, we increase our stake.**



On track: We will continue to focus on growth and have a clear strategy for all our segments.

How far along is the Group in internationalizing its digital business?

Thomas Ebeling: **Our foundation is first and foremost our successful business in Germany. We don't export a brand to other countries unless we've already built it up successfully here. In 2015, by acquiring Scandinavian air travel portal etraveli, we took an important step in our Travel vertical. etraveli extends our portfolio with an Air Travel component and is represented in more than 40 countries all over the world. And – like Verivox – it also contributes significantly to our earnings.**

By 2018, ProSiebenSat.1 wants to increase consolidated revenues to

4.2

billion EUR

How did things go in 2015 in the third segment, Content Production & Global Sales, where you produce programming and market it worldwide?

Thomas Ebeling: **Our subsidiary Red Arrow also had a very successful year in 2015. We had strong organic growth. Once again, the largest share of revenues came from the US. We also continued expanding there. By founding Ripple Entertainment, we took an important step forward in growing our digital business. And with Karga Seven Pictures and Dorsey Pictures we've acquired two new majority interests. We've only just added Dorsey in January 2016. It's Number 1 in outdoor adventure programming in the US and also has extensive expertise in branded entertainment. That enables us to cover a topic that hadn't been included in our portfolio before.**

What topics will ProSiebenSat.1 be dealing with in 2016 and beyond?

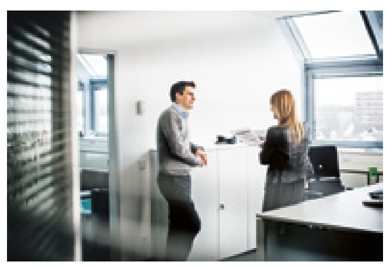
Thomas Ebeling: **We'll continue to focus on growth and have a clear strategy for all our segments. In TV, we plan to reinforce our portfolio of channels, launch new free TV services, and network TV even more systematically with our digital business. Two other ongoing priorities will be expanding our reach across as many platforms as possible and developing appealing content. In the Digital & Adjacent segment, we'll be concentrating on building up additional successful e-commerce verticals, being a significant player in digital entertainment, and strengthening our position in AdTechnology. Red Arrow will be concerned mainly with continuing to grow in the US and the UK. We can do all that because our employees pursue the Company's goals with tremendous enthusiasm. I'd like to thank them very warmly once again this year. It was their dedication that made it possible for us to be included among the 30 most valuable listed companies in Germany and enter the DAX. We're looking forward to that and are proud of the achievement. But more than anything else, it's an incentive for us to pursue our goals even more ambitiously in the future.**

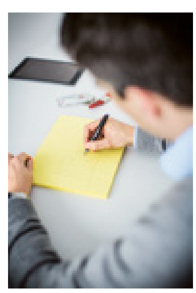
RESPONSIBILITIES:
Group Operations & IT, Group Controlling,
Group Finance & Investor Relations,
Accounting & Taxes,
Internal Audit and Administration,
Member of the Executive Board since April 1, 2015

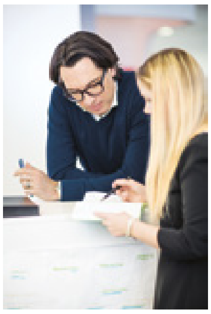
Gunnar Wiedenfels … about COURAGE

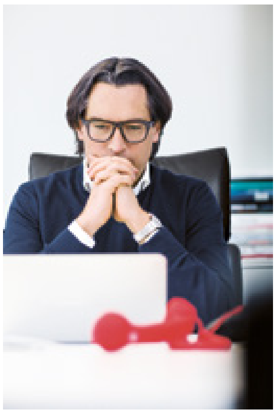
When I think about what ProSiebenSat.1 really is, two things come to my mind: the passion with which we do our jobs, and our absolute determination to evolve and improve. That's something I see in every interaction during my daily work. I've never met anyone here who was just holding down a job. We have a culture of learning – without it, we couldn't carry out our strategy. Just a few years ago, we were a TV corporation only, with no expertise whatever in lines of business where we're now a market leader. Now, we generate EUR 850 million in digital revenues a year and, to name just one example, we're one of the biggest online travel providers in Germany. We have the courage to try new things. I think that's wonderful, and it's also what we're known for in the market. Investors think highly of the pace at which we get business to further develop. But courage also means being willing to take risks – though with awareness and deliberation. We don't get involved in reckless experiments. If we see our basic assumptions aren't working out, we end the project and learn from it. That's the only way that progress is possible. And our successes show we're right. The combination of dynamic growth and high dividend returns has earned us a great deal of recognition in the capital markets. The fact that we're going to be listed in the DAX is a terrific distinction. We're now among the 30 most valuable companies in Germany. Of course, that's good news. But first and foremost, we see it as an obligation to stay successful and continue to be a reliable partner for investors.

Sense of proportion: Courage means being willing to take risks – with awareness and deliberation.

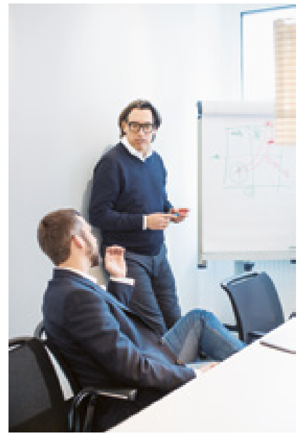








Consistent:
Transformation can't work
without an entrepreneurial spirit.

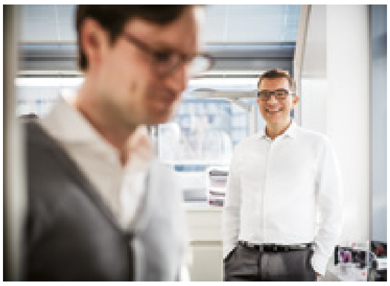


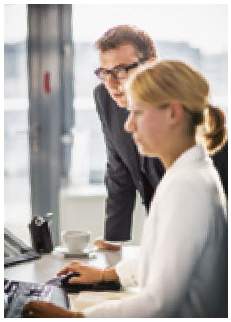
Christian Wegner ... about ENTREPRENEURIAL SPIRIT

Entrepreneurial spirit at a big corporation? I think it's essential. Comparing us with other media companies today, I get the impression that we're growing much more vigorously and entrepreneurially. Acquisitions are a part of our strategy. But they're not the only way for us to structure our transformation from a purely TV company into a digital corporation tapping new growth markets. We've launched successful initiatives in every business area: In the TV business, we've been founding new channels. In our marketing business, we're pursuing innovative ideas for addressable TV. And Studio71, our multi-channel network, is just one example of how we're developing digital entertainment offerings and building them up to be popular brands. What does that take? The freedom to try things out and build up new know-how, preferably through internal changes. Personally, I started out at ProSiebenSat.1 Production. Then I worked with our marketing company and the channels and was in charge of strategy alongside that. And for more than four years now I've been the Executive Board Member in charge of our Digital & Adjacent business. There's no substitute for the experience you gain through internal job rotations. You need to know all the resources available at our Company and how other people are using them before you can seize opportunities in the right way. Anything else that defines us? We want to win, and we have fun doing what we do. And we've got lots of entrepreneurial spirit, so in the future, we can continue to push our ideas on the market.

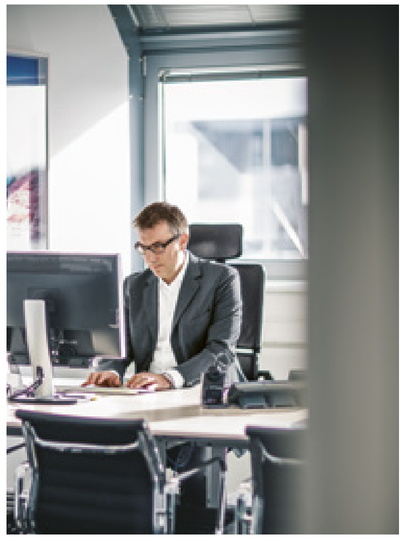
Dr. Christian Wegner

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





Clear goals: We invest when an acquisition will bring a significant gain in value.



Dr. Ralf Schremper

RESPONSIBILITIES:
Investments & Strategy,
Mergers & Acquisitions,
Member of the Executive Board since April 1, 2015

Ralf Schremper … about OPPORTUNITIES

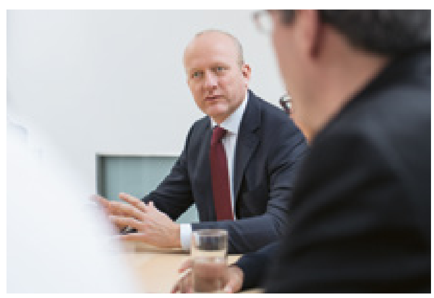
One reason for our dynamic growth is certainly that we're good at spotting opportunities and making the most of them. That's also the case for acquisitions. If we see that a company will bring us a clear gain in value, and that we can build synergies with other lines of business, we make the investment. In 2015, we completed more than 20 acquisitions. And for the first time, that also included two larger assets, Verivox and etraveli. Looking back, I think our acquisition strategy has proved to be very effective. We've greatly increased our portfolio value. Revenues from our emerging portfolio of investments have been growing significantly – by about 50 % in recent years. We'll keep a very close eye on the market in the future as well. We are going for growth, but we have no need to realize further acquisitions in order to achieve our targets. We always decide in favor of an acquisition when we're convinced it will advance our portfolio.

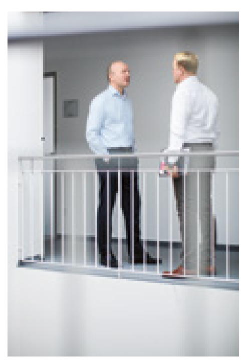
Conrad Albert

RESPONSIBILITIES:
Legal, Distribution & Regulatory Affairs,
Pay-TV and Content Acquisition,
Corporate Security, and
Shareholder & Boards Management,
Member of the Executive Board since October 1, 2011

Conrad Albert ... about RESPONSIBILITY

Sometimes I ask job applicants what the difference is between ProSiebenSat.1 and other companies. I think the answer to this question is important for anybody who works with us. ProSiebenSat.1 is more than just a business. What we do takes us into people's homes. That's a great privilege, and an even greater responsibility. We help shape opinions. The fact that we reach so many young people is a special opportunity. We can draw their attention to important issues. And it helps that we're an entertainment corporation, because we're good at communicating difficult topics in ways that make them more accessible and approachable for people. In 2015, we highlighted the issue of domestic abuse in the SAT.1 movie "Die Ungehorsame" – "The Disobedient Wife." Because of our cooperation with the Federal Ministry for the Family in the aftermath of that broadcast, a great many more victims put in calls to the ministry's counseling hotline. In March 2016, we aired the movie "Zwei Leben. Eine Hoffnung." – "Two Lives, One Hope." – about another important topic for society, organ donations. Even after all these years, I personally still find it incredibly fulfilling to work for a company that rouses almost everybody to have an opinion – whether positive or negative. But I've almost never come across anyone who's indifferent about what we do. And I still find the conversations about that very exciting.





A clear position:
ProSiebenSat.1 is more than
just a business.

»WE BELIEVE IN THE FUTURE OF COMMERCIAL TV.«

Launching a new TV channel:
Katja Hofem, Chief Operating Officer at
ProSiebenSat.1 TV Deutschland

Katja Hofem knows her way around founding new TV channels. She is the broadcasting group's top executive in charge of creating and expanding free TV services. Over the past five years, ProSiebenSat.1 has seen the successful launch of three new channels: sixx, SAT.1 Gold, and ProSieben MAXX. Number four is on its way in 2016.

SEGMENT
Broadcasting German-speaking

ProSiebenSat.1 grew faster than expected in every segment in 2015. Financial targets for 2018 have been raised significantly. How will the new channels contribute to achieving that goal?

Katja Hofem: sixx, SAT.1 Gold, and ProSieben MAXX are doing better than we projected. That's why we've also raised our new channels' planned medium-term contribution to growth. In 2015, SAT.1 Gold increased its market share to 1.3 % and thus nearly doubled it. All three channels helped us gain new clients in the TV advertising market.

ProSiebenSat.1 has launched three new channels in the past five years, and now serves almost every demographic group. Is there still room for more free TV channels?

Katja Hofem: The launch of sixx in 2010 was the kick-off in a new wave of pioneering and groundbreaking achievements that many thought were beyond the reach of private TV. Of course, we have to be careful that in ten years we don't wind up running something like a fishermen's channel for sensitive bearded men between the ages of 18 and 24. But so far we've been very successful at addressing new target groups and their lifestyles. For sixx, this is the woman who remains young; for ProSieben MAXX it's the urban man; and for SAT.1 Gold, the woman with a touch of nostalgia. We helped initiate the fragmentation and we'll be filling more niches like these.

Does that mean that the more mature men are being overlooked?

Katja Hofem: We certainly see potential among viewers who are currently watching the public channels. They're mainly men between 40 and 65 and they like documentaries. We took a big step forward in 2015 with our preparations for the first documentary-only channel on free TV. It's due to go on the air in the second half of 2016.

Aren't older men pretty set in their viewing habits and brand preferences?

Katja Hofem: We've already seen that there's potential among more mature women. The 40-plus generation has changed completely. Twenty years ago, the older men had grown up in the days when public TV was all you could see. Today's more mature generation grew up with private TV and new media. They're active, inquisitive, and very involved in life. Our target audience is interested in history, politics, nature, and technology. At the moment, free TV has no consistent programming line to meet their individual needs and points of view.

»WE'RE LAUNCHING A NEW DOCUMENTARY CHANNEL IN 2016.«

What will the new channel be named?

Katja Hofem: We're looking at various name options right now. In any case the new channel will offer a clear identity and be the first all-documentary channel on German free TV, showing successful international high-quality documentaries. We certainly see potential among viewers who are interested in documentaries as a genre.

What kind of investment is required?

Katja Hofem: Most of all, you have to invest passion and time, carefully thinking out what the channel should feel and look like for viewers. I need to have a target audience and a brand image in my head before I can start to assemble content. Several American companies have already come to grief in Germany with attempts to build a brand around content that already existed. We're working in the reverse direction: We know our target audience's interests and preferences, and we're attuning the content to that.

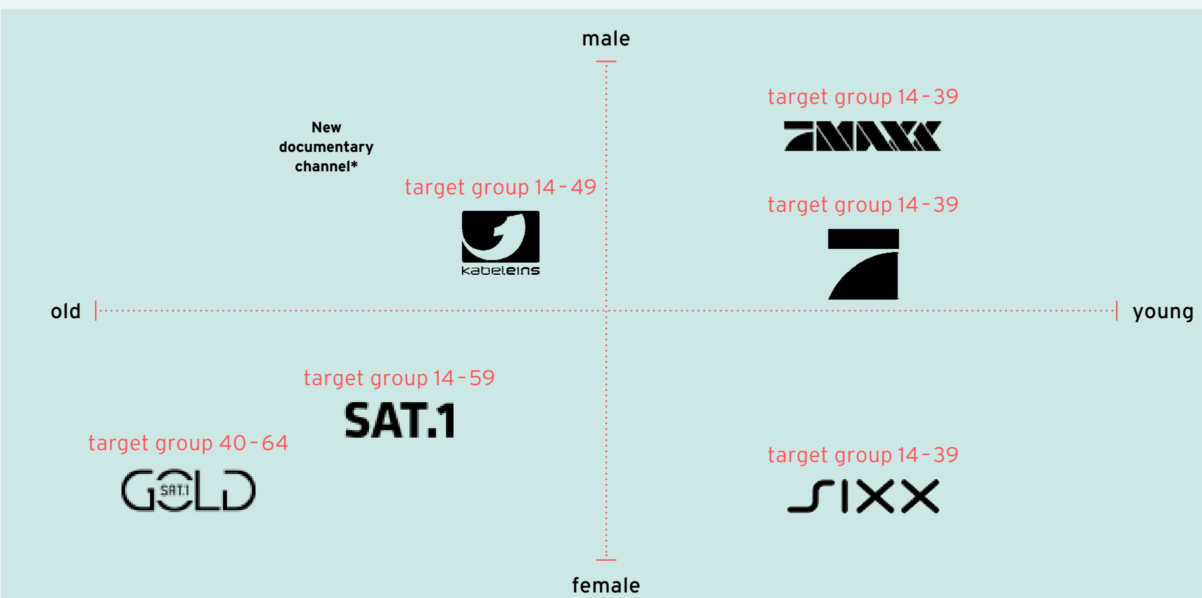
How big of an audience share does a channel need to make a profit?

Katja Hofem: The one percent line is important. It's also a kind of psychological barrier that a channel should get past if it wants advertisers to view it as a relevant player in the market.

In 2015, sixx, SAT.1 Gold, and ProSieben MAXX earned a combined audience share of nearly four percent among viewers aged 14 to 49. Is there any room left to grow there?

Katja Hofem: Each of our new channels still has growth potential among its target audience. With sixx, for example, we've seen that in-house productions like "Horror Tattoos" can attract audience shares of up to 4.1%. It's always about touching a nerve with your core audience and still attracting new viewers. For SAT.1 Gold, we made a right decision to expand the purely German nostalgia focus into a more international direction with big, heart-warming programs like "Little House on the Prairie" and "Bonanza."

KEY TARGET GROUPS OF THE FREE TV STATIONS



* Launch in the second half of 2016.

»SIXX, SAT.1 GOLD, AND PROSIEBEN MAXX ARE DOING MUCH BETTER THAN PROJECTED.«

ProSieben MAXX has been optimally drawing its core audience with the National Football League. At the same time, the channel broadens. We assume that the new channels can deliver a combined audience share of six percent.

How can you capitalize audience share in the advertising market?

Katja Hofem: **Our niche-audience channels, in particular, have been opening the door for TV to a lot of new advertising clients. We have some print clients who can't book one of the big TV channels for budget reasons, but would still like to get their ads on TV. On sixx, SAT.1 Gold, and ProSieben MAXX we can offer them customized communication solutions with tailored target audiences. That's how the new channels make an important contribution to expanding our advertising market. All told, we attracted 139 new clients that way last year.**

Which marketing advantages do your channels offer over other competitors?

Katja Hofem: **Our marketing is backed by the power of our entire group of stations – the chance to run on a wide range of platforms and advertise via cross-promotion. Plus there's the flexibility to try new things, as with our branded entertainment format "Amorelie Love Lounge" on sixx, which achieved a market share of up to five percent among young women aged 14 to 39. We offer advertising clients a professional network and a broader presence. So the roughly four percent market share that our smaller channels deliver are actually worth more than it is with other marketers.**

ProSiebenSat.1 plans to continue diversifying, especially in the digital business. How do the new free TV stations fit within that strategy?

Katja Hofem: **Linear TV is the foundation of our business, because that's the only place where advertising clients can develop a big reach in a short time. We're launching another free TV channel because we believe in the future of commercial TV. We'll expand our group audience share even more and it will also strengthen our competitive position. There are days when we reach well over 30 % of the viewers aged 14 to 49 and our small channels get shares of about six percent. You only become that strong, if you have a large number of channels in your portfolio. At the same time, we're using our size to push our digital business. We're taking advantage of our TV channels' reach to popularize what we offer in the commerce and digital entertainment sectors as well.**

What do you think is your biggest challenge?

Katja Hofem: **We need to get our content pipelines prepared for the future quickly and effectively and of course fill them with the right content.**

Will that complete your family of stations?

Katja Hofem: **There are limits to audience fragmentation, and the free TV market is already almost fully occupied. But as long as there are still niches, we'll fill them early on with attractive programming.** ‹

A STRONG PRESENCE

44.4 %

Gross advertising market share

In 2015, SAT.1. ProSieben, kabel eins, sixx, SAT.1 Gold, and ProSieben MAXX reached the strongest audience market share for the group in the last ten years with 29.5 %. Our smaller channels made an important contribution to that. With an increase of 0.7 percentage points, SAT.1 Gold has experienced the highest growth. sixx, SAT.1 Gold, and ProSieben MAXX achieved a combined market share of 3.9 %. In the TV advertising market, ProSiebenSat.1 Group expanded its market leader position and reached a gross advertising market share of 44.4 %.

Development of the TV and Online Advertising Market, page 125.

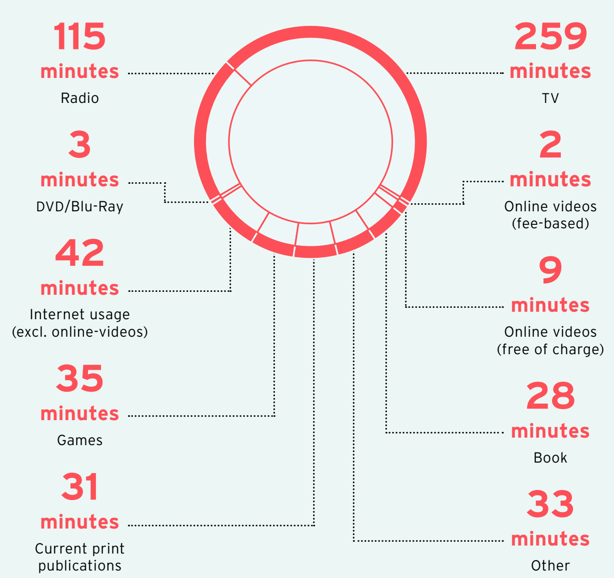
OFF TO THE FUTURE

Building large reach in a short time – that's the strength of TV advertising. But it can be done even more effectively. As television and the Internet grow together, innovative forms of advertising become possible. New technologies make it feasible to aim advertising messages at specific target audiences and geographical locations. In 2015, ProSiebenSat.1 was the first German TV broadcaster to launch addressable TV. The Company is now getting ready for the next stage in TV advertising: virtual reality.

SEGMENT
Broadcasting German-speaking

TELEVISION IS THE MOST USED MEDIUM

Daily media usage: 557 minutes



Source: „Media Activity Guide 2015," SevenOne Media/forsa.

Taking a nighttime spin in the car and sharing the experience with friends on Instagram is nothing unusual. But having your own snapshots become part of a TV spot – now, that's something new. "In 2015, we worked with the Mini automotive brand to open up a whole new phase in the future of TV advertising," explains Angelika Seemann, Sales Director of ProSiebenSat.1 marketer SevenOne Media, at her Munich sales office. The Instagram users' photos provide the urban setting against which the indie rock band The Vaccines cruised around in a sporty Mini John Cooper Works. The spot attracted 46 million contacts among ProSieben viewers aged between 14 and 39 alone. Social media generated another more than five million contacts and more than seven million ad impressions.

But it's not just the figures that prove that the power of TV remains unbroken among the younger generation. "No other medium can build such a big reach among all target audiences as fast as TV can," says Matthias Brüll, the German head of Group M, the largest media agency network. "So it will continue to be the strongest advertising medium and the backbone of many campaigns in the years to come."

ProSiebenSat.1 is taking advantage of that prediction. The Company has raised its revenue projections for the Broadcasting German-speaking segment to EUR 2.3 billion by 2018.

Big reach, targeted approach: Addressable TV combines TV and Internet

The market is gathering additional momentum from what is known as "addressable TV." ProSiebenSat.1 is ringing in the next generation of TV advertising, combining the reach of mass-medium TV with the focused appeal of the online world. Using the "Hybrid Broadcast Broadband TV" technology standard – HbbTV for short – viewers can push a "Red Button" on their remote control for additional digital content on Internet-compatible TVs. For example, during an advertising spot they can push the button to view the advertised brand's microsite to get more information. In 2015, SevenOne Media combined this interactive function with its new "SwitchIn" special advertising format for the first time. The digital

Angelika Seemann

»IN 2015, WE WORKED WITH THE MINI BRAND TO OPEN UP A WHOLE NEW PHASE IN THE FUTURE OF TV ADVERTISING.«

Digital innovation taps new forms of advertising on TV: Angelika Seemann, Sales Director at ProSiebenSat.1 marketer SevenOne Media

advertising window, which can be displayed as a function of target group and geographical location, covers part of the screen as soon as the viewer switches to a ProSiebenSat.1 channel. But only those who belong to the selected target audience during the campaign period will see the ad.

Car maker Daimler was the first client to try out this innovative ad combination for its Smart brand. The SwitchIn was selectively cut into the program environment on ProSieben, SAT.1, and kabel eins for the target audience aged between 30 and 59. The Red Button then took interested viewers to a special Web page with information about Smart test-drive events and product information. But an overlay can also be applied to a nationwide advertising spot to enrich it with local information. The first campaign of this kind was launched in

LONG FORMATS, WIDE SCREENS

85

PERCENT

of Germans prefer to watch feature films on a TV screen. News follow with 82 % and documentaries with 81 %. On the other hand, Germans would rather watch video clips on a computer (51 %), mobile phone or tablet (17 % each).

Source: Nielsen „Screen Wars 2015."

2015 for the Opel Corsa, divided up into dealer territories. A banner appeared over the national spot listing nearby Opel dealers. Then, the "Branded Red Button" took the viewer to the nearest dealer's Website. "HbbTV has equipped television with a turbocharger for the next 20 years," says Jens-Uwe Steffens, Managing Partner of the Hamburg-based media and creative agency Pilot. "Differentiating target groups and geographic fine-tuning – meaning precise approaches via the TV screen – are massive marketing drivers."

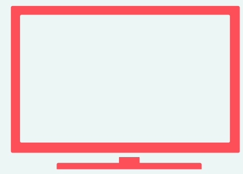
More and more homes have a smart TV: About 30 million sold units projected by 2020

With more than 16 million HbbTV-ready devices in German households so far, our potential reach has exceeded the critical mass above which geographically displayed HbbTV advertising tailored for target audiences begins paying off for clients. This trend is growing fast. In the medium term, the number of devices will reach 25 million. "The more people we have connected, the more precisely we can address our target audiences," is how Seemann views the future potential.

The advertising impact of addressable TV, with its combination of the Red Button spot and a microsite that leads viewers onward, is already proving its value today: Advertising recall and dwell times are rising sharply, along with the propensity to buy. "Addressable TV lets TV play to its strengths," says media expert Matthias Brüll from Group M.

Prospects for strong growth in marketing: Virtual reality offers fascinating experiences

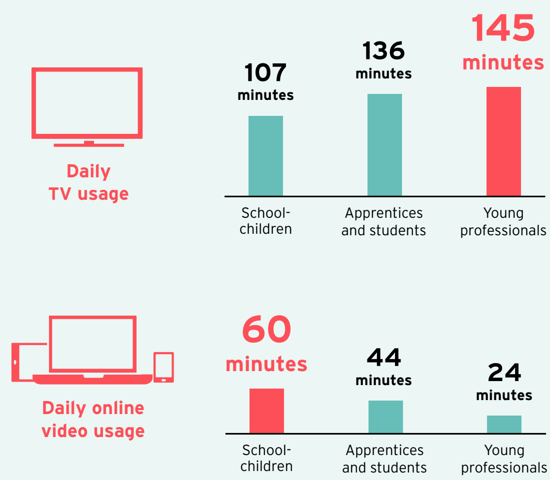
While addressable TV is still discovering the size of its market, the vision of entirely personalized advertising on the screen is already in the offing in the form of virtual reality. In 2015, ProSiebenSat.1 acquired a minority stake in American start-up Jaunt VR, which specializes in this kind of content. "Virtual reality is going to be a major push for TV and will open up new worlds, also in marketing," Seemann is convinced. ProSiebenSat.1 has already run the first test cases at dmexco, the leading international trade show for digital marketing and advertising. Virtual reality will be able to take viewers to new realms. That implies a whole new world of fantastic entertainment – anytime, anywhere.



HbbTV

Today's TVs offer both television and Internet on a single screen. The Hybrid Broadcast Broadband TV (HbbTV) technical standard is the technology that makes this possible. It can link the reach of mass-medium TV to a focused approach via the Internet. In 2010, ProSiebenSat.1 became the first private broadcasting group in Germany to initiate HbbTV live operations.

Media usage of young people



TV is the Number 1 medium among young people. Apprentices and university students watch TV an average of 136 minutes a day. As they get older, watching TV increases: Young professionals spend an average of 145 minutes a day in front of the TV. By contrast, watching online videos declines over time. Schoolchildren watch about 60 minutes a day, but that shrinks to 44 minutes during an apprenticeship or university studies and 24 minutes once job life begins.

Basis: 14- to 34-year-olds **Source:** "Media Activity Guide 2015," SevenOne Media/forsa.

TV advertising on a growth course

Fast-expanding reach, strong emotional appeal, accurate approaches: TV advertising is highly effective and efficient. There are good reasons why its demand will continue to grow in the future.

TV REACH

50 million

viewers a day in Germany are reached by TV.

This lighthouse function will only become more important in a niched media world with its fragmented reaches. The value of TV is on the rise compared to other media.

MEDIA USAGE

50 percent

of daily media usage consists of video, which is still dominated by TV.

Though mobile devices continue to spread, the basic patterns of media usage remain largely stable. The new forms of TV count as "on top" uses.

NEW BUSINESS

35 percent

is the estimate for the growth of online video advertising on average.

That's the projection from consultancy Magna Global for the period from 2014 to 2019. With the boom in video on the Web, a market is growing where TV broadcasters already know their way around. They are deriving especially great benefits from the upswing in video advertising.

ADVERTISING IMPACT

2.65 EUR

is the average return on investment for TV advertising after five years.

Even after one year, a TV campaign can pay for itself with an average return on investment (ROI) of EUR 1.15, according to calculations by SevenOne Media's ROI Analyzer.

Addressable TV

In 2015, ProSiebenSat.1 became the first German broadcasting group to offer addressable TV. Advertising windows can be displayed as a function of target groups and locations. A "SwitchIn" is overlaid digitally over the line TV program or advertising spot. The Red Button can be triggered just as precisely. Opel and Daimler were the first clients.

ATTENTION

94 percent

of the population in Germany organizes their living rooms in a way that allows them to watch TV.

TV advertising also has an impact when the viewer is using another device in parallel – in fact, it tends to work even better because the Internet reinforces the impulse effect of TV contacts.

ADVERTISING REVENUES

14.7 billion

EUR is the estimate for what the German TV broadcasters will earn in gross advertising revenues in 2016.

TV is continuing to pick up a tailwind, according to Nielsen Media Research. For 2015 these market researchers calculated a total advertising volume of EUR 14 billion. The 2010 figure was only EUR 10.9 billion.

Virtual reality

Virtual advertising enables advertising clients to address viewers with a personalized, strongly emotional appeal. ProSiebenSat.1 presented the first examples to the public at the dmexco trade show in 2015. Augmented reality, which links virtual advertising with the real world, will be the next feature to enliven TV advertising. Over 200 million people worldwide will be using augmented reality apps by 2018, according to Juniper Research. At that point 25 million virtual-reality or augmented-reality headsets will be on the market, say the researchers from the Gartner Group.

VIDEO

94 percent

of video consumption on all screens is covered by TV.

TV continues its succes on the Internet and mobile devices.

ADVERTISING SPOTS

100 percent

tailored distribution according to the target groups is possible.

As TV and the Internet coalesce, TV advertising via HbbTV will become even more effective. Viewers will become precisely addressable. Advertising will be more successful and more efficient.

THE NEW STARS

SEGMENT
Digital & Adjacent

T

hey improvise charmingly and comment passionately: Young Web stars are making the online video market boom. They have no need for Hollywood. Their stage is the World Wide Web. Their professional partners are multi-channel networks. By acquiring Collective Digital Studio in Los Angeles and combining it under a single umbrella brand with Studio71, ProSiebenSat.1 has ensured access to a worldwide creative scene – and a lucrative growth market for premium content.

A narrow street winds its way to the nondescript white building. There's not much Hollywood glamour to be seen in Burbank, a few miles north of the big film studios. Michael Green, CEO and founder of multi-channel network Collective Digital Studio (CDS), is sitting in his office. It's a quiet day. He's just been on the phone with Munich – about his measurements. Green laughs. These Germans make everything so precise, even when it's only a matter of a couple of beers. OK, so he's supposed to wear trousers made of soft cowhide. Fine. But now they have to be tailor-made for him. He's heading to Oktoberfest for the first time in his life.

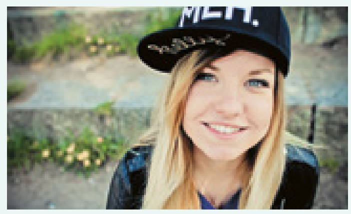
Rising to the world's top league: Studio71 expands into the US

In 2015, ProSiebenSat.1 Group increased its share in Collective Digital Studio (CDS) by 50 % to 75 % and combined it with Studio71. Studio71 is a subsidiary of ProSiebenSat.1 and the biggest German-language multi-channel network. The two

LeFloid

News, games, short films
2.8 million subscribers
13 million views a month

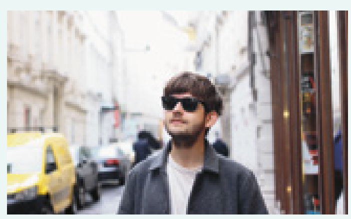
He comments on world events in a nonchalant way – provocatively and entertaining. His interview with German Chancellor Angela Merkel also put LeFloid – alias Florian Mundt – into the spotlight with older audiences in 2015. With his LeNews Web show, this pioneer on the German Web video scene has become one of the most influential talk programmers among young adults for years. The 28-year-old Berlin native shares his delight in gaming and films on his DoktorFroid and FlipFloid channels. He's been under contract with Studio71 since 2015.



Kelly aka MissesVlog

Comedy
1.1 million subscribers
8.2 million views a month

Kelly Svirkova gives us glimpses of her life, with a healthy dose of self-mockery and just a touch of craziness. In videos like "Things girls say," the 23-year-old puts an end to typical clichés. Her MissesVlog channel reached a million subscribers at the end of 2015, and the trend is still going up.



Michael Buchinger

Comedy
110,000 subscribers
1 million views a month

Concisely and sarcastically, Michael Buchinger pins down what lots of people think but few dare to say. On his channels on YouTube, MyVideo, Twitter, and Tumblr, the 23-year-old Vienna native takes on topics that especially intrigue him in his "peculiar world."

GLOBAL PLAYER

>1,400

channels

and 3.5 billion video views a month – that's the track record of Studio71, ProSiebenSat.1's global multi-channel network with offices in Los Angeles, New York, Toronto, London, Berlin, and Vienna. The vigorously growing multi-channel network has specialized in premium content. The original Studio71 rose to be Germany's market leader in just two years. In 2015, ProSiebenSat.1 acquired CDS, one of the leading multi-channel networks in the US, and merged it with Studio71. Since then, Studio71 has also been one of the major players internationally, ranking among the top 5 in the world. The best-known Web stars and channels in the Studio71 stable include Gronkh, LeFloid, Kelly aka MissesVlog, and Rhett & Link.

studio71.com

studios share a single vision: collaborating with major Web talents to produce premium content and distributing and marketing it worldwide.

Together they're playing among the top 5 in the global league, with more than 1,400 channels and 3.5 billion video views a month. You can feel the excitement from Los Angeles to Berlin: the market potential is immense and business is flourishing. London market research firm Ampere Analysis puts the value of all multi-channel networks worldwide at more than USD 20 billion.

Web stars reach an audience of millions: Even Angela Merkel agreed to an interview

It's the Internet that made it possible. While TV usually remains within national boundaries, Web videos have a global audience. You can watch them anywhere in the world on video platforms like YouTube, MyVideo, Vimeo, Facebook, and Vine. This brings the markets closer together. Last summer, Green and his Berlin colleagues from Studio71 in New York produced their first joint show. On "Beauty Cruise," German fashion vloggers like Dfashion met American Web stars like Amber from "AmbersCloset". This is just one example of the pioneering spirit so popular with Americans. "There are no hard and fast rules for programs like this," says Green.

Top equipment for rising Web stars: Shooting for "Elite Daily" with Rose O'Shea, Gabi Conti, and Karl Hess in Los Angeles

Michael Green

»THE FUTURE BELONGS TO GLOBAL MULTI-CHANNEL NETWORKS.«

In show business for 30 years: Michael Green, CDS founder and head of Studio71 in Los Angeles

Hollywood-on-the-Web lives on improvisation. "Classic film stars built a myth around themselves; they seem unapproachable – but YouTubers count on being one-on-one with their audiences," he explains. They view themselves as creative people, and that's what they call themselves, too: creators. They're producers and stars simultaneously. Video bloggers want nothing to do with Hollywood-style star hoopla.

The CDS manager knows what he's talking about. He's been in show business for 30 years. He's managed stars from Pamela Anderson to Enrique Iglesias. Some of the US talents he has under contract now are Lilly Singh (alias Superwoman) and Rhett & Link. They're comics, gamers, entertainers.

The Studio71 Web stars have their own audience of millions – "Let's Play Together" hosts like Gronkh and Sarazar, comedian Kelly aka MissesVlog, and news commentator LeFloid (real name Florian Mundt). Since Mundt interviewed Angela Merkel about German politics in the summer of 2015, the 28-year-old is known to classic TV viewers as well. If Germany's Chancellor agreed to see him, that's because of his impressive Web reach of 2.8 million subscribers. Discovering trends and talents with that kind of potential and developing successful programming together are the reasons for which Sebastian Weil, Managing Director at Studio71, is regularly on the phone with Michael Green. To meet in person, they choose locations that will inspire them. Like New York, London, or Munich – for Oktoberfest.

Studio71 develops authentic programming with young creatives

And of course, Berlin. The German capital, with its start-up and creative scene, is an ideal place for Sebastian Weil to discover and encourage young talents. That's why the manager who, together with his team, founded Studio71 two years ago at ProSiebenSat.1 corporate headquarters in Unterföhring urged a move to the borough of Berlin

HOME VIDEO MARKET

30

billion USD

is the expected revenue volume for electronic services like online videos and streaming in the home video market by 2019, according to consulting firm PwC in "Global Entertainment and Media Outlook 2015–2019." That's twice the 2014 figure. The growth drivers include multi-channel networks like ProSiebenSat.1's Studio71. Videos can be viewed on the group's own commercial online video portal MyVideo.de and also on third-party platforms such as YouTube and Vimeo. Other services that ProSiebenSat.1 operates in the home video market include the maxdome subscription video library and the 7TV app.

MyVideo.de
7tv.de
maxdome.de

Source: PwC "Global Entertainment and Media Outlook 2015–2019."

Multi-talent in the "Green Studio" in Berlin. Fabian Siegismund created his "Let's Play" channel and successful branded entertainment formats.

A professional partner for young creatives: Dr. Sebastian Weil, Managing Director of Studio71

Kreuzberg. In a factory loft on the Spree River, Weil has developed a whole world of his own, well away from the rules of classic TV. He and his creative team develop ideas and try out new programs. One team member is Fabian Siegismund, currently seated in an armchair in the "Green Studio" with a joystick in his hand, intently concentrating on the screen as he comments on his moves during a game. A new episode of "Let's Play Together" is currently being produced live. Siegismund, a YouTube icon and also a Studio71 producer, was a guest on "World Wide Wok – Studio71 goes WOK World Championships 2015." Dner, Kelly aka MissesVlog, Sarazar, and LeFloid were there, too. This brought a mighty surge in TV ratings among the young target audience that is especially interested in the Web videos the creators produce.

Large reaches attract big brands as advertisers and program partners

These Web stars' growing popularity in turn attracts advertisers. The multi-channel networks have bundled their channels thematically for marketing purposes under the headings of Games, Beauty, Fashion, Sports, and Comedy. The demand for content environments like these will continue to grow, according to US market research firm eMarketer.

Sebastian Weil

»BERLIN IS AN IDEAL PLACE TO DISCOVER TRENDS AND TALENTS.«

But classic advertising is only one of Studio71's sources of income. Branded entertainment commissioned by companies is another key source and it's growing more and more important. One example is Coke TV, hosted by Dner. This 21-year-old is one of Germany's most popular vloggers, with 2.4 million subscribers. His channel is produced and distributed by Studio71, which also provides Web videos for clients like Sony, Axe, and Amazon. In the US, CDS also has a long list of major brand names among its clients, including Procter & Gamble, Toyota, and Estée Lauder. American telephone service provider Verizon recently ordered an entertainment program, "Elite Daily." Their motive: The company needs powerfully attractive content for its mobile social entertainment network Go 90, which launched last October – including live music, sports news, and entertainment.

The multi-channel networks' success story continues

According to an eMarketer study, this kind of branded entertainment programming is making a significant contribution to the networks' dynamic growth. Berlin market research firm Goldmedia is already talking about "Major Studios 3.0." In the classic Hollywood era, the "majors" were the film studios that operated a vertical structure of production, rentals, and a fleet of theaters. Well-known names include Paramount and Metro-Goldwyn-Mayer.

The top item on the agenda of ProSiebenSat.1's new global player is to make the most of new business opportunities in Europe, America, and other continents and to capitalize on successful content and programming all over the world throughout the value chain. Michael Green also thinks there's still plenty of potential in licensing, because Internet-based TV and connected TV is increasing the demand for content. The future in this fast-growing market belongs to global networks, he says. Big ambitions, which are even conquering the big screen. Just recently, Studio71 issued its first global theatrical release, "Natural Born Pranksters." Worldwide distribution rights were sold to the listed film studio Lionsgate. The comedy starring YouTubers Roman Atwood, Vitaly Zdorovetskiy, and Dennis Roady will reach theaters in the summer of 2016. The new Web stars are turning Hollywood upside down. ‹

Rhett & Link

Comedy, music videos
13 million subscribers
100 million views a month

Friends since their school days, Rhett James McLaughlin, 38, and Charles Lincoln "Link" Neal III, 37, are two of the world's most important Web stars. The Americans are known for their sketches and their hilarious music and advertising videos. Besides Rhett & Link, they also have several other channels, like the daily talk show "Good Mythical Morning." They also had guest appearances on Jay Leno's and Conan O'Brien's talk shows.

The Voice Kids

Talent show
1.7 million subscribers
57 million views a month

"The Voice Kids" is one of the most successful talent shows, both, on the Web and on TV, on SAT.1. The fourth season has already run early in 2016. At four "blind auditions," professional musicians Lena Meyer-Landrut, Mark Foster, and Sasha choose the best voices for their team and then coach the young talents for the finals. "The Voice Kids"-channel on YouTube had more than 900 million views since its 2013 debut.

A MAGIC POTION FOR DIGITAL

SEGMENT
Digital & Adjacent

E-commerce is the Digital & Adjacent segment's biggest growth driver and is a highly profitable business. That's why ProSiebenSat.1 is resolutely expanding the segment's portfolio, investing in strategic acquisitions, and launching the next stage of development – internationalization. Because this market still has a lot more to offer.

Sights set on new markets: Mathias Hedlund, Chief Executive Officer of etraveli (l.), and Jörg Trouvain, Managing Director of 7Travel (r.)

Champagne for breakfast! The residents of Swedish university city Uppsala usually start the morning of the holiday Walpurgis with liquid and with good cheer. Then off they go to the Fyris River. At the stroke of 10 a.m., the race is on between extravagantly imaginative homemade mini-boats paddled by teams of students from all over the country. After that, everyone parties. Each year, Valborg attracts some 100,000 students and thousands of tourists. The historic Viking city, which boasts grave mounds and a landmark cathedral, is the former coronation site of Swedish kings.

Not far from the wild scene at the river, which flows right through the center of town, you'll find the head office of etraveli, Scandinavia's biggest online air travel portal. Many people who come to Uppsala for Valborg booked their tickets on one of etraveli's Web platforms. Gotogate, Seat24, Supersavertravel, Travelstart, BudJet, and Flygresor are among its best-known brands.

etraveli is the biggest and the first international acquisition in e-commerce to date

The success story may have begun in Northern Europe, but today the company operates 12 brands in 43 countries on four continents. Two million flight tickets a year are sold via etraveli's platforms. And something that etraveli's CEO Mathias Hedlund is convinced about is that there's still plenty of potential in its markets. He has defined the sphere of action with white pins on a full-wall map in the office lobby. In 2015, etraveli added more countries whose residents love to travel: Japan, Singapore, Australia, and a dozen others. Hedlund plans to expand worldwide over the next few years in collaboration with the company's new owner, ProSiebenSat.1.

This is ProSiebenSat.1 Group's biggest international acquisition to date, and its first big international acquisition in this sector. A strategic move that fills out its portfolio of travel activities under the umbrella of the subsidiary 7Travel. One-third of all travel bookings start with someone choosing a flight. Two-thirds of the time, everything else – hotels, rental car reservations, travel insurances – follows once the departure and return dates are set. ProSiebenSat.1 is already well positioned in Germany: with the hotel price shopping portal Discavo, the package tour agencies tropo and weg.de, the online travel agency reise.com, the country's largest rental car portal billiger-mietwagen.de, adventure travel specialist mydays, the platform for short trips and adventure travel Travador, and wetter.com. With the "flights" component under the new brand ueberflieger.de, clients can browse through the whole customer journey. Jörg Trouvain, Managing Director at ProSiebenSat.1's 7Travel, now plans to transfer this synergistic concept for success to other countries. His goal: "We want to be Europe's market leader in online travel." In 2015, billiger-mietwagen.de already launched a French subsidiary under the Carigami brand, tropo completed a launch in the Netherlands, and wetter.com established a presence in Spain as eltiempo.es.

EBITDA margin twice as high as the industry average

With etraveli, the Group is now taking the next step. In addition to its around 200 employees, the company brings along a market-leading analytical and operational expertise. "This expertise opens up international growth opportunities for us, with high returns at a low market entry cost," says Trouvain. etraveli earns an EBITDA margin twice as high as the industry average. Thanks to that strong position, the Swedish firm has helped shape the consolidation of the Scandinavian online flight travel market. "The market for online flight travel portals will concentrate into a few players in other European markets as well over the next few years," Trouvain is certain. ProSiebenSat.1 will help to advance that process with an active acquisition strategy.

ONLINE COMMERCE

+112%

more revenues worldwide by 2019

E-commerce is a global growth market. Revenues will more than double by 2019, from roughly USD 1.7 trillion in 2015 to USD 3.6 trillion, according to US market research firm eMarketer. That comes to 12.8% of the global trade volume – not including revenues from travel and event tickets.

In Europe alone, one in every three consumers buys on the Internet – a total of 274 million people. The Ecommerce Foundation in the Netherlands estimates total 2015 revenues at EUR 477 billion. Europe's largest markets are the UK, Germany, and France, which account for 61% of total revenues. Every e-shopper in Europe spends an average of EUR 1,544 a year. According to the Centre for Retail Research, the spending amounts to an average of EUR 1,200 a year in Germany.

Germany is one of the biggest e-commerce nations

Ventures & Commerce is the Digital & Adjacent segment's mainstay, and its double-digit growth rate makes it one of the biggest revenue drivers at ProSiebenSat.1. In financial year 2015, the Digital & Adjacent segment contributed EUR 846.4 million to consolidated revenues. That figure is expected to reach a total of EUR 1.5 billion in 2018. Electronic commerce will play an important role through both organic growth and acquisitions. The market outlook is promising. The Internet is where people want to buy. According to market research firm eMarketer, online commerce is projected to reach a volume of USD 3 trillion by 2018. At that point Germany will be Number 5 among the largest e-commerce countries, with an estimated USD 82.6 billion.

Christian Wegner, Executive Board Member for Digital & Adjacent at ProSiebenSat.1 Media SE, is systematically establishing new e-commerce verticals. "TV is a magic potion for digital commerce," he says. "We're investing in companies that can benefit from TV advertising's emotional appeal and ability to build trust." By swapping TV advertising time for a share of revenues or a stake in the company – in what are known as "media-for-revenue-share" and "media-for-equity" deals – the Group will begin by trying out new markets, companies, and management teams. If a company's brand development and management gain traction, the vertical will be rounded out with majority interests, takeovers, and more acquisitions. The choices will be guided by opportunities for synergy through cross-selling and for exchanging marketing and management expertise. A final option will be to internationalize activities.

On an international track: Jörg Trouvain, Managing Director of 7Travel (l.), and Dr. Christian Wegner, Member of the Executive Board, Digital & Adjacent, at ProSiebenSat.1

In financial year 2015, besides filling out the travel portfolio, the Group invested primarily in three verticals that are already well-developed: Beauty & Accessories, Online Comparison Portals, and Fitness & Wellbeing. ProSiebenSat.1 acquired an 80 % stake in Verivox, Germany's largest independent consumer portal for energy. It also boosted its ownership interest in Preis24.de to around 85 %. The Group also holds a majority interest in Amorelie, an online lifestyle shop for love lives, and in Flaconi, an online store for perfume, make-up, and cosmetics. With Amorelie, ProSiebenSat.1 has begun transferring the brand to France, Europe's third-largest e-commerce market after the UK and Germany. Additional assets are under consideration in all facets of food, home and living, financial technology, and elder care. The Group expects to have up to ten verticals by 2018. Each is expected to have a profit margin of at least ten percent.

Virtual reality will revolutionize the purchase experience

Profits at 7Travel are already well above that figure today. They will benefit even more in the coming years from the emerging fascination with virtual reality. Where will your trip take you? Put on your glasses and off you go! Enjoy a 360° view of the romantic panorama from a cliff high above the sea – and then immediately book a flight and travel there. Or go on a shopping spree through New

Jörg Trouvain

»ETRAVELI'S EXPERTISE OPENS UP INTERNATIONAL GROWTH OPPORTUNITIES FOR US, WITH HIGH RETURNS AT A LOW ENTRY COST.«

York City, try on the latest fashions in a boutique, and order them on the spot. "Virtual reality will bring the world home to your living room," says Wegner. Augmented reality, which merges virtual elements with the real environment, is the next step, he says. "These new technologies will revolutionize the shopping experience as well as television consumption," he predicts. "That will give rise to many new business ideas, and ProSiebenSat.1 will be able to profit from them thanks to its expertise in TV and digital commerce." ‹

E-COMMERCE-PORTFOLIO

Strong brands in online commerce

ProSiebenSat.1 is systematically building up solidly growing e-commerce verticals with TV advertising. Successful brands are exported to other countries. The Travel, Beauty & Accessories, Online Comparison Portals, and Fitness & Wellbeing segments are already well filled. Plans call for as many as ten verticals by 2018.

Travel	Beauty & Accessoires	Online Comparison Portals	Fitness & Wellbeing
German activities	**German activities**	**German activities**	**German activities**
DISCAVO, tropo, weg.de, reise.com, wetter.com, mydays, billiger-mietwagen.de, travador	FLACONI, AMORELIE, VALMANO	VERIVOX, preis24.de, moebel.de, 12Auto group	MACH DICH KRASS, Sophia Thiel, mach dich leicht by Ursula Karven, Real Boxing Academy, GYMONDO, vitafy
International activities (selection)	**International activities (selection)**	**International activities (selection)**	
etraveli (worldwide), CARIGAMI (France), tropo (The Netherlands), eltiempo.es (Spain)	AMORELIE (France)	VERIVOX (Switzerland)	

Jan David Frouman

»WITH SEVEN COMPANIES, WE'RE VERY WELL REPRESENTED IN THE US.«

SEGMENT
Content Production & Global Sales

On a rapid course of expansion in the US, the world's largest TV market: Jan David Frouman, Chairman and CEO of Red Arrow Entertainment Group, and his team

In just six years, Red Arrow Entertainment Group has settled in as one of the leading global players and now has 15 production companies in six countries. Chairman and CEO Jan David Frouman explains how he plans to maintain this pace of growth for the next few years, and what programming highlights from 2015 make him especially proud.

Pushing ahead with the digital expansion of the portfolio: Chairman and CEO Jan David Frouman

What was your highlight in 2015?

Jan David Frouman: I'm especially glad that we now have two promising new companies in our portfolio. So far we've concentrated on the tried and true in TV production – fiction series and non-scripted programs. Founding Ripple Entertainment is our first big step into the digital business. And with Karga Seven Pictures we now have one of the leading US producers of factual entertainment programs in our portfolio.

So Red Arrow is starting to grow outside the classic TV business?

Jan David Frouman: Exactly. Whether in production or distribution, we've developed Red Arrow into a global player over the past six years, and got it firmly established on the world map of TV. To expand our market lead, we need to put out feelers farther into the digital business. That's where Ripple comes in. It will be a linchpin of our digital activities, exploiting existing programming rights and developing new online networks.

In 2015, you've already outperformed your 2018 growth target of adding EUR 100 million in revenues, by a full EUR 67 million. How did you manage that?

Jan David Frouman: For one thing, our organic growth was extremely strong. For another, we invested in new companies that fit perfectly with our portfolio. And we plan to keep it up. Our new target is to grow by EUR 275 million to EUR 370 million by 2018, compared to 2012.

NEW COMPANY

Ripple Entertainment

US start-up Ripple Entertainment is Red Arrow's digital hub. The company will exploit existing programming rights via digital media, and develop new content with Red Arrow companies and independent creative partners.

Red Arrow generates two-thirds of its revenue in the US. Will your focus remain on the States?

Jan David Frouman: Definitely. There's no way around the biggest, most dynamic TV market in the world. We're now well represented in the US, with seven companies. Our focus is still on growth, so we're watching the market very carefully. Even with market consolidation, there are still attractive options for partnerships and acquisitions.

The boom in series shows no sign of flagging. How important are fiction productions for Red Arrow?

Jan David Frouman: English-language fiction series will be a tremendous growth driver for us in the next few years. Demand is especially high here. We built up our fiction portfolio further in 2015. For Amazon, for example, we completed the second season of the crime series "Bosch," about LAPD detective Harry Bosch. We also co-produced the exciting science fiction drama "Cleverman."

What new programming from 2015 makes you especially proud?

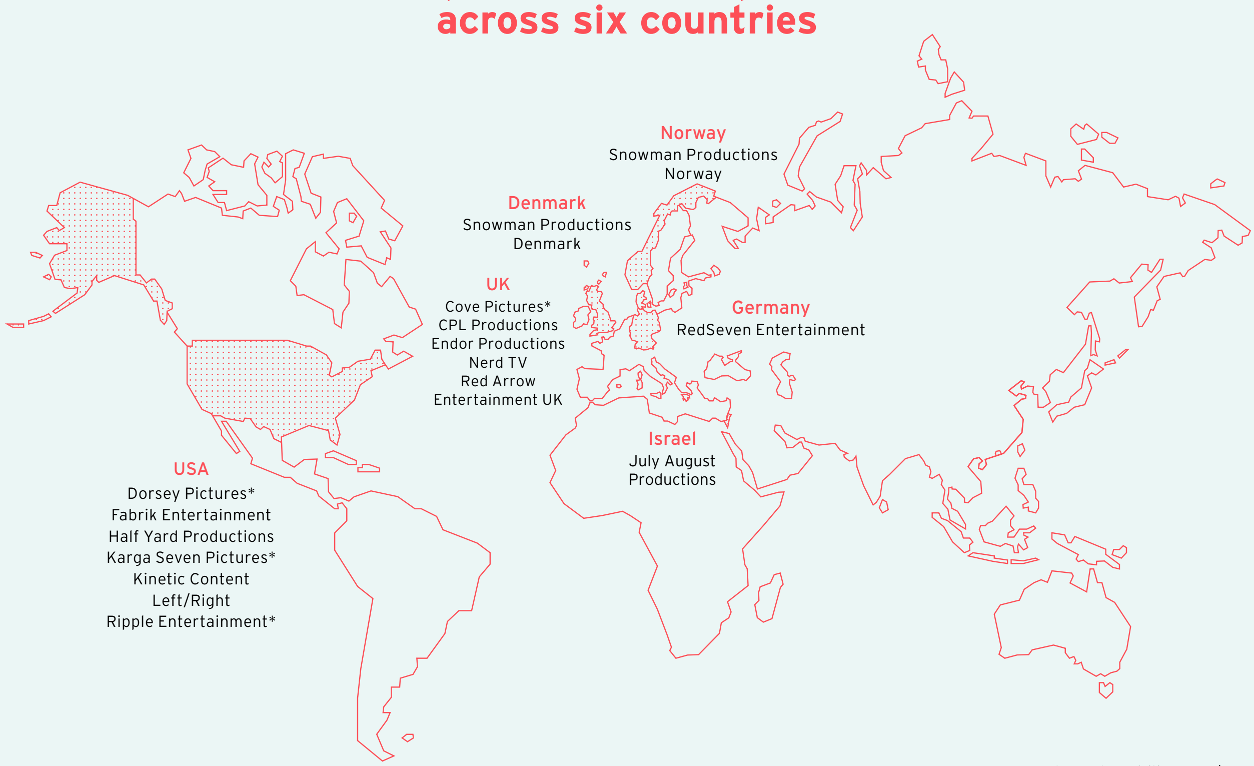
Jan David Frouman: One example is the comedy series "Odd Mom Out," about the world of super-rich mothers in New York – an in-house production by Left/Right. It's rare for a production company to get a second series ordered for its very first show. But Left/Right did – even though the company really started out as a producer of non-scripted programming. Another immense success is the reality show "Married at First Sight," which we've now sold in more than 130 countries. If that idea came from the US, it wouldn't be such a surprise. But it was created by our little team at Snowman Productions in Denmark. This shows what's possible if you can attract the world's best creatives.

What are the next strategic steps you're planning?

Jan David Frouman: Since January 2016, we've had another very profitable US company in our group, Dorsey Pictures. It brings us a top-notch team for branded entertainment, as well as shows in the sports and outdoor segment. Dorsey and Ripple too will be setting a new tone for our growing digital business. And on top of that, at the beginning of 2016 we joined together with Smuggler Entertainment to found a new production company named Cove Pictures. Cove will produce scripted programming and documentaries for the international TV market. So 2016 is sure to be another exciting year for Red Arrow. <

FIRMLY ESTABLISHED ON THE WORLD MAP OF TV

15 production companies across six countries



*Launches and acquisitions 2015/2016

Jan David Frouman

»WE DEVELOPED RED ARROW INTO A GLOBAL PLAYER IN JUST SIX YEARS.«

International network: Red Arrow works with the world's best creatives.

NEW ACQUISITION

Karga Seven Pictures

The acquisition of the leading US producers of factual entertainment programming gives Red Arrow a strong foothold in docutainment. Since its founding in 2008, Karga Seven Pictures has produced more than 300 hours of programming for US cable outlets, including Discovery Channel and History Channel.

NEW ACQUISITION

Dorsey Pictures

The world's biggest producer of outdoor adventure programming is also a specialist in branded entertainment. Dorsey Pictures not only produces for TV channels like NBC Sports, CNN and National Geographic, but also creates documentary film settings for brands like Swarovski and Ford.

WE'RE GROWING VERY PROFITABLY AND ARE USING THE DYNAMIC DELEVOPMENT OF DIGITAL MARKETS. BY NETWORKING OUR TV AND DIGITAL BUSINESSES, OUR STRATEGY IS CONSISTENTLY FOCUSED ON GROWTH.

Growing to the Next Level

We rely on a diverse portfolio with diversified sources of revenue. Our revenue profile will be set up on a broader base by 2018. By then, we intend to generate about 50 % of consolidated revenues outside classic TV advertising. Total revenues by that point are expected to rise to EUR 4.2 billion.

We take advantage of the strengths of TV advertising to penetrate into new markets and market our programs and services there successfully. That's our competitive advantage – and the core of our strategy. With this, we make sure for the future that we remain a company that combines both: dynamic growth and strong profitability.

A
TO OUR SHAREHOLDERS

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1 Part of the audited Combined Management Report.

REPORT OF THE SUPERVISORY BOARD

Dr. Werner Brandt
Chairman of the Supervisory Board

Dear Shareholders,

ProSiebenSat.1 Group has concluded another very successful financial year in 2015 and it consistently implemented its growth strategy. Against this backdrop, in October 2015 the Company raised its medium-term targets considerably again and now expects revenue growth of EUR 1.85 billion compared to 2012 by 2018. We, as the Supervisory Board of the Company, will provide the Executive Board of the Company with extensive advice and support in this process.

In 2015, ProSiebenSat.1 Media AG was converted into a European Stock Corporation (Societas Europaea, SE). The conversion was entered into the Company's commercial register and thus took effect on July 7, 2015. The tenure of the Supervisory Board of ProSiebenSat.1 Media AG thereby ended, and only the Supervisory Board of ProSiebenSat.1 Media SE has since been active. Once again in financial year 2015, the Supervisory Board 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 financial year 2015, the Supervisory Board regularly advised the Executive Board on the management of the Company in close and trusting cooperation, and carefully and continuously supervised its conduct of the business. We 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. For this reason, we were 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 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 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, I, as Chairman of the Supervisory Board, maintained an ongoing and close personal dialog with the CEO of the Company, Thomas Ebeling, and when necessary with the other Executive Board members too.

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 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 45.

Corporate Governance Report, page 46.

The plenary Supervisory Board and its committees also dealt in financial year 2015 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:

- By means of a circular resolution, the Presiding Committee approved the extension of the master agreements with Joko Winterscheidt and Klaas Heufer-Umlauf on January 22, 2015. They present TV shows such as "Circus HalliGalli."

- At the financial statements meeting on March 13, 2015, the Supervisory Board approved the annual and consolidated financial statements, the combined management and Group management report, and the corporate governance report for financial year 2014, as well as the 2014 Declaration of Compliance. The Board reviewed and concurred in the proposal of the Executive Board for the allocation of the profits. The Supervisory Board also concurred in the election proposal of the Audit and Financial

Committee for the appointment of the auditor for financial year 2015. We also concurred in the proposals of the Presiding Committee: the election of Angelika Gifford to the Supervisory Board of ProSiebenSat.1 Media AG as successor to Stefan Dziarski and the candidates for the first Supervisory Board of ProSiebenSat.1 Media SE.

At the same meeting, we also approved the conversion of ProSiebenSat.1 Media AG into a European Stock Corporation. The Supervisory Board was given a detailed overview of the current performance of the Company. It dealt intensively with the Executive Board's target achievement for 2014 and target setting for 2015, which we approved at this meeting.

The agenda also included portfolio measures: The plenum approved the acquisition of the remaining shares (53 %) in Flaconi GmbH and the acquisition of a further 52 % in Sonoma Internet GmbH. ProSiebenSat.1 therefore holds 100 % of the shares in Flaconi GmbH and 75 % of the shares in Sonoma Internet GmbH. Flaconi GmbH operates the website flaconi.de, which is Germany's second-largest online store for perfume, make-up, and cosmetics; Sonoma Internet GmbH operates the website amorelie.de.

- On April 1, 2015, the Supervisory Board adopted the proposed resolutions for the agenda of the Annual General Meeting 2015 by means of circular resolution.

- Also by written circular resolution, the Presiding Committee approved an agreement on the sale of advertising time with various agencies. This took place on April 20, 2015.

- After appropriate and extensive consultation within the Supervisory Board as a whole, the Board approved the adjustment and standardization of the contracts of employment with the active members of the Executive Board of the Company by means of written circular resolution on April 20, 2015.

- The constituent meeting of the first Supervisory Board of ProSiebenSat.1 Media SE took place following the Annual General Meeting on May 21, 2015; the members appointed me, Dr. Werner Brandt, as Chairman and Dr. Marion Helmes as my Deputy. The Annual General Meeting had previously elected the proposed candidates to the first Supervisory Board of ProSiebenSat.1 Media SE. During the meeting, the Supervisory Board of ProSiebenSat.1 Media SE adopted its rules of procedure and the rules of procedure for the Executive Board of ProSiebenSat.1 Media SE. It also voted on the composition of its committees and appointed the first Executive Board of ProSiebenSat.1 Media SE with Thomas Ebeling as its Chairman.

  The former Supervisory Board of ProSiebenSat.1 Media AG continued to exist in parallel with the Supervisory Board of ProSiebenSat.1 Media SE until the conversion into the SE took effect. In its ordinary meeting on May 21, 2015, it obtained a detailed report on the development of the Company and the upcoming projects. This also included measures to guarantee IT security at the Company.

- By circular resolution on June 9, 2015, the Presiding Committee of the Supervisory Board of ProSiebenSat.1 Media AG approved the conclusion of a long-term master license agreement with Walt Disney Germany GmbH for Germany, Switzerland and Austria.

- On June 23, 2015, the Supervisory Board of ProSiebenSat.1 Media AG approved the acquisition of a majority interest in Verivox GmbH. Verivox is the largest independent consumer portal for energy in Germany and also holds a leading market position as a comparison portal for financial services in Germany.

- Once a year, the Supervisory Board and Executive Board discuss the strategic orientation of ProSiebenSat.1 Group in depth. In 2015, the two-day strategy meeting was held on June 25 and 26.

  During the meeting, I informed the Executive Board of Philipp Freise's resignation effective as of the end of July 31, 2015. In addition, the Supervisory Board of ProSiebenSat.1 Media AG approved the acquisition of two majority interests: Firstly the acquisition of a 51% stake in Virtual Minds AG. Virtual Minds' programmatic-advertising technologies enable the automated sale of digital advertising. Secondly, we approved another transaction that resulted in a majority interest of 75% in Collective Digital Studio, LLC (CDS). CDS runs one of the leading multi-channel networks (MCN) in the United States and was combined with the MCN of Studio71 GmbH.

- On July 1, 2015, both the Supervisory Board of ProSiebenSat.1 Media AG and the Supervisory Board of ProSiebenSat.1 Media SE prematurely extended Thomas Ebeling's appointment as member and Chairman of the Executive Board of the Company until the Annual General Meeting 2019 and approved a corresponding extension of his contract of employment. This resolution was adopted by means of a written circular, after the Supervisory Board had dealt in depth with the continuity of the composition of the Executive Board and corresponding long-term planning. Mr. Ebeling has had a crucial influence on the Company's strategy and thus has created long-term growth prospects. With the early extension of the contract of employment, the Supervisory Board also laid the foundation for a long-term succession planning and ensured that the Company can continue its growth-oriented digitalization and diversification process.

- The Presiding Committee adopted circular resolutions on August 20, 2015, and September 2, 2015. Among other things, it approved the commissioning of a new season of the casting show "Germany's Next Top Model by Heidi Klum" and the conclusion of a comprehensive agreement with IBM regarding various IT services.

- On September 8, 2015, the Supervisory Board of ProSiebenSat.1 Media SE convened in an ordinary meeting. We were given a detailed insight into the strategically important US market. The US is one of the most important TV markets in the world and has a dynamic start-up culture.

  In addition to this educational session, the Executive Board informed us about current developments in the most important business areas and about opportunities to intensify the digital strategy — especially through greater internationalization.

- Another Supervisory Board meeting was held as a teleconference on September 30, 2015. At this meeting, we dealt in depth with the implementation of the act on the equal participation of women and men in management positions and the establishment of respective targets for the proportion of women on the Supervisory Board and the Executive Board. After detailed consultation, we approved the targets for the Supervisory Board and Executive Board and corresponding deadlines for achievement; for further information, please refer to the Corporate Governance Report on pages 46 – 54 of the Annual Report.

- On October 8, 2015, the Board approved by means of written circular resolution the acquisition of the pan-European online air travel agency etraveli via ProSieben Travel GmbH. ProSiebenSat.1 is thus advancing the expansion and internationalization of the Travel Vertical, where the Company bundles its investments relating to all topics of travel. In order to avoid a potential conflict of interest, Antoinette (Annet) P. Aris participated in neither the prior consultation nor the vote. She is on the Supervisory Board of Thomas Cook PLC.

- By means of written circular resolution on October 9, 2015, the Supervisory Board approved the Presiding Committee's proposal to allow the judicial appointment of Ketan Mehta as a new Supervisory Board member. He succeeds Philipp Freise, who resigned from office with effect from the end of July 31, 2015. The local court (Amtsgericht) of Munich followed the proposal and appointed Ketan Mehta as member of the Company's Supervisory Board until the next Annual General Meeting by decision dated November 19, 2015. On October 31, 2015, the Supervisory Board approved by means of written circular resolution the respective grants to the Executive Board members under the Group Share Plan introduced in 2012.

- In another circular resolution on November 6, 2015, the Supervisory Board approved the majority acquisition (60.0 %) of Crow Magnon, LLC, by Red Arrow Entertainment Group. Crow Magnon is the parent company of Karga Seven Pictures Inc. This company based in the US produces and develops shows in a large number of genres and formats with a focus on non-fiction. It is already Red Arrow Entertainment Group's sixth shareholding in the US.

- At the ordinary Supervisory Board meeting on December 8, 2015, the 2016 budgeting for ProSiebenSat.1 Group was presented and explained to us in detail. We received extensive reports about performance in the most important business areas. The Supervisory Board also dealt with the appropriateness of the Executive Board compensation according to section 87 of the German Stock Corporation Act in conjunction with article 9(1) lit. c) ii) of the SE regulation and item 4.2.2 of the German Corporate Governance Code. In addition, the Board obtained a detailed report on the current state of IT security at the Company and further measures in the future.

In 2015, there were two ordinary meetings attended in person and a two-day session of the Supervisory Board of ProSiebenSat.1 Media AG. The Supervisory Board of ProSiebenSat.1 Media SE held three ordinary meetings attended in person and one teleconference. In total, the full Supervisory Board therefore held seven meetings. All members of the Supervisory Board attended more than half of the meetings. Attendance at the meetings is disclosed on an individual basis in the Corporate Governance Report, which can be found online at www.prosiebensat1.de/en/page/corporate-governance-bericht and from page 46 onward in the Annual Report. Outside these meetings, the Supervisory Board of ProSiebenSat.1 Media AG also adopted 15 resolutions by means of written circular procedure and the Supervisory Board of ProSiebenSat.1 Media SE adopted eleven resolutions. Altogether, 26 written circular resolutions were passed.

Report on the Work of the Committees

Corporate Governance Report, page 46.

The Company's Supervisory Board 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 2015: 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 also passes resolutions and makes decisions on business transactions delegated to it by the rules of procedure defined by the Supervisory Board. For example, in financial year 2015, the committee granted its approval to the license contract with Walt Disney Germany GmbH and the agreements with Joko Winterscheidt and Klaas Heufer-Umlauf described in more detail above.

This committee is additionally responsible for the duties of a nominating committee pursuant to the German Corporate Governance Code. It thus submitted to the plenary Supervisory Board suitable Supervisory Board candidates for the Supervisory Board's election proposals to the Annual General Meeting on May 21, 2015. The Presiding and Nomination Committee met a total of four times in 2015. This included one meeting attended in person and one teleconference of the Presiding and Nomination Committee of ProSiebenSat.1 Media AG; the Presiding and Nomination Committee of ProSiebenSat.1 Media SE held two meetings by means of teleconference. In addition, the Presiding and Nomination Committee adopted six resolutions by means of written circular procedure. Four of these circular resolutions were passed in the reporting year by the Presiding and Nomination Committee of ProSiebenSat.1 Media AG; the two other circular resolutions were passed by the Presiding and Nomination Committee of ProSiebenSat.1 Media SE.

- The COMPENSATION COMMITTEE prepares resolutions for plenary sessions of the Supervisory Board on personnel-related Executive Board issues. In financial year 2015, it dealt in particular with the amendment of the existing Executive Board agreements of employment, including the extension of the appointment of/agreement with Thomas Ebeling as member and Chairman of the Company's Executive Board. The Compensation Committee is also tasked with the annual review of the compensation of the Executive Board members, which was most recently conducted by the full Supervisory Board at the ordinary meeting on December 8, 2015.

  In 2015, the Compensation Committee of ProSiebenSat.1 Media AG held two ordinary meetings attended in person. Four circular resolutions were passed. The Compensation Committee of ProSiebenSat.1 Media SE held three ordinary meetings attended in person and passed three circular resolutions. Therefore, a total of five meetings of the Compensation Committee took place in 2015 and a total of seven circular resolutions were passed.

- The AUDIT AND FINANCE COMMITTEE prepared the audit of the annual and consolidated financial statements and the proposed allocation of profits for the Supervisory Board and discussed the half-year and quarterly financial reports with the Executive Board. The Audit and Finance Committee discussed the strategy and the results of the audit with the auditor.

  The monitoring of financial reporting focused particularly on the potential impairment of goodwill and other intangible assets, the measurement of programming assets, acquisitions of companies and shareholdings, the recognition of revenues, hedge accounting, and income taxes.

  In addition, the Audit and Finance Committee dealt with the monitoring of the financial reporting process, with the effectiveness of the internal control system, the risk management system, and the internal audit system, and with the compliance function.

  The Audit and Finance Committee engaged the auditor for financial year 2015, monitored the quality of the audit and the independence of the auditor, and submitted a proposal on the election of the auditor for financial year 2016 to the Supervisory Board.

  In 2015, the Audit and Finance Committee met five times in total. The Audit and Finance Committee of ProSiebenSat.1 Media AG met three times in 2015; one circular resolution was passed. The Audit and Finance Committee of ProSiebenSat.1 Media SE met twice in ordinary meetings attended in person.

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.de/en/page/corporate-governance-bericht as well as from page 46 onward in the Annual Report.

Audit of the Annual and Consolidated Accounts for Financial Year 2015

The annual and consolidated financial statements of ProSiebenSat.1 Media SE and the Combined Management Report for financial year 2015 were audited in accordance with the regulations by the Munich office of KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), and were issued on February 24, 2016, with an unqualified audit opinion.

All documents relating to the financial statements, the Risk Report, 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 0.4 million (previous year: EUR 0.3 million), tax advisory services amounting to 0.5 million (previous year: EUR 0.3 million) and other services amounting to EUR 1.5 million (previous year: EUR 0.4 million). Details of the services provided by the auditors and the level of compensation are presented in the notes to the consolidated financial statements under Note 41.

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 Combined Management Report. 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 financial year 2015, the following conflicts of interest were indicated on account of individual members of the Supervisory Board simultaneously holding mandates on corporate bodies at competitors and or business partners of ProSiebenSat.1 Media SE:

- Antoinette (Annet) P. Aris is a member of the Supervisory Board of Thomas Cook PLC. As a precaution, she therefore took her leave from the Company's Supervisory Board meetings before any discussions that concerned the Travel 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 ProSiebenSat.1 Group with another TV company in the German-speaking area. As a further precaution, he took his leave from Supervisory Board meetings in which a potential investment in a Europe-wide online marketplace was discussed.

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.de/en/page/erklaerung-zur-unternehmensfuehrung and from page 55 onward in the Annual Report.

Changes in the Composition of the Executive Board and Supervisory Board

Dr. Gunnar Wiedenfels succeeded Axel Salzmann as Chief Financial Officer of ProSiebenSat.1 Media AG on April 1, 2015. At the same time, Dr. Ralf Schremper was also appointed to the Executive Board of ProSiebenSat.1 Media AG as Chief M&A and Strategy Officer. He took on the new "Investment & Strategy, Mergers & Acquisitions" department. Both had already worked for the Company in executive positions for several years.

The tenures of the members of the Executive Board of ProSiebenSat.1 Media AG ended when the conversion into an SE took effect on July 7, 2015. The first Supervisory Board of ProSiebenSat.1 Media SE appointed the former Executive Board members as members of the Executive Board of ProSiebenSat.1 Media SE. The members of the Executive Board of ProSiebenSat.1 Media SE are Thomas Ebeling (Chairman), Conrad Albert, Dr. Ralf Schremper, Dr. Christian Wegner and Dr. Gunnar Wiedenfels.

The composition of the Company's Supervisory Board also changed in financial year 2015:

The Annual General Meeting on May 21, 2015, elected Angelika Gifford to the Supervisory Board of ProSiebenSat.1 Media AG as a successor to Stefan Dziarski, who had resigned from office with effect from the end of October 30, 2014.

The tenures of the Supervisory Board members of ProSiebenSat.1 Media AG ended when the conversion into a European Stock Corporation took effect. The Annual General Meeting on May 21, 2015, elected Lawrence Aidem, Antoinette (Annet) P. Aris, Dr. Werner Brandt, Adam Cahan, Philipp Freise, Angelika Gifford, Dr. Marion Helmes, Erik Adrianus Hubertus Huggers and Prof. Dr. Rolf Nonnenmacher to the ProSiebenSat.1 Media SE Supervisory Board. Prof. Dr. Harald Wiedmann's term of office ended when the conversion into an SE took effect on July 7, 2015; he had been a member of the Supervisory Board since March 7, 2007, and Chairman of the Audit and Finance Committee. On the Supervisory Board of ProSiebenSat.1 Media SE, Prof. Dr. Rolf Nonnenmacher now took over the duties of Prof. Harald Wiedmann.

Philipp Freise resigned from his office as a member of the Supervisory Board of ProSiebenSat.1 Media SE with effect from the end of July 31, 2015. Ketan Mehta was appointed to the Supervisory Board as his successor by decision of the local court (Amtsgericht) of Munich dated November 19, 2015; his term of office commenced when the decision was served on November 24, 2015, and runs until the Company's next Annual General Meeting.

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 financial year 2015. Their work has been the cornerstone for the success of ProSiebenSat.1 Group.

Furthermore, I thank the departed members of the Supervisory Board for their many years of work on the ProSiebenSat.1 Supervisory Board.

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 ProSiebenSat.1 share.

Unterföhring, March 2016

On behalf of the Supervisory Board

Dr. Werner Brandt,
Chairman

Members of the Supervisory Board

Members of the Supervisory Board of ProSiebenSat.1 Media SE[1] (Fig. 1)

Dr. Werner Brandt Chairman	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 (Consultant)	Mandates: RWE AG (non-executive), QIAGEN N.V. (non-executive), Osram Licht AG (non-executive), Deutsche Lufthansa AG (non-executive)
Dr. Marion Helmes Vice Chairwomen	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 (Consultant)	Mandates: NXP Semiconductors N.V. (non-executive)
Lawrence Aidem	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Our Film Festival, Inc. (Fandor) (President, CEO)	Mandates: none
Antoinette (Annet) P. Aris	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 INSEAD (Adjunct Professor of Strategy)	Mandates: Thomas Cook PLC (non-executive), Jungheinrich AG (non-executive), ASR Netherlands N.V. (non-executive), ASML N.V. (non-executive)
Adam Cahan	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Yahoo Inc. (Senior Vice President Mobile and Emerging Products)	Mandates: none
Angelika Gifford	Member of the Supervisory Board of ProSiebenSat.1 Media AG and ProSiebenSat.1 Media SE since May 21, 2015 Hewlett Packard GmbH (General Manager)	Mandates: Rothschild & Co. S.C.A, Paris (non-executive)
Erik Adrianus Hubertus Huggers	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Vevo LLC (President, CEO)	Mandates: none
Ketan Mehta	Member of the Supervisory Board of ProSiebenSat.1 Media SE since November 24, 2015 Allen & Company LLC (Managing Director)	Mandates: none
Prof. Dr. Rolf Nonnenmacher	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 21, 2015 (German Public Auditor)	Mandates: Continental AG (non-executive), Covestro AG (non-executive), Covestro Deutschland AG (non-executive)

1 Until the completion of the conversion into ProSiebenSat.1 Media SE on July 7, 2015, the Supervisory Board of ProSiebenSat.1 Media AG existed in parallel to that of ProSiebenSat.1 Media SE.

Proposed Allocation of Profits

The ProSiebenSat.1 Media SE Executive Board and Supervisory Board intend to propose to the Annual General Meeting a dividend payment of EUR 1.80 per common share for the financial year 2015. This represents an expected total payout of EUR 386 million or a payout ratio of 82.5 % of underlying net income.[1] On the basis of the share price of the common share of EUR 46.77 on December 30, 2015, this equates to a dividend yield of 3.8 %.

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

Corporate Governance Report

In the following, the Executive Board and the Supervisory Board present their Annual Report on corporate governance in the Company in accordance with the recommendation in item 3.10 of the German Corporate Governance Code (Deutscher Corporate Governance Kodex — DCGK).

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 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 German Corporate Governance Code have already been practiced at ProSiebenSat.1 for a long time.

Specific issues relating to corporate governance at ProSiebenSat.1 Media SE are presented in more detail in the Management Declaration according to section 289a of the German Commercial Code; this includes in particular the annual Declaration of Compliance with the German Corporate Governance Code, relevant information on management practices and regulations on the equal participation of women in management positions at the two management levels below the Executive Board. Supplementary statements, such as a description of the working procedures of the Executive Board and Supervisory Board, regulations on the equal participation of women in management positions on the Executive Board and the Supervisory Board, a presentation of the composition and working procedures of the committees and explanations on capital market communication and the reporting principles, can be found in the following Corporate Governance Report.

Fundamentals Relating to Corporate Governance

ProSiebenSat.1 Media SE is a listed European stock corporation (Societas Europaea, SE), 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 and European law, in particular from the law governing the SE, from stock corporation and capital markets law, as well as from the articles of incorporation of ProSiebenSat.1 Media SE.

The chief compliance officer of ProSiebenSat.1 Media SE 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 European stock corporation with a two-tier management and supervisory system, ProSiebenSat.1 Media SE has three governing bodies, corresponding to ProSiebenSat.1 Media AG until its conversion into an SE. These bodies are the Annual General Meeting, the Supervisory Board (supervisory body) and the Executive Board (management body). Their tasks and powers emerge from Council Regulation No. 2157/2001 of October 8, 2001 on the statute for a European company (SE regulation), the German Act on the Implementation of the SE regulation (SEAG), the German Stock Corporation Act and the articles of incorporation of ProSiebenSat.1 Media SE.

There is a clear separation of personnel between the management body and the controlling body. 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 the 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 Board and the Supervisory Board is explained in the Compensation Report, which is part of the Combined Management Report (see page 57 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.

Composition of the Executive Board and Supervisory Board

Members of the Executive Board, page 04.

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, 2015, the ProSiebenSat.1 Media SE Executive Board consisted of five members.

Members of the Supervisory Board, page 45.

The **Supervisory Board** has nine members in accordance with the articles of incorporation, which must all be elected by the Annual General Meeting. Between Mr. Philipp Freise's withdrawal with effect from the end of July 31, 2015 as a result of his resignation and the effective date of the judicial appointment of his successor, Mr. Ketan Mehta, on November 24, 2015, the Supervisory Board had only eight members.

Objectives for the Executive Board's Composition and Regulations on the Equal Participation of Women on the Executive Board in Accordance with Section 111(5) of the German Stock Corporation Act in Conjunction with Article 9(1) lit. c) ii) of the SE Regulation

The Supervisory Board discussed the revised version of section 111(5) of the German Stock Corporation Act in conjunction with article 9(1) lit. c) ii) of the SE regulation, according to which the executive board of entities that are listed or subject to co-determination is required to establish targets for the proportion of women on the executive board; such targets must not fall below the respective proportion already achieved provided that the proportion of women on the board is below 30 % when the targets are established. At the same time, deadlines to achieve these targets need to be established which may not exceed five years in each case; however, the first deadline to be established may not exceed June 30, 2017. Considering the fact that there are currently no women on the Executive Board of ProSiebenSat.1 Media SE, that the terms of the contracts of employment of the current Executive Board members go beyond the reference date of June 30, 2017 and that the Supervisory Board does not wish to expand the Executive Board of ProSiebenSat.1 Media SE merely in light of this amendment of the law, the Supervisory Board has resolved that, in the interest of flexibility in the future appointment of new Executive Board members, the Supervisory Board

- will not strive for changes to the composition of the Executive Board of ProSiebenSat.1 Media SE until June 30, 2017 and thus establishes a target for the proportion of women of 0 %,

- however, if a change to the composition of the Executive Board of ProSiebenSat.1 Media SE is deemed necessary or envisaged in the future – and also even before June 30, 2017 if applicable – the Supervisory Board will reconsider the aforementioned target for the proportion of women on the Executive Board.

The Executive Board in its current composition therefore fulfills the aforementioned target set by the Supervisory Board by resolution on September 30, 2015 for the equal participation of women on the Executive Board.

Objectives for the Supervisory Board's Composition and Regulations on the Equal Participation of Women on the Supervisory Board in Accordance with Section 111(5) of the German Stock Corporation Act in Conjunction with Article 9(1) lit. c) ii) of the SE Regulation

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 proportion of women shall be at least 30 % (this target was raised again to 33 % by resolution of September 30, 2015);
- 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 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 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.

By resolution of March 11, 2016, the Supervisory Board also adopted the following regulations to comply with the newly introduced recommendation – resulting from the amendment to the German Corporate Governance Code of May 5, 2015 – regarding the regular length of membership on the Supervisory Board in accordance with item 5.4.1 para. 2 of the German Corporate Governance Code:

- Individuals who have been members of the Company's Supervisory Board for three full consecutive terms and thus, as a rule, for fifteen years, should, in general, no longer be nominated for reelection to the Supervisory Board;
- however, the Supervisory Board may nominate such individuals for reelection to the Supervisory Board if, in this particular case, the extension of the relevant candidate's term of membership is deemed appropriate in the Company's best interest.

Furthermore, the Supervisory Board discussed the revised version of section 111(5) of the German Stock Corporation Act in conjunction with article 9(1) lit. c) ii) of the SE regulation, according to which the supervisory board of entities that are listed or subject to co-determination is required to establish targets for the proportion of women on the supervisory board; such targets must not fall below the respective proportion already achieved provided that the proportion of women on the board is below 30 % when the targets are established. At the same time, deadlines to achieve these targets need to be established which may not exceed five years in each case; however, the first deadline to be established may not exceed June 30, 2017. By resolution on September 30, 2015, the Supervisory Board aims to achieve the following:

- The proportion of women shall be at least 33% (hereby, the target of 30% adopted by resolution dated March 13, 2015 was increased again) and
- this proportion shall be achieved by June 30, 2017 at the latest.

The Supervisory Board in its current composition already fulfills the aforementioned targets with regard to its composition self-imposed by resolution on March 13, 2015 and September 30, 2015 in accordance with the German Corporate Governance Code and the German Stock Corporation Act.

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. In these meetings, inter alia, resolutions are adopted concerning 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 a 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 of every meeting of the full Executive Board and of every resolution adopted outside a meeting are prepared and signed by the CEO or the Chairman of the meeting. These minutes are promptly forwarded to every member of the Executive Board in writing or in text form; if none of the individuals who attended the meeting or took part in the resolution object to the content or formulation of the minutes within one week after delivery, the minutes are deemed approved. 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, in particular 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 Company's articles of incorporation and 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 financial year 2015 can be found on page 36 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 are deemed approved.

Prof. Dr. Rolf Nonnenmacher, 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 in conjunction with article 9(1) lit. c) ii) of the SE regulation 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 Nominating 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.

Composition and Working Procedures of the Committees

The Executive Board did not set up any committees; the Supervisory Board set up three committees in financial year 2015. 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, 2015 (Fig. 2)

Presiding and Nominating Committee	Dr. Werner Brandt (Co-Chairman), Dr. Marion Helmes (Co-Chairwoman), Lawrence Aidem
Audit and Finance Committee	Prof. Dr. Rolf Nonnenmacher (Chairman and independent financial expert according to sections 100(5), 107(4) of the German Stock Corporation Act in conjunction with article 9(1) lit. c) ii) of the SE regulation 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, Angelika Gifford, Dr. Marion Helmes

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, the Chief Legal Officer 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 per financial 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. Unless otherwise indicated, the individualized disclosure relates to the meetings of the plenary and the committees of the Supervisory Board of ProSiebenSat.1 Media AG and the meetings of the plenary and the committees of the Supervisory Board of ProSiebenSat.1 Media SE.

Individualized disclosure of participation in meetings in financial year 2015 (Fig. 3)

	Participation in meetings	Attendance in %
PLENARY SUPERVISORY BOARD		
Dr. Werner Brandt Chairman (since June 26, 2014)	7/7	100
Philipp Freise (until July 31, 2015; Deputy Chairman of the AG until July 7, 2015)	4/4	100
Lawrence Aidem (since June 26, 2014)	7/7	100
Antoinette (Annet) P. Aris (since June 26, 2014)	6/7	85.71
Adam Cahan (since June 26, 2014)	5/7	71.43
Angelika Gifford (since May 21, 2015)	4/4	100
Dr. Marion Helmes (since June 26, 2014, Deputy Chairwoman of the SE since May 21, 2015)[2]	7/7	100
Erik Adrianus Hubertus Huggers (since June 26, 2014)	7/7	100
Ketan Mehta (since November 24, 2015)[1]	1/1	100
Prof. Dr. Rolf Nonnenmacher (since May 21, 2015)[1]	4/4	100
Prof. Dr. Harald Wiedmann (until July 7, 2015)[2]	2/3	66.67
PRESIDING AND NOMINATING COMMITTEE		
Dr. Werner Brandt Vice Chairman (since June 26, 2014)	4/4	100
Dr. Marion Helmes Vice Chairwomen (since May 21, 2015)[1]	2/2	100
Philipp Freise Vice Chairman (until July 7, 2015)[2]	2/2	100
Lawrence Aidem (since June 26, 2014)	4/4	100
AUDIT AND FINANCE COMMITTEE		
Prof. Dr. Harald Wiedmann Chairman (until July 7, 2015)[2]	3/3	100
Prof. Dr. Rolf Nonnenmacher Chairman (since 21 May, 2015)[1]	2/2	100
Antoinette (Annet) P. Aris (since June 26, 2014)	5/5	100
Dr. Marion Helmes (since June 26, 2014)	5/5	100

Individualized disclosure of participation in meetings in financial year 2015 (continued)

	Participation in meetings	Attendance in %
COMPENSATION COMMITTEE		
Dr. Werner Brandt Chairman (since June 26, 2014)	5/5	100
Dr. Marion Helmes (since May 21, 2015)[1]	3/3	100
Philipp Freise (until July 7, 2015)[2]	2/2	100
Antoinette (Annet) P. Aris (since June 26, 2014)	5/5	100
Angelika Gifford (since May 21, 2015)[1]	3/3	100
Erik Adrianus Hubertus Huggers (until July 7, 2015)[2]	2/2	100

1 Membership only on the Supervisory Board or the respective committee of the Supervisory Board of ProSiebenSat.1 Media SE.
2 Membership only on the Supervisory Board or the respective committee of the Supervisory Board of ProSiebenSat.1 Media AG.

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 SE 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 Annual General Meeting. 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 SE 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 accordance with the requirements of law, matters that could significantly influence the stock market price are publicized also outside of scheduled reporting without undue delay in ad hoc disclosures, and are made available without undue delay 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 the German Securities Trading Act (WpHG) are released without undue delay after receipt. Recent information is available at: www.ProSiebenSat1.com/en/page/stimmrechtsmitteilungen.

- **Disclosures of Directors' Dealings:** Directors' dealings disclosures under section 15a of the German Securities Trading Act are also published on the Internet without undue delay after receipt. During the financial year 2015, the following transactions in company stock and/or financial instruments relating to company stock were reported to ProSiebenSat.1 Media SE by management personnel or parties related to them in compliance with section 15a of the German Securities Trading Act.

Directors' dealings disclosures (Fig. 4)

Surname, first name	Reason for notification	Name of financial instrument	Purchase/ Sale	Date/place	Shares	Price	Business volume
Cahan, Adam	Own management duties	ProSiebenSat.1- Registered common shares	Purchase	Dec. 29, 2015, Xetra, Frankfurt/M.	220	USD 50.28	USD 11,061.60
Gifford, Angelika	Own management duties	ProSiebenSat.1- Registered common shares	Purchase	Dec. 9, 2015, Xetra, Frankfurt/M.	845	EUR 47.75	EUR 40,345.50
Huggers, Erik	Own management duties	ProSiebenSat.1- Registered common shares	Purchase	Nov. 24, 2015, OTC	203	USD 52.68	USD 10,693.11
Aidem, Lawrence	Own management duties	ProSiebenSat.1- Registered common shares	Purchase	May 27, 2015, OTC	222	USD 49.36	USD 10,966.87
Dr. Helmes, Marion	Own management duties	ProSiebenSat.1- Registered common shares	Purchase	May 20, 2015, Xetra, Frankfurt/M.	640	EUR 47.42	EUR 30,345.60
Aris, Antoinette	Own management duties	ProSiebenSat.1- Registered common shares	Purchase	April 29, 2015, Xetra, Frankfurt/M.	215	EUR 47.08	EUR 10,122.20

- **Shareholdings of the Executive Board and Supervisory Board:** As of December 31, 2015, members of the Executive Board held a total of 152,000 shares and members of the Supervisory Board a total of 5,345 shares in ProSiebenSat.1 Media SE.

  The Company repurchased the 165,000 stock options of the previous stock option program (Long Term Incentive Plan, LTIP) from the 2009 cycle (which were still outstanding in financial year 2014) from the relevant Executive Board members. Therefore, Executive Board members no longer hold stock options from the LTIP.

Compensation Report, page 57.

  The LTIP was replaced by the share-based compensation plan (Group Share Plan) established in 2012, which is organized as a share bonus program and is served by the Company's own shares. Here, participants receive so-called performance share units (PSUs) that entitle them to receive shares. The plans are accounted for as remuneration using equity instruments (equity settlement), as ProSiebenSat.1 Media SE has the option, but not the present obligation, to settle the remuneration in cash. In financial year 2015, Executive Board members held a total of 447,907 PSUs, entitling them from the beginning of the year of grant to receive shares after the expiry of a four-year holding period. The conversion factor by which the PSUs are exchanged for ProSiebenSat.1 shares after the end of the holding period depends on the achievement of predefined annual targets during the holding period.

- **Financial reporting and audit of financial statements:** The ProSiebenSat.1 Group's financial reporting conforms to IFRS (International Financial Reporting Standards) as applicable in the European Union. The annual financial statements of ProSiebenSat.1 Media SE, as the Group's parent company, are prepared under the accounting principles of the German Commercial Code (HGB). The single-entity financial statements of ProSiebenSat.1 Media SE are available – separate from the consolidated financial statements – on the Company's homepage at:

www.ProSiebenSat1.com. Both sets of financial statements are audited and certified by an independent accounting and auditing firm. For the financial year 2015, they were duly audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Munich office, with Haiko Schmidt as responsible auditor, and were issued on February 24, 2016, with an unqualified audit opinion. Haiko Schmidt has been with the Company since financial year 2012 as the responsible auditor of KPMG.

- **Stock option plans and similar securities-based incentive schemes:** Information about the ProSiebenSat.1 Media SE share-based compensation plan (Group Share Plan), the mid-term incentive plan to be paid out in cash, and the former stock option plan (Long-Term Incentive Plan) can be found from page 292 onward of the notes to the consolidated financial statements and from page 57 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 (AktG), 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 46 to 54 of the above Corporate Governance Report.

Declaration of Compliance of the Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE with the German Corporate Governance Code Pursuant to Section 161 of the German Stock Corporation Act (Fig. 5)

The Executive Board and Supervisory Board of ProSiebenSat.1 Media SE declare that the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on May 5, 2015, and published in the official part of the Federal Gazette on June 12, 2015, have in principle been complied with since their publication and in the past. Only the following recommendations of the Code have not been and are currently not being 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 51 of the SE regulation) 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, no deductible is currently agreed for Supervisory Board members.

- The Supervisory Board considered the recommendation in item 5.4.1 para. 2 of the German Corporate Governance Code regarding the regular limit of length of membership on the Supervisory Board and resolved a corresponding limit of three full consecutive terms and thus usually 15 years at its regular meeting in March 2016. Since this recommendation had only been newly introduced via the amendment to the German Corporate Governance Code dated May 5, 2015, the recommendation was not complied with for the period starting from the entry into force of the new recommendation on June 12, 2015 until the aforementioned resolution of the Supervisory Board. In the future, the Supervisory Board will take this regular limit of length of membership into account in its election recommendations to the Annual General Meeting.

- In March 2016, the Executive Board member Conrad Albert was re-appointed for a new five-year term of appointment with concurrent termination of the current appointment more than one year prior to the end of the before current term of appointment. The re-appointment was made by deviation from the recommendation in item 5.1.2 para. 2 of the German Corporate Governance Code in order to ensure long-term continuity of the Executive Board. In the future the Company intends to again comply with such recommendation.

Subject to the exceptions stated above, ProSiebenSat.1 Media SE intends to continue complying with the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on May 5, 2015, and published in the official part of the Federal Gazette on June 12, 2015, also in the future.

The Executive Board and Supervisory Board of ProSiebenSat.1 Media SE declare that, with respect to the time period since the last Declaration of Conformity of March 2015 until the recommendations of the "Government Commission on the German Corporate Governance Code" as amended on May 5, 2015 were published on June 12, 2015, the Company complied 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 subject to the aforementioned and following exceptions:

- 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 contracts concluded before the aforementioned recommendation came into effect did not contain such predefined caps until they were amended on May 5, 2015 and May 7, 2015 respectively.

March, 2016
The Executive Board and Supervisory Board of ProSiebenSat.1 Media SE

Significant Disclosures About Management Practices

The ProSiebenSat.1 Group ensures compliance with rules of conduct, laws and guidelines via 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/page/erklaerung-zur-unternehmensfuehrung.

Regulations on the Equal Participation of Women in Management Positions in Accordance with Section 76(4) and Section 111(5) of the German Stock Corporation Act in Conjunction with Article 9(1) lit. c) ii) of the SE Regulation

Executive Board and Supervisory Board. The Supervisory Board of ProSiebenSat.1 Media SE has established targets for the composition of the Executive Board and the Supervisory Board as well as deadlines for the respective target achievement with reference to the equal participation of women in the entity's two bodies in accordance with section 111(5) of the German Stock Corporation Act in conjunction with article 9(1) lit. c) ii) of the SE regulation which are all reported in the above Corporate Governance Report on pages 46 to 54; which is referred to here.

Management Levels Below the Executive Board. By resolution of September 30, 2015, the Executive Board of ProSiebenSat.1 Media SE has established the following targets, with reference to the revised version of section 76(4) of the German Stock Corporation Act in conjunction with article 9(1) lit. c) ii) of the SE regulation, for the proportion of women at the two management levels below the Executive Board, which should be achieved by June 30, 2017:

- Management Level 1: 15 %
- Management Level 2: 25 %

The target for the first management level is roughly around the same proportion of women as of December 31, 2015 (16.7 %). Of course, this does not rule out an increase at this management level. The target for the second management level means that it would be necessary to increase the proportion of women, currently at 18.1 %, in order to achieve this target.

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 46 onward of the Corporate Governance Report. The composition of the Executive Board can be found on pages 04 to 11 of the Annual Report; the composition of the Supervisory Board and of its committees is explained on page 45 of the Annual Report as well as from page 46 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 SE. 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 Combined 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 dated May 5, 2015.

Compensation Paid to the Executive Board

The members of the Executive Board of ProSiebenSat.1 Media SE have contractual relationships with the Company in addition to their functions as directors and officers. The Supervisory Board of ProSiebenSat.1 Media SE is responsible for concluding 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 of 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 SE compensation structure.

Report of the Supervisory Board, page 36.

Compensation System for the Executive Board

The compensation system for the Executive Board of ProSiebenSat.1 Media SE aims to create an incentive for sustainable company performance. It is composed of fixed and performance-based components. There were individual changes to the compensation system in financial year 2015 that are discussed in detail in connection with the respective compensation components below. In financial year 2015, Executive Board compensation consisted of 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.

- In addition to this fixed base salary, the Executive Board members received **performance-based variable annual compensation** in the form of a performance bonus. The structure of the performance bonus as contained in the individual Executive Board employment agreements is principally identical: The amount of the performance bonus depends on the achievement of annual targets defined at the start of each year for the defined target parameters for the respective financial year. Unlike the previous bonus system, from 2015 the Supervisory Board is responsible not only for determining the underlying targets, but also for the amount of the performance targets for the performance bonus at its own discretion. This means that the performance bonus can be better tailored to the Company's situation and the responsibilities of the respective Executive Board member. The Supervisory Board defines at least two performance targets for each Executive Board member and the relative weighting of these parameters. A target bonus per financial year is defined for the performance targets in their entirety. If the target is exceeded, the performance bonus may be higher than the target bonus; however, it may not exceed 200% of the target bonus. If the targets are not met, the performance bonus may be lower than the target bonus or may not be paid at all. The target agreements for 2015 defined performance targets for the Executive Board members calculated on the basis of Group EBITDA and net financial debt as well as individual targets corresponding to the allocation of responsibilities within the Executive Board.

1 This section is part of the audited Combined Management Report.

The personal target agreement for Dr. Christian Wegner is largely based on the revenue and EBITDA targets of the Digital & Adjacent segment.

- In addition, Executive Board members receive a long-term share-based compensation component. The Group Share Plan, which was established in 2012, is organized as a share bonus program and is served by the Company's own shares. Participants are issued with performance share units (PSUs) entitling them to receive 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 shares after the end of the holding period depends on the achievement of predefined annual targets during the holding period. These relate to the development of Group EBITDA. The performance factor can vary between 0 % and 150 % (performance-related cap). The number of PSUs is also adjusted in the event of the payment of a superdividend by applying a corresponding dilution ratio. In the event of exceptional developments, the Supervisory Board can also raise or lower the conversion factor by up to 25 percentage points under consideration of the individual performance of the Executive Board members. Any superdividend dilution ratio and the performance factor are applied at the date on which the performance share units are converted into shares. 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 according financial year in question and the EBITDA of ProSiebenSat.1 Group does not fall below a defined minimum. The Group Share Plan replaced the previous Long Term Incentive Plan (LTIP), under which stock options were last issued to Executive Board members in 2009; all of these shares have now been exercised or redeemed. Further information on the Group Share Plan and the LTIP can be found in the notes to the consolidated financial statements.

Notes, Note 37 "Share-based payments," page 292.

Under the Mid-Term Incentive Plan that was introduced in 2015, the Executive Board members receive an additional multi-year variable compensation component. This is a medium-term cash compensation instrument for members of ProSiebenSat.1 Group's Executive Board and selected other managers. The plan term of the Mid-Term Incentive Plan is three years beginning from financial year 2016. The payment amount depends on the recurring EBITDA of ProSiebenSat.1 Group at the end of the plan term and the achievement of certain minimum thresholds for revenues and recurring EBITDA during the plan term. The payment amount is limited to 250 % of the respective target bonus. The members of the Executive Board and the other participants in the Mid-Term Incentive Plan each receive a one-off allocation for the entire plan term. Participants who leave the Company prior to the end of the plan term receive a payment amount that is reduced on a pro rata basis. The one-time allocation to the Executive Board members under the Mid-Term Incentive Plan was made in February and April 2015. The Mid-Term Incentive Plan is not included in the table of benefits for 2015 according to GCGC as the plan term within the meaning of the German Corporate Governance Code (GCGC) does not begin until 2016. The target value, i.e. the value granted to the Executive Board member in the event of 100 % target attainment, is EUR 1.5 million for Thomas Ebeling and EUR 1.0 million for each of Dr. Gunnar Wiedenfels, Conrad Albert, Dr. Christian Wegner and Dr. Ralf Schremper.

- **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 Dr. Ralf Schremper and Dr. Gunnar Wiedenfels, 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.

- The Executive Board members also receive other **non-performance-based fringe benefits** in the form of typical non-cash benefits (especially company cars and participation 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 settlement payment commitment amounting to two years' total compensation according to Section 4.2.3 of the GCGC up to a maximum of the compensation that would have been paid up to the end of the agreement period.

- The Executive Board agreements contain clauses providing for a change of control at the Company. A change of control as defined in the Executive Board agreements takes place (i) if control is acquired within the meaning of takeover law, i.e. at least 30 % of the voting rights in the Company are acquired by the acquirer, (ii) if the merger of the Company is implemented with the Company as the transferring legal entity, or (iii) if a control agreement comes into force with the Company as the dependent entity. In the event of a change of control, each Executive Board member is entitled to terminate the Executive Board agreement giving three months' notice to the end of the month and to step down from the Executive Board if the change of control involves a significant interference of the position of the Executive Board. If this right of termination is exercised effectively, the Executive Board member shall receive a cash settlement payment that counts in full towards any waiting allowance. The cash settlement payment corresponds to three times the annual compensation of the respective Executive Board member but is limited to the compensation for the remaining term of the respective employment agreement discounted to the termination date. For the purposes of the cash settlement payment, annual compensation is defined as the total amount contractually due to the respective Executive Board member for the last complete financial year, consisting of the fixed compensation, performance bonus, multi-year compensation components and pension contributions.

Compensation of Executive Board Members for Financial Year 2015 According to GAS 17

The following total compensation was determined for the Executive Board members active in financial year 2015 in accordance with German Accounting Standard (GAS) 17:

Compensation of Executive Board members for financial year 2015 according to GAS 17 (Fig. 6)

in accordance with GAS 17 EUR thousand	Thomas Ebeling CEO since 03/01/2009		Dr. Gunnar Wiedenfels CFO since 04/01/2015		Conrad Albert Executive Board member for Legal, Distribution & Regulatory Affairs since 10/01/2011		Dr. Christian Wegner Executive Board member for Digital & Adjacent since 10/01/2011	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Fixed compensation	1,000.0	1,000.0	382.5	–	575.0	543.8	700.0	700.0
Fringe benefits[1]	92.2	59.1	8.4	–	10.0	9.7	15.4	18.7
Total fixed compensation	**1,092.2**	**1,059.1**	**390.9**	**–**	**585.0**	**553.5**	**715.4**	**718.7**
Annual variable compensation	1,530.0	1,980.0	329.1	–	472.5	569.1	777.0	1,125.0
Multi-year variable compensation without third-party compensation								
Group Share Plan (2012-2015)[2]	488.7	–	–	–	391.0	–	391.0	–
Group Share Plan (2014-2017)	–	1,000.0		–	–	800.0	–	800.0
Group Share Plan (2015-2018)	1,000.0	–	800.0	–	800.0	–	800.0	–
Total variable compensation	**3,018.7**	**2,980.0**	**1,129.1**	**–**	**1,663.5**	**1,369.1**	**1,968.0**	**1,925.0**
Total compensation excl. third-party compensation	**4,110.9**	**4,039.1**	**1,520.0**	**–**	**2,248.5**	**1,922.6**	**2,683.4**	**2,643.7**
Multi-year variable third-party compensation[3]	–	23,460.2	–	–	–	8,531.0	–	10,663.7
Total compensation incl. third-party compensation	**4,110.9**	**27,499.3**	**1,520.0**	–	**2,248.5**	**10,453.6**	**2,683.4**	**13,307.4**
Increase of pension obligation (DBO)	1,993.2	2,404.8	79.8	–	225.1	160.6	585.8	209.8
thereof entitlements from deferred compensation	1,766.7	2,125.1	26.0	–	124.6	5.7	479.0	–
Amount of pension obligation (DBO)[4]	8,834.5	6,841.2	79.8	–	568.5	343.3	928.5	342.7
thereof entitlements from deferred compensation	7,453.8	5,687.1	26.0	–	155.5	31.0	479.0	–

in accordance with GAS 17 EUR thousand	Dr. Ralf Schremper Chief Strategy and Investment Officer since 04/01/2015		Axel Salzmann[5] CFO until 03/31/2015		Heidi Stopper[6] Chief Human Resources Officer until 09/30/2014		Total	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Fixed compensation	382.5	–	168.8	675.0	–	375.0	3,208.8	3,293.8
Fringe benefits[1]	8.6	–	5.0	19.8	–	6.5	139.6	113.8
Total fixed compensation	**391.1**	**–**	**173.8**	**694.8**	**–**	**381.5**	**3,348.4**	**3,407.6**
Annual variable compensation	280.3	–	183.9	855.0	–	327.8	3,572.8	4,856.9
Multi-year variable compensation without third-party compensation								
Group Share Plan (2012-2015)[2]	–	–	–	–	–	–	1,270.7	–
Group Share Plan (2014-2017)	**–**	–	–	800.0	–	800.0		4,200.0
Group Share Plan (2015-2018)	800.0	–	–	–	–	–	4,200.0	–
Total variable compensation	**1,080.3**	**–**	**183.9**	**1,655.0**	**–**	**1,127.8**	**9,043.5**	**9,056.9**
Total compensation excl. third-party compensation	**1,471.4**	**–**	**357.7**	**2,349.8**	**–**	**1,509.3**	**12,391.9**	**12,464.5**
Multi-year variable third-party compensation[3]	–	–	–	12,796.5	–	4,265.5	–	59,716.9
Total compensation incl. third-party compensation	**1,471.4**	–	**357.7**	**15,146.3**	–	**5,774.8**	**12,391.9**	**72,181.4**
Increase of pension obligation (DBO)	58.3	–	202.2	221.8	–	104.4	3,144.5	3,101.5
thereof entitlements from deferred compensation	–	–	–	–	–	–	2,396.3	2,130.8
Amount of pension obligation (DBO)[4]	58.3	–	1,047.3	845.1	–	184.5	11,516.8	8,556.9
thereof entitlements from deferred compensation	–	–	–	–	–	–	8,114.4	5,718.1

1 Includes lease payments for use of company car and insurance premiums (excluding D&O). Fringe benefits for Thomas Ebeling include benefits for home flights and drive services.
2 Individual adjustment of the number of granted performance share units by the Supervisory Board in the amount of 17.5 percentage points in accordance with the plan conditions and adjustment of the number of granted performance share units to protect against dilution for a superdividend (1.23) and adjustment of the conversion factor (102.7%) measured as of December 31, 2015.
3 One-off special payment in financial year 2014 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.
5 Axel Salzmann left the Executive Board effective March 31, 2015; his employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to March 2015, the pension obligations relate to the entire financial year 2015.
6 Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to September 2014, the pension obligations relate to the entire financial year 2014.

Axel Salzmann stepped down from the Executive Board as of March 31, 2015; his employment contract ended with effect from the same date. In accordance with his termination agreement, Axel Salzmann received a settlement payment that was composed as follows: Fixed compensation for April to December 2015 (EUR 506,250), pro rata variable compensation based on average target achievement for 2012 to 2014 (163.5%) in the amount of EUR 551,813, a waiting allowance for a post-contractual non-competition clause of EUR 337,500, fringe benefits already granted in the amount of EUR 14,886, and pension contributions of EUR 101,250 for April to December 2015. As no performance share units for 2015 were granted from the Group Share Plan by the termination date, Axel Salzmann received EUR 200,000 as a supplement to the settlement payment. The termination agreement also stated that all of the performance share units granted to Axel Salzmann that would have vested by the end of the original contractual term (December 31, 2015) are considered to have vested with effect from the severance date.

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

The stock options and performance share units granted to active members of the Executive Board for their activity as members of the Executive Board developed as follows in financial year 2015:

Additional disclosures on share-based compensation instruments (Fig. 7)

		GROUP SHARE PLAN[3]				
		Outstanding performance share units at the start of the financial year	Performance share units granted in the financial year		Performance share units expired in the financial year	Outstanding performance share units at the end of the financial year
		Number	Number	Fair value of the grant in EUR	Number	Number
Thomas Ebeling	**2015**	**112,035**	**20,505**	**1,000,000**	**0**	**132,540**
	2014	79,963	32,072	1,000,000	0	112,035
Dr. Gunnar Wiedenfels[1]	**2015**	**0**	**16,404**	**800,000**	**0**	**16,404**
	2014	-	-	-	-	-
Conrad Albert	**2015**	**89,628**	**16,404**	**800,000**	**0**	**106,032**
	2014	63,970	25,658	800,000	0	89,628
Dr. Christian Wegner	**2015**	**89,628**	**16,404**	**800,000**	**0**	**106,032**
	2014	63,970	25,658	800,000	0	89,628
Dr. Ralf Schremper[1]	**2015**	**0**	**16,404**	**800,000**	**0**	**16,404**
	2014	-	-	-	-	-
Axel Salzmann	**2015**	**89,628**	**0**	**0**	**19,133**	**70,495**
	2014	63,970	25,658	800,000	0	89,628
Heidi Stopper[2]	**2015**	**-**	**-**	**-**	**-**	**-**
	2014	44,600	25,658	800,000	0	70,258
Total	**2015**	**380,919**	**86,121**	**4,200,000**	**19,133**	**447,907**
	2014	316,473	134,704	4,200,000	0	451,177

1 The Executive Board members Dr. Ralf Schremper and Dr. Gunnar Wiedenfels also hold performance share units and stock options granted before joining the Executive Board; these were not granted to them as compensation for their role as Executive Board members and therefore are also not shown in the overview.
2 Heidi Stopper left the Executive Board effective September 30, 2014; disclosures on her share-based compensation instruments can be found in the section on total compensation of former Executive Board members.
3 Nominal amounts of the performance share units when granted.
4 The total expenses additionally include the adjustment of the granted performance share units to protect against dilution for a superdividend (1.23) and the adjustment of the conversion factor (102.7%) as well as the individual increase by the Supervisory Board (17.5%) measured as of December 31, 2015 for the Group Share Plan 2012.

Additional disclosures on share-based compensation instruments (continued)

		LONG TERM INCENTIVE PLAN					
		Outstanding options at the start of the financial year	Options granted in the financial year		Options expired in the financial year	Outstanding options at the end of the financial year	Total expenses for share-based compensation[4]
		Number	Number	Fair value of the grant in EUR	Number	Number	in EUR
Thomas Ebeling	**2015**	**0**	**0**	**0**	**0**	**0**	**1,301,188**
	2014	105,000	0	0	0	0	887,915
Dr. Gunnar Wiedenfels[1]	**2015**	**0**	**0**	**0**	**0**	**0**	**375,060**
	2014	0	0	0	0	0	–
Conrad Albert	**2015**	**0**	**0**	**0**	**0**	**0**	**1,040,983**
	2014	0	0	0	0	0	710,337
Dr. Christian Wegner	**2015**	**0**	**0**	**0**	**0**	**0**	**1,040,983**
	2014	0	0	0	0	0	710,337
Dr. Ralf Schremper[1]	**2015**	**0**	**0**	**0**	**0**	**0**	**375,060**
	2014	0	0	0	0	0	–
Axel Salzmann	**2015**	**0**	**0**	**0**	**0**	**0**	**152,251**
	2014	60,000	0	0	0	0	710,337
Heidi Stopper[2]	**2015**	**–**	**–**	**–**	**–**	**–**	**–**
	2014	0	0	0	0	0	647,524
Total	**2015**	**0**	**0**	**0**	**0**	**0**	**4,285,526**
	2014	165,000	0	0	0	0	3,666,450

1 The Executive Board members Dr. Ralf Schremper and Dr. Gunnar Wiedenfels also hold performance share units and stock options granted before joining the Executive Board; these were not granted to them as compensation for their role as Executive Board members and therefore are also not shown in the overview.
2 Heidi Stopper left the Executive Board effective September 30, 2014; disclosures on her share-based compensation instruments can be found in the section on total compensation of former Executive Board members.
3 Nominal amounts of the performance share units when granted.
4 The total expenses additionally include the adjustment of the granted performance share units to protect against dilution for a superdividend (1.23) and the adjustment of the conversion factor (102.7 %) as well as the individual increase by the Supervisory Board (17.5 %) measured as of December 31, 2015 for the Group Share Plan 2012.

Since financial year 2010, no more stock options from the Long-Term Incentive Plan have been granted to members of the Executive Board. In accordance with a Supervisory Board resolution, the Company repurchased the 165,000 stock options of the LTIP from the 2009 cycle in 2014 that were still outstanding at the start of financial year 2014 from the relevant Executive Board members; since then, no more stock options have been outstanding under the LTIP.

In financial year 2015, no performance share units from the Group Share Plan were exercised and 19,133 performance share units expired. For more information on the performance share units granted for financial year 2015, refer to Note 37 in the notes to the consolidated financial statements.

Notes, Note 37, "Share-based payments", page 292.

Other Compensation Components

The Company has granted neither loans nor provided guarantees or warranties to the members of the Executive Board.

Third-party Compensation

Following the sale of all of its indirectly held shares in ProSiebenSat.1 Media SE, Lavena 3 S.à r.l., ProSiebenSat.1 Media SE's former indirect majority shareholder, made a voluntary one-off special payment of EUR 59.7 million at the end of June 2014 to those Executive Board members of ProSiebenSat.1 Media SE who were active in financial year 2014. This was not recognized as an expense for ProSiebenSat.1 Media SE or the Group companies, as the special payment was not a payment by the Company or the Group. Further information can be found in the Compensation Report in the 2014 Annual Report.

Compensation of Executive Board Members for Financial Year 2015 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 financial year 2015 including fringe benefits and the minimum and maximum compensation achievable for financial year 2015 as granted to the active members of the Executive Board for their activity as members of the Executive Board. 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 achievement. 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. 8)

amounts received EUR thousand	Thomas Ebeling CEO since 03/01/2009				Dr. Gunnar Wiedenfels CFO since 04/01/2015			
	2014	**2015**	**2015 (min)**	**2015 (max)**	2014	**2015**	**2015 (min)**	**2015 (max)**
Fixed compensation	1,000.0	1,000.0	1,000.0	1,000.0	–	382.5	382.5	382.5
Fringe benefits[1]	59.1	92.2	92.2	92.2	–	8.4	8.4	8.4
Total fixed compensation	**1,059.1**	**1,092.2**	**1,092.2**	**1,092.2**	**–**	**390.9**	**390.9**	**390.9**
Annual variable compensation	1,000.0	1,000.0	0.0	2,000.0	–	243.8	0.0	487.5
Multi-year variable compensation without third-party compensation[2]								
Group Share Plan (2012-2015)[3]	–	488.7	488.7	488.7	–	–	–	–
Group Share Plan (2014-2017)	1,000.0	–	–	–	–			
Group Share Plan (2015-2018)	–	1,000.0	0.0	5,250.0	–	800.0	0.0	4,200.0
Total variable compensation	**2,000.0**	**2,488.7**	**488.7**	**7,738.7**	**–**	**1,043.8**	**0.0**	**4,687.5**
Pension costs[4]	185.1	199.5	199.5	199.5	–	53.8	53.8	53.8
Total compensation excl. third-party compensation (GCGC)	**3,244.2**	**3,780.4**	**1,780.4**	**9,030.4**	**–**	**1,488.5**	**444.7**	**5,132.2**
Multi-year variable third-party compensation[5]	23,460.2	–	–	–	–	–	–	–
Total compensation incl. third-party compensation (GCGC)	**26,704.4**	**3,780.4**	**1,780.4**	**9,030.4**	**–**	**1,488.5**	**444.7**	**5,132.2**

amounts received EUR thousand	Conrad Albert Executive Board member for Legal, Distribution & Regulatory Affairs since 10/01/2011				Dr. Christian Wegner Executive Board member for Digital & Adjacent since 10/01/2011			
	2014	**2015**	**2015 (min)**	**2015 (max)**	2014	**2015**	**2015 (min)**	**2015 (max)**
Fixed compensation	543.8	575.0	575.0	575.0	700.0	700.0	700.0	700.0
Fringe benefits[1]	9.7	10.0	10.0	10.0	18.7	15.4	15.4	15.4
Total fixed compensation	**553.5**	**585.0**	**585.0**	**585.0**	**718.7**	**715.4**	**715.4**	**715.4**
Annual variable compensation	322.9	375.0	0.0	750.0	700.0	700.0	0.0	1,400.0
Multi-year variable compensation without third-party compensation[2]								
Group Share Plan (2012-2015)[3]	–	391.0	391.0	391.0	–	391.0	391.0	391.0
Group Share Plan (2014-2017)	800.0	–	–	–	800.0	–	–	–
Group Share Plan (2015-2018)	–	800.0	0.0	4,200.0	–	800.0	0.0	4,200.0
Total variable compensation	**1,122.9**	**1,566.0**	**391.0**	**5,341.0**	**1,500.0**	**1,891.0**	**391.0**	**5,991.0**
Pension costs[4]	72.5	98.3	98.3	98.3	61.3	107.8	107.8	107.8
Total compensation excl. third-party compensation (GCGC)	**1,748.9**	**2,249.3**	**1,074.3**	**6,024.3**	**2,280.0**	**2,714.2**	**1,214.2**	**6,814.2**
Multi-year variable third-party compensation[5]	8,531.0	–	–	–	10,663.7	–	–	–
Total compensation incl. third-party compensation (GCGC)	**10,279.9**	**2,249.3**	**1,074.3**	**6,024.3**	**12,943.7**	**2,714.2**	**1,214.2**	**6,814.2**

Grants granted according to GCGC (continued)

amounts received EUR thousand	Dr. Ralf Schremper Chief Strategy and Investment Officer since 04/01/2015				Axel Salzmann[6] CFO until 03/31/2015			
	2014	2015	2015 (min)	2015 (max)	2014	2015	2015 (min)	2015 (max)
Fixed compensation	–	382.5	382.5	382.5	675.0	168.8	168.8	168.8
Fringe benefits[1]	–	8.6	8.6	8.6	19.8	5.0	5.0	5.0
Total fixed compensation	**–**	**391.1**	**391.1**	**391.1**	**694.8**	**173.8**	**173.8**	**173.8**
Annual variable compensation	–	243.8	0.0	487.5	450.0	112.5	0.0	225.0
Multi-year variable compensation without third-party compensation[2]								
Group Share Plan (2012 - 2015)[3]	–	–	–	–	–	–	–	–
Group Share Plan (2014 - 2017)	–				800.0	–	–	–
Group Share Plan (2015 - 2018)	–	800.0	0.0	4,200.0	–	–	–	–
Total variable compensation	**–**	**1,043.8**	**0.0**	**4,687.5**	**1,250.0**	**112.5**	**0.0**	**225.0**
Pension costs[4]	–	58.3	58.3	58.3	117.3	132.8	132.8	132.8
Total compensation excl. third-party compensation (GCGC)	**–**	**1,493.2**	**449.4**	**5,136.9**	**2,062.1**	**419.1**	**306.6**	**531.6**
Multi-year variable third-party compensation[5]	–	–	–	–	12,796.5	–	–	–
Total compensation incl. third-party compensation (GCGC)	**–**	**1,493.2**	**449.4**	**5,136.9**	**14,858.6**	**419.1**	**306.6**	**531.6**

amounts received EUR thousand	Heidi Stopper[7] Chief Human Resources Officer until 09/30/2014			
	2014	2015	2015 (min)	2015 (max)
Fixed compensation	375.0	–	–	–
Fringe benefits[1]	6.5	–	–	–
Total fixed compensation	**381.5**	**–**	**–**	**–**
Annual variable compensation	312.8	–	–	–
Multi-year variable compensation without third-party compensation[2]				
Group Share Plan (2012 - 2015)[3]	–	–	–	–
Group Share Plan (2014 - 2017)	800.0	–	–	–
Group Share Plan (2015 - 2018)	–	–	–	–
Total variable compensation	**1,112.8**	**–**	**–**	**–**
Pension costs[4]	66.5	–	–	–
Total compensation excl. third-party compensation (GCGC)	**1,560.8**	**–**	**–**	**–**
Multi-year variable third-party compensation[5]	4,265.5	–	–	–
Total compensation incl. third-party compensation (GCGC)	**5,826.3**	**–**	**–**	**–**

1 Includes lease payments for use of company car and insurance premiums (excluding D&O). Fringe benefits for Thomas Ebeling include benefits for home flights and drive services.
2 The Mid-Term Incentive Plan does not yet represent a grant for 2015, as its plan term does not begin until 2016. With regard to the general conditions, please refer to the explanatory notes on the compensation system for the Executive Board.
3 Individual adjustment of the number of granted performance share units by the Supervisory Board in the amount of 17.5 percentage points in accordance with the plan conditions and adjustment of the number of granted performance share units to protect against dilution for a superdividend (1.23) and adjustment of the conversion factor (102.7%) measured as of December 31, 2015.
4 Pension costs comprise service costs according to IAS 19. In the case of Dr. Ralf Schremper and Dr. Gunnar Wiedenfels this constitute past service costs, as the pension commitment was granted during the year.
5 One-off special payment in financial year 2014 by the former indirect majority shareholder Lavena 3 S.à r.l. on the sale of all its indirectly held shares in the Company.
6 Axel Salzmann left the Executive Board effective March 31, 2015; his employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to March 2015, the pension costs relate to the entire financial year 2015.
7 Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to September 2014, the pension costs relate to the entire financial year 2014.

Information on the termination agreement with Axel Salzmann can be found below the "Compensation of Executive Board members for financial year 2015 according to GAS 17" table.

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 for their activity as members o the Executive Board 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. The Executive Board did not receive any share-based compensation in financial year 2015.

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. 9)

amounts received EUR thousand	Thomas Ebeling CEO since 03/01/2009		Dr. Gunnar Wiedenfels CFO since 04/01/2015		Conrad Albert Executive Board member for Legal, Distribution & Regulatory Affairs since 10/01/2011		Dr. Christian Wegner Executive Board member for Digital & Adjacent since 10/01/2011	
	2015	2014	2015	2014	2015	2014	2015	2014
Fixed compensation	1,000.0	1,000.0	382.5	–	575.0	543.8	700.0	700.0
Fringe benefits[1]	92.2	59.1	8.4	–	10.0	9.7	15.4	18.7
Total fixed compensation	**1,092.2**	**1,059.1**	**390.9**	**–**	**585.0**	**553.5**	**715.4**	**718.7**
Annual variable compensation	1,530.0	1,680.0	329.1	–	472.5	594.1	777.0	1,050.0
Multi-year variable compensation without third-party compensation								
Long Term Incentive Plan 2008 (Cycle 2009)	–	2,100.0		–	–	–	–	–
Total variable compensation	**1,530.0**	**3,780.0**	**329.1**	**–**	**472.5**	**594.1**	**777.0**	**1,050.0**
Pension costs[2]	199.5	185.1	53.8	–	98.3	72.5	107.8	61.3
Total compensation excl. third-party compensation (GCGC)	**2,821.7**	**5,024.2**	**773.8**	**–**	**1,155.8**	**1,220.1**	**1,600.2**	**1,830.0**
Multi-year variable third-party compensation[3]	–	23,460.2	–	–	–	8,531.0	–	10,663.7
Total compensation incl. third-party compensation (GCGC)	**2,821.7**	**28,484.4**	**773.8**	**–**	**1,155.8**	**9,751.1**	**1,600.2**	**12,493.7**

amounts received EUR thousand	Dr. Ralf Schremper Chief Strategy and Investment Officer since 04/01/2015		Axel Salzmann[4] CFO until 03/31/2015		Heidi Stopper[5] Chief Human Resources Officer until 09/30/2014	
	2015	2014	2015	2014	2015	2014
Fixed compensation	382.5	–	168.8	675.0	–	375.0
Fringe benefits[1]	8.6	–	5.0	19.8	–	6.5
Total fixed compensation	**391.1**	**–**	**173.8**	**694.8**	**–**	**381.5**
Annual variable compensation	280.3	–	183.9	729.0	–	312.8
Multi-year variable compensation without third-party compensation						
Long Term Incentive Plan 2008 (Cycle 2009)		–	–	1,200.0	–	–
Total variable compensation	**280.3**	**–**	**183.9**	**1,929.0**	**–**	**312.8**
Pension costs[2]	58.3	–	132.8	117.3	–	66.5
Total compensation excl. third-party compensation (GCGC)	**729.7**	**–**	**490.5**	**2,741.1**	**–**	**760.8**
Multi-year variable third-party compensation[3]	–	–	–	12,796.5	–	4,265.5
Total compensation incl. third-party compensation (GCGC)	**729.7**	**–**	**490.5**	**15,537.6**	**–**	**5,026.3**

1 Includes lease payments for use of company car and insurance premiums (excluding D&O). Fringe benefits for Thomas Ebeling include benefits for home flights and drive services.
2 Pension costs comprise service costs according to IAS 19. In the case of Dr. Ralf Schremper and Dr. Gunnar Wiedenfels this constitutes past service costs, as the pension commitment was granted during the year.
3 One-off special payment in financial year 2014 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 Axel Salzmann left the Executive Board effective March 31, 2015; his employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to March 2015, the pension costs relate to the entire financial year 2015.
5 Heidi Stopper left the Executive Board effective September 30, 2014; her employment contract ended effective March 31, 2015. The fixed and annual variable compensation shown relates to January to September 2014, the pension costs relate to the entire financial year 2014.

Post-contractual Non-competition Clause

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 1/12 of 75% of their most recent annual compensation. For the purposes of the waiting allowance, annual compensation is defined as the total of the fixed remuneration, performance bonus and any additional multi-year compensation components granted. The calculation of the waiting allowance assumes target achievement of 100% for the performance bonus and applies the allocation value for the multi-year compensation components or, if no annual allocation takes place, the pro rata allocation value attributable to one year of the plan term. Any income generated from work performed by the respective Executive Board member while the non-competition clause is in force counts towards the waiting allowance to the extent that, extrapolated to one year, it exceeds 50% of the respective member's most recent annual compensation. The Company may waive the non-competition clause prior to the termination of the agreement; in this case, the respective Executive Board member shall only be entitled to receive the waiting allowance for the period between the termination of the agreement and six months after receipt of the waiver. Above and beyond this, the provisions of Sections 74 ff. of the German Commercial Code apply accordingly.

The following table shows the net present value of the compensation payable for the post-contractual non-competition clause. This consists of the present value of the amounts to be paid assuming that Executive Board members were to leave the Company at the end of their regular contractual term and that the contractual benefits received immediately prior to the termination of the employment agreement are the same as their most recent annual compensation. It is assumed that the actual compensation for the post-contractual non-competition clause will differ from the amounts presented in this table. This depends on the exact date on which the employment agreement is terminated and the level of the compensation received at this date.

Waiting allowance (Fig. 10)

EUR thousand	Contract term	Net present value of waiting allowance[1]
Thomas Ebeling	06/30/19	2,541.5
Dr. Gunnar Wiedenfels	03/31/18	1,451.9
Conrad Albert	12/31/17	1,540.7
Dr. Christian Wegner	12/31/17	1,873.5
Dr. Ralf Schremper	03/31/18	1,451.9
Total		**8,859.6**

1 The following discount rates were used for this calculation in accordance with IAS 19: Thomas Ebeling 0.93%, Dr. Gunnar Wiedenfels 0.74%, Conrad Albert 0.70%, Dr. Christian Wegner 0.70%, Dr. Ralf Schremper 0.74%.

Total Compensation of Former Executive Board Members

Heidi Stopper stepped down from the Executive Board effective September 30, 2014; her employment agreement ended effective March 31, 2015. In addition to Heidi Stopper's total compensation as a member of the Executive Board, she received the following compensation for financial year 2014 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 termination agreement, Heidi Stopper received 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 achievement for 2012 to 2014 (163%) of EUR 102,875 and pension contributions of EUR 25,000. She also received a settlement payment comprised as follows: Fixed compensation for April to December 2015 (EUR 375,000), pro rata variable compensation on the basis of average target achievement 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. As no performance share units for 2015 were granted from the Group Share Plan by the termination date, Heidi Stopper received EUR 200,000 as a supplement to the settlement payment. The termination agreement also stated that all of the performance share units granted to Heidi Stopper that would have vested by the end of the original contractual term (December 31, 2015) are considered to have vested with effect from the termination date.

Axel Salzmann stepped down from the Executive Board as of March 31, 2015; his employment contract ended with effect from the same date. In addition to Axel Salzmann's total compensation as a member of the Executive Board for financial year 2015, he received a settlement payment in accordance with his termination agreement that was composed as follows: Fixed compensation for April to December 2015 (EUR 506,250), pro rata variable compensation based on average target achievement for 2012 to 2014 (163.5%) in the amount of EUR 551,813, a waiting allowance for a post-contractual non-competition clause of EUR 337,500, fringe benefits already granted in the amount of EUR 14,886, and pension contributions of EUR 101,250 for April to December 2015. As no performance share units for 2015 were granted from the Group Share Plan by the termination date, Axel Salzmann received EUR 200,000 as a supplement to the settlement payment. The termination agreement also stated that all of the performance share units granted to Axel Salzmann that would have vested by the end of the original contractual term (December 31, 2015) are considered to have vested with effect from the termination date.

The total compensation of the former Executive Board members Heidi Stopper and Axel Salzmann amounted to EUR 2.9 million in financial year 2015.

At the start of financial year 2015, the number of performance share units for the former Executive Board member Heidi Stopper was 70,258. A total of 19,133 performance share units expired during the financial year 2015, with 51,125 remaining at the end of financial year 2015. Information on the share-based compensation instruments for Axel Salzmann can be found in the table showing the development of these instruments.

In addition, total compensation (pensions) was paid to former Executive Board members amounting to EUR 0.3 million in financial year 2015 (previous year: EUR 0.3 million). As of December 31, 2015, pension provisions for former members of the Executive Board according to IFRS amounted to EUR 11.4 million (previous year: EUR 11.2 million). The provisions for Axel Salzmann can be found in the table showing the total compensation of the Executive Board in accordance with GAS 17.

Provisions for Pensions

In financial year 2015, there were additions to provisions for pensions for active and former Executive Board members in line with IFRS totaling EUR 3.1 million (previous year: EUR 4.3 million). EUR 0.6 million of this related to service costs (previous year: EUR 0.5 million), EUR 0.5 million to interest expenses (previous year: EUR 0.6 million) as well as minus EUR 0.1 million to actuarial losses (previous year: EUR 1.8 million) and minus EUR 0.3 million (previous year: minus EUR 0.3 million) to pension payments. Furthermore, deferred compensation in the amount of EUR 2.4 million was deferred in the past financial year (previous year: EUR 1.8 million). As of December 31, 2015, provisions for pensions for active and former Executive Board members totaled EUR 22.9 million (previous year: EUR 19.8 million).

D&O Insurance

The Executive Board members participate 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 insurance 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 compensation in the calendar year in which the infringement of duty occurred.

Compensation Paid to the Supervisory Board

Compensation System for the Supervisory Board

The compensation of the Supervisory Board is set out in the Company's articles of association.

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 applied for the first time for the tenures of the Supervisory Board members elected at the Annual General Meeting on June 26, 2014. By resolution of the Annual General Meeting on May 21, 2015 on the conversion of the Company into an SE, this compensation system was incorporated into the articles of association of ProSiebenSat.1 Media SE with its content unchanged, meaning that it also applies to the members of the Supervisory Board of ProSiebenSat.1 Media SE. The compensation system is composed 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 to the Supervisory Board in a “self-commitment” to use each 20% of their annually fixed compensation, in accordance with Article 14 (1) and (2) of the Articles of Association (before tax deduction), to annually buy shares of ProSiebenSat.1 Media SE and hold them for a period of four years, but for the period of their membership in the Supervisory Board of ProSiebenSat.1 Media SE at the longest; in case of reelection, the obligation to hold shares applies to the single terms of office. With this self-commitment to invest in and hold ProSiebenSat.1 shares, the members of the Supervisory Board want to underline their interest in the Company's long-term, sustainable success.

The previous compensation system for the Supervisory Board applied until June 25, 2014. On the basis of the Company's articles of association in the version adopted by the Annual General Meeting on June 4, 2009, the members of the Supervisory Board received fixed annual compensation. This 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.

Compensation of Supervisory Board Members for Financial Year 2015

Supervisory Board members received the following compensation for financial year 2015:

Compensation of Supervisory Board members for the 2015 financial year (Fig. 11)

EUR thousand

		Fixed base compensation	Presiding Committee compensation	Audit and Finance Committee compensation	Compensation Committee compensation	Meeting honorarium for personal attendance	Total
Dr. Werner Brandt[1] Chairman	**2015**	**250.0**	**30.0**	**0.0**	**30.0**	**45.0**	**355.0**
	2014	125.0	15.0	0.0	15.0	12.0	167.0
Dr. Marion Helmes[2] Deputy Chairwoman	**2015**	**124.2**	**14.5**	**7.5**	**3.6**	**34.0**	**183.8**
	2014	50.0	0.0	3.8	0.0	12.0	65.8
Lawrence Aidem[3]	**2015**	**100.0**	**7.5**	**0.0**	**0.0**	**24.0**	**131.5**
	2014	50.0	3.8	0.0	0.0	8.0	61.8
Antoinette (Annet) P. Aris[4]	**2015**	**100.0**	**0.0**	**7.5**	**7.5**	**26.0**	**141.0**
	2014	50.0	0.0	3.8	3.8	12.0	69.5
Adam Cahan[5]	**2015**	**100.0**	**0.0**	**0.0**	**0.0**	**12.0**	**112.0**
	2014	50.0	0.0	0.0	0.0	4.0	54.0
Stefan Dziarski[6]	**2015**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	2014	50.6	0.0	9.0	0.0	2.0	61.6
Philipp Freise[7]	**2015**	**87.8**	**15.0**	**0.0**	**3.8**	**10.0**	**116.5**
	2014	101.1	15.0	9.0	1.9	10.0	137.0
Angelika Gifford[8]	**2015**	**61.3**	**0.0**	**0.0**	**3.6**	**18.0**	**82.9**
	2014	0.0	0.0	0.0	0.0	0.0	0.0
Lord Clive Hollick[9]	**2015**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	2014	25.0	0.0	0.0	0.0	0.0	25.0
Erik Adrianus Hubertus Huggers[10]	**2015**	**100.0**	**0.0**	**0.0**	**3.9**	**18.0**	**121.9**
	2014	50.0	0.0	0.0	3.8	8.0	61.8
Johannes Peter Huth[11]	**2015**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	2014	50.0	0.0	6.0	3.0	0.0	59.0
Götz Mäuser[12]	**2015**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	2014	25.0	0.0	0.0	9.0	0.0	34.0
Ketan Mehta[13]	**2015**	**11.7**	**0.0**	**0.0**	**0.0**	**2.0**	**13.7**
	2014	0.0	0.0	0.0	0.0	0.0	0.0
Prof. Dr. Rolf Nonnenmacher[14]	**2015**	**48.4**	**0.0**	**24.2**	**0.0**	**14.0**	**86.5**
	2014	0.0	0.0	0.0	0.0	0.0	0.0
Dr. Jörg Rockenhäuser[15]	**2015**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	2014	48.9	0.0	0.0	1.5	0.0	50.4
Prof. Dr. Harald Wiedmann[16]	**2015**	**55.5**	**0.0**	**25.0**	**0.0**	**10.0**	**90.5**
	2014	75.6	0.0	43.0	0.0	14.0	132.6
Total	**2015**	**1,038.7**	**67.0**	**64.2**	**52.4**	**213.0**	**1,435.3**
	2014	751.1	33.8	74.5	37.9	82.0	979.2

1 Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
2 Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
3 Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
4 Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
5 Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
6 Member of the Supervisory Board of ProSiebenSat.1 Media AG until October 30, 2014
7 Member of the Supervisory Board of ProSiebenSat.1 Media AG from March 7, 2007 to July 7, 2015 and of ProSiebenSat.1 Media SE from May 21, 2015 to July 31, 2015
8 Member of the Supervisory Board of ProSiebenSat.1 Media AG and of ProSiebenSat.1 Media SE since May 21, 2015
9 Member of the Supervisory Board of ProSiebenSat.1 Media AG until June 26, 2014
10 Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015
11 Member of the Supervisory Board of ProSiebenSat.1 Media AG until June 26, 2014
12 Member of the Supervisory Board of ProSiebenSat.1 Media AG until June 26, 2014
13 Member of the Supervisory Board of ProSiebenSat.1 Media SE since November 24, 2015
14 Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 21, 2015
15 Member of the Supervisory Board of ProSiebenSat.1 Media AG until June 26, 2014
16 Member of the Supervisory Board of ProSiebenSat.1 Media AG from March 7, 2007 to July 7, 2015

In addition to this fixed annual compensation and the 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 Supervisory 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 financial year 2015. Members of the Supervisory Board do not receive loans from the Company.

Takeover-Related Disclosures[1]

(according to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB))

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 SE 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) in conjunction with Article 9 (1) lit. c) ii) SE Regulation:

Composition of the Subscribed Capital

Financial Glossary, page 320.

As of December 31, 2015, the share capital of ProSiebenSat.1 Media SE 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 SE 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 to 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).

Shareholdings 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, 2015, there are no direct or indirect shareholdings 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 301.

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 SE 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 7 (1) Sentence 1 of the Company's articles of incorporation, the Executive Board of ProSiebenSat.1 Media SE comprises several people; the exact number is determined by the Supervisory Board in accordance with Section 7 (1) Sentence 2 of the articles of incorporation. In principle, members of the Executive Board are appointed and removed by the Supervisory Board as the supervisory body in accordance with Article 39 (2) SE Regulation. In accordance with Section 7 (2) Sentence 1 of the articles of incorporation in conjunction with Article 46 SE Regulation, 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

1 This section is part of the audited Combined Management Report.

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 12 (1) 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 in conjunction with Article 9 (1) lit. c) ii) SE Regulation).

The Annual General Meeting must decide on changes to the articles of incorporation (Article 59 (1) SE Regulation). In the case of ProSiebenSat.1 Media SE, a resolution of the Annual General Meeting to change the articles of incorporation requires the simple majority of the votes cast if at least half of the share capital entitled to vote is represented at the passing of the resolution (Article 59 (2) SE Regulation, Section 51 Sentence 1 SE Implementation Act), otherwise a majority of two thirds of the votes cast is required (Article 59 (1) SE Regulation), 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 1 AktG in conjunction with Article 59 (1) and (2) SE Regulation, Section 51 Sentence 2 SE Implementation Act) and creating contingent capital (Section 193 (1) Sentences 1 and 2 AktG in conjunction with Article 57 SE Regulation, Section 51 Sentence 2 SE Implementation Act) or authorized capital (Section 202 (2) Sentences 2 and 3 AktG in conjunction with Article 57 SE Regulation, Section 51 Sentence 2 SE Implementation Act), for which a majority of at least three quarters of the valid votes cast 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 Article 9 (1) lit. c) ii) SE Regulation, Section 13 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 May 21, 2015, the Executive Board is authorized, subject to the consent of the Supervisory Board, to increase the share capital of ProSiebenSat.1 Media SE 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 fundamentally granted the legal 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.

The resolution of the Annual General Meeting of May 21, 2015, authorizes ProSiebenSat.1 Media SE up to May 20, 2020, to acquire its own shares in an amount of up to 10 % of the share capital at the time the authorization was granted or – if lower – the time the authorization is exercised. The Company can exercise this authorization in full or in part, on one or more occasions, and for every legally permissible purpose. 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.

A-Z Financial Glossary, page 320.

Significant Agreements of the Company Subject to a Change of Control Resulting from a Takeover Bid

ProSiebenSat.1 Media SE 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 320.

ProSiebenSat.1 Media SE has an unsecured syndicated facilities agreement which, as of December 31, 2015, includes a term loan of EUR 2.100 billion and a revolving credit facility with a facility amount of EUR 600 million. In the event that the control over ProSiebenSat.1 Media SE changes by way of direct or indirect acquisition of more than 50 % of the voting rights in ProSiebenSat.1 Media SE 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 SE has outstanding unsecured notes of EUR 600 million. In the event that the control over ProSiebenSat.1 Media SE changes by way of direct or indirect acquisition of more than 50 % of the voting rights in ProSiebenSat.1 Media SE 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.

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. Single format license agreements with TV format developers also allow the contractual partner to resign the individual contracts with ProSiebenSat.1 Group in the event of a change of control. 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 ProSiebenSat.1 Group.

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

Compensation Report, page 57.

The employment agreements of all Executive Board members each contain change of control clauses for the event that control over the Company is acquired by one or more third parties in accordance with Sections 29 (2), 30 WpÜG. In this case, the Executive Board members have the right to terminate their employment agreements with three months' notice and to resign their posts if the change of control results in a substantial curtailment of the position of the Executive Board. On effective exercise of the right to terminate, the respective Executive Board members shall receive a cash severance payment equating to up to three years' compensation, but no more than the compensation for the remaining term of the Executive Board employment agreement.

There are otherwise no change of control clauses with employees of ProSiebenSat.1 Media SE for the event of a takeover bid.

The ProSiebenSat.1 Share[1]

- **The ProSiebenSat.1 share registers a 34.3% share price gain and is one of the top securities in the MDAX with a dividend yield of 4.6% on the basis of the year-end price 2014.**
- **The positive outlook for the year 2015 and the good performance of the company drive the value of ProSiebenSat.1 share to a record level.**
- **The share ranks place 2 in the MDAX; the majority of analysts recommend the ProSiebenSat.1 share as a buy.**
- **The Annual General Meeting agrees to SE conversion and for 2014 resolves dividends of EUR 1.60 per share entitled to a dividend.**

Development of Stock Markets

Economic Development, page 124.

After a strong performance in the first quarter, high volatility characterized the German stock market over the rest of 2015. In addition to the strong level of private consumer spending, a positive impact arose in particular from the expansionary monetary policy of the European Central Bank (ECB). Favorable financial conditions via low interest rates combined with a weak euro also pushed exports. However, German stock market prices were negatively impacted by attacks as in Paris, geopolitical developments and in particular by ongoing conflicts in Ukraine and Syria. There was also a negative impact arising from the economic situation in major emerging markets such as China and from the uncertainty with regard to the imminent key interest rate hike by the Federal Reserve. In the eurozone, the Greek sovereign debt crisis also led to temporary share price declines.

These interlinked factors resulted in strong price fluctuations in 2015: In the course of the year, the DAX fluctuated between an all-time high of 12,374.73 points on April, 10 2015 and a lowest value of 9,427.64 points on September 24, 2015. This represents a price difference of approximately 25%. Despite the aforementioned geopolitical uncertainties, the DAX closed the trading year at 10,743.01 points and with an increase of 9.6% on the final trading day of 2014. The MDAX developed even more positively: It closed with 20,744.62 points and a rise of 22.7% compared to the previous year. The relevant sector index for European media stocks, the EURO STOXX Media, also performed favorably with an increase of 7.5% and 234.94 points as of the end of year.

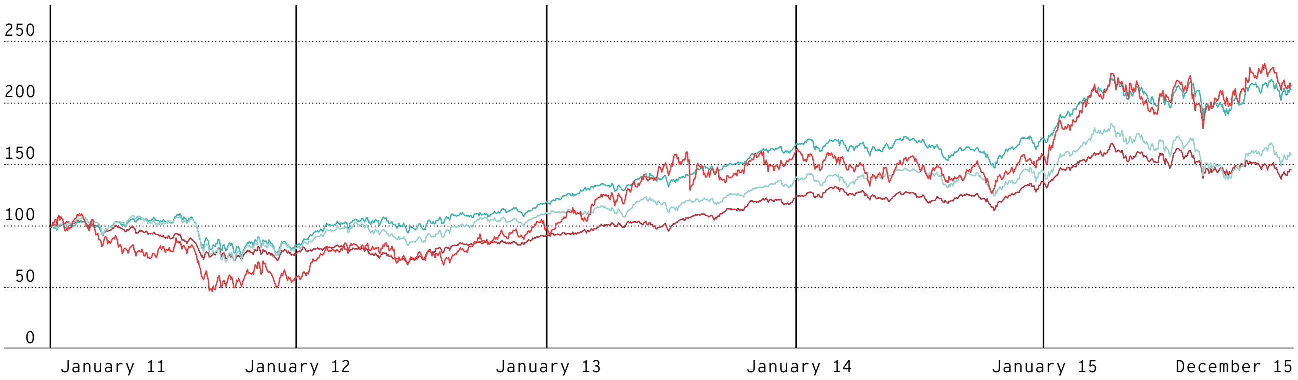
ProSiebenSat.1 on the Capital Market

In 2015, the Group met its funding requirements particularly via banks and the bond market. More information on its financing structure can be found in the chapter "Borrowings and Financing Structure" on page 140.

The ProSiebenSat.1 share recorded a 34.3% share price gain compared to the end of 2014. As such, the share substantially outperformed the comparative indices again. The share reached its highest closing price of EUR 50.70 on November 19, 2015. At the same time, with market capitalization of the free float totaling EUR 10.214 billion on December 30, 2015, ProSiebenSat.1 is one of the top 30 listed stock corporations in Germany in the Prime Standard.

1 This section is part of the audited Combined Management Report.

Price performance of the ProSiebenSat.1 share (Fig. 12)



■ ProSiebenSat.1 ■ Euro Stoxx Media ■ MDAX ■ DAX Basis: Xetra closing quotes, an index of 100 = January 2011; Source: Reuters.

The Year 2015 at a Glance, page 80.

Overall, the ProSiebenSat.1 share developed positively. After the share was characterized by a continuous upward trend until the end of April, it posted a more volatile performance as the year progressed due to geopolitical uncertainties and their impact on the German stock market: In late July, the share benefited from the entity's good half-year figures and the positive outlook for the year as a whole. Discussions on a possible change in the structure of the US broadcasting sector led to significant price declines for US media stocks in August and also had a negative impact on the performance of the ProSiebenSat.1 share. Nevertheless, the share held its ground in a difficult market environment and significantly advanced once again until mid-November. The ProSiebenSat.1 Capital Markets Day in October also contributed to this, when the Group announced the increase in its original revenue growth targets until 2018 from EUR 1 billion to EUR 1.85 billion. In addition, the release of the good results for the third quarter and the positive outlook of the fourth quarter supported this price development from late October onwards. At the end of the year, the weaker stock market indices characterized the share price of the ProSiebenSat.1 share. This was mainly due to economic uncertainties in China and the low price of oil.

ProSiebenSat.1 share: Basic data (Fig. 13)

Name	ProSiebenSat.1 Media SE
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 320.

On the basis of the year-end price 2014 and a dividend payment of EUR 1.60 per entitled share, the dividend yield amounted to 4.6 %. The total shareholder return amounted to 39,03 % per ProSiebenSat.1 share in 2015. It was therefore above the relevant comparative levels of the DAX (9.6 %) and the MDAX (22.7 %), which also take into account the total shareholder return.

ProSiebenSat.1 share: Key data[1] (Fig. 14)

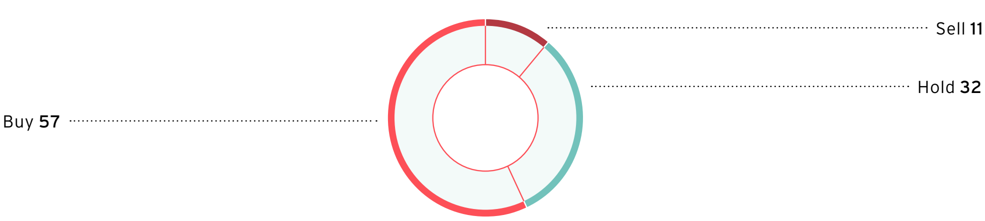
		2015	2014	2013	2012	2011
Share capital at reporting date	Euro	218,797,200	218,797,200	218,797,200	218,797,200	218,797,200
Number of common shares as of end of reporting period	Units	218,797,200[2]	218,797,200[2]	218,797,200[2]	109,398,600	109,398,600
Number of preference shares as of end of reporting period	Units	-/-	-/-	-/-	109,398,600[2]	109,398,600[2]
Free float market capitalization at end of financial year (according to Deutsche Börse)	EUR m	10,214	7,271	6,024	4,660	3,089
Close at end of financial year (XETRA)	Euro	46.77	34.83	36.00	21.30	14.12
High (XETRA)	Euro	50.70	35.55	36.00	23.83	24.80
Low (XETRA)	Euro	33.31	28.35	21.85	14.19	11.49
Dividend per entitled common share	Euro	-/-[3]	1.60	1.47	5.63	1.15
Dividend per entitled preference share	Euro	-/-	-/-	-/-	5.65	1.17
Total dividend	EUR m	-/-[3]	341.9	313.4	1,201.4	245.7
Underlying earnings per share[4]	Euro	2.19	1.96	1.60	1.97	3.23
Dividend yield on basis of closing price	%	-/-[3]	4.6	4.1	26.5	8.3
Total XETRA trading volume	Million units	158.9	179.9	170.0	134.1	233.4

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 45.
4 For the financial years 2011 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 the underlying net income.

Against this backdrop, the majority of analysts (57%) recommended the ProSiebenSat.1 share as a buy at the end of 2015; 32% came out in favor of holding the share and 11% made a sell recommendation. The analysts' median price target was EUR 51 at the end of the year (previous year: EUR 38). Overall, 28 brokerage firms and financial institutions actively analyzed the ProSiebenSat.1 share and published research reports at the end of the year under review. For institutional investors in particular, recommendations by financial analysts are an important basis for decision-making.

Analysts' recommendations (Fig. 15)

in percent



As of December 31, 2015.

Financial Glossary, page 320.

ProSiebenSat.1 Media SE is the second highest weighted share in the MDAX. As of December 31, 2015, the weighting in the MDAX amounted to 6.5%. This is calculated on the basis of market capitalization by free float and trading volume in the last twelve months. The index comprises 50 Prime Standard shares from traditional sectors that follow the 30 companies in the DAX in terms of market capitalization and trading volume. The EURO STOXX Media sector index pools stocks from media and media-related entities. ProSiebenSat.1 Media SE is represented here with a weighting of 9.2%.

Selected index data (Fig. 16)

Index	Weighting
MDAX	6.46%
Mid Cap	4.85%
Prime All Share	0.83%
Classic All Share	4.05%
EURO STOXX Media	9.23%

As of December 31, 2015; source: STOXX Ltd.

Annual General Meeting for Financial Year 2014

Organization and Group Structure, page 84.

The Annual General Meeting of ProSiebenSat.1 Media AG for financial year 2014 was held on May 21, 2015. Around 450 shareholders, shareholder representatives and guests took part in the Annual General Meeting. Attendance was around 42% of the share capital. The Annual General Meeting approved all resolutions proposed by the Executive Board and the Supervisory Board with a large majority. With 99.97% of the votes, ProSiebenSat.1 Media AG shareholders resolved to convert the entity into a European Stock Corporation (Societas Europaea, SE) at the Annual General Meeting, the conversion was entered in the commercial register on July 7, 2015. This resulted in no material changes in corporate governance structure; shareholders' rights in particular were unaffected. In addition, the listing of the shares on the previous stock exchanges persists.

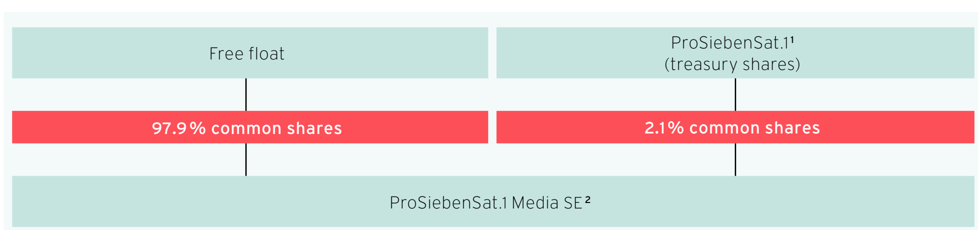
Shareholders also approved the distribution of a dividend of EUR 1.60 per share for financial year 2014. This corresponds to a total payout of EUR 341.9 million and a payout ratio of 81.6% of the Group's underlying net income. Following the Annual General Meeting, the newly constituted Supervisory Board elected Dr. Werner Brandt as Chairman and Dr. Marion Helmes as his Deputy.

Shareholder Structure of ProSiebenSat.1 Media SE

Information about share holdings that exceed 10% of the voting rights can be found in Note 40 "Group affiliation and disclosures on voting rights notifications as per Section 21 (1) German Securities Trading Act (WpHG)", page 301.

The shareholder structure has been virtually unchanged since December 31, 2014. The shares are mostly held by institutional investors in the US, the UK and Germany. In total, 97.9% were held in free float as of December 31, 2015 (December 31, 2014: 97.6%). The remaining 2.1% are held as treasury shares (December 31, 2014: 2.4%).

Shareholder structure of ProSiebenSat.1 Media SE as of December 31, 2015 (Fig. 17)



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

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

Capital Market Communication

We regularly provide information on all key events and developments at ProSiebenSat.1 to ensure the transparent communication of financial figures and our growth prospects. All relevant corporate information is published promptly, including on an ad-hoc basis where appropriate, in German and English on our website www.ProSiebenSat1.com. Another channel which the Group uses to provide comprehensive information to the capital market is press conferences and events for investors and analysts. In addition to 21 roadshows, ProSiebenSat.1 was represented at 20 investor conferences in Europe and the US in 2015. Another important event is the annual Capital Markets Day in October, where the Group reports on its growth strategy. The Investor Relations activities are complemented by the ProSiebenSat.1 investor hotline.

The Year 2015 at a Glance, page 80.

Several awards attest to the high-quality content of ProSiebenSat.1's Annual Report and to the entity's transparent financial communication. ProSiebenSat.1 Media SE took second place in the MDAX category in the "2015 German Investor Relations Awards." In the "IR Professionals – MDAX" category, Dirk Voigtländer, Head of Investor Relations, ranked first. The award was presented by Thomson Reuters Extel, WirtschaftsWoche and the German Investor Relations Association (DIRK). The Group came first in the "Investors' Darling" competition of Manager Magazin in the MDAX category. In "the best annual report" competition, ProSiebenSat.1 was also awarded first place among MDAX entities for the third time in a row. The Group was ranked second in the overall evaluation across all stock market indices. In the overall ranking of all stock market indices the Group achieved the second place.

B
COMBINED MANAGEMENT REPORT

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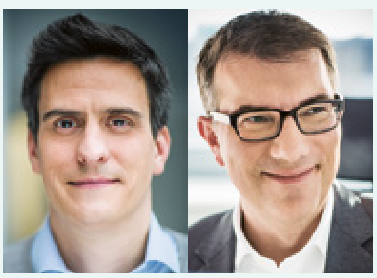
THE YEAR 2015 AT A GLANCE

2015 was a record year for ProSiebenSat.1. Thus, the Company strengthened its leading position in the TV market, expanded the digital portfolio and successfully extended its production network in the US. This is an overview of the most important events.

COMPANY

APRIL

Changes in the Executive Board. (a) Dr. Gunnar Wiedenfels is the new Chief Financial Officer of ProSiebenSat.1 Media SE since April 1, 2015. He has been involved with the company since 2009, latterly as Deputy CFO, and was appointed to the Supervisory Board as the successor to Axel Salzmann, who left the Group as of March 31, 2015, of his own volition. Dr. Ralf Schremper is also member of the Executive Board as of April 1, 2015: He has worked for ProSiebenSat.1 since 2010 and is now responsible for the newly created Board department "Strategy & Investments."



a

MAY

Annual General Meeting resolves SE conversion. (b) At the Annual General Meeting on May 21, 2015, the shareholders of ProSiebenSat.1 Media AG resolved to convert the Group into a European Stock Corporation (Societas Europaea, SE) with 99.97 %. This conversion was entered into the commercial register on July 7, 2015. In addition, the Annual General Meeting resolved a dividend of EUR 1.60 per share. This equates to a payout ratio of 81.6 % in terms of underlying net income for 2014. Following the AGM, Dr. Werner Brandt was elected as Supervisory Board Chairman of the new ProSiebenSat.1 Media SE.

b

c

JULY

CEO Thomas Ebeling's contract prematurely extended. (c) By resolution of July 1, 2015, the Supervisory Board of ProSiebenSat.1 Media SE prematurely extended Thomas Ebeling's contract by four years until the 2019 Annual General Meeting. Thomas Ebeling has been CEO of the Group since 2009, which, under his leadership, already exceeded the financial targets many-times.

OCTOBER

Growth targets for 2018 raised. At Capital Markets Day 2015, ProSiebenSat.1 Group announced new financial targets for 2018. As the Group is growing faster than expected in all areas, the forecast of revenue growth compared to 2012 was raised from EUR 1 billion by EUR 850 million to EUR 1.85 billion. The revenue target for 2018 therefore amounts to EUR 4.2 billion. The dynamic revenue development is supported by all segments: In addition to the highly profitable TV business, organic growth and acquisitions in the digital and program production areas are also contributing to the positive development.

NOVEMBER

ProSiebenSat.1 share hits new high. The positive annual outlook and the Group's good performance are driving the share price performance. Its market capitalization has increased nearly forty-fold since 2009 to EUR 10.214 billion. On November 19, the share reached a new all-time high with a price of EUR 50.70. At the end of the financial year, the ProSiebenSat.1 share posted a gain of 34.3 % compared to the previous year.

BROADCASTING GERMAN-SPEAKING

OCTOBER

Contracts with major Hollywood studios. (d) In October, ProSiebenSat.1 and Disney signed a long-term master license agreement. The agreement gives ProSiebenSat.1 access to new Hollywood blockbusters and TV series from the Disney, Disney-Pixar, Lucasfilm, Marvel, and ABC Studios production companies. In addition, ProSiebenSat.1 extended its contract with Twentieth Century Fox and concluded master license agreements with NBC Universal and Warner Bros. in 2015. ProSiebenSat.1 Group has agreements with nearly all major Hollywood studios, producers, and film companies. The Group's program supply is therefore secured for the long term.

d

DECEMBER

Record audience market share. The German free TV stations closed the year 2015 with a market share of 29.5 % (pervious year: 28.7 %) and thus reached the highest market share for ten years. In Switzerland, the Company also upholds its successful multi-station strategy. Since October 2015, the new free TV station Puls 8 complements the portfolio; its relevant target group are viewers aged between 20 and 49. The station already achieves a market share of about one percent per month.

DECEMBER

Raab ends TV career. After more than 16 years together, Stefan Raab announced his departure from television in June. The entertainer shaped ProSieben and German television with TV events such as "TV total Bundestagswahl," "Unser Star für…", and "Schlag den Raab." On December 16, 2015, "TV total" departed from the screen. 1.58 million viewers watched the last episode of the cult show on ProSieben.

APRIL

ProSiebenSat.1 expands Beauty & Accessories Vertical. ProSiebenSat.1 Group has expanded its investment portfolio (vertical) in the Beauty & Accessories business in the past financial year: To this end, the Group increased its share in Sonoma Internet GmbH by 51.8% to 75.0% in April. It operates Amorelie, an online lifestyle shop for love lives in the German-speaking market. ProSiebenSat.1 also acquired the remaining shares (53.0%) in flaconi.de, Germany's second-largest online store for perfume, make-up, and cosmetics and now holds 100% of shares. In addition to Amorelie and Flaconi, the vertical also includes the online jewelry store Valmano.

JULY

ProSiebenSat.1 broadens its expertise in the programmatic advertising market. ProSiebenSat.1 has acquired a 51.38% interest in Virtual Minds AG. The company is one of the leading European specialists in the dynamically growing programmatic advertising market. The technology from Virtual Minds enables the automated sale of digital advertising. Furthermore, ProSiebenSat.1 had acquired a majority interest in SMARTSTREAM.TV GmbH, a company that provides services relating to the optimization of online advertising space. ProSiebenSat.1 is constantly broadening its expertise in the automated sale of advertising in digital media and in individualized targeting. Thus, the Group offers its customers attractive online advertising platforms and creates new growth opportunities.

FEBRUARY

Red Arrow sharpens focus on fiction. Red Arrow made a successful start in 2015 with the first season of the crime series "Bosch" on Amazon. Following the positive user feedback, Amazon Studios already ordered a second season from Red Arrow later in the year. "Bosch" is produced by Red Arrow subsidiary Fabrik Entertainment and is marketed by Red Arrow International. Red Arrow also acquired the global distrbution rights of the series "Cleverman" outside of Australia and sold the format to the US: The Australian-New Zealand drama will go on air on Sundance TV in 2016. English-language fiction programs are particularly relevant for the production and distribution company because of the high international demand.

DIGITAL & ADJACENT

JUNE

ProSiebenSat.1 buys comparison portal Verivox. (e) In June, ProSiebenSat.1 acquired a majority interest of 80.0% in Germany's leading independent consumer energy portal. The aim is to establish a new portfolio for consumer portals. To this end, the Group had already acquired Preis24.de, the leading platform for mobile communications tariffs and smartphones. Verivox has been fully consolidated since August 2015.

JUNE

ProSiebenSat.1 launches global multi-channel network (MCN). (f) ProSiebenSat.1 Group has acquired the majority in Collective Digital Studio (CDS), a leading MCN in the United States, and combined it with Studio71 in the course of the transaction. Studio71 was already established by ProSiebenSat.1 in fall 2013 and has since become the largest network in the German-speaking region. Due to the merger, the MCN has established itself internationally, too: With 3.5 billion video views per month, it is already one of the five largest MCNs worldwide.

SEPTEMBER

Axel Springer and ProSiebenSat.1 promote start-ups. Axel Springer SE and ProSiebenSat.1 Media SE have launched a joint project to promote high-growth digital companies. The initiative aims to support innovative business ideas and start-ups in order to improve Germany's position as a digital location, also on an international level. To this end, the two groups have already implemented three joint initiatives: Besides their investment in the Lakestar II investment fund, Axel Springer and ProSiebenSat.1 each acquired a minority interest in Jaunt, a US company specializing in augmented reality. The two media companies also invested in the online platform MyTicket.

OCTOBER

Internationalization of the travel portfolio. (g) With its purchase of etraveli, ProSiebenSat.1 implemented the largest acquisition to date in the digital business. In October, the Company has acquired the leading pan-European online travel agency for flights. It complements the Travel Vertical with the Flight segment. By investing in etraveli, ProSiebenSat.1 has made its existing travel portfolio more international and set the course for further growth beyond Europe's borders.

CONTENT PRODUCTION & GLOBAL SALES

JULY

Red Arrow establishes Ripple Entertainment in the US. (h) Red Arrow Entertainment Group has strengthened its global digital presence by launching Ripple Entertainment, a digital media company in Los Angeles. The objective of Ripple Entertainment is to operate digital networks and to develop and produce content with Red Arrow Entertainment Group production companies, third-party providers, and independent creators. At the same time, Ripple Entertainment will exploit Red Arrow's existing programming digitally, thus maximizing the value of the portfolio.

NOVEMBER

Red Arrow Entertainment acquires majority stake in Karga Seven Pictures. (i) The company is a leading US producer and developer of factual entertainment formats and produces both scripted and non-scripted programs. By making the acquisition, Red Arrow is continuing its rapid expansion in the world's most important TV market. Karga Seven is headquartered in Los Angeles and the company is also represented by a location in Istanbul.

Explanatory Notes on Reporting Principles

Content and Form of the Management Report

This report brings together the Group Management Report of ProSiebenSat.1 Group, comprising ProSiebenSat.1 Media SE and its consolidated subsidiaries, and the Management Report of ProSiebenSat.1 Media SE. The Compensation Report, the takeover-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 Annual Report and are also part of the audited Management Report.

To Our Shareholders, page 36.

Predictive Statements to the Future Earnings, Financial Position and Performance

Our forecasts are based on current assessments of future developments. In this context, we draw on our budget and comprehensive market and competitive analyses. However, forecasts naturally entail certain insecurities, which could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the forward-looking statements are made do not apply, actual results may deviate materially from the statements made or the results implicitly expressed. Developments that could negatively impact this forecast include, for example, lower economic momentum than was expected on the date the report was compiled. These and other factors are discussed in the Risk and Opportunity Report. There, we also report on additional growth potential. Opportunities that we have not or not yet fully budgeted for could arise from corporate strategy decisions, for example.

Risk- and Opportunity Report, page 157.

Reporting on the Basis of Continuing Operations

Unless otherwise indicated, in this financial report the analysis of earnings, financial position and performance is based on continuing operations. This means that earnings contributions and cash flows generated in connection with the sale of the Eastern European activities 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. As well as operating earnings contributions from the Eastern European activities, these items for the comparative previous-year period also include the deconsolidation result of the Hungarian companies deconsolidated as of February 25, 2014. With the formal and legal implementation of the particular sales contracts, the Romanian companies were also deconsolidated on April 2, 2014 (TV) and on August 4, 2014 (radio). The other items of the income statement and cash flow statement were presented on a comparable basis for the current reporting period and comparative periods.

Financial Glossary, page 320.
Notes, Note 7 "Acquisitions and disposals," page 218.

Key Figures Used

Key financial indicators on the Group level for ProSiebenSat.1 Group are revenues, EBITDA, recurring EBITDA, underlying net income, and the leverage ratio. 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 and business segment'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 performance parameters.

Planning and Management, page 92.

On the other hand, 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 indicators of business success; they are recorded in the context of risk management. 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. For these reasons, we do not report on order volumes here, either.

Rounding of Financial Figures

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. 18)

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.de/en/page/erklaerung-zur-unternehmensfuehrung

Organization and Group Structure

- **ProSiebenSat.1 Group is one of the largest independent media corporations in Europe and has a diversified portfolio of TV and digital brands.**
- **The conversion of ProSiebenSat.1 Media AG into a European Stock Corporation (Societas Europaea, SE) underlines our growth strategy to build new business models and to expand internationally.**
- **The ProSiebenSat.1 Group's portfolio consists of three segments; ProSiebenSat.1 Media SE is the Group holding company and has no operational role.**

Business Activities and Segments

Corporate Profile and Market Position

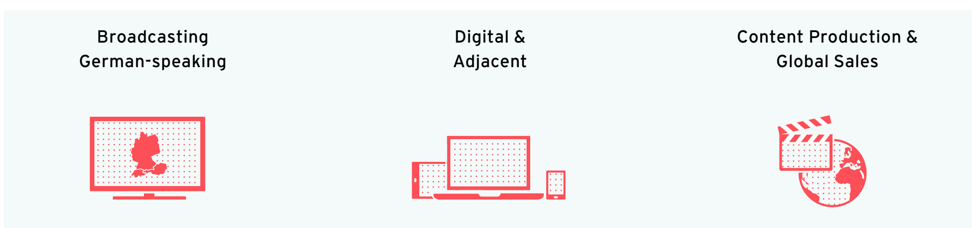
Development of User Numbers, page 116.
Development of the TV and Online Advertising Market, page 125.
Development of User Numbers, page 119.

ProSiebenSat.1 Group is one of the largest independent media corporations in Europe. With the stations SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, and ProSieben MAXX, we are the number one in Germany, both in the TV advertising market and among viewers. We are growing sustainably and dynamically, as we are promoting the interconnection of the individual corporate areas and creating additional sources of revenues with new business ideas in all segments. Every day, we reach around 42 million TV households in our TV markets of Germany, Austria and Switzerland. With distribution in HD quality, we have tapped into an attractive new business area for our core business of television. Moreover, we are also Germany's leading online video marketer and reach more than 30 million digital users a month. We offer high-quality on demand, online and on mobile entertainment with maxdome, Studio71, and the 7TV App. In recent years, we have built a strong Ventures & Commerce portfolio whose product areas are particularly suited to marketing via TV advertising. It is now one of our key growth drivers. In addition, our Group is successful around the world with its international program production and distribution network Red Arrow. With the Red Arrow Entertainment Group, we focus in particular on the English-speaking key markets of the US and UK.

Segments and Brand Portfolio

Our business is based on three strategic pillars that also constitute the reporting segments:

Segments of ProSiebenSat.1 Group (Fig. 19)



Corporate Strategy and Vision, page 89.

The segments are strategically, economically and technically interrelated. They cover the entire value chain from production to marketing and the distribution via various channels as well as vertical diversification of content. In the Broadcasting German-speaking segment, we include successful station brands such as SAT.1 and ProSieben and their distribution in HD quality. The extensive digital activities are bundled in the Digital & Adjacent segment. As well as entertainment offerings such as our video-on-demand (VoD) portal maxdome, these primarily include the dynamically growing Ventures & Commerce unit. The activities of Red Arrow Entertainment Group are bundled in the Content Production & Global Sales segment. The Group was represented in six countries with 13 production companies and three sales offices at the end of 2015. The following illustration provides an overview of our brand portfolio by segment:

Brand portfolio of ProSiebenSat.1 Group (Fig. 20)

Broadcasting German-speaking

FREE TV STATIONS

ProSiebenSat.1 TV Deutschland

HD distribution

Austria

Switzerland

ADVERTISING AND PROGRAMMING WINDOWS

Austria

Austria

AUSTRIA

Switzerland

BASIC PAY TV STATIONS

CLASSICS

emotions

ProSiebenSat.1 welt

MARKETING & SALES

SevenOne Media

SevenOne AdFactory

ProSiebenSat.1 PULS4

PRODUCTION & PRODUCTION SERVICE

ProSiebenSat.1 Applications

ProSiebenSat.1 Produktion

SevenPictures

Digital & Adjacent

VENTURES & COMMERCE

SevenVentures

ProSiebenSat.1 Accelerator

TRAVEL WWW.7TRAVEL.DE

wetter.com

mydays

tropo

weg.de

billiger-mietwagen.de

DISCAVO

etraveli

COMMERCE WWW.7COMMERCE.DE

AMORELIE

FLACONI

VALMANO

moebel.de

Auto

VERIVOX.DE Da sparen Sie mit Sicherheit

DIGITAL ENTERTAINMENT

ProSiebenSat.1 Digital

MyVideo

7TV

maxdome

GAMES

ADJACENT

STARWATCH

ProSiebenSat.1 Licensing

Content Production & Global Sales

PRODUCTION COMPANIES

RED ARROW ENTERTAINMENT GROUP

Production Companies,
Global Programming Distribution

CPL

SNOWMAN

redseven

NERD.

Fabrik

endor

LEFT RIGHT

KARGA SEVEN PICTURES

RIPPLE

GLOBAL PROGRAMMING DISTRIBUTION

RED ARROW INTERNATIONAL

Management and Control

ProSiebenSat.1 Group is managed centrally by ProSiebenSat.1 Media SE. The parent company was converted from a Stock Corporation (Aktiengesellschaft, AG) into a European Stock Corporation (Societas Europaea, SE) in 2015. The conversion took effect with the entry of the Company into the Commercial Register on July 7, 2015. Since then, the Company has operated under the name ProSiebenSat.1 Media SE. The conversion from an AG into the European legal form of the SE facilitates the increasing international orientation of business activities. It resulted in no material changes for the corporate governance structure; shareholders' rights in particular were unaffected. The organizational structure at Group level did not change materially, either structurally or legally. We report in detail about changes to the scope of consolidation in the corresponding chapter of the management report and the notes.

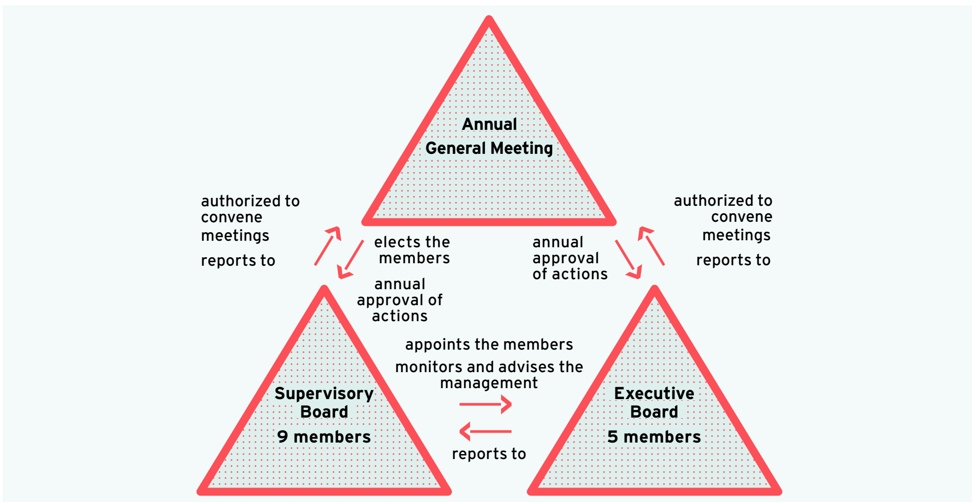
Financial Glossary, page 320.

Major Events and Changes in the Scope of Consolidation, page 132.

Notes, Note 7 "Acquisitions and disposals," page 218.

ProSiebenSat.1 Media SE is listed in Germany at the stock exchange in Frankfurt am Main and at the stock exchange in Luxembourg (Bourse de Luxembourg). Like ProSiebenSat.1 Media AG until its conversion in to the SE, ProSiebenSat.1 Media SE has three governing bodies: Annual General Meeting, Executive Board (management body), and Supervisory Board (supervisory body). The governing bodies' decision-making powers are strictly demarcated from each other.

Corporate Governance structure of ProSiebenSat.1 Media SE as of December 31, 2015 (Fig. 21)



- The shareholders of ProSiebenSat.1 Media SE exercise their rights of joint administration and oversight at the **Annual General Meeting.** Each share grants the same legal rights and obligations and one vote in the Annual General Meeting.

The ProSiebenSat.1 Share, page 74.

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

The basic rules for this dualistic management and supervisory system are defined in ProSiebenSat.1 Media SE'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. They can be amended according to Section 18 (2) of the articles of incorporation by a majority resolution of the Annual General Meeting, provided at least half of the share capital is represented in the vote (Art. 59 (2) SE Regulation, Section 51 Sentence 1 SE Implementation Act); otherwise, the resolution requires a majority of two-thirds of the votes cast (Art. 59 (1) SE Regulation). In contrast, a change of the corporate objective still requires a majority of at least three quarters of the valid votes cast in accordance with Section 179 (2) Sentence 1 AktG in conjunction with Art. 59 (1) and (2) SE Regulation, Section 51 Sentence 2 SE Implementation Act. We report on personnel changes in the boards in the "To Our Shareholders" section.

To Our Shareholders, page 36.

Corporate Structure and Investments

A detailed overview of the shareholding structure in ProSiebenSat.1 Group can be found in the Notes from page 308 onwards.

Notes, Note 5 "Scope of consolidation," page 216.

The present consolidated financial statements include ProSiebenSat.1 Media SE and all significant subsidiaries – meaning entities in which ProSiebenSat.1 Media SE 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 SE has no sustantial operational role. Its tasks include central financing, Group risk management, and the ongoing development of the corporate strategy. The economic development of 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 SE is ProSiebenSat.1 TV Deutschland GmbH. Under its umbrella, all six German free TV stations of ProSiebenSat.1 Group and the pay TV channels (ProSiebenSat.1 Pay TV GmbH) work together. Not only does the Company 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 Online Games (ProSiebenSat.1 Digital GmbH), Travel (ProSieben Travel GmbH), and Ventures & Commerce (SevenVentures GmbH and ProSiebenSat.1 Commerce GmbH) areas are also affiliated indirectly with ProSiebenSat.1 Media SE. They are consolidated under ProSiebenSat.1 Digital & Adjacent GmbH. The subsidiaries for the Content Production & Global Sales segment operate under the Red Arrow Entertainment Group GmbH, also a 100 % holding of ProSiebenSat.1 Media SE.

Group structure as per December 31, 2015 (Fig. 22)

ProSiebenSat.1 Media SE

- **ProSiebenSat.1 TV Deutschland GmbH** 100% – ProSieben, kabel eins, sixx, ProSieben MAXX, SAT.1 GOLD
  - SAT.1 Satelliten Fernsehen GmbH 100% – SAT.1
  - ProSiebenSat.1 Pay TV GmbH 100% – kabel eins classics, ProSieben FUN, SAT.1 emotions
  - SevenPictures Film GmbH 100%
- **ProSiebenSat.1 Broadcasting GmbH** 100%
  - ProSiebenSat.1 Produktion GmbH 100%
  - ProSiebenSat.1 Applications GmbH 100%
  - SevenOne Brands GmbH 100%
    - SevenOne Media GmbH 100%
    - SevenOne AdFactory GmbH 100%
    - ProSiebenSat.1 Puls 4 GmbH 100%
    - SevenOne Media (Schweiz) AG 100%
  - ProSiebenSat.1 Welt GmbH 100%
- **Red Arrow Entertainment Group GmbH** 100%
  - Red Arrow International GmbH 100%
  - RedSeven Entertainment GmbH 100%
- **SevenOne Investment (Holding)** 100%
  - SevenOne Capital (Holding) 100%
  - ProSiebenSat.1 Accelerator GmbH 100%
- **ProSiebenSat.1 Digital & Adjacent GmbH** 100%
  - ProSiebenSat.1 Adjacent Holding GmbH 100%
    - Starwatch Entertainment GmbH 100%
    - ProSiebenSat.1 Licensing GmbH 100%
  - ProSiebenSat.1 Digital GmbH 100%
  - maxdome GmbH 100%
  - Studio71 GmbH 75%/100%
  - SevenVentures GmbH 100%
  - ProSieben Travel GmbH 100%
  - ProSiebenSat.1 Commerce GmbH 100%
  - 7NXT GmbH 100%

Strategy and Management System

- **ProSiebenSat.1's primary goal is to grow profitably and sustainably. By 2018, consolidated revenues are supposed to increase by EUR 1.85 billion compared to 2012. This is EUR 850 million more than originally planned.**
- **With our three strategic growth areas, we want to achieve our targets and make our vision of a broadcasting, digital entertainment and commerce powerhouse a reality.**
- **Like planning, Group management is performed centrally via the Executive Board of ProSiebenSat.1 Media SE. It has adopted performance indicators for all relevant targets.**
- **Our management system is comprehensive and therefore reflects the interests of equity providers and lenders as well as the overriding growth targets. This includes efficient financial planning and an earnings-oriented dividend policy.**

Corporate Strategy and Vision

Comparison of Actual and Expected Business Performance, page 127.

ProSiebenSat.1 pursues a dual strategy: The Company is market leader in the high-revenue TV market of Germany and generates growth on the basis of its high reach – both in the core segment and digital entertainment field. At the same time, we use TV advertising as an investment currency and cross-promotion tool in the digital commerce sector. We are so successful with this strategy that we have not only achieved our past financial targets, but in many cases exceeded them. Its reach also offers ProSiebenSat.1 the opportunity to promote products to an audience of millions at low financial costs. Thus, ProSiebenSat.1 is creating new growth areas and continuously increasing the value of the Company. This makes ProSiebenSat.1 a growth stock with an attractive dividend yield.

Value Creation and Vision

The high reach, many years of experience in video marketing and close relationships with the film industry are the foundations for ProSiebenSat.1 Group's success in the TV business. At the same time, this is the basis of our digital strategy:

Development of the Audience Market, page 116.

- The areas of television and digital entertainment complement each other synergistically. In recent years, the Company has strongly diversified the utilization of its program content by establishing new digital entertainment offerings. At the same time, ProSiebenSat.1 increases the overall reach of its TV and digital platforms with external distribution partnerships. We are therefore not only consistently creating new sources of revenues. Programs with a multi-screen approach increase audience engagement, and campaigns disseminated via various media, from TV and online to mobile, are proven to achieve a greater advertising impact. With its portfolio, the Company serves all modern forms of media use and covers the entire value chain of TV and digital entertainment: from development through production and advertising marketing to distribution via the Group's and third parties' platforms.

Technical Distribution, Media Consumption and Advertising Impact, page 113.

- Technological change and the rising use of the Internet are not only influencing media usage behavior. Digitalization is affecting nearly every industry; consumer behavior in general is changing. This trend is creating new commercial business models in the field of e-commerce, as the sale of products and services via the Internet is growing dynamically. This offers ProSiebenSat.1 high potential for enhancing the entire value chain with investments in e-commerce enterprises. The Group has clear competitive advantages here. ProSiebenSat.1 is using TV reach as an additional currency and is also diversifying its value chain vertically: The Company grants free TV advertising space in return for a share in the revenues or equity (media-for-revenue-share/media-for-equity) to start-up businesses and is thus able to expand its portfolio without making high cash investments. Furthermore, ProSiebenSat.1 uses free TV advertising time to increase awareness of commerce products and to built up new brands. Thereby, ProSiebenSat.1 realizes synergies both between the investments and value-creation processes (intersynergies) and within the 'verticals' (intrasynergies). ProSiebenSat.1 uses 'vertical' to describe a portfolio of companies that complement each other thematically on the basis of its offerings. One example is the Group's travel portfolio, which covers the entire travel-booking cycle and other offers such as a weather portal.

Media Glossary, page 323.

The Year 2015 at a Glance, page 80.

ProSiebenSat.1 Media SE measures the success of its strategy by the revenue and earnings increase in the three segments Broadcasting German-speaking, Digital & Adjacent, and Content Production & Global Sales. In the mid-term, Group revenues are expected to increase by EUR 1.85 billion to approximately EUR 4.2 billion by 2018 compared to 2012. Originally, a EUR 1 billion increase to nearly EUR 3.4 billion by 2018 was envisaged. Recurring EBITDA is expected to rise by EUR 350 million compared to 2012 to nearly EUR 1.1 billion in 2018. In recent months, ProSiebenSat.1 grew faster and more strongly than expected in all segments. The digital sector is developing particularly dynamically; already from 2011 onwards, external revenues in the Digital & Adjacent segment have grown by an average of 39 %. In 2018, the segment is expected to make a profitable revenue contribution of EUR 1.2 billion. Overall, the Company is planning to generate around half of its revenues outside of the classic TV advertising business by then. These financial goals reflect our vision: We will establish ProSiebenSat.1 Group as a leading broadcasting, digital entertainment and commerce powerhouse.

Our Growth Targets, page 03.

Strategic Areas of Action

Our value creation is focused on sustainable and profitable growth. We have defined three strategic fields of action for achieving our financial targets:

1. Strengthening the core business: ProSiebenSat.1 Group is growing highly profitably in its TV segment Broadcasting German-speaking with a recurring EBITDA margin of over 30 %. In the core business, we benefit in the audience and advertising market from the fact that we have purposefully expanded our complementary station family in recent years and now reach nearly all demographic target groups: While SAT.1 offers programs for the whole family, ProSieben is primarily aimed at young viewers aged between 14 and 39. The core target group of kabel eins are viewers between 14 and 49 years old. sixx focuses on younger women aged between 14 and 39. SAT.1 Gold is mainly aimed at women from 40 to 64 years. ProSieben MAXX chiefly appeals to male viewers between 14 and 39 years old. Since October 2015, the stations offered by ProSiebenSat.1 in Switzerland also included Puls 8; the full service broadcaster is aimed at 20- to 49-year-old viewers. In total, ProSiebenSat.1 Group operates eight free TV stations and twelve advertising or program windows in the German-speaking region and will carry on its complementary channel strategy. ProSiebenSat.1 Group invests around EUR 900 million per year in programming assets and will continue to expand its station network in the future. The objective is to create new spaces for advertising customers. Our Group is achieving this by identifying relevant target groups that are not yet represented or are currently under-represented in the TV market and conceptualizing corresponding television stations. We are thus successfully obtaining new customers – especially from the print segment. Our free TV stations are marketed by the subsidiaries SevenOne Media and SevenOne AdFactory. The companies support advertising customers and agencies from idea generation and conception to the implementation of campaigns on TV and digital platforms and

Development of the Audience Market, page 116.

Financial Glossary, page 320.

Media Glossary, page 323.

offer cross-media marketing concepts that involve all video media. Via the use of innovative technologies, the Group has also secured a sustainable position in the marketing business and for making forays into new markets. These include the issues of addressable TV, targeting, and entering the marketing of external digital spaces.

Media Glossary, page 323.

A second and increasingly important source of revenues besides TV advertising is distribution. Here, the Company participates in revenues that providers generate from the distribution of HD channels. These include technical service fees that cable network, satellite, and IPTV operators raise for the distribution of free TV stations in HD quality and in which ProSiebenSat.1 Group takes a share. The Group also operates three basic pay TV channels: SAT.1 emotions, ProSieben FUN, and kabel eins CLASSICS. ProSiebenSat.1 Group has therefore established business areas with long-term recurring revenues that are independent of the advertising market. For 2018, we expect revenue growth of EUR 375 million compared to 2012 in the Broadcasting German-speaking segment; around EUR 100 million of these revenues is set to come from distribution.

Red Arrow Entertainment Group complements the value chain relating to the core business of TV: Red Arrow develops, produces and distributes TV formats for ProSiebenSat.1 Group stations and for third parties. In 2015, Red Arrow sold TV formats in more than 200 countries; the company's program catalog currently contains more than 800 titles. The strategic focus is on expansion in the Anglo-American region and the development of the English-language fiction portfolio, as this is in particularly high demand internationally. The company's customers include TV corporations as well as digital platforms with a multinational presence such as Amazon and Netflix. This gives Red Arrow access to a dynamically growing procurement market. Red Arrow is consolidated in the Content Production & Global Sales segment. By 2018, we expect revenues in this segment to rise by EUR 275 million compared to 2012; Red Arrow already achieved the original growth target of EUR 100 million in 2014.

Major Events and Changes in the Scope of Consolidation, page 132.

2. Expansion of the digital entertainment portfolio: ProSiebenSat.1 has also established a far-reaching brand portfolio in the digital sector, with which we reach more than 30 million unique users per month in Germany alone. This is based on the strong TV brands and their content, which we extend and distribute synergistically via digital platforms. At the same time, we are developing and producing exclusive content for our digital entertainment portfolio in order to increase the attractiveness of our brands, e.g. for the multi-channel network (MCN) Studio71. Our digital entertainment offerings cover all relevant value-creation streams via the marketing of advertising space, pay-per-view videos and subscription models. With online portals, streaming services such as the 7TV app, the MCN, mobile offerings and the video-on-demand (VoD) platform maxdome, the Group is participating in the dynamic development of digital markets, enhancing its revenue profile, extending its reach and generating growth outside of the traditional TV advertising business. The digital entertainment offerings are bundled in the Digital & Adjacent segment.

3. Investment in markets with high growth potential: The third strategic field of action is derived from the growth of certain markets and our market share in the core business of television: With its free TV activities, ProSiebenSat.1 Group operates in a market environment with solid growth and runs a highly profitable business with strong cash flow. However, the Group's strategic goals include tapping into new, dynamically growing markets. For this reason, ProSiebenSat.1 Group is also expanding its portfolio vertically by way of investments. The Group is most actively pursuing this goal via its Ventures & Commerce activities, which provided the highest growth contribution in financial year 2015.

ProSiebenSat.1 pursues various M&A approaches. One way is to acquire majority interests. Here, the Company firstly has realized larger aquisitions. In addition to Verivox, etraveli was a major acquisition in the digital sector. etraveli was already one of the leading pan-European online air travel agencies when purchased and augments our existing Travel Vertical. Travel portals are well suited to TV advertising because of their visually captivating subject matter. For example, the revenues of billiger-mietwagen.de and mydays grew by more than 20% after integration into the ProSiebenSat.1 portfolio and marketing on TV. This market is growing by a mid to high single-digit percentage rate. ProSiebenSat.1 is developing other verticals according to this model and increasingly realizing revenue and cost synergies between the investments. Besides Digital & Adjacent, a second M&A focus was on the Content Production & Global Sales segment.

Risk and Opportunity Report, page 157.

In addition to traditional acquisitions and majority interests, ProSiebenSat.1 also takes a share in the value creation of smaller firms or businesses in an early stage of development via the media-for-revenue-share and media-for-equity models. This approach has the advantage that portfolio measures involve much less uncertainty with regard to value or integration. At the same time, these companies benefit in particular from seed funding via media services and marketing on our far-reaching platforms. In addition, the Group often acquires a minority share in the first stage in order to minimize risks. In 2015, for example, ProSiebenSat.1 invested in online shops such as Flaconi and used advertising to considerably increase the portals' page views and name recognition. Once sure that the described marketing mechanisms were successful, the Group topped up its shares in these investments and integrated the acquired companies into its portfolio, increasing its value. Flaconi, for example, complements the Beauty & Accessories Vertical and, in addition to the marketing through ProSiebenSat.1 platforms, benefited from the Group's know-how as market leader for video advertising and its central infrastructure, such as controlling services and HR management.

Major Events and Changes in the Scope of Consolidation, page 132.

Reach is the common denominator and crucial competitive advantage of our M&A strategy: With free advertising time of more than EUR 1.5 billion a year in gross terms, ProSiebenSat.1 has a second relevant investment currency. Through advertising on its own platforms, ProSiebenSat.1 can rapidly increase brand recognition without high costs. At the same time, the Group covers some of its investment requirements with media services and therefore requires less cash for acquisitions. The shareholders benefit from these financial advantages – despite investments, the Company can distribute 80% to 90% of underlying net income every year. This makes the ProSiebenSat.1 share a strong growth driver in the MDAX.

The ProSiebenSat.1 Share, page 74.

Planning and Management

Our financial and strategic decisions are based on the development of Company-specific key figures. These financial and non-financial key performance indicators (KPIs) emerge from the corporate strategy; they are planned and managed centrally by the full Executive Board of ProSiebenSat.1 Media SE. The planning and management process is complemented by the monitoring of the KPIs on the basis of regularly updated data. This includes the assessment of developments within the framework of opportunity and risk management.

Risk and Opportunity Report, page 157.

Intragroup Management System (Fig. 23)

▲ Basis: Underlying data for relevant KPIs which are adopted by ProSiebenSat.1's Executive Board.

Intragroup Management System

The performance indicators specific to ProSiebenSat.1 are aligned to the interests of the capital providers and cover financial planning as well as aspects of comprehensive revenue and earnings management. The following illustration provides an overview of our management system:

Overview of relevant key performance indicators (Fig. 24)

Non-financial performance indicator	**Broadcasting German-speaking segment** › Audience shares
Financial performance indicators	**Group** › Revenues › EBITDA › Recurring EBITDA › Underlying net income › Leverage **Broadcasting German-speaking and Content Production & Global Sales segments** › External revenues › Recurring EBITDA **Digital & Adjacent segment** › External revenues › Recurring EBITDA › EBITDA

Development of the Audience Market, page 116.

Media Glossary, page 323.

› **Non-financial performance indicators:** ProSiebenSat.1 Group has a broadly diversified portfolio; its operating key figures are accordingly diverse. The central and decisive non-financial indicator for the core business is the audience share of the free TV stations.

Data on TV consumption in Germany is collected by GfK Fernsehforschung on behalf of the Arbeitsgemeinschaft Fernsehforschung (AGF). In addition to traditional linear television consumption, the usage of video offerings online and – in the future – through mobile devices is being integrated here. We evaluate the data collected by the institutes on a daily basis; we analyze both the performance of the stations in the target group of 14 to 49 year old viewers that the advertising industry is interested in and in their respective relevant target groups. This is the basis for our successful program planning. At the same time, the data are of central importance for the financial calculation of prices for advertising time: The development of audience shares documents the popularity of shows with the public and thus the reach of advertising spots.

Financial Glossary, page 320.

- **Financial performance indicators:** The key indicators for managing profitability are the generated revenues and the recurring EBITDA. Recurring EBITDA stands for recurring earnings before interest, taxes, depreciation and amortization. Non-recurring income and expenses are not included, so that this key figure reflects the operating profitability of the Group and its business entities or segments in a meaningful way.

Financial Glossary, page 320.

  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 SE is calculated on the basis of the Group's underlying net income. We are pursuing a profit-oriented dividend policy with the aim of distributing 80% to 90% of underlying net profit each year.

Financial Glossary, page 320.

  Non-recurring and special items can influence or even overshadow the performance and can make a multi-year comparison difficult. However, the analysis of unadjusted key earnings figures enables a holistic view of the expense and income structure. For this reason, ProSiebenSat.1 Group also uses EBITDA as a control parameter for profitability. In addition, EBITDA makes it easier to compare assessments internationally, as it does not take into account the effects of taxes and impairments or the financing structure. Internally, EBITDA serves both at Group level and for the segments as an important performance indicator and has become more relevant for the Digital & Adjacent segment in particular in recent years. The segment is growing dynamically; most recently, it generated 26.0% of total annual revenues (previous year: 21.2%) and 16.9% of Group EBITDA (previous year: 15.1%).

Financial Glossary, page 320.

  ProSiebenSat.1 Group invests in markets with long-term growth opportunities and examines options to expand its portfolio. The acquisition of companies that complement our value chain synergistically is part of this strategy. Capital-efficient financial leverage (leverage ratio) is an important performance indicator used in the Group's financial planning. The leverage ratio indicates the level of net debt in relation to LTM recurring EBITDA – i.e. the EBITDA adjusted for non-recurring items that ProSiebenSat.1 Group has generated in the last twelve months (LTM = last twelve months). The target is a factor of between 1.5 and 2.5.

Sustainability, page 97.

Our corporate strategy is designed for sustainable and profitable growth. A primary goal is therefore to increase the above earnings figures through continuous revenue growth in all segments. The business entities largely function as profit centers: This means they act with full revenue and earnings responsibility. At the same time, the associated flexibility is an important requirement for the success of ProSiebenSat.1, as the Company operates in a dynamic industry environment and is consistently diversifying its value chain. The organizational entities make operating decisions required by the respective competitive environment independently within the centrally approved framework. This performance-based approach encourages our employees on all levels to act in an entrepreneurial manner.

All employees of our Company help to develop ProSiebenSat.1's strengths and promote innovations with their knowledge and ideas. We therefore invest consistently in human resources development, support junior staff in a targeted manner, and simultaneously give all employees an adequate share in the Company's success. 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 employees. Additionally to net debt, the Company's EBITDA and external revenues and EBITDA of the Digital & Adjacent segment also serve

Compensation Report, page 57.

Explanatory Notes on Reporting Principles, page 83.

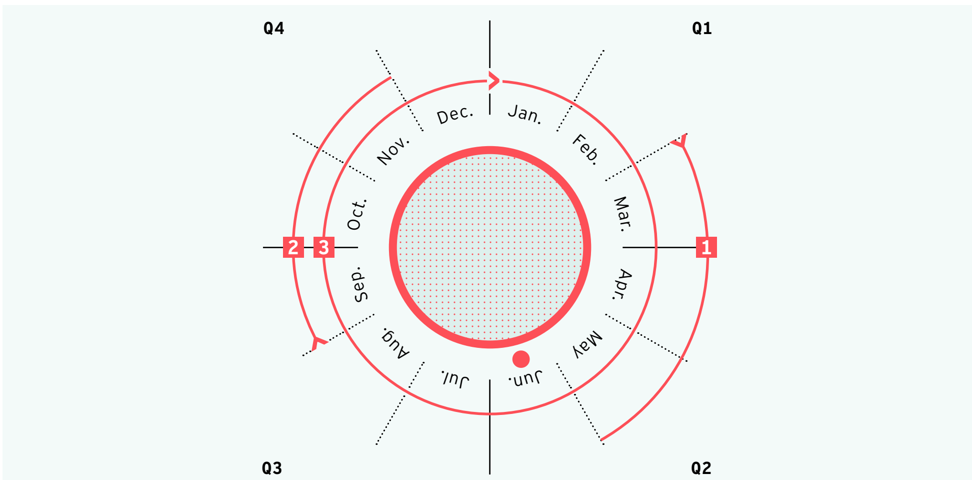
as a variable basis for the assessment of the compensation of the Executive Board. By harmonizing the Executive Board's compensation with our KPIs for corporate management, we implemented a holistic and effective control system which reflects the Company-specific characteristics. Further information 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."

Operational and Strategic Planning

Management and planning are closely intertwined at ProSiebenSat.1: As part of planning, target figures are defined and stipulated for different time periods. The focus is on the key performance indicators described above.

The diagram below shows the individual planning levels over time for financial year 2015. The different levels in the planning process – strategic planning, multi-year planning, budget preparation, and monthly reporting – build on each other and are closely linked to our risk management. In 2015, this multi-stage process was relaunched. Multi-year planning is now performed parallel to strategic planning. The objective was to coordinate time horizons and content even more closely.

Planning calendar (Fig. 25)



- **Strategy meeting**
- **1 Multi-year planning** (long-term corporate plan on an annual basis)
- **2 Budget** (operating plan for the year on a monthly basis)
- **3 Monthly reporting** (trend projections)

- **Strategy meeting:** Analyses of strengths and weaknesses are important strategic planning instruments. Market conditions and current key figures for relevant competitors are compared, the Company works out its own strengths, opportunities and risks are assessed, and growth strategies are developed adequately. The Executive and Supervisory Boards discuss the results once a year in a strategy meeting.

  The Group has been pursuing a consistent digital strategy for several years with the aim of strengthening the core business and simultaneously expanding the Company as a broadcasting, digital entertainment and commerce powerhouse. This course has not changed for 2015, but certain targets were prioritized and redefined at the strategy meeting. The strategy meeting for 2015 took place in June; the Group raised its medium-term growth targets in October on its Capital Markets Day.

The Year 2015 at a Glance, page 80.

- **Multi-year planning (long-term corporate plan on an annual basis):** Multi-year planning constitutes the detailed, quantitative depiction of strategic planning. It is performed on a quarterly basis and contains targets for a five-year period. 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.

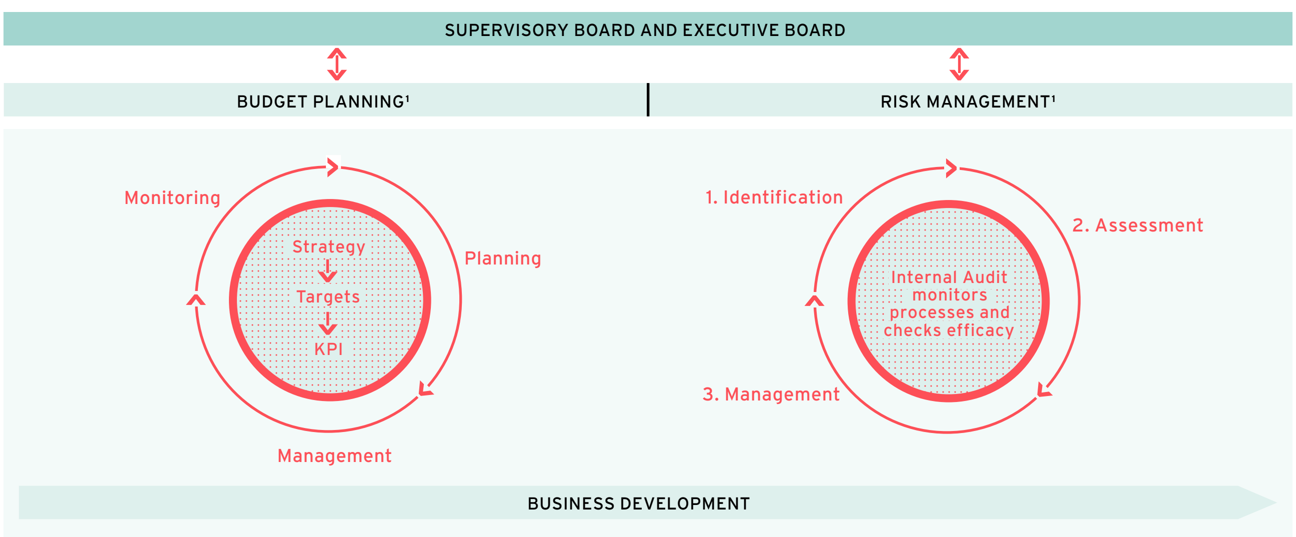
- **Budget (operating plan for the year on a monthly basis):** In turn, multi-year planning forms the basis for the budget. The budgeted figures are also calculated in a bottom-up process, but the targets for individual financial and non-financial performance indicators are specified on a monthly basis.

- **Monthly reporting and trend projections:** 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 and Opportunity Report, page 157.

Again in 2015, the Executive Board discussed the achievement of the short-term and long-term targets together with the Supervisory Board. Apart from the monthly reporting, 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 during the year and over time are analyzed here. For example, the development of audience shares is an important early warning indicator. Additional growth opportunities and therefore potential positive deviations from projected targets are analyzed in parallel with risk management; they are taken into account in budget planning.

Opportunity and Risk Management at ProSiebenSat.1 (Fig. 26)



1 Also refer to Annual Report 2015 starting on page 157.

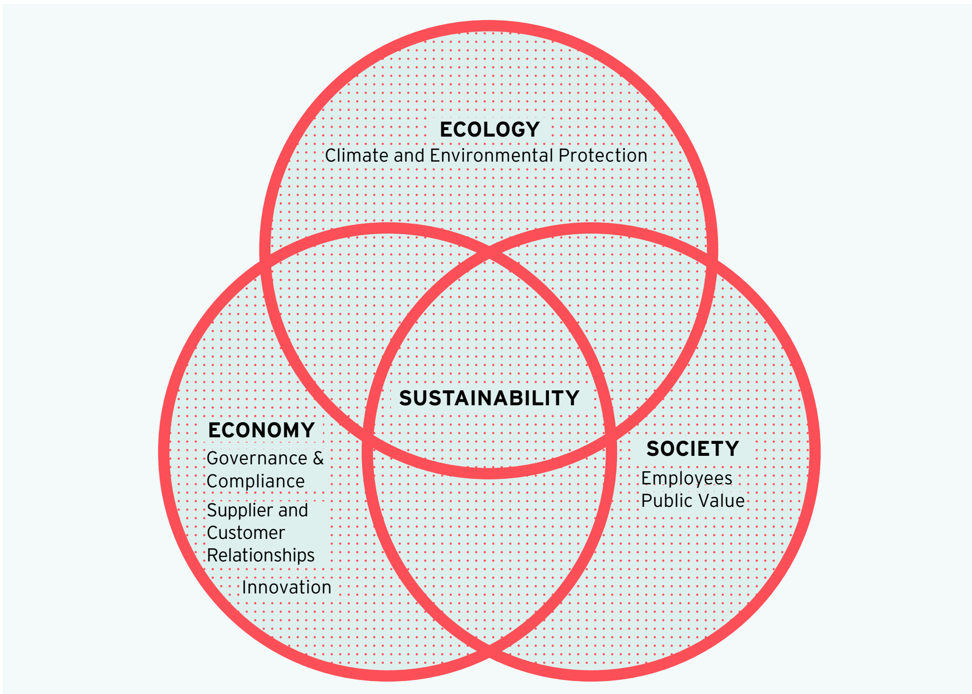
Sustainability

- **Independent reporting is very important for ProSiebenSat.1 as a publishing company.**
- **We are one of the most attractive employers in Germany and set great store by diversity.**
- **ProSiebenSat.1 benefits from long-standing relations with the film industry.**
- **ProSiebenSat.1 campaigns publicly and is launching the "SchoolsON" video competition with the support of the German Children and Youth Foundation ("Deutsche Kinder- und Jugendstiftung").**

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 252.

Companies that identify and use sustainability-related opportunities in a targeted manner can perform better on competitive markets. Taking sustainability aspects into account leads to optimized business strategies and competitive advantages that can in turn result in higher shareholder returns. ProSiebenSat.1 Group sees sustainability as a method of targeting holistic and lasting development of the Company's economic, environmental and social performance. The individual dimensions of sustainability are mutually dependent. Below, we describe the fields of action and aspects that are particularly relevant to ProSiebenSat.1 as a media company. The figure below provides an overview:

Dimensions of sustainability and fields of action at ProSiebenSat.1 (Fig. 27)



Governance & Compliance

Transparency and Independence

Transparent communication with the capital market and the public and independent reporting are very important for ProSiebenSat.1 as a publishing company. For this reason, ProSiebenSat.1 strives to ensure a trusting relationship with journalists and financial analysts and follows internal guidelines for preserving journalistic independence.

Corporate Governance Report, page 46.

www.prosiebensat1.com/en/page/journalistische-unabhaengigkeit

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

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

Youth Protection

www.prosiebensat1.com/en/page/jugendschutz

Youth protection officers make sure that ProSiebenSat.1 Group offers age-appropriate programming on TV and online. They are professionally independent and ensure that content that is inappropriate for children is broadcast only at the legally prescribed broadcasting times. At the same time, they guarantee technical methods of protection for the distribution of unsuitable content on the Internet. The youth officers are therefore 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, ProSiebenSat.1 Group's TV and online editors receive regular training on youth protection requirements.

In addition to internal guidelines and training, we also campaign for youth protection via various organizations: The Company is 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, the Group is one of the first major providers of online games in Europe to be a member of the German Entertainment Software Self-Regulation Body (Vereinigung Unterhaltungssoftware Selbstkontrolle, USK).

Data Protection

For a media company like ProSiebenSat.1, data protection is of particularly high importance, especially in light of advancing digitalization. ProSiebenSat.1 has set down the data protection principles in its data protection policy, the Code of Compliance, and in additional guidelines.

www.prosiebensat1.com/en/page/verhaltenskodex

We understand data protection as an important competitive aspect that influences the customers', users', viewers', applicants', employees', and business partners' trust in the products and brands of ProSiebenSat.1 Group and can thus have a long-term effect on the Group's financial success. We respect and protect the privacy of all individuals who share their data with ProSiebenSat.1 Group. The Group therefore does not process or use any personal information without fully complying with applicable laws. 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.

Supplier and Customer Relationships

Attractive programming is one of the most important requirements for ProSiebenSat.1's long-term success with TV viewers, but also with users of our digital offerings and advertising customers. In order to secure a long-term supply of programming for the Group, the Group maintains close dialog with domestic and international film studios, as well as film and TV producers. ProSiebenSat.1 Group has long-term agreements with almost all major Hollywood studios and numerous film companies.

ProSiebenSat.1 Group's long-term agreements with major US studios (Fig. 28)

Media Glossary, page 323.

The Year 2015 at a Glance, page 80.

License acquisition across all forms of exploitation – from free TV and video-on-demand to mobile – is becoming ever more strategically significant for ProSiebenSat.1. We exploit program content via all of the Group's platforms and thus offer our viewers and users a comprehensive and attractive media service. In 2015, ProSiebenSat.1 extended its agreements with Twentieth Century Fox and Warner Bros., concluded new deals with NBCUniversal and Disney, and acquired extensive rights packages.

- Thanks to the extension of the master license agreement with Twentieth Century Fox, this Hollywood studio's films and series will continue to be shown on ProSiebenSat.1 Group's stations in the future. For the first time, the agreement also covers animated movies from the DreamWorks studio. In addition to exclusive free TV licenses, the rights package also includes exclusive rights for pay TV.

- The extended license agreement with Warner Bros. secures ProSiebenSat.1 exclusive free TV rights to Hollywood blockbusters and hit TV shows that the US studio will produce in the years to come. In addition, ProSiebenSat.1 gains access to Warner's extensive library.

- Moreover, ProSiebenSat.1 concluded a long-term content licensing deal with NBCUniversal for the first time in 2015. This secures the Group wide-ranging linear exclusive rights in Germany as well as catch-up rights to new US sitcoms and drama series from the Hollywood studio. In addition to exclusive free TV rights, the agreement also includes selected pay TV licenses.

Media Glossary, page 323.

Media Glossary, page 323.

- Furthermore, the Group concluded a new master license agreement with Disney in 2015. The agreement gives ProSiebenSat.1 access to new Hollywood blockbusters and TV series from the Disney, Disney•Pixar, Lucasfilm, Marvel, and ABC Studios production companies. The broadcasting rights apply for ProSiebenSat.1 Group's free TV stations in Germany. In addition to free TV licenses, the agreement also includes selected pay TV and subscription video-on-demand (SVoD) rights for platforms such as maxdome.

Impact of General Conditions on the Business Performance, page 130.

Opportunity Report, page 174.

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 financial year 2015, the share was 60.5%. 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 ProSiebenSat.1 Group. In 2015, the Group gained 139 new customers.

As well as the advertising industry, the consumers of our offerings, i.e. TV audiences and the users of our digital platforms, are also important stakeholders for us. In order to increase the success of the offerings and raise awareness of the brands, the Group therefore regularly invests in high-reach marketing campaigns. In 2015, marketing expenditure amounted to EUR 129.0 million (previous year: EUR 88.5 million). These include all expenses in relation to program and image communication with the exception of market research and PR 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. ProSiebenSat.1 runs 109 Facebook pages and 28 Twitter accounts relating to its TV brands. In addition, viewers can e-mail their questions about program content and suggestions or criticisms to the central viewer service department. In 2015, this department processed around 107,000 inquiries (previous year: around 100,000). The use of Facebook to make contact, again, grew significantly this year. Overall, half of the messages received (51%) came via the heavily frequented pages of the stations (previous year: 33%).

Innovation

Media Glossary, page 323.

In order to take the opportunities of digitalization and meet the future challenges in our dynamic industry environment, ProSiebenSat.1 is reinforcing its power of innovation with various measures. The primary objectives are to exploit innovative business ideas by cooperating with start-ups, to use new technologies in the advertising market, and to align the human resources strategy accordingly.

In 2015, ProSiebenSat.1 Group expanded its start-up business, including on an international level. Thanks to the expansion of its existing scouting network with the countries Great Britain, Denmark, Sweden, Poland and France, the Group can identify global trends and promising companies even faster. Previously, the Group was already represented by scouting offices in the US and Asia. The Group helps attractive companies enter the market in Germany and Europe. In this way, we are transposing our successful investment models to the global market in order to establish ourselves internationally as a media investor. The "European Media Alliance" project was also founded to give the Group's own start-ups the opportunity to expand into other European countries and there to obtain TV media from cooperation partners. For the first time, the partners of the European Media Alliance also took part in SevenVentures Pitch Day, which was held for the fourth time at the NOAH Conference in London; they provided additional media services for the funding format.

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. ProSiebenSat.1 holds investments in young enterprises via its subsidiary SevenVentures, which are supported via the media-for-revenue-share and media-for-equity investment models. In 2015, ProSiebenSat.1 launched a project to promote high-growth digital companies together with Axel Springer. The initiative aims to support innovative business ideas and start-ups in order to improve Germany's positioning as a digital location, including on an international level. Among other things, both partners acquired a minority interest in the US firm Jaunt, which specializes in the field of augmented reality. This provides new opportunities to make television advertising even more attractive for brand owners and viewers.

The Year 2015 at a Glance, page 80.

As well as the ventures business, innovation also plays a significant role in the TV advertising market. For this reason, the Group invested in the companies Virtual Minds and SMARTSTREAM.TV in 2015. Another example of technological innovation in marketing is addressable TV. ProSiebenSat.1 has used it to introduce a new generation of TV advertising and link the reach of the mass medium television with target-group-specific online offerings. The technological standard Hybrid Broadcast Broadband TV, or HbbTV, allows users to press the "Red Button" on the remote control to gain access to additional digital offerings on smart TVs. For example, during an advertising spot they can call up the provider's microsite with further information at the touch of a button. In 2015, SevenOne Media combined this interactive function with the new special advertising form "SwitchIn" for the first time. The digital advertising window, which can be adjusted according to target group and geographical location, overlays a portion of the screen as soon as the viewer tunes in to a ProSiebenSat.1 station. The spot is only shown to members of the selected target group during the campaign period. ProSiebenSat.1 has already implemented 48 campaigns for 25 advertising customers with addressable TV.

Media Glossary, page 323.

Broadcasting German-speaking: Future of TV Advertising, page 12.

Opportunity Report, page 174.

In order to succeed in the long term, we also set great store by the ideas and creativity of our employees. In 2012, ProSiebenSat.1 therefore established a central department for innovation and technology trends in the Group. The team has since continuously analyzed innovations in the market and processed 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 initiative is to give knowledge of current trends and to provide a basis for innovation. In addition, Learning Expeditions are important measures for the promotion of our employees' innovative skills. In the one-week Learning Expeditions, ProSiebenSat.1 employees travel to international business regions in order to talk to representatives of large enterprises as well as researchers and academics. The initiative launched in 2011 and has become established at the Company. Around 250 employees have taken part so far.

Research and development (Fig. 29)

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 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 2015, expenses for Group-wide market research activities amounted to EUR 7.3 million (previous year: EUR 7.5 million). The various research units prepare investigations and analyses on advertising impact, on trends in the advertising market and digital sectors as well as on media usage and also assess economic and 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.

Technical Distribution, Media Consumption and Advertising Impact, page 113.

Program research also plays a decisive role in the program development phase. 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. 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.

Climate and Environmental Protection

ProSiebenSat.1 Group's environmental commitment relates in particular to climate and environmental protection measures. ProSiebenSat.1 contributes to slowing climate change and protecting our environment by using resources sparingly and reducing CO_2 emissions. As a media group, ProSiebenSat.1 is not a member of the energy- and resource-intensive manufacturing industries with complex, global supply chains. Nevertheless, doing business on a sustainable basis along its entire value chain is important for the future corporate success of ProSiebenSat.1.

Corporate Strategy and Vision, page 89.

At ProSiebenSat.1, the largest energy requirement results from the production of TV content and the distribution of television programming. The Company therefore fully converted its power supply at the Unterföhring location to use renewable energy back in 2012. This results in additional costs of around EUR 40,000 per year. In 2015, we made savings of around 60,000 kWh in electricity procurement with measures such as the switch to LED lighting and the modernization of the transformer technology. Annual total consumption is approximately 16 GWh.

Geothermal heating is also part of ProSiebenSat.1's supply concept, which focuses on safety, efficiency and environmental friendliness. The Group has used geothermal heat for several properties at the main site in Unterföhring since 2012. Three further buildings were added in 2015, which have since been supplied with geothermal heating by GEOVOL, operator of the local geothermal plant. The three buildings, which accommodate offices and a large cafeteria, are equipped with six transfer stations. Their power rating totals 2.6 megawatts.

Since summer 2015, two office buildings used by ProSiebenSat.1 at the Unterföhring site have also been air-conditioned in an environmentally friendly manner using geothermal heat. This innovation is made possible by an absorption refrigerator, which uses thermal energy and a solution of water and the salt lithium bromide to generate coldness. The absorption refrigerator replaced the previous air-conditioning system, which was powered by electricity. It has a refrigerating capacity of 200 kilowatts and provides air conditioning for around 4,500 square meters of office space.

In November 2014, the German government passed a law obliging large businesses to carry out energy audits. The “Act on Energy Services and Other Energy Efficiency Measures” serves to implement the EU Energy Efficiency Directive and to achieve German energy conservation targets. ProSiebenSat.1 performed an energy audit according to DIN EN 16247-1 in due time in 2015 and concluded it for all Group entities on the campus in Unterföhring in December. On the basis of the results of the audit, we will examine measures to further improve the Company’s energy supply systems technologically, economically and ecologically.

Employees

Strategic Human Resources Work

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, 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 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 package for work-life balance, and a wide range of social benefits.

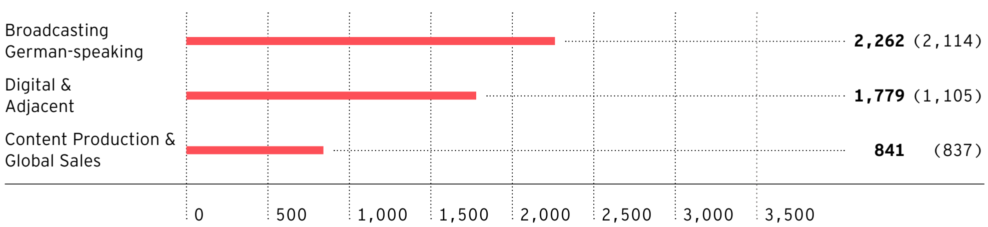
Development of Employee Numbers

Calculated on the basis of full-time equivalents, the Group had 5,584 employees as of December 31, 2015 (previous year: 4,210). The average number of full-time equivalents in the last year was 4,880 (previous year: 4,118). The increase of 762 average full-time equivalents or 18.5 % is primarily due to the expansion of the digital business. The acquisitions of etraveli, Verivox, Flaconi and Collective Digital Studio made a particular contribution here. In the past financial year, this resulted in a personnel increase of 699 full-time equivalents in the Digital & Adjacent segment.

Major Events and Changes in the Scope of Consolidation, page 132.

Employees by segment[1] (Fig. 30)

average full-time equivalents, 2014 figures in parentheses

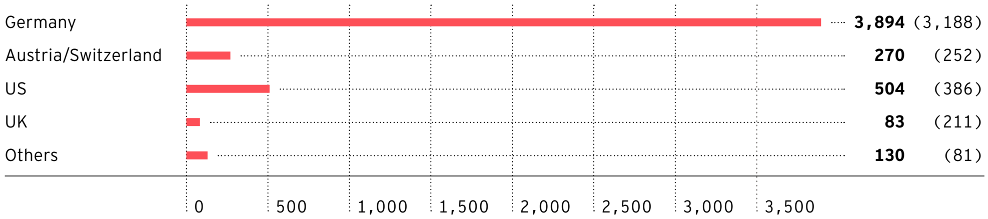


1 The total amount of 4,118 average full-time equivalents throughout the Group contains 62 employees not allocated to a segment.

In 2015, ProSiebenSat.1 had an average of 4,164 employees in Germany, Austria, and Switzerland (previous year: 3,440 average full-time equivalents). This equates to growth of 21.1 % year-on-year and an 85.3 % share of the Group’s total employees (previous year: 83.5 %). The regional distribution of employees in 2015 was as follows:

Employees by region (Fig. 31)

average full-time equivalents, 2014 figures in parentheses



Due to the increase in employees, the personnel expenses recognized in the cost of sales, selling expenses and administrative expenses also rose. They increased to EUR 477.3 million in financial year 2015, which constitutes an increase of 21.9 % or EUR 85.6 million compared to the previous year.

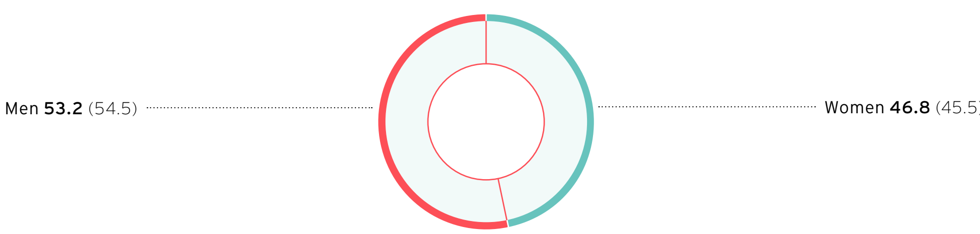
Diversity Management

ProSiebenSat.1 values its employees with the personal characteristics, talents and abilities that they bring to the Company. We are convinced that diverse teams are better able to solve complex tasks. A balance of men and women within the company and in management positions also contributes to diversity. In 2015, 46.8 % of ProSiebenSat.1 employees were female (previous year: 45.5 %) and 53.2 % were male (previous year: 54.5 %).

Information on targets for the composition of the Executive Board and Supervisory Board can be found in the Corporate Governance Report, page 47.

Proportion of women and men in the whole Group (Fig. 32)

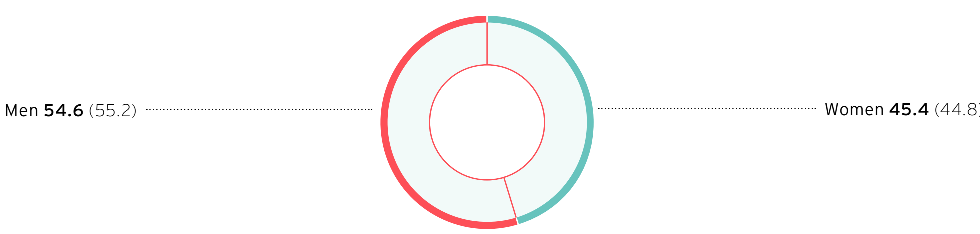
in percent, 2014 figures in parentheses



In the core market of Germany, the proportion of women was 45.4 % (previous year: 44.8 %) and thus on the level of the average proportion of women in German enterprises, which according to the Federal Office of Statistics was most recently 46.4 % (2014).

Proportion of women and men in the German core market (Fig. 33)

in percent, 2014 figures in parentheses

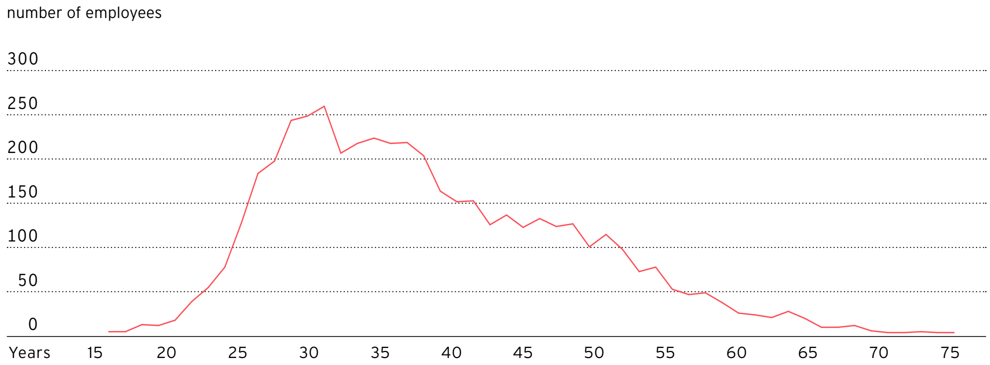


The ratio of women in management positions was 29.0 % (previous year: 29.9 %), while 27.9 % of managers in the core market of Germany were female (previous year: 29.0 %). This figure also matches the average in German enterprises (Federal Office of Statistics 2014: 29 %). To further promote balance, the Executive Board of ProSiebenSat.1 Media SE sets targets for the proportion of women on both management levels below the Executive Board in September 2015. The target is 15 % for the first management level, 25 % for the second management level. The targets are expected to be achieved by June 30, 2017.

Management Declaration, page 55.

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 2015, ProSiebenSat.1 employed people from around 50 different nations in Germany. The age pyramid also reflects diverse demographics, whereby the average age was 36.7 (previous year: 37.2).

Age pyramid (Fig. 34)



Average age: 36.7

Our corporate culture is characterized by openness and respect. Therefore, ProSiebenSat.1 Group signed the Diversity Charter in 2014. By joining this initiative, we underlined our commitment to creating a working environment free of prejudice and exclusion that promotes diversity among employees. In this context, the third Diversity Day was held in Germany on June 9, 2015; ProSiebenSat.1 supported the nationwide campaign day both in the company and in its programming. For example, the magazine show "taff" launched "Bleib fair," a large-scale social experiment about cyberbullying, and campaigned for openness to and acceptance of all cultures, creeds and sexual orientations.

www.charta-der-vielfalt.de/en/diversity-charter.html

Recruiting, Education and Training

In order to succeed in a highly dynamic industry environment in the long term, it is particularly important to 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 the Group's own career portal as a central platform, which was newly launched in 2014. In December 2014, the HR department introduced the job recommendation portal Talentry to the Group, which incentivizes employees to become active recruiters: Existing employees have the opportunity to recommend suitable candidates for vacant positions and receive a commission. The Group thus improved its position on the applicant market, especially with regard to technical job profiles. With over 900 registered users and around 2,000 recommendations since launch, Talentry has established itself as a successful recruiting tool.

www.fascinating-people.de/en

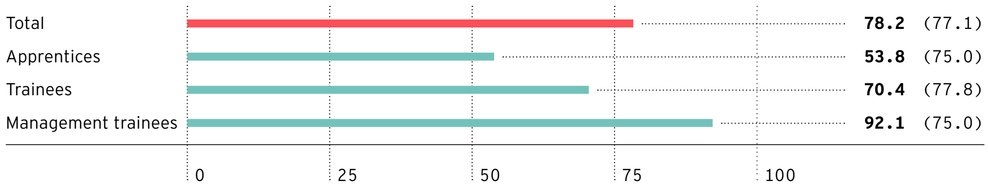
Development of User Numbers, page 119.

In addition, ProSiebenSat.1 uses the Viasto video platform as another recruiting system. The tool enables prerecorded video interviews with candidates. Pre-selection can thus be made more efficient and flexible when there are large numbers of applicants. Additionally, ProSiebenSat.1 uses different social media channels and operates an own talent community. In recent years, ProSiebenSat.1 has also established a recruiting team that proactively approaches talents on the market and maintains an external network. In total, the number of applications to ProSiebenSat.1 in Germany rose to 37,700 in 2015, a growth of 10.8 % compared to the previous year (34,000).

At the same time, ProSiebenSat.1 continuously grooms qualified junior staff for the Group through various apprenticeships. In 2015, 190 apprentices worked in Germany at ProSiebenSat.1 (previous year: 185). This includes management trainees, trainees in TV, Online and PR, as well as apprentices in the following courses – audiovisual media, events, video and sound media design, and IT system integration. The Group also offers dual study programs in media and communications business, as well as accounting and controlling. 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. 35)

in percent, 2014 figures in parentheses



Furthermore, the training of employees is of great importance at ProSiebenSat.1. In 2015, the Company further increased its budget in this area: In the past year, ProSiebenSat.1 Group's investments in education and training programs rose to EUR 3.6 million (previous year: EUR 3.0 million). Part of the investment goes to the ProSiebenSat.1 Academy as the central provider of training formats for employees and managers. The number of Academy events increased to 750 (previous year: 561); the number of participants rose by 16.4 %. In total, 6,945 participants made use of training offers (previous year: 5,965).

In order 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 2015, internal training again especially focused on digital issues: The Company offered training courses such as "Digital Economy," "E-Commerce & Online Marketing" and "Lean Start-Up for User Experience." 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. In addition, the Group strengthens its employees' innovative power with various instruments such as Learning Expedition.

Innovation, page 100.

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. 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 2015, 158 employees took part in the OTR (previous year: 201 participants).

All managers at ProSiebenSat.1 Group go through a development program with the modules "New Leader," "Performance," "Team," "Self-Management," and "Digital Leader." In 2014, the Group introduced "Digital Leader" as a new module to train management skills resulting from the digital transformation. Overall, 451 managers took part in the development offerings in 2015 (previous year: 219).

Performance-Based Compensation System

With performance-based compensation, ProSiebenSat.1 gives its employees an appropriate share in the Company's success. Our employees are 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. Employees can achieve up to 200 % of their 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 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 57.

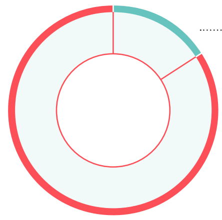
Work-Life Package

We offer an environment where our employees can best unify their private and professional lives. Therefore, employees of ProSiebenSat.1 Group are provided with an extensive work-life package, which supports them in particular in the areas of family, sports, and health. For over ten years, we have offered our employees an in-house day-care center that currently has 74 places. In 2015, the Group's investments in childcare rose to EUR 1.2 million (previous year: EUR 1.0 million). EUR 0.3 million went to the company day-care center and a new children's playground, EUR 0.9 million 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. The new working hours model (FlexTime), which offers employees a generous flexitime arrangement as well as various opportunities for compensatory time off, has been in place since the start of 2015. In addition, the model governs mobile work at home and while traveling. In 2015, the proportion of part-time employees at ProSiebenSat.1 in Germany rose 16.8 % (previous year: 16.1 %). According to the Federal Office of Statistics, an average of 26.6 % of employees of German enterprises worked part time in 2014. 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.

Part-time and full-time employees in Germany (Fig. 36)

in percent, 2014 figures in parentheses



The ProSiebenSat.1 human resources work also focuses on health and sports. The Group offers its employees the opportunity to integrate movement and sporting activities into everyday working life. They can for example make use of an own sports room and an extensive course program on the Company campus. Since July 2015, employees of ProSiebenSat.1 Group at the Unterföhring site have also had the opportunity to hire bicycles and pedelecs under the salary conversion concept. The Group actively promotes the health and wellbeing of its employees and simultaneously contributes to climate protection and traffic optimization.

Employee Satisfaction and Employer Attractiveness

An important factor of a successful HR work is for us the satisfaction of the employees. The Company carried out its most recent employee survey in Germany, Austria and Switzerland in July 2014 in order to obtain a detailed assessment of the atmosphere and to identify potential areas of improvement. 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. These high satisfaction values are also reflected in HR figures such as the staff turnover rate, which fell to 8.8 % in financial year 2015 (previous year: 9.7 %). Despite the decline in turnover, the average period of employment decreased to 5.5 years (previous year: 7.5). Last year, ProSiebenSat.1 saw a sharp rise in employee numbers due to various acquisitions; as a result the average period of employment fell in absolute terms.

Moreover, external evaluations also emphasize the appeal of our Group as an employer. ProSiebenSat.1 Group is one of Germany's most popular employers and has maintained its position at the top of the rankings for several years. In 2015, WirtschaftsWoche's employer ranking confirmed that ProSiebenSat.1 is not only in high demand among media professionals but also experts in other subjects – such as business administration and informatics. ProSiebenSat.1 also counts among Germany's top 100 employers in the "trendence Graduate Barometer", taking 24th place in the business edition and 30th in the IT edition. As in previous years, ProSiebenSat.1 was also among the top ten most popular employers in the "trendence Schülerbarometer 2015." Humanities students who took part in the "Universum Student Survey 2015" voted the Company into second place; ProSiebenSat.1 is one of the top 15 employers in Germany for young economists according to a Universum survey.

Public Value

ProSiebenSat.1 Group reaches around 42 million households every day with its TV stations and an additional more than 30 million users per month with its digital platforms. The distributed content helps to shape the opinions of viewers and users. We are conscious of this responsibility and use the large reach of our media to draw attention to important ecological, social and political issues. We have launched numerous initiatives in recent years and campaigned with lots of projects in 2015. The objectives of our public engagement are:

Public Value 2015, page 110.

- creating opportunities,
- engaging culture,
- communicating values, and
- building knowledge.

Back 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 Prime Minister Dr. Edmund Stoiber advises the media group on relevant socio- and media-political as well as ethical issues and provides suggestions regarding the Group's media offerings. In financial year 2015, the Advisory Board met three times. Members of the Executive Board and other decision-makers in ProSiebenSat.1 Group participated in these events.

www.prosiebensat1.com/en/page/vorstellung-und-aufgaben-des-beirats

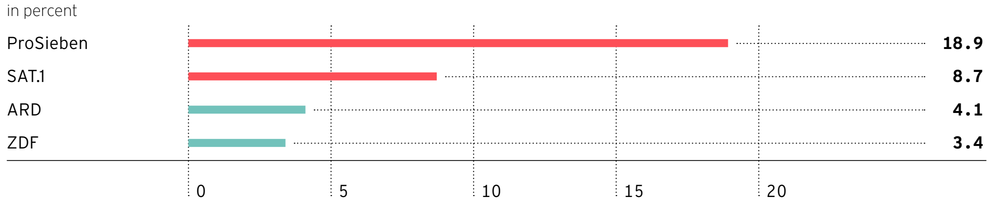
At the ProSiebenSat.1 Advisory Board's suggestion, ProSiebenSat.1 launched the "SchoolsON" video competition with the support of the German Children and Youth Foundation in 2015. The nationwide initiative was aimed at young people between the ages of 14 and 18 and called on them to produce TV and online reports alone or in groups. The objective was to actively give young people a closer understanding of how to deal with audiovisual media responsibly. To accompany the competition, ProSiebenSat.1 and the German Children and Youth Foundation provided students and educators with online tutorials and materials. They explained what should be considered when creating a report and also provided suggestions on how to integrate complex issues such as the protection of privacy and copyright into teaching. The "SchoolsON" initiative is part of the Advisory Board's current focus on "Digital Education."

Public Value 2015, page 110.

Other projects such as "Green Seven" are also intended to familiarize young people with relevant issues. ProSiebenSat.1 as a media group has a key role to play here: 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 access to young people to raise the next generation's awareness of important issues.

TV station market shares among young viewers 2015 (Fig. 37)

in percent



Basis: 14-29 years, 24 hour (Mon. – Sun.).

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

PUBLIC VALUE 2015

We reach several million people every day with our TV stations and digital platforms. Our content helps to shape opinions. We are conscious of this responsibility and use the reach of our media to draw attention to important ecological, social and political issues. In doing so, we are in pursuit of four goals: We want to offer opportunities, promote culture, communicate values, and build knowledge.

RED NOSE DAY

In April 2015, the 13th **"RED NOSE DAY"** (a) took place on ProSieben. According to the claim "giving makes you happy," famous faces such as Jerome Boateng, Wolfgang Joop, and Joko and Klaas appealed to viewers with numerous activities to donate for children in need. The employees of ProSiebenSat.1 Group also got involved for the good cause: In 2015, around 260 employees took part in the annual company run. ProSiebenSat.1 honored every kilometer run and particularly good run times with a cash donation. In total, the employees raised EUR 38,788 in donations this year. The Company has raised more than EUR 12 million in donations since Germany's best-known charity brand launched in 2003.

a

DIE ARCHE

"Die Arche e. V." (b) was founded in Berlin in 1995. The Christian children's and youth charity is now active at 20 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 sports, healthy eating and individual counseling. A concept that ProSiebenSat.1 supported for six years. In 2015, all the income from "RED NOSE DAY" went to "Die Arche" for the first time. The initiative used the donations to finance the construction of the 20th "Die Arche" facility in Berlin-Treptow, which has offered children a new place to go since October 2015.

b

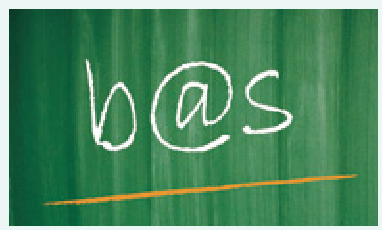
c

STARTSOCIAL

Many people have ideas about how to tackle social problems, but often come up against practical problems when trying to implement them. This is where the nationwide **"start-social"** (c) competition with the motto "help for helpers" comes in. For three months, experts from industry or social organizations coach founders of selected projects with their specialist knowledge. A jury then selects the 25 best initiatives; seven of them receive an award from patron and German Chancellor Angela Merkel. ProSiebenSat.1 Group has sponsored the competition as a co-founder since 2001 together with dedicated employees, who support numerous startsocial projects.

BUSINESS@SCHOOL

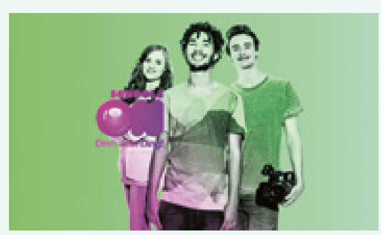
In 2015, ProSiebenSat.1 Group supported **"business@school"** (d), the education initiative from The Boston Consulting Group, for the first time. The objective of business@school is to strengthen the link between business and school. For a year, ProSiebenSat.1 employees coach students from tenth to twelfth grade at two Munich high schools and advise them on the implementation of their business ideas. The coaches support the students with their specialist knowledge and practical experience. They not only impart knowledge about methods and content, but also promote the students' qualifications as business founders.



d

SCHOOLSON

In 2015, ProSiebenSat.1 launched the nationwide **"SchoolsON"** (e) initiative with the support of the German Children and Youth Foundation. For the first time, students and apprentices aged between 14 and 18 were called on to produce creative video reports for the TV shows "taff," "Galileo" or "ProSieben Newstime" alone or in groups. Alongside practical tips on filming, the competition mainly focuses on imparting media literacy. A total of 160 teams took part in "SchoolsON." The winning report in each category was broadcast on the respective show.



e

f

GREEN SEVEN

During the annual **"Green Seven"**-theme week (f), ProSiebenSat.1 Group uses its large reach to catch especially the young viewers' attention in order to promote a sustainable and environmentally friendly lifestyle. In the week from June 17 to 21, 2015, the ProSieben logo turned green for the seventh time. "Save the Bees" was the motto. It highlighted the bee, which is threatened with worldwide extinction, and its extraordinary abilities. Even outside "Green Seven Week," ProSiebenSat.1 Group regularly provides space to environmental issues in its programs.

SOCIAL DAY

Social engagement and responsibility are a priority at ProSiebenSat.1. With **"Social Day,"** (g) we as a company want to provide a framework in which we can live this social responsibility together and help the less privileged. On October 8, numerous employees took this opportunity again and got involved in social Munich institutions during their working hours. For example, these included the Salesianum refugees' home, the foundation for blind women in Nymphenburg-Neuhausen, and the adventure playground in Neuhausen. The first Social Day at ProSiebenSat.1 was held in June 2013. Since then, 252 employees have taken part.

g

YOUNG LIONS

"Young Lions" is ProSiebenSat.1's support initiative for the filmmakers of tomorrow. With expertise, financial means, and sought-after broadcast time, the media group supports up-and-coming talent from the Baden-Württemberg Film Academy. This encourages young talents and gives them the chance to film extraordinary subject matter. In 2015, the TV station sixx showed three films from the next generation that were created in cooperation with the Film Academy under the label "Young Lions 7.1."

DIVERSITY DAY

On June 9, 2015, the "Diversity Charter" association organized the third nationwide **"Diversity Day"** (h). ProSiebenSat.1 supported the campaign day both in the company and on air. TV magazines such as "taff" and "Galileo" broadcast numerous reports on "Diversity Day" that showed why diversity and tolerance are fundamental to our society. For example, taff launched "Bleib fair," a large-scale social experiment about cyber-bullying, and campaigned for openness to and acceptance of all cultures, creeds and sexual orientations.

DEUTSCHER DIVERSITY TAG 2015
charta der vielfalt

h

i

FIRST STEPS AWARDS

ProSiebenSat.1 Group champions the next generation of filmmakers with numerous projects and initiatives and supports film schools all over Germany. The objective is to smooth the way for young people to enter the film and music business. The station group supports a total of seven institutions, including the Bayerische Akademie für Fernsehen (Bavarian Academy for Television) and the Hamburg Media School. ProSiebenSat.1 is also a co-founder of the **"FIRST STEPS Awards"** (i), which the German Film Academy awards every year to the best films produced by students graduating from German-language film schools. The award is the most prestigious prize for young talents in Germany and includes prize money of EUR 92,000. In September 2015, the "FIRST STEPS Award" was awarded for the 16th time at a big event in Berlin.

#MUNDAUFMACHEN – SPEAKING OUT

"#MUNDAUFMACHEN gegen Fremdenhass" (speaking out against xenophobia) – in a video message, Joko Winterscheidt and Klaas Heufer-Umlauf speak out clearly against racism and against stirring up hatred against refugees on Facebook. ProSiebenSat.1 Group stands resolutely behind the words of the two entertainers. The company expressed its position on the nascent hostility toward refugees in Germany by broadcasting the statement on the "SAT.1 Frühstücksfernsehen," "ProSieben Newstime," and "taff" formats, among others, and simultaneously called on employees to donate items to the refugee charity Münchner Flüchtlingshilfe e. V.

Group Environment

- **Digitalization is giving us additional growth prospects and creating new markets both for the sale of advertising time and for the production business.**
- **Although new technologies are altering media use, TV remains the most important mass medium in Germany, and its quality is increasing thanks to additional functions such as TV in high definition (HD).**
- **TV reach is gaining in significance in the diversity of media; investments in TV advertising therefore increase further in 2015. As the market leader, we are clearly benefiting from this.**
- **Because of the high level of its use, television has the greatest advertising impact and is supplemented by the Internet as distribution channel.**
- **In 2015, we extended our lead over our competitors in the TV market and achieved the best audience share in ten years; at the same time, we are continuously increasing our reach via digital platforms.**

Media-Political and Regulatory Environment

The German media landscape and the TV market in particular significantly differ from other European or English-speaking countries. In comparison, the TV market is tightly regulated and advertising opportunities are considerably more restricted than in the US, both in quantitative and qualitative terms.

At the same time, public broadcasters have large budgets. In Germany, they finance around 20 TV stations and approximately 60 radio stations with a budget of EUR 9.2 billion. In comparison, private providers operate over 280 TV stations and 270 radio stations (2014); their budget amounts to EUR 7.8 billion. The financing of public broadcasters is guaranteed by law via the license fee; their duty is to provide a "basic service to the population including information, education, culture and entertainment." Advertising revenues are a second revenue source for public broadcasters.

Opportunitiy Report, page 174.

Media Glossary, page 323.

In recent years, the dual system has become financially unbalanced, as the income of public broadcasters has risen steadily: In 2000, the license fee still amounted to DM 28.25 or EUR 14.44; by 2015, it was EUR 17.50 per household.

The fee has been standardized since January 2014 and is raised per household, regardless of the type and number of devices. Prior to this, the license fee amount was based on the number of devices. The switch to the new model reflects the convergence of media: TV and radio are increasingly being used on the Internet. The new license fee model has led to a further increase in public broadcasters' income from license fees. Based on the declared financial requirements of broadcasters, additional income totaling EUR 1.5 billion is forecast for the period from 2013 to 2016.

Technical Distribution, Media Consumption and Advertising Impact, page 113.

However, private operators in Germany are competing not only with well-funded public broadcasters. The increasing market penetration of convergent devices is fundamentally changing the competitive situation for media companies: The wide range of services and transmission routes is growing in the wake of digitalization and competition with global providers is becoming more intense. ProSiebenSat.1 has positively embraced this development and identified numerous growth opportunities in this dynamic market development. This requires an equivalent competitive environment for all market participants. However, global providers such as Google or Facebook are currently not subject to the same statutory provisions and regulations in Germany. Copyright law or legal requirements for the protection of young people serve as examples here.

In addition, quantitative and qualitative restrictions make fair competition difficult, because TV in Germany is more tightly regulated than other media. This affects both the scope of advertising and its 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.

Opportunity Report, page 174.

A dialog about regional commercial breaks is also taking place: Last year, Federal States imposed new statutory restrictions. Different regional advertisements during television programs that can be received throughout Germany have been forbidden since January 2016. Exceptions can be regulated under state law in the individual Federal States. ProSiebenSat.1 Group has initiated legal proceedings against this regulation and offers its regional customers separate marketing models for national TV spots: At the same time, the company is continuing to develop technical possibilities. For instance, it will expand its offers for different regional forms of advertising via HbbTV.

Technical Distribution, Media Consumption and Advertising Impact

Media Glossary, page 323.

The range of transmission routes is becoming more diverse in the wake of the digital transformation, whereby television is gaining in attractiveness thanks to new ways to use it: Examples include digital television in high definition (HD), catch-up television via apps on mobile devices, and video-on-demand (VoD) on large TV screens. The use of these new services goes hand in hand with the expansion of broadband Internet connections and the growing number of satellite households in Germany:

- In 2015, the number of broadband Internet connections exceeded 30 million for the first time. It has therefore tripled within a space of ten years.
- Satellite connections are now available everywhere and are the most important distribution channel for television. The analog satellite signal was switched to digital five years ago. At the end of 2015, 17.07 million households in Germany received their TV programs via satellite (previous year: 17.15 million).

TV households in Germany by delivery technology (Fig. 38)

TV households	Potential in millions (analog + digital)	Terrestrial	Cable	Satellite	IPTV
2014[1]	36.71	1.38	16.59	17.15	1.59
2015[2]	37.03	1.30	16.09	17.07	2.56

Source: AGF in Collaboration with GfK/TV Scope.

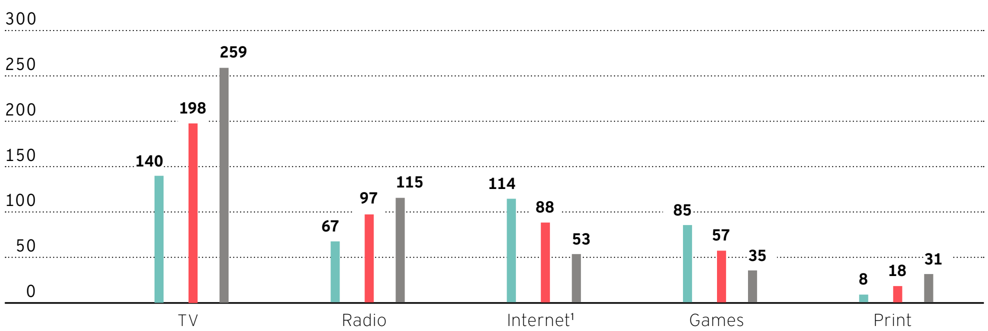
1 Information as of August 1, 2014.
2 Information as of December 1, 2015.

www.sevenonemedia.de/mag

The results of the "Media Activity Guide 2015" study carried out by forsa in March 2015 on behalf of the ProSiebenSat.1 advertising sales company SevenOne Media give a detailed insight into media usage in Germany: On average, people in Germany use media and media transmission channels for 557 minutes every day. Television remains the most popular and highly used medium; viewers aged over 14 years spend nearly half of their daily media use on television. Radio follows in second place with a daily use time of 115 minutes. Content-driven Internet use takes up 53 minutes of the time budget. Print media in particular have declined in importance among the younger target groups: 14- to 49-year-olds now spend 18 minutes per day reading newspapers and magazines.

Average daily use time (Fig. 39)

in minutes



14–29 years 14–49 years from 14 years onwards
Source: SevenOne Media/forsa.

1 Internet content: Online videos, online shopping, social networks, articles/posts, blogs/forums, online navigation, e-learning, online banking.

Risk and Opportunity Report, page 157.

Media Glossary, page 323.

The data on television use are collected in Germany via measurement in a TV panel on behalf of the Arbeitsgemeinschaft Fernsehforschung (Working Group of Television Research, AGF). The data show that the time the group of viewers aged over 14 years spent watching television every day increased slightly again in 2015 to 237 minutes (previous year: 234 minutes). This further underscores the importance of TV as the number one medium in Germany. The following trends can be discerned:

- Linear TV consumption dominates the German market; in 2015 it was slightly over three hours per day in the audience group of 14- to 49-year-olds. This is connected to the fact that 70% of those surveyed see television primarily as a means to relax. So the basic function of television – known as the lean-back function – remains, supported by new services such as three-dimensional HD television. The majority of German households now have an HD-ready television set.

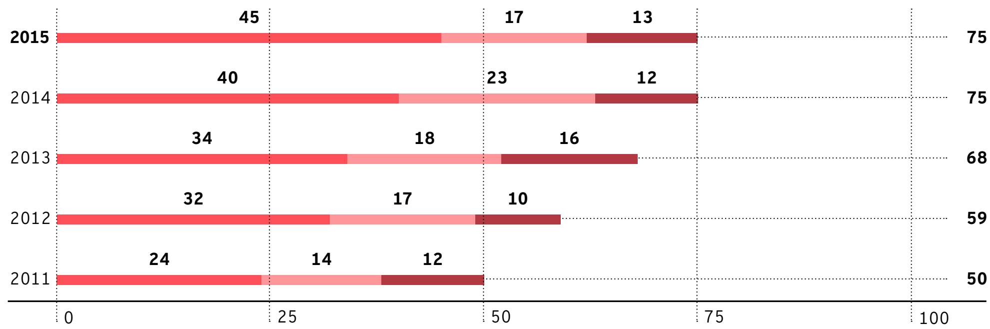
Development of the Audience Market, page 116.

- Television is the most important supplier of video content: While the Internet is firmly incorporated into people's everyday lives – in 2015, the proportion of Internet users in Germany remained stable at 80%–96% of TV consumption among people over 14 years old still takes place live at the moment of broadcast. Even young media consumers between 14 and 29 years old spend three quarters and thus the majority of their video use time with TV. With an average use of over 60 hours per month, private stations are watched the most by viewers aged over 14 years.

- Everyday media use is characterized by the parallel use of different entertainment devices. Parallel use also stimulates both the use and the advertising impact of TV: People who use multiple screens are not only more Internet-savvy, they are also more interested in TV content and watch 193 minutes of television every day, three minutes more than the average for their age group (14- to 49-year-olds). At the same time, nearly half of all Germans (43%) have purchased a product online having been prompted by TV content. That is four percentage points more than in the previous year. Around half of all Germans are inspired by TV to research products.

Parallel usage of TV and Internet (Fig. 40)

in percent



often sometimes seldom

Basis: 14–49 years, use TV/Internet at least occasionally.
Source: SevenOne Media/forsa, mindline media.

Media Glossary, page 323.

Media Glossary, page 323.

www.sevenonemedia.de/roi-analyzer1

Television is the most important mass medium in Germany; on an average day in 2015, 50 million viewers in the age group over three years watched television. Thus, the monthly net reach is stable at a high level. At the same time, digitalization is increasing the relevance of advertising via TV spots compared to other media: TV advertising has the highest impact; no other medium can build up high reach in all target groups so quickly. And this has not changed in the wake of digitalization: According to Nielsen Media Research, the monthly net reach of leading Internet portals such as Google is in Germany only around half as high as that of German private stations. Television advertising is both efficient and effective: Video advertising on TV inspires brand loyalty among consumers and pays off for advertising in both the short and long terms. This is demonstrated by the "ROI Analyzer," a study that SevenOne Media published in 2014 together with GfK-Fernsehforschung and the GfK Verein. 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 figure increases to 2.65 after five years.

Opportunity Report, page 174.

The digital trend has a powerful influence on the media industry. In addition to the opportunities for use, refinancing models are also evolving. Paid services such as pay TV and VoD are also giving ProSiebenSat.1 Group additional growth prospects. Germany is a traditional free TV market, but pay VoD is growing dynamically all the same. At the end of 2015, the volume of the VoD market was EUR 187 million. New markets are emerging at the same time that are suited to TV advertising and are benefiting from the possibilities of the Internet as a distribution channel. For example, the e-commerce market in Germany grew by twelve percent in 2015 to a market volume of EUR 41.7 billion. Looking at the last five years, the market has grown by a total of about 60% and successively pulled share away from conventional commerce.

Market Environment of the Production Business

Content Production & Global Sales: Red Arrow's Expansion Strategy in the US, page 30.

The Year 2015 at a Glance, page 80.

The international program production and distribution network Red Arrow Entertainment Group generates more than two-thirds of its revenues in the US. With production revenues averaging USD 35 billion over the last five years, the US is the world's largest and most important TV market. The greatest demand is currently the one for English-language fiction programs. Around 400 TV series were broadcast in the US in 2015 alone. Four years earlier, in 2011, the number still was 211. This is partially due to the sharp increase in the number of free and pay TV channels. Thus, according to the association Privater Rundfunk und Telemedien e. V., an American household, receives an average of 189 programs. In 2008 it was 129. At the same time, the group of commissioners for high-quality productions has increased to include the operators of multinational streaming platforms such as Amazon and Netflix. In total, there were over 60 program buyers of fiction programs in the fields of free TV, pay TV and video-on-demand in 2015. As a result, Red Arrow Entertainment Group's potential customer group in the US has become considerably larger. The ProSiebenSat.1 subsidiary is therefore continuing to direct its strategic focus – including when it comes to acquisitions – at the US market.

The high quality of Red Arrow formats is underscored by important industry awards:

Awards for Red Arrow Entertainment Group formats (Fig. 41)

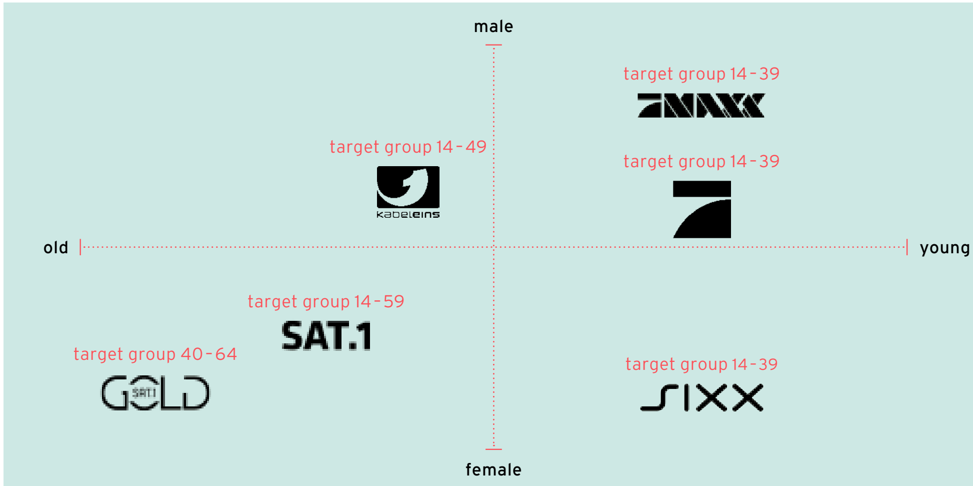
Copenhagen TV Festival Awards	**"Real Men"** (Best New Format) **"Married At First Sight – Denmark"** (Best Factual Entertainment)
Monte Carlo Awards	**"Lilyhammer"** (Steven Van Zandt: Best Actor in a Comedy Series) **"Lilyhammer"** (Best European Comedy)
Real Screen Awards	**"Booze Traveller U.S."** (Category Lifestyle – Food, Karga Seven Pictures) **"Epic Meal Empire U.S."** (Category Lifestyle – Food, Collective Digital Studio)
RIA-galan TV Producers Awards	**"Married At First Sight – Sweden"** (Best Online Programme)
Seoul International Drama Awards	**"The Good Sister"** (Best TV Movie, Best Screenwriter)

Development of the Audience Market

On the audience market, ProSiebenSat.1 Group has a complementary portfolio. In the past five years, the station group started three stations with the aim of reaching new target groups on the audience and TV advertising market. sixx and SAT.1 Gold are a successful example of this: The programs of these two stations are aimed specifically at female viewers since there is a particularly strong demand for this target group on the TV advertising market. Via the strategic expansion of the station portfolio, ProSiebenSat.1 has continuously increased its advertising market shares among women in recent years. Another advantage of complementary programming is efficient programming exploitation: Thanks to its broad station portfolio, the Group can fully make use of its extensive rights from license packages in a target group-oriented environment. In addition, short-term fluctuations in the market share of individual stations can be offset by the station group. With this strategy, ProSiebenSat.1 increased its market shares in all three countries in 2015 – in Germany, Austria and Switzerland.

The Year 2015 at a Glance, page 80.

Key target groups of the free TV stations (Fig. 42)



On the core market of Germany, the six free TV stations ProSieben, SAT.1, kabel eins, sixx, SAT.1 Gold and ProSieben MAXX achieved a combined market share of 29.5 % among viewers aged between 14 and 49 in 2015 (previous year: 28.7 %). This represents a year-on-year increase of 0.8 percentage points and the highest combined market share in ten years. In 2015, the station group gained additional market shares in the female target group in particular, which is relevant to the advertising market; in addition, the newer TV stations SAT.1 Gold and ProSieben MAXX performed particularly well. ProSiebenSat.1 Group also further strengthened its leading market position: With a lead of 5.2 percentage points, ProSiebenSat.1's stations were once again well ahead of the stations marketed by IP Deutschland (RTL, VOX, n-tv, Super RTL and RTL Nitro) in 2015. Its direct competitor lost 0.4 percentage points year-on-year (previous year: 24.7 %).

Comparison of Actual and Expected Business Performance, page 127.

In 2015, the individual free TV channels of ProSiebenSat.1 Group developed in Germany as follows:

- ProSieben achieved a market share of 10.9 % of viewers aged 14 to 49 (previous year: 11.0 %). The station is a market leader in the relevant target group of 14- to 39-year-olds and has increased its competitive edge over its main rival RTL; here, ProSieben's audience share amounted to 15.2 % (previous year: 15.4 %).

- SAT.1's development was virtually stable with a market share of 9.5 % in the relevant group of viewers aged 14 to 59 (previous year: 9.6 %). In the 14 to 49 year old target group, the station exceeded the previous year's figure although shows such as "Mila" and "Newtopia" did not hit the viewer's tastes and were discontinued within a short space of time. The market share of 14- to 49-year-olds rose by 0.1 percentage points, amounting to 9.3 %.

- kabel eins closed 2015 with an audience share of 5.3 % among viewers aged between 14 and 49. This value was 5.5 % in the previous year. In addition to the "Knochenbrecher" Tamme Hanken, program highlights also included Frank Rosin with his shows "Rosins Kantinen – Ein Sternekoch undercover" and "Rosin weltweit – andere Länder, andere Fritten."

Content Highlights 2015, page 122.

Development of User Numbers, page 119.

- sixx increased its market share in the relevant target group of 14 to 39 year old women by 0.1 percentage points to 2.6 %. Among 14- to 49-year-olds, the women's station achieved a stable market share of 1.4 % (previous year: 1.4 %). sixx was founded in 2010 and is now one of the most popular German television brands not only on TV but also on digital platforms such as Facebook and Twitter.

- SAT.1 Gold nearly doubled its market share among viewers aged between 14 and 49, achieving a market share of 1.3 % (previous year: 0.7 %). The result in the relevant target group of 40 to 64 year old women also demonstrates this year's success: At 2.3 % over the year as a whole, this value was above the two percent mark for the first time (previous year: 1.2 %).

- ProSieben MAXX also steadily increased its market share: The men's station ended the year with a market share of 1.2 % (previous year: 1.0 %); in the relevant target group of 14 to 39 year old men, the market share rose to 2.0 % (previous year: 1.9 %).

2015 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 23.1 % in the relevant target group of 12- to 49-year-olds (previous year: 21.7 %). ProSiebenSat.1 PULS 4 is thus 1.4 percentage points above the previous year's figures and is the strongest private station group on the Austrian TV market. ProSieben Austria is the station that saw the strongest increase in 2015, with an annual market share of 9.8 %. Once again, PULS 4 closed the year as the strongest private TV station in Austria: It achieved 4.0 % of viewers aged 12 to 49 (previous year: 4.1 %) and 3.1 % of viewers aged 12 and up (previous year: 3.6 %). As a result, PULS 4 is the market leader among Austria's private full service broadcasters.

The Year 2015 at a Glance, page 80.

The Group is also pursuing a multi-station strategy in Switzerland. SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz and Puls 8 are stations that are included in the portfolio and aimed at different core target groups. The station Puls 8 has supplemented the portfolio since October 2015; its relevant target group comprises viewers aged between 20 and 49. Since then, the station has already achieved market shares of around 1 % every month. Overall, the TV family reached a market share of 18.6 % of viewers aged 15 to 49 in Switzerland (previous year: 17.3 %).

ProSiebenSat.1 Group audience shares by country (Fig. 43)

in percent	Q4 2015	Q4 2014	2015	2014
Germany	**29.4**	29.8	**29.5**	28.7
Austria	**24.5**	22.7	**23.1**	21.7
Switzerland	**18.4**	18.6	**18.6**	17.3

Figures are based on 24 hours (Mon. – Sun.). **Germany:** SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX; target group 14- to 49-year-olds; D + EU; source: AGF in cooperation with GfK/TV Scope 6.0/SevenOne Media Committees Representation. **Austria:** SAT.1 Österreich, ProSieben Austria, kabel eins austria, sixx Austria, SAT.1 Gold Österreich, ProSieben MAXX Austria, PULS 4; target group 12- to 49-year-olds; source: AGTT/GfK Fernsehforschung/Evogenius Reporting. **Switzerland:** SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8 (since October 8, 2015); target group 15- to 49-year-olds; market shares refer to the German-speaking parts of Switzerland; D – CH; source: Mediapulse TV Panel.

HD user numbers are a second measurement parameter for the reach of our free TV stations. The number of users of the digital satellite platform HD+, via which private stations in Germany are distributed, increases continuously and notably. In Germany, the ProSiebenSat.1 HD stations amounted to 6.2 million users in 2015; in 2014 they were at 5.3 million. ProSiebenSat.1 Group also

Technical Distribution, Media Consumption and Advertising Impact, page 113.

broadcasts its programs in HD quality in Austria and Switzerland. Many partnerships emphasize ProSiebenSat.1 Group's strategy of providing viewers attractive add-on programs such as HD television, and of offering their program across as many distribution channels as possible. In light of this, the company concluded many new contractual agreements in 2015, for instance, with the distribution platforms Couchfunk and Zattoo, the online platform TV Spielfilm and the cable network operator Unitymedia. These contracts for cooperation with distributors as well as for the distribution of programs through the platform HD+ increase the reach of ProSiebenSat.1's offerings. Thus, they offer us new refinancing models through which the Company generates recurring and non-cyclical revenues in addition to traditional TV advertising.

In addition to the high market shares achieved by stations owned by ProSiebenSat.1 Group in 2015, awards are an indicator of the popularity and quality of the shows we broadcast. The table below shows the most consequential prizes:

Awards for TV formats and co-productions (Fig. 44)

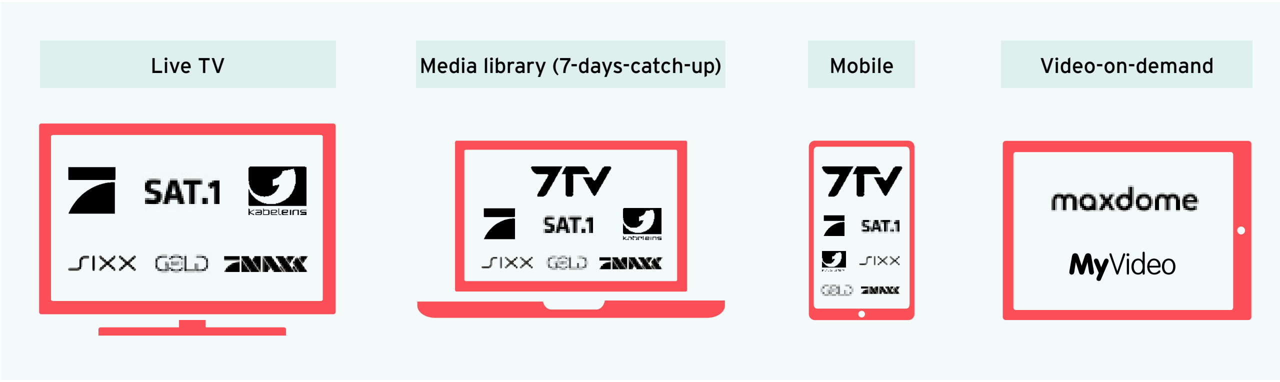
BAMBI	**"Who Am I – Kein System ist sicher"** [1] (Film National) **"Honig im Kopf"** [1] (Dieter Hallervorden, Til Schweiger: Special Jury Award)
Bavarian TV Award (Blue Panther)	**"Die Ungehorsame"** (Felicitas Woll: Best Actress in Television Films/Series)
Bavarian Film Award	**"Stromberg – Der Film"** [1] (Christoph Maria Herbst: Audience Award) **"Who Am I – Kein System ist sicher"** [1] (Best Director) **"Frau Müller muss weg!"** [1] (Best Script)
German Comedy Award	**"Pastewka"** (Best Comedy Series) **"Honig im Kopf"** [1] (Most Successful Cinema Comedy) **Stefan Raab** (Special Award)
German Film Award (Lola)	**"Honig im Kopf"** [1] (Film with the Biggest Audience) **"Who Am I – Kein System ist sicher"** [1] (Best Editor; Best Set Design; Best Sound Design)
German Camera Award	**"Who Am I – Kein System ist sicher"** [1] (Nikolaus Summerer, Best Cinematography)
Fernsehfilm-Festival Baden-Baden (3sat Audience Award)	**"Die Ungehorsame"**
Jupiter Award	**"Pastewka"** (Best German TV Series) **"Danni Lowinski"** (Annette Frier; Best German TV Actress) **"Honig im Kopf"** [1] (Best German Film; Lead Actor; Director) **"Vaterfreuden"** [1] (Most Successful Film; Lead Actor; Director)
Golden Romy	**"2 Minuten 2 Millionen – Die Puls 4 Start-Up-Show"** (Best Program Idea) **"Frau Müller muss weg!"** [1] (Best Cinema Film) **"Honig im Kopf"** [1] (Most Popular Actor; Best Director; Best Producer of a Cinema Film)

1 Co-production of ProSiebenSat.1 subsidiary SevenPictures.

Development of User Numbers

ProSiebenSat.1 Group has a comprehensive program repertoire of more than 60,000 hours of licensed US programming as well as exclusive local own and commissioned productions for its free TV stations. Attractive programs are the basis for success on the audience market. At the same time, we are extending our brands into the Internet and are pursuing the goal of using our stock of programming rights as efficiently as possible and increasing value via additional platforms and devices.

Utilization of program content (Fig. 45)



Media Glossary, page 323.

In financial year 2015, ProSiebenSat.1 web offerings reached around 32 million unique users per month (previous year: around 30 million unique users). The direct competitor IP Deutschland reached about 28 million unique users per month (previous year: around 27 million unique users). This finding is featured in a recent study by the Arbeitsgemeinschaft Online-Forschung (AGOF). Since August, the AGOF has been publishing "digital facts" in addition to these figures. For the first time, this cross-channel data indicates the total number of users aged 14 and up who have access to a service – regardless of whether this is done using an app, the mobile version or the desktop version of a website. With its online network, SevenOne Media is one of the sales companies in Germany and has the highest reaches in this measurement as well, with around 34 million unique users a month. With wetter.com, it operates the app with the highest number of users in Germany (4.6 million unique users). IP Deutschland reached around 28 million unique users.

The Year 2015 at a Glance, page 80.

Another essential component of ProSiebenSat.1's digital portfolio is the multi-channel network (MCN) Studio71, which was established in fall 2013. It is primarily funded by advertising and is increasing its video views on an ongoing basis. With more than 400 million video views per month and more than 38 million subscribers, Studio71 is the leading MCN in Germany. Last June, ProSiebenSat.1 Group also acquired the majority in Collective Digital Studio (CDS), a leading MCN in the US. This was combined as part of the transaction with Studio71. As a result, the MCN was also established internationally: With more than 1,400 channels and currently more than 3.5 billion video views per month, it ranks among the top 5 of the biggest MCNs worldwide.

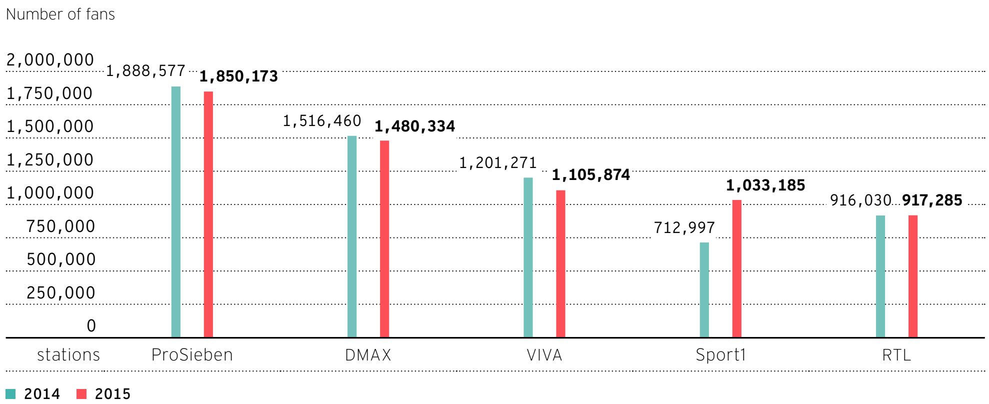
Business Develoment of the Segments, page 147.

In addition to advertising-financed online platforms, the Group also operates the VoD portal maxdome. The online video library generates revenues via pay-per-view and subscriptions and is available via traditional TV sets and PCs as well as mobile devices. In 2015, the number of subscription-video-on-demand (SVoD) users increased by 78%, while video views were up by 81%. With over 60,000 titles, maxdome offers the most comprehensive content range in Germany.

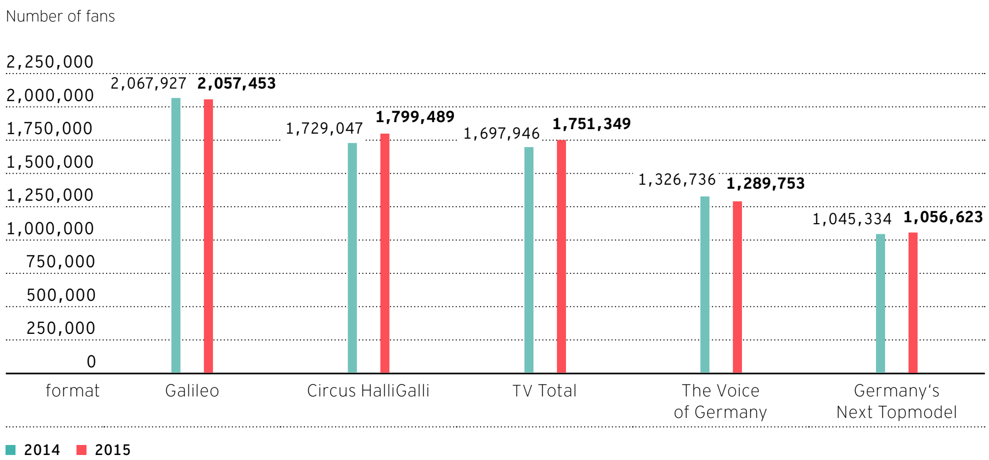
ProSiebenSat.1 is also continuing to develop well in the area of social media. At the end of financial year 2015, it had more than 25 million fans on Facebook. Once again, the science program "Galileo" and ProSieben's TV station and show pages were the most popular; ProSieben shows "Circus HalliGalli" and "TV Total" saw the largest increase in the number of fans.

In March 2015, Facebook deleted inactive accounts and associated likes on all fan pages. Against this backdrop, numerous Facebook pages lost fans compared to the previous year.

Top 5 station websites in Germany on Facebook (Fig. 46)



Top 5 formats of the ProSiebenSat.1 Group on Facebook (Fig. 47)



www.twitter.com/ProSieben

ProSieben's Twitter account had over 1.5 million followers at the end of 2015. This is an increase of around 50 %, 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 around 460,000 followers. As the leading German media account, ProSieben exceeded the one million follower mark already in December 2014.

Content Highlights 2015, page 122.

Social media activities are an important viewer and user relationship tool for ProSiebenSat.1. With the extension of TV content to the Internet and social networks, the aim is to expand its reach and offer advertising customers additional platforms. The successful format "Promi Big Brother" serves as an example here. In addition to the fixed time slot in TV, viewers and users are served with news, specially produced bonus material and interactive elements around the clock.

CONTENT HIGH-LIGHTS 2015

In 2015, the stations and online formats of ProSiebenSat.1 impressed with exciting shows, extraordinary documentaries, successful proprietary formats and thrilling sport events. Thus, in 2015 the station group achieved the highest group market share for ten years.

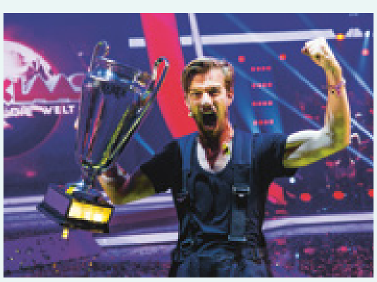

a

EVERGREEN

In **"The Voice of Germany"** (a) the search for outstanding singing talent again delivered extraordinary and emotional music moments in 2015. On SAT.1 and ProSieben, the fifth season of the show again achieved very good market shares of up to 22.7 % among viewers aged between 14 and 49 years. On average, 18.9 % of viewers (14 – 49 years) watched Germany's best musicians.

WE LOVE TO ENTERTAIN YOU

ProSieben celebrated Saturday evenings with spectacular show highlights. "TEAMWORK – Spiel mit deinem Star" launched successfully with a 17.3 % market share among viewers aged 14 to 39. In this show, four stars battle it out over twelve rounds to win EUR 100,000 or more for one of their fans. In **"Joko gegen Klaas – Das Duell um die Welt"** (b) the popular entertainers showed full commitment to the fight for the title of world champion. Up to 22.7 % of 14- to 49-year-olds didn't want to miss it. "Schlag den Raab" achieved a high of 30.2 % among viewers aged 14 to 49.


b

UNDER OBSERVATION

In 2015, another twelve celebrities spent another 15 days in one house: **"Promi Big Brother"** (c) began its third season and gave SAT.1 an outstanding season average of 17.9 % and record market shares of up to 22.5 % among 14- to 49-year-olds. After midnight, the program went into extra time on sixx and the Late Night Show with Jochen Bendel drew in an average of 4.9 % of 14 to 49 year old viewers. The celeb-spectacular was completed by the web show **"Aaron live"** with last year's winner Aaron Troschke. The fourth season airs in 2016.

c


d

THRILLING & CULINARY

On a mission in the animal kingdom: **"Bone-setter"** Tamme Hanken heals animals all over the world and provides insights into his impressive expert knowledge. Up to 8.5% of 14 to 49 year old kabel eins viewers followed the East Frisian on his journey. In addition, Frank Rosin was on a culinary mission: In **"Rosins Kantinen – Ein Sternekoch undercover"** (d), the professional chef spruced up Germany's canteens. It was watched by up to 7.5 % of 14 to 49 year old viewers.


e

HAPPY BIRTHDAY

The TV fledgling sixx celebrated its birthday on May 7 and looked back on five years of mystery series, reality TV, celebrity news, fashion tips, food and factual formats. The women's station treated itself to a special gift with the in-house production **"Horror Tattoos – Deutschland, wir retten deine Haut":** (e) With a market share of up to 4.1 % among 14 to 49 year old viewers Germany's first cover-up casting show was a complete success. In the relevant target group of women aged 14 to 39, sixx reached market shares of as high as 8.4 %.

SERVICE & CULT

SAT.1 Gold delivered current affairs, reports from all over the world and helpful real-life tests in its service magazines **"Focus TV Test"** (up to 1.3 %, 14- to 49-year-olds), **"Lenßen live"** (up to 1.0 %, 14- to 49-year-olds), and **"Lenßen klärt auf"** (up to 1.6 %, 14- to 49-year-olds). Classic series like **"Bonanza"** (up to 8.2 %; 14- to 49-year-olds) and **"Der Bulle von Tölz"** (up to 3.7 %; 14- to 49-year-olds) also let viewers wallow in nostalgia.

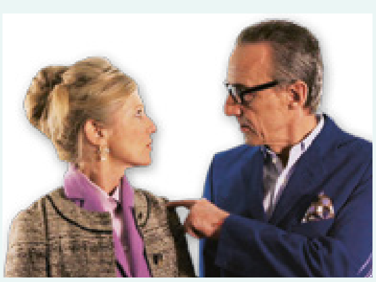
PEAK RATINGS

Touchdown for **ProSieben MAXX**: The **National Football League** (f) earned the station market shares of up to 13.9 % among 14 to 39 year old men. With a 2.3 % daily market share on December 27, 2015, ProSieben MAXX also achieved the second-best value in its history. But thrilling series events like **"24 – Live Another Day"** (up to 4.9 %, 14 to 39 year old men) and **"House of Cards"** (up to 3.8 %, 14 to 39 year old men) also went down well with viewers.

f

YOUNG AT HEART

Being old is for other people. Married couple **"Fässler-Kunz"** (g) is convinced of this as shown in the Swiss sitcom named after them. The couple is nearing retirement and constantly getting into embarrassing but always funny situations. The first season of the comedy on SAT.1 Schweiz lured up to 5.0 % of 15- to 49-year-old viewers to their television screens.

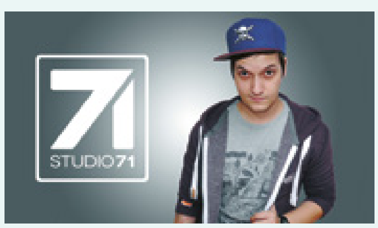


g

h

COMEDY & CAPITAL

On PULS 4, Austria's top comedians cast a light on wasted taxes. In **"Bist Du deppert – Steuerverschwendung und andere Frechheiten"** (h) they presented 24 cases of money-wasting that cost the taxpayer around EUR 2 billion. The first season achieved an average market share of 7.2 % among viewers aged 12 to 49. But contestants in **"2 Minuten 2 Millionen – Die Puls 4 Start-Up-Show"** had to convince not only the viewers. Young entrepreneurs presented their business ideas to top Austrian business people and tried to bring them on board as investors. On average, 5.8 % of 12- to 49-year-olds tuned in to root for the business founders.



i

#NETZFRAGTMERKEL – THE WEB ASKS MERKEL

Web star **LeFloid** (i) alias Florian Mundt became the first YouTuber ever to interview German Chancellor Angela Merkel. The topics of the interview were what is important to people in Germany and what quality of life means to them. Since going online, the video has been viewed over 4.5 million times. LeFloid has been with Studio71, ProSiebenSat.1's MCN, since June 2015 and is one of the most influential and well-known web stars in Germany.

JUST THE NORMAL (MARRIAGE) MADNESS

The ten-part hit web series **"Der Lack ist ab"** (j) with Kai Wiesinger and Bettina Zimmermann generated more than 3 million video views on MyVideo in April. The project comprises 10-minute episodes taking a comical look at the challenges of modern family life and aging. The second season of the web series produced by ProSiebenSat.1 subsidiary 7NXT started in October. "Der Lack ist ab" is aimed at viewers aged 40 and older, who have often been neglected online before.

j

Economic Development

Future Business and Industrial Environment, page 179.

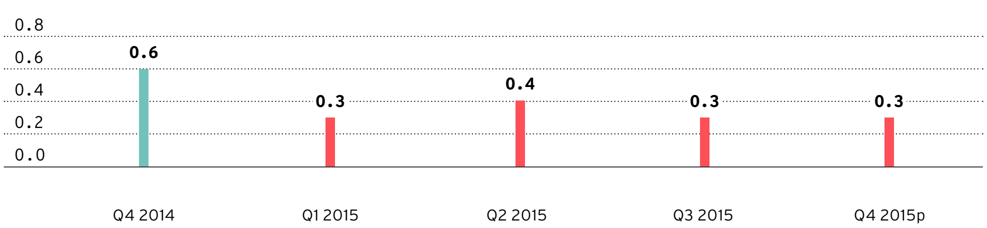
In 2015, the German economy grew by 1.7 % in real terms compared to the previous year (previous year: 1.6 %); for the fourth quarter, the ifo Institute and the Federal Statistical Office (Statistisches Bundesamt; Destatis) both expect growth of 0.3 % quarter-on-quarter. Positive effects were provided in particular by private consumption, which grew by a robust 1.9 %. In addition, government consumption – due to increased spending as a result of the migration of refugees, among other things – also contributed important growth stimuli. Moreover, low interest rates combined with a weak euro pushed exports. In contrast, business investments did not develop with the anticipated momentum: Despite favorable financing conditions and low commodity prices, propensity to invest fell short of expectations.

In the eurozone, the economy has stabilized further. In addition to the continuing expansionary monetary policy of the European Central Bank (ECB), private consumption, boosted by increased household incomes and low energy prices, provided significant growth stimuli. Against this backdrop, the ifo Institute expects real quarter-on-quarter growth of 0.4 % in the fourth quarter of 2015 and a growth rate of 1.5 % for 2015 as a whole (previous year: 0.9 %).

The global economy grew more slowly in 2015 than was expected at the beginning of the year. Although the prospects for most industrialized nations were positive on the whole, because the global economy was supported in particular by the robust growth rates in the US, major emerging markets such as China fell considerably short of expectations. At the same time, the low commodity prices held back the economic development in Russia and Brazil. In addition, the global economy was negatively impacted by geopolitical developments and especially by the ongoing conflicts in Ukraine and Syria as well as terror attacks. In light of this, the International Monetary Fund (IMF) forecasts real growth of 3.1% for 2015 (previous year: 3.4 %).

Development of gross domestic product in Germany (Fig. 48)

in percent, change vs. previous quarter



Adjusted for price, seasonal and calendar effects; Source: Destatis, ifo economic forecast 2015–2017 from December 9, 2015; p = projection.

Development of the TV and Online Advertising Market

Economic Development, page 124.

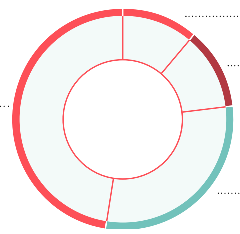
Gross advertising expenditure allows only limited conclusions to be drawn about actual advertising revenues as it does not take into account discounts, self-promotion or agency commission. In addition, the gross figures from Nielsen Media Research also include TV spots from media-for-revenue-share and media-for-equity deals, which ProSiebenSat.1 does not assign to the Broadcasting German-speaking segment but rather to the Digital & Adjacent segment.

The TV advertising market reflects the generally positive domestic economy in Germany. According to Nielsen Media Research, gross TV advertising investment in 2015 as a whole increased by 7.0 % to EUR 13.980 billion (previous year: EUR 13.068 billion). A large portion of the investment of EUR 4.678 billion (previous year: EUR 4.341 billion) was made in the fourth quarter, which simultaneously saw above-average growth of 7.8 %.

In 2015, the gross market growth was particularly due to higher TV investment in the service (+30.9 %), telecommunications (+17.1 %) and trade (+13.6 %) industries. At the same time, TV is continuing to grow in significance as an advertising medium: In the reporting period, television rose by 1.3 percentage points to 47.5 % on a gross basis. By contrast, print lost ground, with its gross share decreasing by 1.5 percentage points to 29.2 %. The gross market share of online media was virtually stable at 11.3 % (previous year: 11.5 %).

Media mix German gross advertising market (Fig. 49)

in percent, 2014 figures in parentheses



Source: Nielsen Media Research.

Business Development of Segments, page 147.

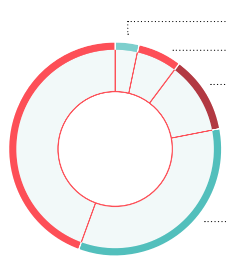
In this positive industry environment, ProSiebenSat.1 Group significantly increased its TV advertising revenues: In 2015, the Company grew by 7.8 % to EUR 6.201 billion in gross terms (previous year: EUR 5.754 billion) and thus grew stronger than the market. In the fourth quarter, which is especially important for the industry, ProSiebenSat.1 increased its TV advertising market shares by 9.6 %; the Group raised the previous year's result from EUR 1.878 billion to EUR 2.059 billion. Against this backdrop, ProSiebenSat.1 also strengthened its lead over competitor IP Deutschland: In the fourth quarter of 2015, the Group had a market share of 44.0 %, far ahead of the marketer of the RTL Group (33.7 %). The Group also underscored its leading position with a market share of 44.4 % in 2015 as a whole (previous year: 44.0 %). Official data to the net advertising market will be published in May 2016 by the Association of German Advertisers (Zentralverband der deutschen Werbewirtschaft, ZAW). However, we assume that we have exceeded the positive market growth even on a net basis. Thus, we both expanded our new customer business and gained investment volume at the existing customer basis.

Media Glossary, page 323.

Company Outlook, page 182.

Shares German gross TV advertising market (Fig. 50)

in percent, 2014 figures in parentheses



Source: Nielsen Media Research.

Media Glossary, page 323.

Gross advertising spending also developed very positively in Austria and the German-speaking parts of Switzerland. In Austria, gross television advertising expenditure grew by 6.0 percentage points compared to the previous year, resulting in EUR 1.003 billion. ProSiebenSat.1 PULS 4 used the good market environment and increased its gross advertising market share to 36.9% (previous year: 35.4%). The market volume for Switzerland was CHF 1.237 billion (previous year: CHF 1.188 billion); this equates to growth of 4.1 percentage points. In this positive industry environment, the television advertising revenues of ProSiebenSat.1 Schweiz also increased; its gross market share rose to 28.9% (previous year: 25.7%).

Development of the relevant TV advertising markets for ProSiebenSat.1 Group (Fig. 51)

	Change against previous year			
in percentage points	Development of TV advertising market Q4 2015	Market share of ProSiebenSat.1 Q4 2015	Development of TV advertising market 2015	Market share of ProSiebenSat.1 2015
Germany	7.8	0.8	7.0	0.3
Austria	4.5	2.2	6.0	1.5
Switzerland	6.9	4.2	4.1	3.2

Germany: January – December, gross, Nielsen Media Research.
Austria: January – December, gross, Media Focus.
Switzerland: January – December, market shares are based on gross data and refer to the German-speaking parts of Switzerland, Media Focus.

Media Glossary, page 323.

Nielsen Media Research designates gross figures for the online advertising market in Germany, excluding among others Google/YouTube, Facebook.

According to Nielsen Media Research the advertising market for in-stream video ads is continuing to develop very dynamically in Germany: In 2015, the market volume grew by 30.5% year-on-year to EUR 496.9 million on a gross basis (previous year: 380.8 million). In-stream video ads are forms of Internet video advertising shown before, after or during a video stream. By selling them, ProSiebenSat.1 Group generated gross revenues of EUR 214.7 million in the past financial year (previous year: EUR 184.5 million). This corresponds to a year-on-year increase of 16.4% and a gross market share of 43.2% (IP Deutschland: 32.7%). Overall, investments in online forms of advertising rose by 2.5% to EUR 3.328 billion (previous year: EUR 3.347 billion). In addition to in-stream videos, the online advertising market also includes display ads such as traditional banners and buttons.

Comparison of Actual and Expected Business Performance

> **ProSiebenSat.1 makes a new record year and has achieved and in some cases even exceeded all of its financial targets announced for 2015.**
> **At the same time, the combined market share among viewers aged between 14 and 49 rose to a ten-year high.**
> **The Group is growing considerably in all segments and has therefore significantly increased its medium-term targets.**

Strategy and Management, page 89.

Expected Growth in 2015. ProSiebenSat.1 Group publishes its targets in the Annual Report and adjusts them during the year if necessary. Most recently, the Group raised its revenue forecast in October 2015 – from growth by a high single-digit percentage to growth by at least a low double-digit percentage:

Group Earnings, page 135.

Business Development of the Segments, page 147.

In 2015, consolidated revenues increased by 13.4 % to EUR 3.261 billion. As expected, all segments contributed to the profitable revenue growth; over the year as a whole, revenues performed particularly dynamically in the segments Digital & Adjacent (+38.6 % vs. 2014) and Content Production & Global Sales (+29.7 % vs. 2014). The Group's growth was mostly organic here, but it strengthened its position with acquisitions, too, which substantially sustain the profitable growth. Revenue growth in the Broadcasting German-speaking segment also met expectations at 4.3 %.

Against this backdrop, the operating earnings figures EBITDA, recurring EBITDA and underlying net income increased considerably and reached new record heights. The following table shows a multi-year overview:

Multi-year comparison of revenue and earnings performance (Fig. 52)

EUR m	2015	2014	2013	2012	2011
Revenues	3,260.7	2,875.6	2,605.3	2,356.2	2,199.2
EBITDA	881.1	818.4	757.8	680.4	652.5
Recurring EBITDA	925.5	847.3	790.3	744.8	725.5
Underlying net income	467.5	418.9	379.7	355.5	272.4

The financial position developed as planned in 2015: As of the end of the year, the leverage ratio was 2.1 times. Despite increased M&A measures it thus was within the target range. The Group therefore achieved or slightly exceeded all financial targets announced for 2014.

Development of the Audience Market, page 116.

The most important non-financial parameter of management control is the audience share in the core market of Germany. In 2015, the German station family increased its combined market share to 29.5 % (previous year: 28.7 %); this is the highest figure in ten years. ProSiebenSat.1's target was to at least maintain or to slightly extend its market lead in a fiercely competitive environment. This target was exceeded significantly.

Comparison of the actual and forecast business performance for the Group[1] (Fig. 53)

EUR m	Actual figures 2014	Actual figures 2015	Change	Forecast 2015[2]
Revenues	2,875.6	3,260.7	+13.4%	Significant increase[1]
EBITDA	818.4	881.1	+7.7%	Mid single-digit increase
Recurring EBITDA	847.3	925.5	+9.2%	Mid single-digit increase
Underlying net income	418.9	467.5	+11.6%	High single-digit increase
Leverage	1.8	2.1	-/-	1.5-2.5
German audience market Market leadership	28.7	29.5	+0.8%pts	leading position or extend slightly

Comparison of the actual and forecast business performance for the segments[1] (Fig. 54)

	External Revenues		Recurring EBITDA		EBITDA	
in percent	Forecast[2]	Change 2015 vs. 2014	Forecast	Change 2015 vs. 2014	Forecast	Change 2015 vs. 2014
Broadcasting German-speaking	Slight increase	+4.3%	Slight increase	+4.5%	-/-	-/-
Digital & Adjacent	Significant increase	+38.6%	Significant increase	+31.6%	Significant increase	+20.7%[3]
Content Production & Global Sales	Significant increase	+29.7%	Mid to high single-digit increase	+30.8%	-/-	-/-

1 The figures relate to continuing operations. In the annual report 2014, ProSiebenSat.1 Group published its company outlook for 2015 from page 161 onwards; the Company specified and increased its revenue forecast for the Group in October 2015. Previously, ProSiebenSat.1 had expected revenue growth of a high single-digit percentage for the Group.

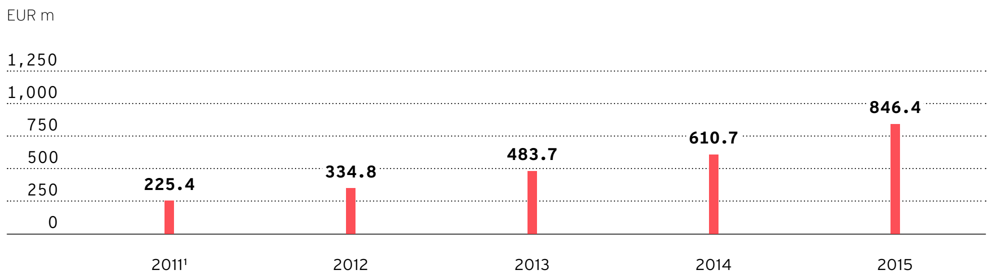
2 Refers to percentage growth rates.

3 For the Group and the Digital & Adjacent segment EBITDA is an important parameter of management control.

Corporate Strategy and Vision, page 89.

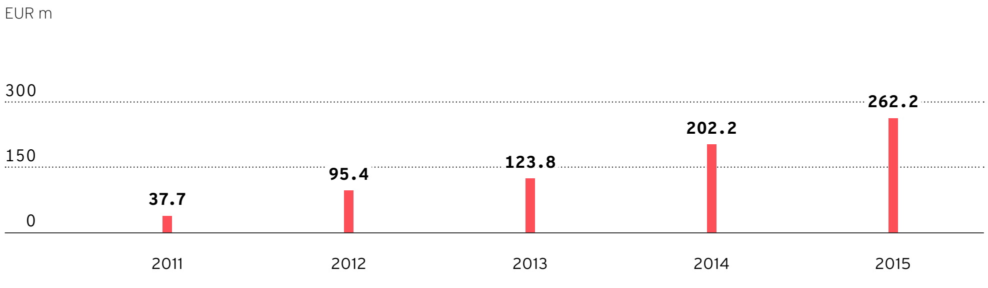
Expected Growth in 2018. ProSiebenSat.1 pursues a dual growth strategy and has formulated clear targets for all segments. The Company is targeting a balanced revenue ratio by 2018, when around 50% of consolidated revenues shall be generated with business models not primarily based on traditional TV advertising. These include revenues from the production and distribution of program content and from e-commerce portals. The Company also generates revenues from pay TV and video-on-demand (VoD) models. The Company advanced the expansion of some of these growth areas faster than expected in 2015, partly as a result of acquisitions. ProSiebenSat.1 achieved record revenues in the Digital & Adjacent segment. At the same time, the Group performed very positively in its core business of advertising-financed free TV and expects a favorable industry environment for TV advertising here in the medium term.

External revenues of Digital & Adjacent segment (Fig. 55)



1 2011 revenues adjusted for pay TV and 9Live revenues.

External revenues of Content Production & Global Sales segment (Fig. 56)



Company Outlook, page 182.

Against this backdrop, the Company has raised its medium-term financial targets for 2018: ProSiebenSat.1 Group is now aiming for revenue growth of EUR 1.85 billion compared to financial year 2012. This is EUR 850 million more than originally expected. Consolidated revenues are thus expected to amount to EUR 4.2 billion in 2018. Recurring EBITDA is expected to rise by EUR 350 million to almost EUR 1.1 billion in the same period. ProSiebenSat.1 had previously aimed for an increase of between EUR 200 million and EUR 250 million compared to the base year 2012. ProSiebenSat.1 informed the capital market of the new medium-term forecast in October 2015. Further information is included in the Company Outlook. As of the end of the year, the Group had achieved 48.9 % of its medium-term revenue target and 51.7 % of its expected recurring EBITDA growth. We are therefore on target.

Major Influencing Factors on Earnings, Financial Position and Performance

- **The economic data paint a positive picture; the growth in the TV business is also driven by structural change.**
- **Digitalization is changing the economy and society; we are using the digital development and are growing sustainably in all segments.**
- **The vast majority of our revenue and earnings growth is organic; acquisitions also accelerate our profitable growth.**
- **ProSiebenSat.1 Group practices proactive financial management and uses attractive conditions on the financial markets.**

Impact of General Conditions on the Business Performance

ProSiebenSat.1 Group is constantly diversifying its portfolio, but over half of the increase in consolidated revenues and recurring EBITDA was again based on organic growth in 2015. ProSiebenSat.1's growth is driven by various factors and external underlying data. In addition to economic conditions, our business performance is influenced by digitalization above all.

The Company generates a large portion of its consolidated revenues from video advertising on TV. In 2015, they amounted to EUR 1,974.1 million (previous year: EUR 1,909.1 million) or 60.5 % of total revenues (previous year: 66.4 %). 88.4 % of this was attributable to Germany, the principal revenue market (previous year: 89.2 %). ProSiebenSat.1 is the leading advertising sales company here and also has the highest reach in the audience market.

Development of the Audience Market, page 116.

Reach is a key criterion for the pricing of advertising and therefore our budget planning. In 2015, the German TV stations achieved their highest market share in the 14 to 49 year old target group in ten years. The Group further increased its market presence particularly among female viewers, who represent an important target group for the advertising industry.

Planning and Management, page 92.

Economic Development, page 124.

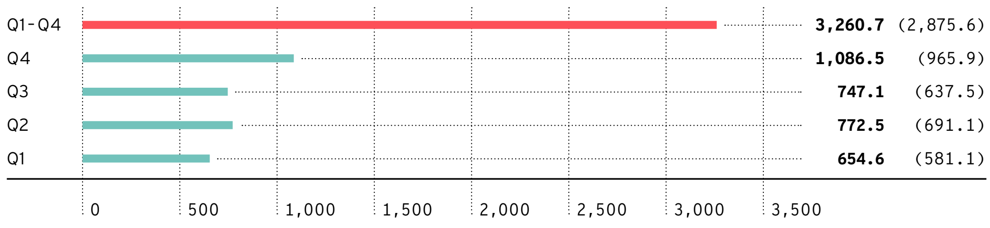
We use audience shares to measure the reach of a TV show; they are therefore an important indicator in the internal management system. General economic and sector-specific data are also relevant to the calculation. Consumer spending by private households increased year-on-year in 2015 and accordingly had a positive effect on the investment decisions of our advertising customers. At the same time, structural changes accelerated market growth and stimulated prices: In comparison to other media, the relevance of TV advertising spots is increasing and gaining market share from print. On the basis of gross data, advertising expenditure for TV increased by 7.0 %. Video advertising is also continuing to gain in digital media; in-stream videos grew by 30.5 % (gross) in 2015.

Development of the TV and Online Advertising Market, page 125.

The TV advertising market is growing solidly and supports our profitable revenue growth. 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, which rose to a record level in 2015. ProSiebenSat.1 Group's revenue and earnings performance is also characterized by seasonal effects and especially the great significance of the fourth quarter: As both propensity to spend and television usage 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 – adjusted for acquisition effects – also true for the past year.

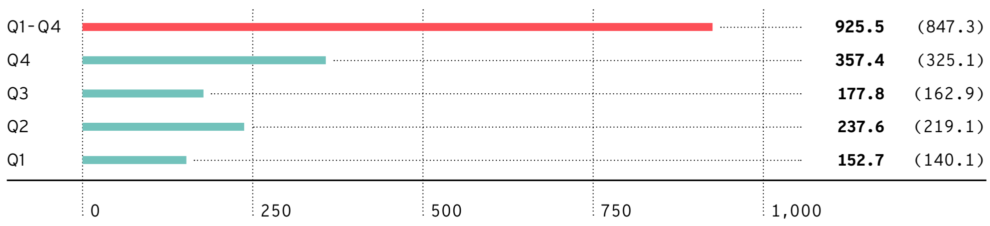
Revenues by quarter (Fig. 57)

EUR m, 2014 figures in parentheses



Recurring EBITDA by quarter (Fig. 58)

EUR m, 2014 figures in parentheses



ProSiebenSat.1's aim is to establish additional business models in all segments and to grow more independently of seasonal or economic developments. In the core business, the distribution of TV stations in HD quality is an important factor for becoming more independent of the advertising sector and simultaneously participating in the dynamism of digital markets. The number of HD users increased again in 2015; as a result, ProSiebenSat.1 Group's distribution revenues developed dynamically. Alongside this, ProSiebenSat.1 Group offers its viewers attractive entertainment online and on-demand and extends its reach with cooperation agreements and acquisitions. In 2015, for example, ProSiebenSat.1 internationalized its MCN portfolio and expanded its digital entertainment offering by acquiring Collective Digital Studio.

Business Development of Segments, page 147.

The digital entertainment market is growing considerably; we are benefiting from this and, among other things, increased the number of maxdome users in 2015. This change is being driven by broadband Internet connections with fast data transfer rates. Two trends are emerging which are an additional catalyst for our revenue growth: purchase decisions are frequently made online nowadays, so the e-commerce market is growing significantly and has lots of potential. The Internet is establishing itself as a sales channel and is also complemented synergistically by TV advertising. We are therefore systematically expanding our portfolio with e-commerce portals which extend our value chain and are suitable for marketing via video advertising on TV.

Technical Distribution, Media Consumption and Advertising Impact, page 113.

While macroeconomic conditions and industry-specific and structural effects can significantly influence our business performance, in some circumstances rising interests have no material impact on the earnings situation. The variable-interest loan liabilities are possibly hedged with various hedging instruments. As of December 31, 2015, the proportion of fixed interest was around 78 % (previous year: 95 %).

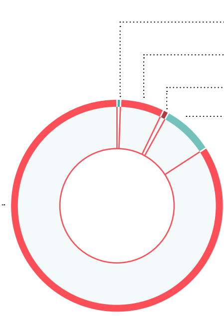
Group Financial Position and Performance, page 140.

Business Development of Segments, page 147.

Due to our international business operations, exchange rate fluctuations could affect the Group's financial situation. Currency effects could especially result from license agreements with US studios. However, the Group limits these currency risks by using derivative financial instruments. In addition, the Company generates the majority of its revenues in Germany and therefore in the eurozone; in 2015, ProSiebenSat.1 Group generated a total of 83.9 % of its revenues in the core market of Germany (previous year: 86.1 %). The remaining revenues were largely attributable to the US and Red Arrow's production business. Red Arrow significantly expanded its US business in 2015. The changes in the dollar exchange rate against the euro therefore had a positive effect on revenue development in the Content Production & Global Sales segment; the dollar gained in value against the euro over the course of the year.

Revenues by region (Fig. 59)

in percent, 2014 figures in parentheses



Major Events and Changes in the Scope of Consolidation

Management and Control, page 86.

Conversion into European Stock Corporation (SE)

The conversion of ProSiebenSat.1 Media AG into a European Stock Corporation (Societas Europaea, SE) became effective on July 7, 2015, with its entry in the commercial register. The shareholders had already approved the change in the legal form at the Annual General Meeting on May 21, 2015. The new legal form facilitates the increasing international focus of the Group's operations and supports its successful growth course.

Borrowings and Financing Structure, page 140.

Changes in the Financing Structure

ProSiebenSat.1 Group practices active financial management and uses the attractive conditions on the financial markets. In April 2015, the Group extended the maturities of its term loan and its revolving credit facility by one year to April 2020. In October 2015, ProSiebenSat.1 also increased the volume of the term loan by EUR 700.0 million to EUR 2.100 billion. The term loan increase serves for general corporate purposes.

Notes, Note 7 "Acquisitions and disposals," page 218.

Corporate Strategy and Vision, page 89.

Company Outlook, page 182.

Acquisitions and Expansion of the Digital and Production Portfolio

The Group's digital portfolio grew dynamically in 2015 as a result of M&A activities. The Company pursued different approaches and also made major acquisitions with an international focus. In addition to the units Ventures & Commerce and Digital Entertainment, ProSiebenSat.1 also expanded the US portfolio of Red Arrow. The most important changes in the scope of consolidation are reported below:

- In June 2015, ProSiebenSat.1 Group acquired 80.0 % of the shares in Verivox GmbH via its subsidiary ProSiebenSat.1 Commerce (7Commerce). Verivox is the leading independent consumer portal for energy in Germany. The company has been fully consolidated since August and complements the new e-commerce vertical of "Online Comparison Portals." The Comparison Portal Vertical also includes moebel.de, 12Auto.de, and Preis24.de, the leading platform for mobile communications tariffs and smartphones. A total of more than 1.5 million deals were made via the comparison portals in 2015.

Media Glossary, page 323.
Digital & Adjacent: Boom of the Multi-Channel-Networks, page 20.

- In addition, the US company Collective Digital Studio (CDS) was fully consolidated in the Digital & Adjacent segment in the third quarter of 2015. By way of a contract dated June 30, 2015, ProSiebenSat.1 acquired a majority interest in the entity. CDS is a leading multi-channel network (MCN) in the US and complements the Group's existing online video business: In fall 2013, ProSiebenSat.1 had already established its own MCN in the form of Studio71, which has since established itself as the largest network in the German-speaking region. 100.0 % of the shares in each entity were contributed to a holding company, in which ProSiebenSat.1 holds a 75.0 % stake. This acquisition emphasizes the aim of further strengthening the attractiveness of the digital entertainment portfolio and its international focus. In the context of the transaction, Studio71 and CDS were combined as a global MCN with over 3.5 billion video views per month and more than 350 million subscribers under the Studio71 brand.

- In October 2015, ProSiebenSat.1 also acquired the majority interest in eTRAVELi Holding AB via a subsidiary of ProSieben Travel GmbH (7Travel), thereby internationalizing its activities in the e-commerce business. etraveli has been fully consolidated since December 2015. The Swedish company, headquartered in Uppsala, was established in 2007 and is a leading pan-European online travel agency for flights. The entity operates in 43 countries on four continents with brands such as Supersavertravel, Gotogate, Travelstart and Seat24. In addition, etraveli runs the air fare comparison portals Flygresor.se and Charter.se in Sweden. In October, the flight search engine ueberflieger.de launched in Germany. etraveli is ProSiebenSat.1's biggest international investment in the commerce sector to date and adds to the travel portfolio of the umbrella brand 7Travel.

- ProSiebenSat.1 also targetedly expanded its portfolio and continued its expansion strategy in the Content Production & Global Sales segment in financial year 2015: In November 2015, Red Arrow Entertainment Group acquired a majority interest in the US production firm Karga Seven Pictures through the acquisition of Crow Magnon, LLC. The company is headquartered in Los Angeles. By making the acquisition, ProSiebenSat.1 is continuing its expansion in the US, the world's most important TV market. Karga Seven Pictures is already Red Arrow's sixth investment in the US after Half Yard Productions, Kinetic Content, Nerd TV, Fabrik Entertainment and Left/Right Productions and has been fully consolidated since November 2015.

The Year 2015 at a Glance, page 80.

The following table gives an overview of selected portfolio measures of the Group. Further information on events in the past financial year is available under "The Year 2015 at a Glance."

For more information on current changes in the scope of consolidation, refer to the Notes, Note 7 "Acquisitions and disposals," page 218.

Major portfolio measures and changes in the scope of consolidation in financial year 2015 (Fig. 60)

Segment Broadcasting German-speaking	Launch of the new free TV station Puls 8 in Switzerland in October 2015
Segment Digital & Adjacent	Increase of the majority interest in mydays Holding GmbH, operator of a leading Internet portal for experience gifts in Germany, in January 2015
	Founding of ProSiebenSat.1 Commerce GmbH in March 2015
	Increase of the investment in Flaconi GmbH, operator of the second-largest online shop for perfume, make-up and cosmetics in Germany, in March 2015 > Fully consolidated since April 2015
	Increase of the investment in Sonoma Internet GmbH, operator of the Internet portal amorelie.de, in March 2015 > Fully consolidated since April 2015
	Majority interest in Virtual Minds AG, a media holding company with specialist companies in the fields of media technologies, digital advertising and hosting, in June 2015 > Fully consolidated since September 2015
	Increase of the investment in SMARTSTREAM.TV, a service provider in the field of online advertising space optimization, in June 2015 > Fully consolidated since September 2015
	Increase of the investment in the US entity Collective Digital Studio (CDS), a leading multi-channel network (MCN) in the US, in June 2015 > Fully consolidated since August 2015
	Majority interest in Verivox GmbH, the leading independent consumer portal for energy in Germany, in June 2015 > Fully consolidated since August 2015
	Majority interest in eTRAVELI Holding AB, a leading pan-European air travel agency, in October 2015 > Fully consolidated since December 2015
Segment Content Production & Global Sales	Founding of the US company Ripple Entertainment, a digital hub in Los Angeles, in July 2015
	Majority interest in the production firm Karga Seven Pictures, a leading US producer and developer of factual entertainment formats, in November 2015 > Fully consolidated since November 2015

Major portfolio measures and changes in the scope of consolidation in financial year 2014 (Fig. 61)

Segment Broadcasting German-speaking	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
Segment Digital & Adjacent	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 % in July 2014
	Completion of the sale of Magic Internet Musik GmbH in August 2014 > Deconsolidation in August 2014
Segment Content Production & Global Sales	Majority interest in the US production company Half Yard Productions LLC in February 2014 > Fully consolidated since March 2014

Group Earnings

- **2015 was a new record year for ProSiebenSat.1, with revenues growing by 13.4 % to EUR 3.261 billion.**
- **ProSiebenSat.1 grows extremely solid in its core business of free TV, the Digital & Adjacent and Content Production & Global Sales segments develope dynamically, generating 34.0 % of consolidated revenues.**
- **Recurring EBITDA also reaches a new high of EUR 925.5 million, with underlying net income again exceeding the prior-year level despite higher tax expenses.**
- **The financial result improves as a result of lower interest expenses, reflecting the Group's proactive financial management.**

Business Development of the Segments, page 147.

In 2015, ProSiebenSat.1 Group increased its consolidated revenues to EUR 3.261 billion. This corresponds to a year-on-year increase of 13.4 % or EUR 385.0 million. All segments contributed to this development:

- The **Broadcasting German-speaking** segment with the core business of advertising-financed TV recorded external revenue growth of 4.3 % or EUR 89.3 million to EUR 2.152 billion. This corresponds to a share in consolidated revenues of 66.0 % (previous year: 71.7 %).

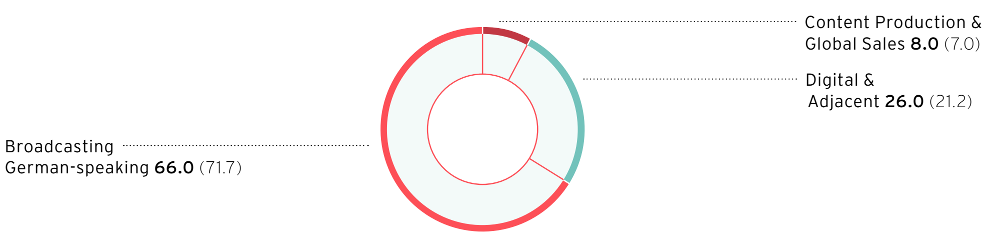
- The **Digital & Adjacent** segment increased its revenues by 38.6 % or EUR 235.7 million to EUR 846.4 million, again making the highest growth contribution. Acquisitions reinforced the profitable revenue growth in the Digital & Adjacent segment.

- The **Content Production & Global Sales** segment also grew dynamically. It mainly generated organic growth, increasing its revenue contribution by EUR 60.0 million or 29.7 % to EUR 262.2 million.

The Group's target is to become more independent from the core business of advertising-financed TV and especially to use additional revenue potential in the digital industry. This reflects the development of revenue shares by segment: In 2015, ProSiebenSat.1 Group continued to significantly increase the share of the two segments Digital & Adjacent and Content Production & Global Sales in consolidated revenues. Altogether, they contributed 34.0 % or EUR 1.109 billion to consolidated revenues, compared with 28.3 % or EUR 812.9 million in the previous year.

Group revenue share by segment (Fig. 62)

in percent, 2014 figures in parentheses



Notes, Note 13 "Other operating income," page 244.

Other operating income amounted to EUR 24.7 million after EUR 27.9 million in the previous year.

ProSiebenSat.1 Group invests in markets with long-term prospects for growth and synergies. As a result, **total costs** again increased across all segments. They totaled EUR 2.555 billion, an increase of 15.7% or EUR 346.4 million compared to financial year 2014. Total costs, which comprise the cost of sales, selling expenses, administrative expenses and other operating expenses, were influenced by the following factors:

Notes, Note 9 "Cost of sales," page 242.

- The majority of the cost increase was due to a rise in the **cost of sales** by 13.0% or EUR 203.4 million to EUR 1.764 billion. On the one hand, this was due to the expansion of the digital portfolio, with initial consolidations of various digital platforms in particular having an impact on the cost level. On the other hand, cost development was impacted by the larger business volume in the Content Production & Global Sales segment. Production business grew substantially in 2015, especially in the US.

  The consumption of programming assets – the Group's largest cost item – increased to EUR 895.5 million (previous year: EUR 867.8 million). This includes impairments of programming assets amounting to EUR 99.4 million (previous year: EUR 56.4 million).

Notes, Note 10 "Selling expenses," page 242.

- **Selling expenses** increased by 19.0% or EUR 59.3 million to EUR 371.5 million. The increase in selling expenses also primarily reflects the portfolio expansion in the Digital & Adjacent segment. In addition to acquisitions, cost development was influenced by growth in the areas of Ventures & Commerce and video-on-demand (VoD). The Broadcasting German-speaking segment also saw a cost increase due to higher revenues.

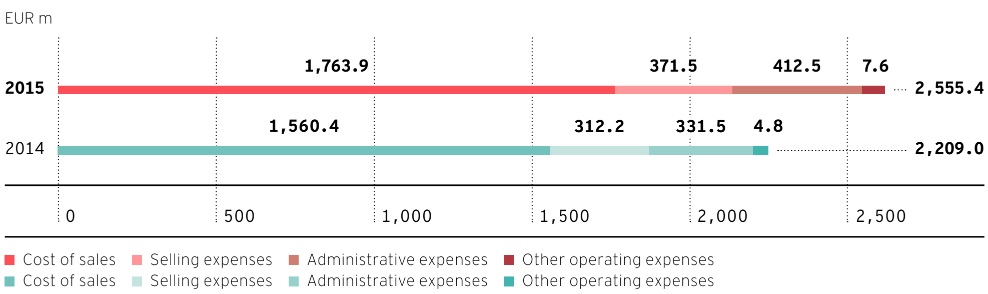
Notes, Note 11 "Administrative expenses," page 243.

- **Administrative expenses** also increased significantly in the wake of the Group's growth. They amounted to EUR 412.5 million; this equates an increase of 24.4% or EUR 80.9 million. One of the reasons for the rise in administrative expenses was the higher level of personnel expenses as a result of the acquisitions made.

Notes, Note 12 "Other operating expenses," page 243.

- **Other operating expenses** increased by EUR 2.8 million to EUR 7.6 million.

Total costs (Fig. 63)



Financial Glossary, page 320.

The Group has made various acquisitions in the past few months. In addition to the aforementioned effects, the development of total costs was therefore also impacted by amortization from purchase price allocations and non-recurring items. **Operating costs** adjusted for depreciation, amortization and non-recurring expenses amounted to EUR 2.355 billion (previous year: EUR 2.047 billion). This corresponds to an increase of 15.0% compared to financial year 2014. A reconciliation of operating costs from total costs is shown in the following table; the operating costs are the cost items that are relevant for recurring EBITDA:

Reconciliation of operating costs (Fig. 64)

EUR m	2015	2014
Total costs	2,555.4	2,209.0
Non-recurring expenses	49.7	38.2
Depreciation and amortization[1]	151.1	123.8
Operating costs	**2,354.5**	**2,046.9**

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

For ProSiebenSat.1 Group, **recurring EBITDA** adjusted for non-recurring items is a central key performance indicator for managing profitability. It increased to EUR 925.5 million as a result of the revenue momentum (previous year: EUR 847.3 million). This represents year-on-year growth of 9.2%.

The corresponding **recurring EBITDA margin** was 28.4% (previous year: 29.5%). The Broadcasting German-speaking segment with advertising-financed free TV business is characterized by an unchanged high margin of 33.0% (previous year: 32.9%) and is growing solidly. At the same time, the share of the Digital & Adjacent and Content Production & Global Sales segments in the Group's recurring EBITDA increased compared to the previous year as planned: They grew profitably and saw a significant double-digit increase in their earnings contribution; the segments accounted for recurring EBITDA of EUR 170.2 million (previous year: EUR 129.3 million) or EUR 25.0 million (previous year: EUR 19.1 million). In light of the higher absolute contribution of these two segments and its lower margin profile compared to the Broadcasting German-speaking segment, the Group's adjusted earnings margin declined slightly by 1.1 percentage points overall. Their margins diverge because of differences in the business models or earnings and cost structures and, in some cases, the degree of maturity of the individual portfolio companies, among others.

Consolidated EBITDA increased by 7.7% to EUR 881.1 million (previous year: EUR 818.4 million). It includes non-recurring items of EUR 44.4 million (previous year: EUR 28.9 million), which are mainly the result of M&A measures. A reconciliation of the operating earnings figures is as follows:

Reconciliation of recurring EBITDA from continuing operations (Fig. 65)

EUR m	2015	2014
Result before income taxes	603.6	560.1
Financial result	-126.4	-134.4
EBIT	**729.9**	**694.5**
Depreciation and amortization[1]	151.1	123.8
Thereof from purchase price allocations	32.3	19.9
EBITDA	**881.1**	**818.4**
Non-recurring items (net)[2]	44.4	28.9
Recurring EBITDA	**925.5**	**847.3**

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

2 Non-recurring expenses of EUR 49.7 million (previous year: EUR 38.2 million) less non-recurring income of EUR 5.3 million (previous year: EUR 9.3 million).

A-Z Financial Glossary, page 320.

The **financial result** also continued to improve compared to 2014. It amounted to minus EUR 126.4 million after minus EUR 134.4 million in the previous year. The financial result is composed of the interest result, other financial result and income from investments accounted for using the equity method:

Borrowings and Financing Structure, page 140.

- The main reason for the improvement in the financial result of 6.0 % or EUR 8.1 million was lower interest expenses. They declined by 7.9 % or EUR 8.0 million to minus EUR 93.4 million as a result of improved conditions for the existing syndicated facilities agreement. The Group practices proactive financial management and takes advantage of market windows of opportunity to secure attractive conditions for its financial debt instruments. In April 2015, the Company extended its existing syndicated facilities agreement by one year until 2020, thus securing favorable interest conditions.

Notes, Note 15 "Result from investments accounted for using the equity method and other financial result," page 245.

- The **other financial result** remained essentially unchanged year-on-year at minus EUR 39.0 million (previous year: minus EUR 39.4 million). This item contains a number of impairments on financial investments totaling EUR 62.9 million (previous year: EUR 30.3 million), including on shares in ZeniMax Media Inc. in the amount of EUR 23.1 million, in AliphCom Inc. (Jawbone) in the amount of EUR 19.4 million and in Odyssey Music S.A. (Deezer) in amount of EUR 10.0 million. This was offset in particular by the remeasurement of the interests in SMARTSTREAM.TV and Collective Digital Studio that were previously accounted for using the equity method.

- **Income from investments accounted for using the equity method** increased to EUR 4.6 million (previous year: EUR 2.9 million).

As a result of the developments described above, **earnings before taxes** rose to EUR 603.6 million. This equates to a growth of 7.8 % or EUR 43.5 million.

Notes, Note 16 "Income taxes," page 246.

Notes, Note 33 "Contingent liabilities," page 272.

Income tax expense amounted to EUR 207.7 million (previous year: EUR 178.6 million); the tax rate was 34.4 % (previous year: 31.9 %). The increase in the tax rate was primarily attributable to the reassessment of tax risks in connection with open assessment periods for previous tax years. Another reason for the increase is non-tax-deductible consulting costs in connection with the recent increase in M&A activities.

Despite increased tax expense, net profit for the period after taxes increased by 4.6 % to EUR 390.6 million; in financial year 2014, the corresponding profit figure amounted to EUR 373.5 million.

Underlying net income from continuing operations also increased significantly by 11.6 % to EUR 467.5 million (previous year: EUR 418.9 million). Basic underlying earnings per share rose by 11.4 % to EUR 2.19 (previous year: EUR 1.96). Specifically, the calculation of the underlying net income is as follows:

Reconciliation of underlying net income from continuing operations (Fig. 66)

EUR m	2015	2014
Consolidated net profit after non-controlling interests	390.6	373.5
Amortization from purchase price allocations (after tax)[1]	22.0	13.4
Impairments on other financial investments	39.4	19.5
Reassessment of interests accounting for using the equity method in connection with first-time consolidations	-26.4	-/-
Reassessment of tax risks	19.6	-/-
Impairment of shares in ZeniMax Media Inc.	23.1	7.3
Release of deferred financing costs	-/-	5.4
Other effects	-0.8	-/-
Underlying net income	**467.5**	**418.9**

1 Amortization from purchase price allocations before tax: EUR 32.3 million (previous year: EUR 19.9 million).

Notes, Note 7 "Acquisitions and disposals," page 218.

The **result after taxes from discontinued operations** amounted to minus EUR 0.3 million in 2015 (previous year: EUR -27.1 million). The full income statement of discontinued operations is presented in Note 7 "Acquisitions and disposals."

Selected key figures of ProSiebenSat.1 Group for the 2015 financial year (Fig. 67)

	ProSiebenSat.1 continuing operations	
EUR m	**2015**	**2014**
Revenues	3,260.7	2,875.6
Operating costs[1]	2,354.5	2,046.9
Total costs	2,555.4	2,209.0
Cost of sales	1,763.9	1,560.4
Selling expenses	371.5	312.2
Administrative expenses	412.5	331.5
Other operating expenses	7.6	4.8
EBIT	729.9	694.5
Recurring EBITDA[2]	925.5	847.3
Non-recurring items (net)[3]	-44.4	-28.9
EBITDA	881.1	818.4
Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media SE	390.6	373.5
Underlying net income[4]	467.5	418.9

Selected key figures of ProSiebenSat.1 Group for the fourth quarter of 2015 (Fig. 68)

	ProSiebenSat.1 continuing operations	
EUR m	**Q4 2015**	**Q4 2014**
Revenues	1,086.5	965.9
Operating costs[1]	735.4	645.6
Total costs	809.0	694.2
Cost of sales	545.2	490.8
Selling expenses	124.2	99.8
Administrative expenses	135.3	101.8
Other operating expenses	4.3	1.8
EBIT	288.7	281.8
Recurring EBITDA[2]	357.4	325.1
Non-recurring items (net)[3]	-14.1	-8.2
EBITDA	343.3	316.9
Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media SE	138.5	167.8
Underlying net income[4]	201.1	180.4

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 after non-controlling interests from continuing operations, before the effects of purchase price allocations and other special items.

Explanation of reporting principles in the financial year 2015 respectively in the fourth quarter of 2015: The figures for the 2014 and 2015 financial years 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.

Group Financial Position and Performance

- **ProSiebenSat.1 further optimizes its Group-wide corporate financing and increases the volume of the term loan to EUR 2.100 billion.**
- **Leverage ratio remains in target range of 1.5 to 2.5 despite M&A measures.**
- **Investment cash flow amounts to minus EUR 1.522 billion due to acquisitions.**
- **Cash and cash equivalents rise by 56.1% to EUR 734.4 million, after a strong fourth quarter.**

Borrowings and Financing Structure

Analysis of Assets and Capital Structure, page 145.

As of December 31, 2015, ProSiebenSat.1 Group's debt capital amounted to EUR 4.374 billion (December 31, 2014: EUR 3.147 billion) and thus had a share of 82.3% in total assets (December 31, 2014: 80.7%). With 61.1% or EUR 2.674 billion, non-current financial liabilities had the largest share in debt capital (December 31, 2014: 62.7% or EUR 1.973 billion). Current financial liabilities amounted to EUR 1.1 million; there was no corresponding item on the previous year's reporting date.

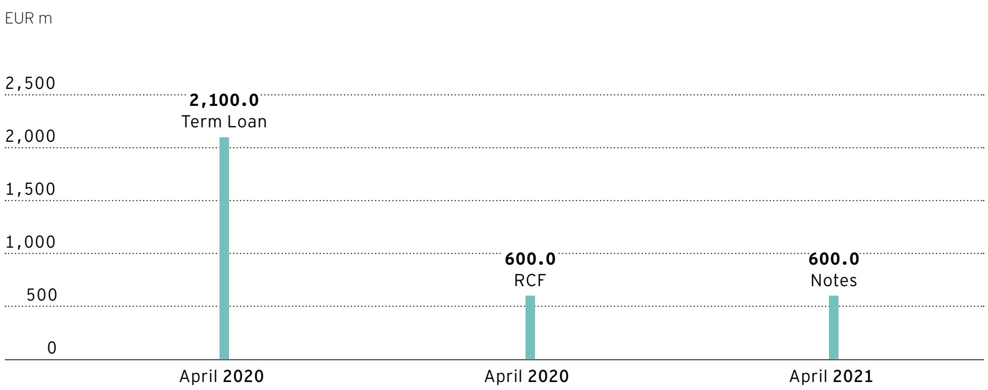
Financial Glossary, page 320.

Major Events and Changes in the Scope of Consolidation, page 132.

As of December 31, 2015, the unsecured facilities agreement comprised a term loan of EUR 2.100 billion and a revolving credit facility (RCF) of EUR 600.0 million. In the second quarter of 2015, ProSiebenSat.1 Group extended its facilities agreement by one year to April 2020. The ProSiebenSat.1 Group pursues an active financial management and could benefit from the favorable market environment in the financial markets. Furthermore, the Group has unsecured notes in the amount of EUR 600.0 million, which are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7). The following graph provides an overview of debt financial instruments as of the 2015 closing date according to maturity:

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

Debt financial instruments and maturities as of December 31, 2015 (Fig. 69)



Major Events and Changes in the Scope of Consolidation, page 132.

In October 2015, ProSiebenSat.1 increased the term loan by EUR 700.0 million to EUR 2.100 billion (December 31, 2014: EUR 1.400 billion). The term loan increase serves for general corporate purposes. The amounts of the other instruments have not changed compared to the same date of the previous year. As in the previous year, no drawings had been made on the RCF as of December 31, 2015.

Financial Glossary, page 320.

Amounts drawn under the RCF and interest payable on the term loan are variable. ProSiebenSat.1 Group therefore hedges potential risks from changes of variable interest rates with derivative financial instruments in the form of interest rate swaps and interest rate options. The hedge ratio or proportion of fixed interest remains high at approximately 78% (previous year: approx. 95%) in relation to the entire long-term financing portfolio. The average fixed-interest swap rate is still around 3.12% per annum. The fixed-rate coupon of the notes is 2.625% per annum.

Notes, Note 20 "Property, plant and equipment," page 255.

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. ProSiebenSat.1 Group reported liabilities for finance leases totaling EUR 82.2 million as of December 31, 2015 (previous year: EUR 89.2 million). There were no other significant off-balance sheet financing instruments.

Group-wide corporate financing (Fig. 70)

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 facilities agreement comprised 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.

Takeover-Related Disclosures, page 71.

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.

In the financial year 2015, ProSiebenSat.1 extended the tenor of the facilities agreement by one year to April 2020 and increased the term loan from EUR 1.400 billion to EUR 2.100 billion.

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, ProSiebenSat.1 Group has to satisfy a certain ratio of the consolidated net debt to the consolidated EBITDA (as defined in the contract). ProSiebenSat.1 Group complied with the contractual requirements in financial year 2015.

In the event that the control over ProSiebenSat.1 Media SE changes by way of direct or indirect acquisition of more than 50% of the voting rights in ProSiebenSat.1 Media SE 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. If a negative rating event occurs following such a change of control, the note creditors are also entitled to call in their notes and demand repayment.

Financing Analysis

Financial Glossary, page 320

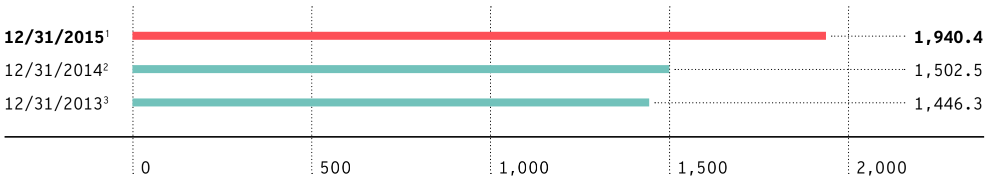
Analysis of Assets and Capital Structure, page 145.

Comparison of Actual and Expected Business Performance, page 127.

Net financial debt is defined as total borrowings minus cash and cash equivalents and certain current financial assets. It amounted to EUR 1.940 billion as of December 31, 2015. Due to increased M&A activities, net financial debt rose by EUR 437.9 million compared to December 31, 2014. As of the end of the year, cash and cash equivalents amounted to EUR 734.4 million compared to EUR 470.6 million on December 31, 2014. The **leverage ratio** shows net financial debt in relation to recurring EBITDA of the last twelve months (LTM recurring EBITDA) and is a key indicator for Group-wide financial planning. It was 2.1 as of December 31, 2015. The ratio was at 1.8 times on December 31, 2014. Thus, ProSiebenSat.1 Group's leverage ratio is within the defined target range of 1.5 and 2.5 times.

Group net financial debt (Fig. 71)

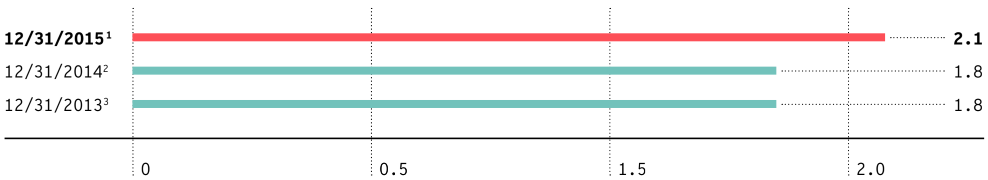
EUR m



1 Financial liabilities (EUR 2,674.8 million) netted against cash and cash equivalents (EUR 734.4 million).
2 Financial liabilities (EUR 1,973.1 million) netted against cash and cash equivalents (EUR 470.6 million).
3 After reclassification of cash and cash equivalents of Eastern European operations. Financial liabilities (EUR 1,842.0 million) netted against cash and cash equivalents from continuing operations (EUR 395.7 million).

Ratio net financial debt to LTM recurring EBITDA (leverage ratio) (Fig. 72)

EUR m



1 Adjusted for the recurring EBITDA contribution of Eastern European operations. Ratio of net financial debt (EUR 1,940.4 million) to recurring EBITDA from continuing operations (EUR 925.5 million).
2 Adjusted for the recurring EBITDA contribution of Eastern European operations. Ratio of net financial debt (EUR 1,502.5 million) to recurring EBITDA from continuing operations (EUR 847.3 million).
3 After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for recurring EBITDA contribution from the Northern and Eastern European business. Ratio of net financial debt from continuing operations (EUR 1,446.3 million) to recurring EBITDA from continuing operations (EUR 790.3 million).

Principles and objectives of financial management (Fig. 73)

The Company's financial management is centrally run by the Group Finance & Treasury department. This department manages financial management throughout the Group and pursues the following objectives:

> to secure the Group's financial flexibility and stability, in other words, maintaining and optimizing its funding ability,

> to ensure that the entire Group remains solvent by managing its liquidity efficiently across the organization,

> to manage its financial risks by using derivative financial instruments.

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. This includes the following tasks:

> **Capital structure:** In connection with capital structure management at ProSiebenSat.1 Group, managing financial leverage (leverage ratio) is given particular priority. The Group has defined a target range of 1.5 to 2.5 and 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 when choosing suitable financing instruments. ProSiebenSat.1 Group manages its funding on a centralized basis.

A-Z Financial Glossary, page 320.

> **Cash and liquidity management:** 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 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).

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

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

Analysis of Liquidity and Capital Expenditure

Explanatory Notes on Reporting Principles, page 83.

Financial Glossary, page 320.

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, 2015, and December 31, 2014, respectively.

Cash flow statement (Fig. 74)

EUR m	Q4 2015	Q4 2014	2015	2014
Result from continuing operations	**139.4**	**169.4**	**395.9**	**381.5**
Result from discontinued operations	**3.2**	**-18.4**	**0.3**	**-27.1**
Cash flow from continuing operations	617.7	572.5	1,784.6	1,690.0
Cash flow from discontinued operations	-2.3	-2.3	-2.1	-4.6
Change in working capital	-46.8	9.9	-12.0	-12.2
Dividends received	0.4	0.1	6.6	5.7
Taxes paid	-57.9	-41.2	-177.8	-163.4
Interest paid	-18.2	-17.9	-81.5	-91.2
Interest received	0.5	1.8	0.6	2.1
Payments for financing costs from derivatives	-/-	-/-	-/-	-6.3
Cash flow from operating activities of continuing operations	**495.7**	**525.2**	**1,520.5**	**1,424.8**
Cash flow from operating activities discontinued operations	**-0.1**	**-0.1**	**-1.7**	**19.5**
Cash flow from investing activities of continuing operations	**-418.8**	**-227.9**	**-1,521.7**	**-1,148.4**
Cash flow from investing activities discontinued operations	**16.7**	**-2.4**	**16.7**	**-25.2**
Free cash flow from continuing operations	**76.9**	**297.3**	**-1.2**	**276.5**
Free cash flow from discontinued operations	**16.5**	**-2.6**	**15.0**	**-5.7**
Free cash flow (total)	**93.4**	**294.7**	**13.8**	**270.7**
Cash flow from financing activities of continuing operations	**417.5**	**-2.7**	**242.1**	**-208.3**
Cash flow from financing activities discontinued operations	**-/-**	**-/-**	**-/-**	**-/-**
Effect of foreign exchange rate changes of continuing operations on cash and cash equivalents	0.0	1.9	8.0	4.0
Effect of foreign exchange rate changes of discontinued operations on cash and cash equivalents	-/-	-/-	-/-	-0.3
Change in cash and cash equivalents	510.9	293.8	263.8	66.1
Cash and cash equivalents at beginning of reporting period	223.5	176.8	470.6	404.5[1]
Cash and cash equivalents at end of reporting period	**734.4**	**470.6**	**734.4**	**470.6**

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

Cash flow from operating activities: In the financial year 2015, ProSiebenSat.1 Group generated an operating cash flow of EUR 1.521 billion compared to EUR 1.425 billion in the previous year. This equates to growth of 6.7 %. The increase is partly attributable to the positive earnings performance. Lower interest payments also had an effect; these fell by 10.6 % or EUR 9.7 million year-on-year to EUR 81.5 million. This decline is primarily attributable to improved conditions for the existing syndicated facilities agreement. Higher tax payments had a contrary effect. They amounted to EUR 177.8 million compared to EUR 163.4 million in the previous year.

Detailed information on off-balance-sheet investment obligations can be found in the Notes, Note 34 "Other financial obligations," page 274.

Cash flow from investing activities: The core area of investing activities within ProSiebenSat.1 is the acquisition of programming rights. Cash outflow for the acquisition of programming rights amounted to EUR 943.9 million. This equates to an increase of 6.1% or EUR 54.2 million (previous year: EUR 889.7 million). The programming investments were mostly made in the Broadcasting German-speaking segment; 53% were with regards to the acquisition of licensed programming and 47% to commissioned productions. Alongside the purchase of licensed formats and commissioned productions, the Group's programming supply is ensured by in-house formats. In-house formats are based on the development and implementation of own ideas and, unlike commissioned productions, are primarily produced for broadcasting 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.

Group Earnings, page 135.

In the past financial year, besides investments in programming assets, EUR 84.1 million was invested in other intangible assets, an increase of 26.6% or EUR 17.7 million compared to the prior year figure. By investing in other intangible assets, the Group primarily strengthened the segments Digital & Adjacent (56.5%) and Broadcasting German-speaking (31.5%). ProSiebenSat.1 mainly invested in internally generated intangible assets and from advance payments for intangible assets and software licenses. At EUR 38.4 million, investments in property, plant and equipment were 17.3% or EUR 5.7 million higher than the previous year's figure of EUR 32.8 million. Most of the investments (72.5%) were made in the Broadcasting German-speaking segment and related to technical equipment, leasehold improvements at the Unterföhring site and advance payments for property, plant and equipment.

Assets resulting from first-time 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."

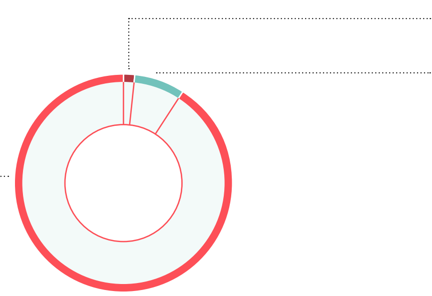
At the same time, cash outflow from additions to the scope of consolidation increased considerably to EUR 425.6 million in 2015 (previous year: EUR 122.2 million). The cash outflow primarily reflects the portfolio expansions in the Digital & Adjacent segment, in which Verivox, etraveli and Collective Digital Studio were the largest acquisitions.

For financial year 2015, the described cash flows from investing activities resulted in a total investment cash flow of minus EUR 1.522 billion (+32.5% or EUR -373.4 million year-on-year). The following chart provides a breakdown of investments by segment:

Major Events and Changes in the Scope of Consolidation, page 132.

Investments by segment[1] (Fig. 75)

in percent, 2014 figures in parentheses



1 Investments by segment before M&A activities.

Financial Glossary, page 320.

Free cash flow: Free cash flow fell to minus EUR 1.2 million in financial year 2015 (previous year: EUR 276.5 million). The decline is primarily attributable to the considerable increase in the volume of investment in connection with company acquisitions and investments.

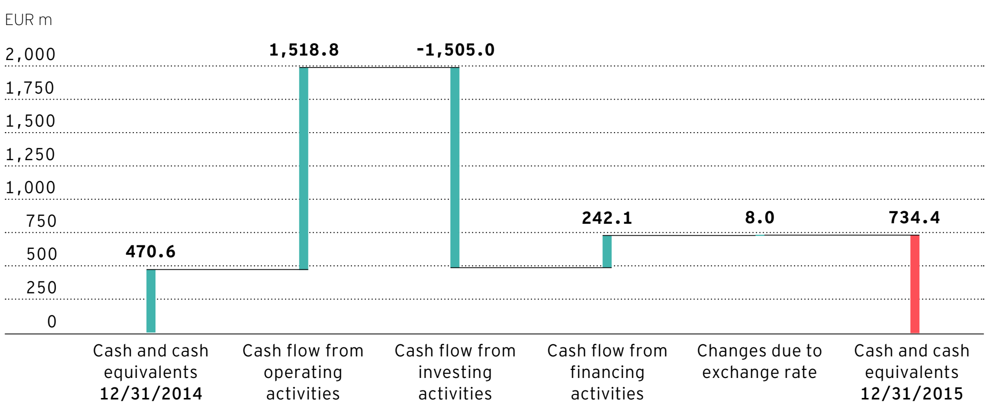
Borrowings and Financing Structure, page 140.

Cash flow from financing activities: Cash flow from financing activities was EUR 242.1 million after cash outflow of EUR 208.3 million in the previous year. The payment of the dividend for financial year 2014 resulted in cash outflow of EUR 341.9 million in May 2015. This was offset by a net cash inflow of EUR 617.1 million particularly due to the increase of the term loan in October by EUR 700.0 million. The cash outflow for 2014 reflected the dividend distribution (EUR 313.4 million) and net cash inflow of EUR 116.3 million relating to refinancing measures. In April 2014, ProSiebenSat.1 concluded a new syndicated facilities agreement with a volume of EUR 2.000 billion at attractive conditions and repaid a portion of its loans; the Group issued a bond at the same time.

Financing Analysis, page 141 .

Cash and cash equivalents: In financial year 2015, the overall cash flows described resulted in an increase of cash and cash equivalents compared to the previous year's reporting date. At EUR 734.4 million, the cash and cash equivalents were 56.1% or EUR 263.8 million higher than the previous year's figure of EUR 470.6 million. The Group reported particularly high inflow of cash and cash equivalents in the high-revenue fourth quarter; the figure amounted to EUR 510.9 million after EUR 293.8 million in the fourth quarter of 2014.

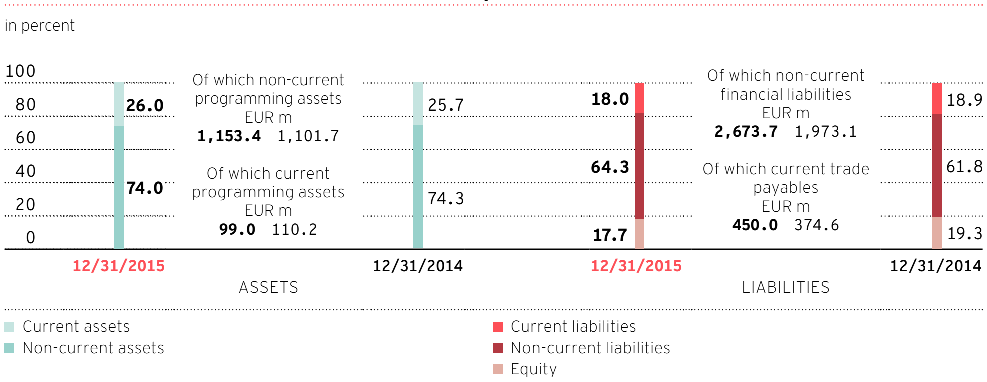
Changes in cash and cash equivalents (Fig. 76)



Analysis of Assets and Capital Structure

As of December 31, 2015, total assets amounted to EUR 5.317 billion compared to EUR 3.901 billion on December 31, 2014. The 36.3% increase primarily resulted from higher goodwill, other intangible and financial assets and a higher level of cash and cash equivalents.

Structure of the Statement of Financial Position (Fig. 77)



Major Events and Changes in the Scope of Consolidation, page 132.

Significant individual value changes to different items of the statement of financial position compared to December 31, 2014, are described below:

Notes, Note 7 "Acquisitions and disposals," page 218.

The **goodwill** recorded an increase of 58.0% to EUR 1.656 billion as of December 31, 2015 (December 31, 2014: EUR 1.048 billion). This is due to the first-time consolidation of the majority interests acquired in 2015, including Verivox, etraveli and Collective Digital Studio. Accordingly, the share of the goodwill in total assets increased to 31.1% as of December 31, 2015 (December 31, 2014: 26.9%).

As of December 31, 2015, **other intangible assets** increased by EUR 293.1 million to EUR 552.8 million (December 31, 2014: EUR 259.8 million). Main reasons for this were the purchase price allocations related to the acquisitions in the last financial year.

Non-current other financial and non-financial assets rose considerably by EUR 84.8 million to EUR 307.0 million as of December 31, 2015 (December 31, 2014: EUR 222.1 million). This was primarily the result of positive effects from currency hedges.

Non-current and current programming assets increased slightly compared to December 31, 2015. They increased by 3.3% and amounted to EUR 1.252 billion (December 31, 2014: EUR 1.212 billion). This equates to a 23.6% share of total assets (December 31, 2014: 31.1%). Alongside the goodwill, programming assets are among ProSiebenSat.1's most important assets.

Trade receivables increased by a total of 20.5% or EUR 65.2 million to EUR 383.3 million.

Current other financial and non-financial assets rose considerably to EUR 137.5 million (December 31, 2014: EUR 75.2 million). This equates to an increase of 82.8% or EUR 62.3 million, which is mainly attributable to positive effects from currency hedges.

Analysis of Liquidity and Capital Expenditure, page 143.

Cash and cash equivalents increased to EUR 734.4 million as of the reporting date, an increase of 56.1% or EUR 263.8 million.

Notes, Note 27 "Shareholders' equity," page 262.

In the reporting period, **equity** rose by 25.1% to EUR 943.1 million (December 31, 2014: EUR 753.9 million). A positive impact was made by the consolidated profit of EUR 396.2 million and the EUR 140.9 million increase in other accumulated equity. This was counteracted by the dividend payment of EUR 341.9 million. Despite the positive development, the equity ratio fell slightly to 17.7% (December 31, 2014: 19.3%) due to the increased debt capital. The Group continues to have a solid financial position.

Borrowings and Financing Structure, page 140.

Major Events and Changes in the Scope of Consolidation, page 132.

As of December 31, 2015, **non-current and current liabilities and provisions** increased to a total of EUR 4.374 billion (December 31, 2014: EUR 3.147 billion), a rise of 39.0%. The increase is mainly due to the increase of the term loan by EUR 700.0 million in the fourth quarter of 2015. The outstanding contingent purchase price components for majority interests acquired in 2015 and deferred taxes from the purchase price allocations of the acquisitions also led to the increase.

As of December 31, 2015, there were no other major structural or quantitative changes of the statement of financial position year-on-year.

Accounting assumptions and estimates (Fig. 78)

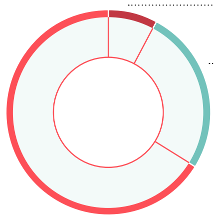
When applying accounting principles, recognizing income and expenses and preparing balance sheet reports, assumptions and estimates need to be made to a certain extent. Detailed information on the use of assumptions and estimates are shown in Note 2 of the consolidated financial statements.

Business Development of the Segments

- **The Broadcasting German-speaking segment grows highly profitable and increases the revenues from the sale of TV advertising time; at the same time the distribution business develops very dynamically.**
- **In the Digital & Adjacent segment, organic growths strengthens the profitable revenue performance alongside acquisitions such as Verivox and Collective Digital Studio.**
- **Revenue growth is primarily organic in the Content Production & Global Sales segment, with the production business in the US making the greatest contribution to revenues.**

Group revenue share by segment (Fig. 79)

in percent, 2014 figures in parentheses



Segment Broadcasting German-speaking

Notes, Note 36 "Segment Reporting," page 278.

In financial year 2015, **external revenues** in the Broadcasting German-speaking segment increased to EUR 2.152 billion. This equates to an increase of 4.3% or EUR 89.3 million compared to the previous year. ProSiebenSat.1 Group invests consistently in its highly profitable advertising-financed TV business and strengthened its second revenue model in the form of HD program distribution.

Development of the TV and Online Advertising Market, page 125.

Development of the Audience Market, page 116.

The Group increased its revenues from the sale of TV advertising time in all markets in 2015, including Austria and the German-speaking part of Switzerland alongside the core market of Germany. In the female target group especially, ProSiebenSat.1 Group continued to expand its audience shares and adequately capitalized its leading position in the German market. The distribution revenues from free TV programs in high definition (HD) and the distribution of own pay TV channels increased at the same time.

The revenue momentum combined with efficient cost management resulted in an increase in **EBITDA** of 4.2% or EUR 29.1 million to EUR 715.9 million. **Recurring EBITDA** adjusted for non-recurring items increased at a similar level and amounted to EUR 734.3 million (+4.5% or EUR 31.5 million year-on-year). Against this backdrop, the **recurring EBITDA margin** increased slightly to 33.0% (previous year: 32.9%).

Key figures Broadcasting German-speaking segment (Fig. 80)

EUR m	2015	2014
Segment revenues	**2,228.0**	2,139.4
External revenues	**2,152.1**	2,062.7
Internal revenues	**75.9**	76.6
EBITDA	**715.9**	686.8
Recurring EBITDA	**734.3**	702.8
Recurring EBITDA margin[1] (in %)	**33.0**	32.9

1 Based on segment revenues.

Segment Digital & Adjacent

Notes, Note 36 "Segment Reporting," page 287.

Major Events and Changes in the Scope of Consolidation, page 132.

The **external revenues** in the Digital & Adjacent segment continued to increase from a high level in financial year 2015, reaching EUR 846.4 million. This equates to an increase of 38.6 % or EUR 235.7 million compared to 2014. The profitable revenue growth was strengthened by acquisitions; here the full consolidations of Verivox and Collective Digital Studio made the greatest contributions to growth. In addition, the Group established a new commerce vertical called "Beauty & Accessories" and, in connection with this, acquired control in Sonoma Internet GmbH (Amorelie) and Flaconi GmbH in 2015. At the same time, the segment grew organically in a double-digit percentage range, with the video-on-demand (VoD) portal maxdome developing particularly dynamically alongside the Ventures business. The Travel Vertical and the advertising-financed online network also contributed to the revenue growth.

Group Earnings, page 135.

Costs rose as a result of the expanded business volume. In addition, cost development was influenced by non-recurring expenses. Against this backdrop, **EBITDA** increased by 20.7 % or EUR 25.6 million to EUR 149.2 million. **Recurring EBITDA** adjusted for non-recurring items improved by 31.6 % to EUR 170.2 million (previous year: EUR 129.3 million). The **recurring EBITDA margin** was 19.9 % (previous year: 21.0 %).

Key figures Digital & Adjacent segment (Fig. 81)

EUR m	2015	2014
Segment revenues	**856.2**	615.3
External revenues	**846.4**	610.7
Internal revenues	**9.7**	4.5
EBITDA	**149.2**	123.6
Recurring EBITDA	**170.2**	129.3
Recurring EBITDA margin[1] (in %)	**19.9**	21.0

1 Based on segment revenues.

Segment Content Production & Global Sales

Notes, Note 36 "Segment Reporting," page 287.

Major Events and Changes in the Scope of Consolidation, page 132.

In the Content Production & Global Sales segment, **external revenues** increased by 29.7 % to EUR 262.2 million (previous year: EUR 202.2 million). Revenue growth was largely organic in financial year 2015, with the production business in the US making the greatest contribution to revenues. In addition to the organic growth, the first-time consolidations of the US production firms Half Yard Productions and Karga Seven Pictures also had a positive impact. In recent years, ProSiebenSat.1 Group has expanded its production network internationally and established itself in the US in particular. The Company also achieved significant sales successes worldwide. Against this backdrop, changes in the dollar exchange rate against the euro also had a positive impact on revenue development.

The revenue growth also influenced earnings performance: Despite a growth-related increase in costs, **EBITDA** rose to EUR 21.4 million (previous year: EUR 16.0 million). **Recurring EBITDA** also grew by a considerable 30.8 % or EUR 5.9 million to EUR 25.0 million. As in the previous year, the corresponding **recurring EBITDA margin** was 7.8 %.

Key figures Content Production & Global Sales segment (Fig. 82)

EUR m	2015	2014
Segment revenues	**318.4**	244.5
External revenues	**262.2**	202.2
Internal revenues	**56.3**	42.4
EBITDA	**21.4**	16.0
Recurring EBITDA	**25.0**	19.1
Recurring EBITDA margin[1] (in %)	**7.8**	7.8

1 Based on segment revenues.

Overall Assessment of the Business Performance – Management View

For ProSiebenSat.1 Group, 2015 marked another year of profitable and capital-efficient growth in which we achieved or even exceeded our targets. But 2015 was a successful year not only in terms of growth figures. We also performed well financially, successfully continued our investment strategy and remained within the target range for the leverage ratio. We simultaneously used the favorable capital market conditions and further optimized our Group financing. At the time the Group Management Report was compiled, ProSiebenSat.1 Group was characterized by overall very good earnings, financial position and performance.

The German economy grew again in 2015; this encouraged our advertising customers to invest. At the same time, the market data for our digital portfolio were very positive: The in-stream advertising, video-on-demand and digital commerce industries grew dynamically. In this market environment, the Group closed 2015 again with record figures for revenues and operating earnings. All segments contributed to this:

Our TV business is highly profitable, it delivers continuous and solid growth. In 2015, we achieved the highest audience share for ten years. In the advertising market, we grew stronger than the rest of the field and benefited from continuing structural change in addition to the economic environment: Many print customers are moving their advertising budgets to television. In addition, growth was driven by our newer stations sixx, SAT.1 Gold and ProSieben MAXX.

In the Digital & Adjacent segment, we also closed the year with record revenues. The segment again develops very profitably with a margin of around 20 %. We are also successful in the program production and distribution business: Red Arrow is growing dynamically and has continued to expand its portfolio strategically in the US.

Our Group's growth was largely organic; at the same time, we made important acquisitions that further accelerate our profitable growth. For example, we acquired a majority in Verivox, Germany's leading independent consumer energy portal, and strengthened our travel portfolio with the international air travel portal etraveli. This positive annual record and the good start into financial year 2016 confirm our strategy: We are continuing to develop ProSiebenSat.1 from a traditional TV provider into a broadcasting, digital entertainment and commerce powerhouse.

ProSiebenSat.1 Media SE
(Explanations According to HGB)

- **The Management Report of ProSiebenSat.1 Media SE is presented together with the Group Management Report as Combined Management Report for the first time.**
- **The business development of ProSiebenSat.1 Media SE is influenced by the same economic environment and is subject to the same conditions regarding risks and opportunities as the Group.**

The annual financial statements of ProSiebenSat.1 Media SE are prepared in compliance with the provisions of the German Commercial Code and the supplementary provisions of the German Stock Corporation Act and the Articles of Association.

Business and Economic Environment

ProSiebenSat.1 Media SE is a management holding company that also conducts its own operating activities. It is responsible for management functions such as corporate strategy and risk management for ProSiebenSat.1 Group, investment administration and central financing tasks, and other service functions. Furthermore, ProSiebenSat.1 Media SE is the tax group parent for the majority of the domestic subsidiaries. Its material income results from subsidiaries' profit transfer agreements and internal services charged. In addition, revenues are generated in particular from the sale of ancillary programming rights.

Group Environment, page 112.

The economic environment of ProSiebenSat.1 Media SE essentially corresponds to that of ProSiebenSat.1 Group and is described in detail in the section on the Group's environment.

Risk Report, page 157.

ProSiebenSat.1 Media SE as the parent company of ProSiebenSat.1 Group is integrated into the Group-wide risk management system. Further information and the description of the internal control system for ProSiebenSat.1 Media SE required according to Section 289 (5) HGB are presented in the Risk Report.

Management Declaration, page 55.
www.prosiebensat1.com/en/page/erklaerung-zur-unternehmensfuehrung

The Management Declaration according to Section 289a HGB is publicly accessible on the Company's website and can be viewed in this Annual Report.

Significant Events in 2015

At the Annual General Meeting on May 21, 2015, the shareholders of ProSiebenSat.1 Media AG resolved to convert the Company into a European Stock Corporation (Societas Europaea, SE). The conversion of ProSiebenSat.1 Media AG into a European Stock Corporation (Societas Europaea, SE) became effective on July 7, 2015, with its entry in the commercial register. The new legal form has no impact on shareholders or the Group's corporate governance.

Borrowings and Financing Structure, page 140.

In financial year 2015, the duration of the syndicated loan agreement was extended by one year to April 2020 and the term loan increased by EUR 700.0 million to EUR 2,100.0 million; all other material conditions remain unchanged. The loan agreement is unsecured and was made with an international banking group. The loan liabilities bear interest at a variable rate.

Earnings of ProSiebenSat.1 Media SE

Statement of income according to German GAAP (HGB) (Fig. 83)

EUR m	2015	2014
Revenues	37.9	30.8
Other operating income	140.8	135.9
Program and material expenses	37.7	40.5
Personnel expenses	72.9	78.6
Depreciation	11.2	9.3
Other operating expenses	142.8	117.9
Operating expenses	264.6	246.3
Investment income	773.1	681.1
Financial result	-80.8	-152.1
Income from ordinary activities	**606.4**	**449.5**
Taxes	172.8	149.2
Profit of the year	**433.6**	**300.2**
Profit carried forward	1,485.6	1,527.3
Balance sheet profit	**1,919.2**	**1,827.5**

Revenues at ProSiebenSat.1 Media SE increased in financial year 2015 by EUR 7.1 million or 23.1% to EUR 37.9 million. The year-on-year revenue upturn resulted primarily from higher revenues from the sale of ancillary programming rights and revenues from barter transactions.

Other operating income rose by EUR 4.9 million year-on-year to EUR 140.8 million. It primarily includes revenues from internal services charged and effects of currency translation.

Operating expenses amounted to EUR 264.6 million (previous year: EUR 246.3 million). Programming and material expenses (- EUR 2.8 million) and personnel costs (- EUR 5.7 million) decreased slightly in financial year 2015. The increase in other operating expenses to EUR 142.8 million (previous year: EUR 117.9 million) was primarily due to higher expenses from currency translation and hedging transactions.

Investment income, the balance of income from profit transfer agreements less expenses from loss absorption, increased by EUR 92.0 million to EUR 773.1 million. As a result of the positive business performance of the German subsidiaries, income from profit transfer agreements increased by EUR 84.3 million to EUR 896.7 million overall. At the same time, costs for loss absorption fell slightly year-on-year to EUR 123.6 million (previous year: EUR 131.2 million).

In financial year 2015, the **financial result** (interest income netted against interest expenses including write-downs of financial assets) improved by EUR 71.3 million to minus EUR 80.8 million. This is primarily due to the decline in interest expenses of EUR 56.7 million to EUR 90.0 million. The figure for 2014 was shaped by the full reversal of deferred financing costs of the replaced loans and the financing costs in 2014 totaling EUR 40.0 million which were recognized as expenses in financial result. Interest income fell by EUR 5.1 million to EUR 9.2 million in financial year 2015. This is due to the lower interest rates. Interest income from affiliated companies resulting from internal lending fell by EUR 3.0 million. Furthermore, the value for 2014 includes impairments of financial assets of EUR 19.9 million, which were no longer incurred in the reporting year.

As a consequence, **income from ordinary activities** rose by EUR 156.9 million to EUR 606.4 million. After deducting income taxes of EUR 172.8 million (previous year: EUR 149.2 million) and other taxes, ProSiebenSat.1 Media SE reports net income for the year of EUR 433.6 million in financial year 2015. This is a significant year-on-year growth of EUR 133.4 million.

ProSiebenSat.1 Media SE had no material **off-balance-sheet financing instruments** during the reporting year.

ProSiebenSat.1 Media SE has concluded rental contracts for property it uses at the Unterföhring site, which were classified as operating leases in accordance with HGB. These contracts are not due to expire before 2019.

Net Assets of ProSiebenSat.1 Media SE

Statement of financial position in accordance with German GAAP (HGB) (Fig. 84)

EUR m	12/31/2015	12/31/2014
ASSETS		
Intangible assets	0.7	1.0
Properties	55.9	51.7
Financial assets	5,637.9	4,882.6
Non-current assets	**5,694.5**	**4,935.3**
Receivables and other assets	1,161.8	1,155.7
Cash and cash equivalents	524.1	374.5
Current assets	**1,685.9**	**1,530.2**
Prepaid expenses	3.8	3.8
Active difference resulting from offsetting	0.6	0.8
Total assets	**7,384.8**	**6,470.1**
LIABILITIES AND EQUITY		
Equity	2,778.2	2,668.5
Provisions	90.9	64.5
Liabilities	4,499.7	3,705.4
Deferred tax liabilites	16.0	31.7
Total e and equity	**7,384.8**	**6,470.1**

As of December 31, 2015, the **total assets** of ProSiebenSat.1 Media SE increased by 14.1% or EUR 914.7 million to EUR 7,384.8 million.

Non-current assets increased by 15.4% or EUR 759.2 million year-on-year to EUR 5,694.5 million as of December 31, 2015. The increase resulted from capital increases carried out at direct subsidiaries in the reporting year amounting to EUR 716.3 million; a second reason was the EUR 52.5 million increase in loans to affiliated companies.

Compared to December 31, 2014, **current assets** increased to EUR 1,685.9 million. The increase of 10.2% or EUR 155.7 million is primarily due to higher cash and cash equivalents; these increased by EUR 149.6 million year-on-year.

As of December 31, 2015, the **equity** of ProSiebenSat.1 Media SE increased by 4.1% or EUR 109.7 million year-on-year to EUR 2,778.2 million. The increase was the result of the net income for the financial year 2015 of EUR 433.6 million. In addition, the exercise of stock options amounting to EUR 10.4 million had a positive effect. However, the dividend distribution in May 2015 of EUR 341.9 million had a contrary effect.

As of December 31, 2015, the **equity ratio** amounted to 37.6% compared to 41.2% on the previous year's closing date. This development reflects the increase in total assets due to the new loan and the higher financial assets. In absolute figures, equity increased as of December 31, 2015 by EUR 109.7 million.

Provisions increased by EUR 26.4 million to EUR 90.9 million as of December 31, 2015. This was mainly due to the EUR 18.6 million increase in tax provisions.

Amounting to EUR 4,499.7 million, **liabilities** as of December 31, 2015, were EUR 794.3 million or 21.4% higher than in the previous year. The increase resulted mainly from the borrowing of the new loan of EUR 700.0 million and the EUR 56.1 million increase in trade accounts payable. In addition, liabilities to affiliated companies increased by EUR 42.5 million to EUR 1,490.8 million.

Financial Position of ProSiebenSat.1 Media SE

Cash management is performed centrally; Group cash flows are mostly pooled at ProSiebenSat.1 Media SE as the holding company via the implemented cash pooling system. Therefore the cash flow of the Group impacts the liquidity of ProSiebenSat.1 Media SE to a large degree.

For Group companies, especially the German TV stations, ProSiebenSat.1 Media SE acts as purchasing agent for programming assets. In financial year 2015, EUR 469.4 million (previous year: EUR 434.9 million) was spent on **investments in programming assets**. In 2015, ProSiebenSat.1 Media SE received from Group companies EUR 486.4 million (previous year: EUR 404.8 million) from the internal transfer of programming assets. As of December 31, 2015, the total future financial obligations from programming purchase agreements already concluded amounted to EUR 2,962.0 million (previous year: EUR 2,625.2 million).

In the reporting year, **cash outflows for purchases of intangible assets and tangible fixed assets** at the level of ProSiebenSat.1 Media SE amounted to EUR 15.2 million. This is a year-on-year increase of EUR 1.8 million.

For further information on the balance sheet and income statement, refer to the Notes to the annual financial statements of ProSiebenSat.1 Media SE.

Development of Employee Numbers

In financial year 2015, on average 564 people were employed at ProSiebenSat.1 Media SE, 485 employees as well as 79 apprentices, trainees and interns. In the previous year, on average 540 people were employed at ProSiebenSat.1 Media SE, 85 of whom were apprentices, trainees and interns.

Risks and Opportunities

The business performance of ProSiebenSat.1 Media SE is fundamentally subject to the same risks and opportunities as that of ProSiebenSat.1 Group. ProSiebenSat.1 Media SE participates in the risks of its subsidiaries and investments in line with its respective ownership interest. The risks and opportunities are described in the Risk and Opportunity Report.

Risk and Opportunity Report, page 157.

Outlook

Because of the interrelations between ProSiebenSat.1 Media SE and its subsidiaries, the outlook for ProSiebenSat.1 Group also largely reflects the expectations of ProSiebenSat.1 Media SE. Net income of ProSiebenSat.1 Media SE increased in 2015 significantly as expected. The growth of EUR 133.4 million to EUR 433.6 million reflects the positive development of results on Group level. The earnings development of ProSiebenSat.1 Media SE should be in alignment with the development of the Group, since the results of the subsidiaries will influence the investment result to a large degree. Therefore, the above remarks in the Outlook also apply to ProSiebenSat.1 Media SE. We assume that investment result will have a substantial influence on the profit of ProSiebenSat.1 Media SE.

Company Outlook page 179.

Events After the Reporting Period

Notes, Note 42 "Events after the reporting period," page 303.

Here, we report on events which were relevant between the end of financial year 2015 and February 22, 2016, the date of authorization of this report for publication and forwarding to the Supervisory Board. The publication date of the Annual Report 2015 is March 15, 2016. Apart from the events described below, no further reportable events materially impacting the earnings, financial position and performance of ProSiebenSat.1 Group or ProSiebenSat.1 Media SE have occurred.

Majority Interest in Dorsey Pictures (Orion Entertainment)

Red Arrow Entertainment Group acquired a 60.0 % share in the US production firm Dorsey Pictures (formerly Orion Entertainment) in January 2016. The investment and its subsidiaries have been fully consolidated and allocated to the Content Production & Global Sales segment since the acquisition. The company, based in Denver, is a leading US producer of non-scripted TV programs and branded entertainment offerings. The acquisition expands Red Arrow's US production network with new program genres such as "outdoor adventure," for which Dorsey is one of the world's biggest producers. Dorsey is already Red Arrow's seventh investment in the US.

Risk Report

› **The overall risk situation is still contained.**
› **We have an effective risk management system.**

Risk Management System

Risk is defined in this report as a potential future development or potential future 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, 2015, do not therefore come under this definition and are consequently not explained in this Risk Report.

ProSiebenSat.1 Group has established a systematic risk management system. It focuses on the Group's specific circumstances and covers all activities, products, processes, departments, equity interests and subsidiaries that could have an impact on our Company's business performance. The new corporate units are systematically included in the risk management system.

Risk management is divided into the following processing steps:

› **Identification:** It starts by **identifying** material risks via a target/actual comparison. The decentralized risk managers are responsible for this. For this purpose, they are guided by early warning indicators defined for relevant circumstances and key figures.

› **Assessment:** The relevant risks are **assessed** on the basis of a matrix: First, the circumstances are categorized on a five-step percentage scale in terms of the probability of their occurrence. Second, the extent of their possible financial impact is assessed; the financial equivalents are also divided into five steps. The aim is to classify the risk potential according to its relative significance as "high," "medium" or "low." In simplified terms, this risk matrix is as follows:

Risk classification (Fig. 85)

	Probability				
	Very unlikely ≤ 10 %	Unlikely > 10 % ≤ 30 %	Possible > 30 % ≤ 50 %	Likely > 50 % ≤ 80 %	Very likely > 80 %
Impact in EUR thousand					
Very low	≤ 750	≤ 750	≤ 750	≤ 750	≤ 750
Low	> 750 ≤ 3,000	> 750 ≤ 3,000	> 750 ≤ 3,000	> 750 ≤ 3,000	> 750 ≤ 3,000
Medium	> 3,000 ≤ 8,000	> 3,000 ≤ 8,000	> 3,000 ≤ 8,000	> 3,000 ≤ 8,000	> 3,000 ≤ 8,000
High	> 8,000 ≤ 15,000	> 8,000 ≤ 15,000	> 8,000 ≤ 15,000	> 8,000 ≤ 15,000	> 8,000 ≤ 15,000
Very high	> 15,000	> 15,000	> 15,000	> 15,000	> 15,000

■ Low risk ■ Medium risk ■ High risk

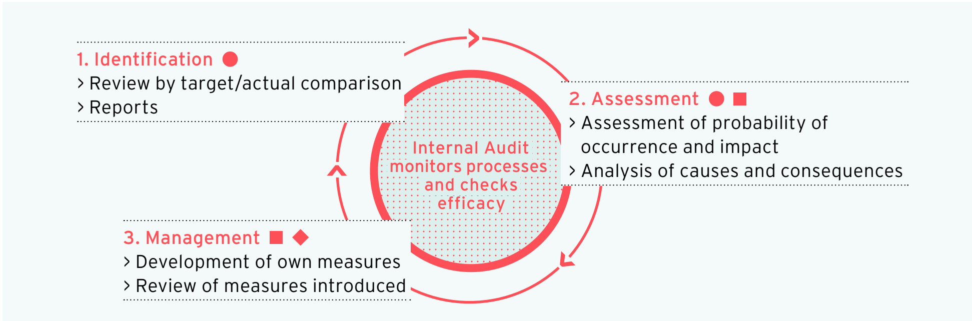
As well as classification, risk assessment also includes analyzing causes and interactions. Measures to counteract or minimize risks are included in the quantification (net assessment). In order to obtain the most precise view of the risk situation possible, however, opportunities are not taken into account. We record these in budget planning.

Intragroup Management System, page 93.

- **Management: Risk management** aims to use appropriate measures to reduce the probability of occurrence of potential losses and to limit or decrease possible losses. Countermeasures are developed and initiated as soon as an indicator reaches a certain tolerance limit.

  Risk control completes this processing step. The defined measures and risks are documented and tracked in reports throughout the year.

Risk management process (Fig. 86)



● Decentralized risk manager ◆ Executive Board/Supervisory Board ■ Group Risk & Compliance Officer

Clear decision-making structures, standardized guidelines and a methodical approach are a fundamental requirement for secure risk handling across the Group. At the same time, processes and organizational structures must be flexible enough to allow us to respond appropriately to new situations at all times. This is why the regular classification of risks occurs locally, in the various corporate units:

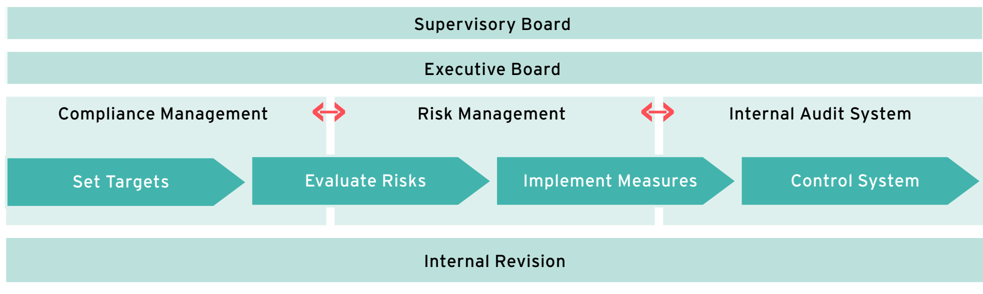
- **Decentralized risk managers:** The **risk managers** record the risks from their respective area of responsibility according to the standard Group system described. They document their results in an IT database every quarter.

- **Group Risk and Compliance Officer:** The **Group Risk and Compliance Officer** reports the risks documented in the database to the **Executive Board and Supervisory Board** every quarter. Relevant risks arising at short notice are reported immediately. In this way, the Executive Board and Supervisory Board regularly receive all decisive analyses and data at an early stage in order to be able to respond proactively.

  The Risk and Compliance Office supports the various corporate units not only 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 regularity of the risk management system. It reports the results directly to the Group CFO.

Risk managment system (Fig. 87)



The audit of the risk management system generated a positive result again in 2015. 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 reflects 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

Our overall risk situation remains limited. It is largely unchanged year-on-year, although some of the individual risk clusters have increased or decreased slightly compared to December 31, 2014:

Development of risk clusters and the overall risk situation of the Group as of December 31, 2015 (Fig. 88)

Change 2015 vs. 2014

External Risks	Sales Risks	Content Risks	Technological Risks	Personnel Risks	Investment Risks	Financial Risks	Compliance Risks	Other Risks	Overall risk situation
→	→	→	→	→	*	↗	↗	↓	→

→ Unchanged ↗ Slightly increases ↑ Increased ↘ Slightly decreased ↓ Decreased or no longer relevant * New risk category

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, technological risks, personnel risks, and investment risks. The main risk clusters comprise various individual risks in turn.

To assess the overall risk situation, we start by classifying all individual risks as part of the quarterly assessment process and aggregate them into clusters. In doing so, we use the matrix described above. The clusters are weighted in turn to reflect their significance for the Group. To make the process easier to understand, descriptions of the individual risks and explanations of their categorization are provided on the following pages. 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. 89)

	Impact	Probability	Significance	Changes vs. previous year
EXTERNAL RISKS				
Macroeconomic risks	High	Possible	Medium	Unchanged
General industry risks (media usage behavior)	Very high	Unlikely	Medium	Unchanged
SALES RISKS				
Media convergence	High	Possible	Medium	Unchanged
Selling advertising time	Very high	Unlikely	Medium	Unchanged
Online advertising: Ad blockers	High	Possible	Medium	Unchanged
Audience shares	High	Unlikely	Medium	Unchanged
CONTENT RISKS				
License purchases	Medium	Very unlikely	Low	Unchanged
Commissioned and in-house productions	Medium	Unlikely	Low	Unchanged
TECHNOLOGICAL RISKS				
Broadcasting equipment and studio operations	Low	Unlikely	Low	Unchanged
IT risks	Low	Unlikely	Low	Unchanged
PERSONNEL RISKS				
	Medium	Unlikely	Low	Unchanged
INVESTMENT RISKS				
Risks from majority interests	Medium	Unlikely	Low	New
Risks from minority interests	Medium	Unlikely	Low	New

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 efficiency controlling and ongoing market and competitive 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

The development on the German TV advertising market is our most important planning assumption. In addition to economic growth, we include industry-specific data such as the high reach of TV in our economic considerations.

Macroeconomic risks. ProSiebenSat.1 analyzes economic and market developments continuously and assesses them systematically as part of risk management. The contractual agreements with our advertising customers are also an important indicator for budget planning and risk assessment.

Future Business and Industrial Environment, page 179.

Growth forecasts by industry experts for the German net TV advertising market are optimistic. This also applies to online advertising, with in-stream videos in particular continuing to rise strongly. We are also expecting a favorable industry environment and base our assumption first on structural change in the German advertising market: TV and online are gaining market share as a result of digitalization, while print advertisements are becoming less relevant. Furthermore, the domestic economy is developing positively overall. In the main revenue market of Germany, advertising spending is likely to increase in parallel.

Economic forecasts naturally entail certain insecurities, which could, depending on their extent, also have an impact on advertising budgets. The short-term nature and seasonality of budget allocation also influence planning security. We have therefore left the risk significance unchanged compared with 2014 and continue to estimate this category as medium risk. We continue to rate high negative consequences from the general economic conditions as possible.

Future Business and Industrial Environment, page 179.

ProSiebenSat.1 pursues a dual growth strategy and is diversifying its risk profile in all segments. Reaching new target groups is a central component in the economically sensitive TV segment. With sixx, it has succeeded, for example, in appealing sufficiently to female viewers, who represent an important target group for the advertising industry, and consequently in releasing additional advertising budgets. At the same time, short-term falls in market share can be offset via the multi-channel portfolio with its complementary channel positioning and compensated at Group level. We are also investing consistently in new growth markets such as HD distribution and consequently also in business areas, which can be funded independently of advertising revenues, in the Broadcasting German-speaking segment. In 2015, the Group already generated 39.5% of its revenues outside the TV advertising business. In the medium-term, we aspire to a harmonious distribution of revenues; 50% of revenues are expected to come from sales of TV advertising time.

General industry risks (media usage behavior). Digitalization is accelerating technological change throughout the world and in virtually every industry. Media use is also changing. Thanks to digitalization, today's transmission routes for video content are far more diverse than they were even a few years ago and offer viewers a range of additional viewing options such as Time Shifted TV or video-on-demand. Among other things, these offerings allow viewers to download films at the time of their choosing or on the go. Regardless of the radio signal, viewers can also follow the TV program that is currently being broadcast online via apps on tablets or smartphones – live wherever they are. However, the new forms of use only account for a small proportion overall: 96% of TV consumption among viewers aged 14 and over in Germany still takes place via live use at the time of the broadcast.

Opportunity Report, page 174.

Overall, digital change is taking place more slowly in Germany than in other countries and is following different patterns. The broad offering of free TV financed by advertising is a structural feature of the German market. Unlike the US or Scandinavian countries, a majority of stations can be received free in Germany and the quality of their programs is high. This is reflected in the number of pay TV and VoD subscriptions. While only 20% of viewers currently subscribe to pay TV programs in Germany, in the US it is around 85% of households. VoD offerings are used by 7% of households in Germany compared with approximately 45% in the US. Willingness to pay for additional offers is even greater in Scandinavia; market penetration of pay TV stands at 86% to 96%.

Corporate Strategy and Vision, page 89.

Television is the most important mass medium in Germany; monthly net reach is stable at a high level. Accordingly, 50 million viewers aged 3 and above watched television on an average day in 2015. At the same time, we assume that video use overall will increase sharply. One reason for this development is the increasing availability of faster and cheaper mobile Internet connections, which will encourage easy use of TV content on smartphones or tablets. In addition, TV content will be distributed via stations' catch-up services, meaning that we are forecasting that viewers aged between 14 and 49 will use TV content via all platforms and transmission routes for 257 minutes in total in 2020. This figure was 216 minutes in 2015. Of this figure, 176 minutes was attributable to traditional viewing in front of a TV set.

The basic function of TV remains the same. According to the Media Activity Guide, the majority of Germans prefer to watch television in "lean-back mode"; accordingly 70% of those questioned would like to lean back and relax when watching television. As in 2012, there is therefore at least one

TV set in 95% of German households today. Consequently, the number of sets remains constantly high. However, the sets themselves are developing via technical innovations such as the possibility of receiving HD as well as larger screens – and improving in quality. Patterns of use such as the parallel consumption of TV and Internet are also commonplace; some 45% of 14- to 49-year-olds often use their smartphones for surfing the Net while watching TV. These market data and research results show that mobile devices are part of everyday media usage, but they are not replacing the TV set. Rather, they are used as second screens and fulfill additional functions such as the online search or communication via social media channels. This form of parallel media use is also influencing the advertising industry, with e-commerce companies benefiting most notably from the interaction of TV and Internet and the advertising impact of TV in Germany increasing further.

Media Glossary, page 323.

Technical Distribution, Media Consumption and Advertising Impact, page 113.

Against this backdrop, ProSiebenSat.1 is very well positioned to exploit digital development as an opportunity for growth: The company is the market leader in the German audience market in the advertising-relevant target group of 14 to 49 year old viewers and also offers its station in HD in addition to free TV offerings in SD quality. At the same time, ProSiebenSat.1 developed a digital entertainment offering at an early stage and serves new media usage habits with the online video portal maxdome or the 7TV app. We already reach more than 30 million users via digital services today. By inference, we still 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 very high financial impact on our core business and thus the entire Group. We therefore rate this as a medium risk overall.

Sales Risks

Media convergence. No other technology has spread as quickly in a period of only three years as smartphones and tablets. In 2012, these devices were still a niche product in Germany, today they are practically ubiquitous. This development reflects users' desire to use media everywhere and, in particular, when traveling. In the process, the once strong ties between content and end devices are coming undone, the boundaries between genres are becoming blurred. Today, radio is also received via Internet, newspapers are read online in many cases. This means that digitalization is encouraging the convergence of media, the same content is now used on various channels on different devices. This development is being driven by broadband Internet connections with fast data transfer rates.

Opportunity Report, page 174.

In view of the increasing number of end devices and the resultant increase in digital media offerings, questions are repeatedly asked about the future relevance of traditional television. However, the current results of research by the Media Activity Guide, a comprehensive study carried out by forsa on behalf of the ProSiebenSat.1 advertising sales company SevenOne Media, again reveal a converse picture for Germany. New forms of video use are supplementing television instead of substituting it. Entertainment devices such as smartphones and tablets are, accordingly, used in addition to the TV set. Parallel use is not having an adverse impact on linear television either. Almost all 14- to 49-year-olds use more than one screen medium (96%). However, people who use several screens are not only more online-savvy. They are also more interested in television and spend 193 minutes every day watching TV. This is three minutes more than the average in their age group. The additional screens are also used to watch TV programs without TV sets. Among viewers aged 14 and above, around 4% of TV use is attributable to new methods such as live streams or TV sticks connected to PCs and laptops (previous year: Also around 4%).

Nevertheless, the high market penetration of convergent devices entails risks for ProSiebenSat.1: TV and online may not only be used complementarily and the consumption of video content on more and more new multimedia devices may rise. Convergence may also lead to TV usage falling in future. This could in turn have a negative impact on advertising customers' willingness to invest and thus negatively affect prices for TV advertising.

Although we are not currently seeing substitution, we believe it is possible that this risk may materialize. Therefore, we cannot rule out high effects on our revenue or earnings performance and continue to classify potential losses from media convergence as medium risk. For this reason, we will continue investing in the expansion of both our TV and digital businesses and making use of possibilities for growth offered by the integration of the two business areas.

Selling advertising time. In 2015, the ProSiebenSat.1 Group extended its lead in the German TV advertising market and moderately increased its prices for advertising space again. 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 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.

Media Glossary, page 323.

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 economic 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 125.

If advertising budgets were to decline, the price level in the selling of advertising time fall or customers default, this could have very high consequences for the Group's revenue and earnings performance. We are observing a further increase in the intensity of competition on the German advertising market. Nonetheless, we continue to classify risks from marketing our TV advertising time as medium risks and believe they are unlikely to materialize. In order to identify potential losses early, we analyze the competitive environment as well as our advertising revenues and advertising market shares regularly. By comparing projections and actual figures with the corresponding prior-year values, budget deviations can be identified 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, ad blockers represent a sales risk. These programs, often offered as browser plug-ins and now as apps for end devices prevent advertising from being displayed. The ProSiebenSat.1 Group has taken various measures to limit this risk: The company has introduced technical means that can effectively prevent the ad blockers from functioning. At the same time, we are raising our users' awareness with education campaigns, such as Stromberg-AdUcate. In addition, ProSiebenSat.1 has filed an application for an injunction against the most widespread ad blocker in Germany (AdBlock Plus); the proceedings are currently being held at the Munich Upper Regional Court. However, further spread of ad blockers is possible; this could have a high impact on the success of the online advertising business. Overall, we rate the total risk for the ProSiebenSat.1 Group as a medium risk.

Development of the Audience Market, page 116.

Audience shares. The German TV family closed the year on 29.5 %, which is an increase year-on-year of 0.8 % and at the same time the best audience share in the core market for ten years. Audience shares are an important figure for the management of the Group and at the same time a key indicator for early risk detection. They firstly reflect whether programming meets the taste of the audience. As a result, they measure the appeal of broadcasts and indicate their profitability. Second, they document the reach of an advertising spot and are consequently a means of documenting our performance for our advertising customers. Viewer shares are part of pricing and may therefore also entail sales risks.

Changes in market share are closely monitored and analyzed daily on the basis of data from the Working Group of Television Research (AGF). In this way, we are able to measure the success of our formats 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.

On the basis of these ongoing market analyses, ProSiebenSat.1 Group has built up talents in recent years that are popular and successful with young viewers. At the same time, the Group has established a station portfolio of 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 newer ProSiebenSat.1 stations, such as SAT.1 Gold or ProSieben MAXX, have continuously increased both their technical reach and their audience market shares. At the same time, the performance of the large stations is stable overall. ProSieben is the market leader in its relevant target group. With shows such as "The Voice of Germany" or "Circus HalliGalli" the station is setting standards and becoming a pioneer in the German programming landscape. It can be assumed that established station brands like ProSieben and SAT.1 will continue to dominate the market due to their name recognition and their image. The fragmentation of previous years was driven in particular by the opportunities of digital distribution. We are now seeing signs that the fragmentation is easing off.

On the basis of these developments, we believe it is unlikely that this risk will materialize. However, a considerable decline in audience market shares could inherently have a high impact on our revenue and earnings performance. We therefore continue to classify this as a medium risk.

Content Risks

Sustainability, page 97.

Content-specific risks are categorized as low overall. The ProSiebenSat.1 Group has an extensive portfolio of rights, because it works closely with more than 100 renowned licensors. At the same time, Red Arrow is achieving dynamic growth and has, as planned, expanded its portfolio in the Anglo-American region. The aim is to achieve a balance between licensed programming and local productions.

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 medium impact on our earnings performance would be conceivable. Overall, we classify this as a low risk. We base our assessment on the following issues:

Financial risks, page 168.

The ProSiebenSat.1 Group is exposed to currency risks when purchasing program licenses, because it acquires many of its feature films and series from the major US studios. The Group limits this risk with derivative financial instruments.

The Year 2015 at a Glance, page 80.

As well as exchange rate fluctuations, price increases could also influence license purchases and therefore our business performance. On the buying market, the company is in competition with other players, including well-funded international competitors with their own VoD platforms based in the US. However, the ProSiebenSat.1 Group has a diversified supplier base and contracts with all major US studios. Apart from close business relationships with licensors, a high purchasing volume and the Group's strong negotiating position secure exclusive programs on attractive conditions. In addition, programming contracts are often signed some years before production and broadcast. This guarantees 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, since 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. US formats such as "Navc CIS" or "The Big Bang Theory" are hugely popular and achieve large audience shares in Germany.

Commissioned and in-house productions (local productions). Commissioned and in-house productions 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 97.

Media Glossary, page 323.

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 continue to classify the technological risks described in more detail below as low. Accordingly, we consider they are unlikely to materialize and their possible effects on the Group's revenues and earnings performance 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, with multifaceted protection and are operable remotely if necessary. The basic infrastructure for the power supply at the Unterföhring location was fully modernized in 2014. Ongoing maintenance and upgrades when needed keep the systems constantly up-to-date. The automation of technical processes contributes to minimizing risk. The ProSiebenSat.1 Group has a digitalized transmission operation and has 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 reduced dependency on manual processes. The company has also leveraged time, quality and cost advantages through doing so.

IT risks. The growing complexity of the system architecture presents the Group with various challenges: The Failures of systems, applications, or networks are as much potential risks as violations of data integrity and data confidentiality. At the same time, the constantly rising level of information processing and networking as well as evolving technologies are first increasing complexity in the interplay of people, processes, and technology; second, there is increasing vulnerability within entity-wide information processing. Targeted attacks show that politically, economically, or ideologically motivated groups represent a growing challenge. The Group is therefore implementing an information security management system (ISMS), which ensures structured, risk-based, and comprehensive protection for the Group's information assets. The effectiveness of the security standards is 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 2015, the Group again subjected all relevant business applications to extensive tests, which confirmed a good degree of maturity.

In addition, unforeseeable events such as natural disasters, attacks or accidents 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 planned measures for dealing with emergencies and established a crisis management organization. For example, a guide to protecting events has been drafted and implemented to protect live events. Evacuations may also be part of these safeguards, as was the case for the transmission of the finale of "Germany's Next Top Model by Heidi Klum" in May 2015.

Personnel Risks

Employees, page 103.

In the course of digitalization and the expansion of the Ventures division, the need for qualified specialists and managers is rising, particularly in the growth areas of the Group. This is why we have expanded our recruitment program: The number of suitable applicants was considerably improved in terms of quantity and quality through the standardization of the application procedure, an optimized careers site for mobile devices and target-group-specific events.

Competition for talent in the industry is high – targeted appeals for applicants and close relationships with universities are therefore crucial. We also focus on educating our employees and developing their skills in line with requirements. This also includes the targeted recruitment of talented juniors as part of our Group-wide talent management system. The aim is to implement succession planning for key positions at an early stage and ensure that expertise is retained within the Group. At the same time, the Group has continually expanded the in-house ProSiebenSat.1 Academy's offerings and developed company-specific 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; the results of our employee survey and various external studies also attest the attractiveness of the ProSiebenSat.1 Group as an employer.

Against this backdrop, we continue to classify personnel-specific risks as low. We cannot exclude personnel risks entirely, however, we consider they are unlikely to materialize; their financial manifestation would be medium at most.

Investment Risks

Opportunity Report, page 174.

ProSiebenSat.1 Group practices active portfolio management with various M&A approaches. This includes acquisitions on the basis of taking majority and minority interests. Acquisitions open up new opportunities for growth and increased efficiency, while facilitating access to new markets. At the same time, investments entail risks with potential financial implications. Investments are therefore subject to a continuous monitoring process, which includes testing for impairment. Alongside profitability, majority interests in particular also entail risks with regard to integrating the acquired companies. However, we consider the materialization of risks from majority interests as unlikely. Their potential financial impact would be medium, meaning that we classify this risk as low overall. We also assess risks from investments via a minority interest as unlikely and classify them as low. They can have a medium impact at most. We invest with media services particularly with start-ups, extending our portfolio in this way, also without deploying large amounts of cash and with limited business risk.

Financial Risks

Borrowings and Financing Structure, page 140.

The ProSiebenSat.1 Group uses various financing instruments: In addition to a term loan, the company has access to a revolving credit facility. The bond market provides a further source of finance. We pursue a proactive financing policy and have extended the term of our term loan on attractive conditions during the year and, at the same time, increased the volume in the light of the good conditions on the money market. We ended the year with net financial debt of EUR 1.940 billion; the leverage ratio was at 2.1 and therefore within the target corridor.

The Group is exposed to various financial risks in its operating business and especially due to the borrowings described above. The great share of financial risks is still classified as low. Due to developments on the market, it is only the interest risk which has changed. This classification is shown below, with the following table providing an overview. 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 also to the notes to the consolidated financial statements.

Notes, Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7," page 275.

Financial risks (Fig. 90)

	Impact	Probability	Significance	Change vs. previous year
Financing Risk	Very high	Very unlikely	Low	Unchanged
Counterparty Risks	High	Very unlikely	Low	Unchanged
Interest rate risks	Medium	Possible	Medium	Slightly increased
Currency risks	Medium	Unlikely	Low	Unchanged
Liquidity risk	Very high	Very unlikely	Low	Unchanged

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 and use derivatives for hedging purposes.

The assessment and management of financial risks is coordinated centrally. Group Finance & Treasury is responsible for this. The Group unit monitors developments on the markets systematically, from which it deduces potential opportunities and losses and regularly assesses the risk situation; the requisite measures are defined in close collaboration with the Executive Board of ProSiebenSat.1 Media SE. 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. Principles, tasks, and responsibilities are defined on a Group-wide basis and regulated via binding guidelines for all subsidiaries of the ProSiebenSat.1 Group.

Financing Risk

Borrowings and Financing Structure, page 140.

The optimization of capital efficiency is a key objective of our financing policy. This is why the Group monitors the money and capital markets continuously and assesses developments as part of risk management. A second objective in addition to cost efficiency consists of guaranteeing access to sufficient funding at any time.

The availability of existing borrowing depends in particular on compliance with specific contractual conditions. These include standard market covenants, which are also subject to regular and systematic assessment.

Violations of covenants could have a very high impact on our financial position and earnings performance. However, we see materialization as very unlikely and classify the financing risk as low overall. The financial covenants were complied with once again in 2015; on the basis of our current corporate planning, a violation in the future is not foreseen either.

Counterparty Risks

Counterparty risks could have a high impact on our earnings performance and financial position. However, as in the previous year, due to the measures taken, we rate the probability of the occurrence of counterparty risks as very unlikely and the risk as low overall. The Group concludes finance and treasury transactions exclusively with business partners which meet high credit rating requirements. The profile of counterparties is systematically and continuously monitored in this connection. In addition to monitoring credit standing, ProSiebenSat.1 limits the probability of occurrence of default risks through a broad diversification of its counterparties. The conditions for the conclusion of finance and treasury transactions is governed by uniform regulations across the Group contained in a directive.

Interest Rate Risks

Risks from inefficiencies in connection with decreasing interest rates, see Notes, Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7," page 275.

Interest rate swaps and currency forwards are accounted for as cash flow hedges as part of hedge accounting, more detailed information is presented in Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7," page 275. The ProSiebenSat.1 Group does not use derivative financial instruments for trading purposes; they are used solely to hedge existing risk positions.

We assess the significance of interest risks as medium, and their probability as possible. This increase in the significance of the interest risk compared to the previous year is a result of the current negative interest rate environment. Should this risk materialize, it could have a medium impact on our earnings performance and financial position. ProSiebenSat.1 Group uses interest rate swaps and interest rate options to hedge its variable-interest term loans against increases in interest rates caused by the market. The hedge ratio of interest rates is high; as of December 31, 2015, 78 % of the entire non-current financing portfolio was hedged with interest rate derivatives (previous year: 95 %). In addition – albeit to a far lesser extent – there could also be a negative impact from interest rate trends in connection with cash drawings on the revolving credit facility. However, as of December 31, 2015 and on the previous-year reporting date, the RCF was undrawn.

Currency Risks

We classify currency risks as low. 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, 2015, the hedge ratio in terms of a seven-year period was at 74.8 %. Because of the high hedge ratio, we rate the impact as medium. At the same time, we believe it is unlikely that this risk will materialize.

Liquidity Risk

The lack of available funds and consequently the ability to service liabilities sufficiently at any time could have very high financial consequences. Liquidity is therefore managed centrally through a cash management system. The expected liquidity headroom serves as an indicator for the early identification of risk. This is calculated and assessed by comparing currently available funds with budgeted figures, taking into account seasonal influences.

Analysis of Liquidity and Capital Expenditure, page 143.

At the end of the year, the Group had cash and cash equivalents of EUR 734.4 million (previous year: EUR 470,6 million); in addition, a revolving credit facility in the amount of EUR 600 million guarantees sufficient liquidity. It is therefore very unlikely that risks will arise from liquidity shortfalls. We still rate this category as a low risk.

Disclosures on the internal controlling and risk management system in relation to the (consolidated) reporting process (section 289 no. 5 of the German Commercial Code and section 315 (2) no. 5 of the German Commercial Code) with explanatory notes (Fig. 91)

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 SE (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 SE 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 and management report 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) are determined with the assistance of external experts.

› The principal functions of the reporting process – accounting and taxes, controlling, and finance & 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 289 no. 5 of the German Commercial Code and 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

General Compliance

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. For this reason 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. Employees also receive systematic training on issues such as data protection, antitrust legislation and bribery.

Corporate Governance Report, page 46.

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.

Technological risks, page 167.

The work of the Compliance Board is managed 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 was 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. As a result, this risk category is unchanged year-on-year.

Other Legal Risks

Regulatory risks. Any unforeseen changes to the regulatory or legal 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 with regard to advertising, forms of advertising, broadcasting licenses or competitions. The company 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. Against this backdrop, 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 and, in particular, earnings in the Broadcasting German-speaking segment, if this risk nevertheless materializes.

Changes in tax risks in 2015. In financial year 2015, ProSiebenSat.1 Group reassessed tax risks in connection with share-based payment models that are fulfilled by issuing shares and in connection with open assessment periods in previous tax years that led to an increase in tax expenses in the financial year. We have rated the significance of the risk arising from other discretionary tax matters as low with a possible probability of occurrence and a potentially low impact.

Notes, Note 33 "Contingent liabilities," page 272.

In addition to these regulatory and tax risks, legal disputes can considerably damage our business, our reputation, and our brands as well as cause costs. These include guarantees, injunctions or actions for damages. Financial implications may also arise from a change in a legal opinion or interpretation thereof. The individual risks are categorized below; Note 33 "Contingent liabilities" in the notes to the consolidated financial statements contains more information.

Compliance risks (Fig. 92)

	Impact	Probability	Significance	Change vs. previous year
General Compliance	Medium	Unlikely	Low	Unchanged
OTHER LEGAL RISKS				
Regulatory risks	Medium	Unlikely	Low	Unchanged
Claims for disclosure and actions for damages by RTL 2 Fernsehen GmbH & Co. KG and El Cartel Media GmbH & Co. KG	Medium	Possible	Medium	Unchanged
Section 32a German Copyright Act (“Bestseller”, non fiction)	Cannot be assessed	Possible	Medium	Unchanged
Tax risks in connection with the disposal of subsidiaries in Sweden:				
– with respect to the Swedish tax authorities	Very high	Possible	High	Unchanged
– with respect to the Dutch tax authorities	Very high	Unlikely	Medium	Unchanged
Guarantees from the disposal of the Belgian TV activities	Very high	Very unlikely	Low	Unchanged
Changes to tax risks in 2015	Low	Possible	Low	New

We see different levels of impact for the potential financial consequences of individual legal and media policy changes as well as legal offenses, since the differences between compliance risks are in some cases considerable. We limit these risks first via close cooperation with legal experts. Second, we encourage Group compliance structures and targeted training of employees to ensure they comply with these.

Other Risks

Risks in Connection with the Disposed Eastern European Operations

Notes, Note 7 "Acquisitions and disposals," page 218.

There were still receivables due from the purchasers of units that were sold as part of the disposal of Hungarian and Romanian operations in 2015; these resulted from a purchase price loan and a working capital facility (Hungary) and a deferred purchase price component (Romania). ProSiebenSat.1 Group also granted a bridge loan for the Hungarian operations in 2015. The loans and purchase price receivable were subject to impairment risks during the year in the event that the business operations did not generate sufficient cash funds. The Group also provided guarantees for license agreements between the Hungarian and Romanian television stations and Universal Studios, CBS and Programs for Media totaling EUR 32.5 million. The loans, the purchase price receivable and the guarantees for license agreements due from the purchaser of the Hungarian operation were settled through a resale of the shares. The economic effect therefore took place within the past 2015 financial year. The purchase price receivable from the sale of the Romanian TV station Prima-TV of EUR 3.8 million was impaired in full in 2015. ProSiebenSat.1 Group was released from the guarantees for license agreements against payment. Therefore, the risk no longer applies in relation to the two transactions.

Opportunity Report

- **Growth potential is identified via budget planning.**
- **The structural change in the German advertising market offers great opportunities; furthermore, we provide ourselves access to new markets and target groups through portfolio enhancements.**

Opportunity Management

Risk Report, page 157.

Organizationally, we have fulfilled all the requirements needed to guarantee that the risk situation is presented and handled transparently, that potential losses are limited and that action is taken early. ProSiebenSat.1 Group has also implemented effective processes to identify and manage opportunities.

In 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; it thus gains a detailed insight into the business situation. In addition, market and competitive analyses and the exchange of knowledge with external experts serve as important sources for identifying growth potential for ProSiebenSat.1 Group.

Planning and Management, page 92.

Opportunity management is part of the intragroup management system: The defined opportunities are summarized in the strategy plan and incorporated into the planning process during the annual strategy meeting. Relevant opportunities are prioritized, specific objectives are derived, and measures and resources for operational target attainment are determined.

Company Outlook, page 182.

We have already incorporated growth opportunities in our targets for 2016 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. In particular, this potential can arise from a change in general conditions or our market position. Strategic decisions can also promote additional growth that has not yet or not yet fully been budgeted for. We report on this additional growth potential below.

Overview of potentials and opportunities (Fig. 93)

	Budgeted growth potentials	Additional opportunities
Development of general conditions	› TV has high growth potential both compared to other media and internationally; 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 strategic decisions	› Value creation through diversification and especially expansion of the Commerce & Ventures portfolio.	› Acquisitions alone or with strategic partners. › Expansion of the station family.

Further Opportunities from Development of General Conditions

Development of the Audience Market, page 116.

The reach of TV as a medium and the development of ProSiebenSat.1 stations' audience shares form an important basis for advertising customers' decisions on budget allocation. In 2015, we increased audience shares in all German-speaking TV markets and consolidated our leading position in the core market of Germany. Since it was founded in 2000, ProSiebenSat.1 Group has pursued a multi-station strategy and now covers nearly all demographic target groups. We therefore expect to continue consolidating our position.

Future Business and Industry Environment, page 179.

Company Outlook, page 182.

The advertising industry's investment behavior is also significantly influenced by external factors, especially macroeconomic developments: The advertising market grew solidly in 2015. Low unemployment rates and rising real incomes created positive stimuli in private consumption. These factors in turn encouraged the advertising industry to invest and stimulated prices for TV advertising. The external environment is also expected to continue developing positively, so we again based our budget planning for the German TV advertising market in 2016 on a low single-digit percentage growth rate. Since our target attainment correlates closely with the development of the TV advertising market, a deviation from this important planning assumption could accelerate our profitable growth significantly.

Technical Distribution, Media Consumption and Advertising Impact, page 113.

In addition to macroeconomic data, ProSiebenSat.1 Group also considers structural developments in its calculations. In the wake of digitalization, advertisers are increasingly shifting their budgets from print to video advertising. In this context, ProSiebenSat.1 has identified a total market potential of EUR 2.7 billion. Video advertising on TV or online platforms can create a strong emotional connection to a brand. At the same time, the multi-sensory appeal through images and sounds makes the brand more memorable than print advertising does, for example. TV advertising is proven to have the highest and most sustainable return on investment (ROI), since TV spots build up high reach within a short space of time. With usage of 46%, TV is the most important mass medium in Germany.

Risk Report, page 157.

Television is continuously growing in relevance as an advertising medium, but it has not fully capitalized on its reach so far: 34% of advertising budgets were allocated to print in 2015, although only 6% of the total media usage time accounts to print. In contrast, TV advertising's investment volume — on the basis of data from Magna Global — amounted to 23%. In many other countries, the budget allocation is reversed; in the US, for example, the majority of advertising investments are already allocated to TV. A similar structural change to the one in the US is also emerging in Germany. According to Nielsen Media Research, TV has increased its advertising market share by 4.1 percentage points gross in the last five years, while print has lost 7.7 percentage points. The high proportion of advertising via digital media in Germany, at around 30%, is already similar to that in the US. Nonetheless, TV still has a lot of catching up to do as an advertising medium. National peculiarities such as the high reach of free TV in Germany increase the relevance of the television category further.

We assume that a gain in advertising market share of one percentage point for TV could increase our net advertising revenues by EUR 60 million. We are actively using this growth potential and acquired numerous new customers for the medium of TV last year (2015: 139). 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. In connection with this, ProSiebenSat.1 has expanded the TV portfolio with target-group-specific stations such as sixx, SAT.1 Gold and ProSieben MAXX. ProSiebenSat.1 will carry on pursuing this multi-station strategy:

Broadcasting German-speaking: Small Channels, Big Successes, page 12.

For fall 2016, the start of a purely free TV documentary station is planned which will broadcast documentaries and reports on various topics. Thus, the station addresses older male viewers who are interested in history, politics, nature, and technology.

Another important lever for acquiring advertising customers, especially companies that have previously relied mostly on print media, are models for regionally adapted or customized advertising. The technical capability to modulate TV advertising regionally is supplied by "Hybrid Broadcast Broadband TV" (HbbTV). The availability of the technical standard is developing dynamically. According to GfK, over 16 million HbbTV-ready sets have been sold in Germany since 2011. In the medium term this figure is expected to rise to over 25 million. The quality of TV systems has been enhanced by integrating Internet functions, which has given the advertising market new opportunities to approach customers via HbbTV, for example. As well as providing greater opportunities to address target groups more precisely, HbbTV combines the advantages of television with the interactive possibilities of the Internet viewers can order the advertised products directly via their remote control. Large HD screens are also contributing to the fact that TV is becoming increasingly attractive. The number of HD households is rising steadily. In 2018, ProSiebenSat.1 expects around 9 million households 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 1.85 billion to EUR 4.2 billion; revenues of around EUR 155 million are to come from distribution, especially of HD. We are extending our reach via cooperation agreements with distributors as well as via additional platforms and forms of exploitation for our content.

Development of User Numbers, page 119.

New distribution models such as the distribution of programs via the HD+ platform offer us substantial growth opportunities, as we generate recurring revenues independently of the economy here. Since 2011, the Company has taken a share in the technical service fees that viewers pay to distributors for HD quality television. At the same time, willingness to pay for attractive additional offers such as video-on-demand is growing. The number of pay-VoD subscriptions is expected to increase by 140 % by 2018; this equates to a market volume of EUR 575 million. This trend will benefit from broadband Internet access with high data transmission rates and the rising use of mobile devices. Nearly 80 % of Germans are already online; 65 % have a smartphone.

Technical Distribution, Media Consumption and Advertising Impact, page 113.

The general data described paint a positive picture overall. If the relevant market conditions or our competitive position develop better than expected, this could be additional stimulus for the growth of the Group. The Group is the leading video marketer for TV and online advertising in Germany and has also established an attractive offering in the video-on-demand segment with maxdome. ProSiebenSat.1 will also pursue strategic measures in all growth areas in the future in order to actively promote the digital trend and to build on its market position. In 2015, ProSiebenSat.1 Group acquired the first customers for regional advertising via HbbTV and increased its reach via platforms such as the 7TV app; other important steps included the acquisitions of SMARTSTREAM.TV and Virtual Minds. The companies are pioneers in the field of digital advertising technology: SMARTSTREAM.TV for digital video advertising products; Virtual Minds has an AdTech ecosystem for the automated real-time delivery of digital advertising inventory. We have thus laid the foundations for automated, data-driven display and video marketing in Germany.

Major Events and Changes in the Scope of Consolidation, page 132.

The regulatory environment also yields opportunities; for example, additional revenue sources 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,

Basic Principles of Media Policy and Regulatory Environment, page 112.

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. A decision is also 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 up to EUR 300 million a year for private operators.

Further Opportunities from Corporate Strategic Decisions

Technical Distribution, Media Consumption and Advertising Impact, page 113.

The digital transformation is shaping the media sector more than most other industries. The options for receiving television are much more diverse than they were just a few years ago; television is being watched on different screens. At the same time, second screens such as tablets and smartphones are changing consumer behavior: More and more people are ordering products online while they watch television. Nearly half of all Germans have now purchased a product directly online because of TV advertising. The impulse from TV prompting an online search has proven particularly strong for brands that have their own online shop. For this reason, e-commerce firms are increasingly shifting their advertising budgets from online to TV.

Corporate Strategy and Vision, page 89.

The e-commerce market is growing dynamically and has high potential; in Germany, around EUR 1,200 per online shopper per year is spent for online purchases. ProSiebenSat.1 Group is expanding its portfolio with e-commerce firms in a targeted fashion and has identified various sectors as strategically relevant. The Group is pursuing various M&A approaches. Key investment criteria include prospects for profitability and potential synergies. Synergies are based on the potential to pool resources efficiently. In addition, ProSiebenSat.1 generates value increases from the prospective investments' strong affinity with TV as an advertising medium and the highest possible interconnectivity with the existing digital portfolio.

Digital & Adjacent: E-Commerce – A Growth Market, page 26.

While ProSiebenSat.1 has expanded its portfolio primarily through smaller investments or the media-for-equity and media-for-revenue-share business models in recent years, the Group made larger acquisitions in 2015. The acquisition of etraveli serves as an example here. The objective of the transaction is to expand the Travel Vertical internationally. ProSiebenSat.1 sees great growth prospects in this sector; the online market for air travel alone was worth EUR 9 billion in 2015. Internet travel offerings address a broad audience and particularly lend themselves to video advertising because of their theme. This is an important cornerstone of the Group's M&A strategy. Using TV and online advertising, ProSiebenSat.1 can rapidly raise awareness of brands and thereby also increase the revenue growth of the companies in question at a relatively low cost and without high cash investments.

Corporate Strategy and Vision, page 89.
Company Outlook, page 182.

The Group will continue to use this competitive advantage in the future for the expansion and internationalization of its portfolio. Consolidation effects from M&A measures are only recognized in the budget once the transactions are concluded, so they entail a great degree of additional potential. The Group has already budgeted for profitable revenue growth of over EUR 200 million in 2016 in connection with the expansions of the scope of consolidation. In addition to etraveli, the full consolidation of Verivox in particular will have a positive effect on our revenue performance. Our growth targets for 2018 include the recently acquired majority interests; further major acquisitions would result in additional potential. ProSiebenSat.1 Group has not only achieved its medium-term growth targets since 2011, but repeatedly exceeded them. The Company most recently raised its 2018 targets in fall 2015; ProSiebenSat.1 grew faster or more significantly than originally expected in all segments.

Overall Assessment of the Opportunity and Risk Situation — Management View

The Group is market leader in the German TV market, is successfully exploiting its extensive reach as an investment currency and is augmenting its value chain to increase value in all segments with digital offerings. Our digital business developed dynamically and profitably in 2015; its revenue contribution is set to increase by EUR 1.2 billion by 2018. At the same time, we grow solidly in the free TV business and expect revenues in the Broadcasting German-speaking segment to increase by EUR 375 million in the mid-term. Thus, the company features a broad revenue base.

ProSiebenSat.1 pursues a dual strategy and is benefiting from the increasing number of digital devices. However, the media industry is subject to constant market change and, not least as a result of global digitalization, intense competition. Therefore, the identification and management of potential opportunities is just as important for our Group as the recognition and controlling of potential risks.

ProSiebenSat.1 Group has effective control systems to deal with risks early and consistently. We estimate that there are no risks for either year covered by the forecast that, individually or in combination with other risks, could have a material or lasting adverse effect on the earnings, financial position and performance. The identified risks pose no threat to the Company as a going concern, even looking into the future. As of the date of the preparation of this report, therefore, the Executive Board still considers the overall risk situation as limited and manageable. There has been no fundamental change in the overall risk situation compared with December 31, 2014; we still rate the majority of the issues presented in the latest Annual Report as low risk. The overall opportunity situation has not changed either.

Future Business and Industry Environment

- **In 2015, private consumption reaches a record level and is also portraying a positive climate for 2016; however, the non-European area continues to entail economic risks.**
- **The growth forecasts of industry experts for video advertising on TV and in digital media are positive.**
- **In addition to a good domestic economy, TV in particular benefits from the structural shift in the advertising market, in parallel e-commerce offerings gain relevance in the course of digitalization.**

Economic Development, page 124.

In 2015, the German economy grew by 1.7 %; the prospects for 2016 are similarly positive: The ifo Institute predicts that the gross domestic product (GDP) will grow by 1.9 % in 2016 and 1.7 % in 2017. Private consumer spending, supported by favorable labor market conditions and rising income, is still a significant growth driver. The government is also likely to make a substantial contribution to growth thanks to its sound budget situation. However, the economic weakness of major emerging markets and numerous geopolitical uncertainties are dimming businesses' export prospects. Export-oriented companies could therefore be less willing to invest despite the still expansionary monetary policy and favorable financing conditions.

For the eurozone, the European Commission anticipates sound growth of 1.7 % in real terms compared to 2015. Alongside an ongoing fall in unemployment, rising incomes and positive effects from the low price of crude oil, private consumption is also likely to be a major driver of the European economy. In addition, the comparatively low exchange rate of the euro against the US dollar may again provide important growth stimuli.

On the other hand, economic experts see risks outside Europe: Besides geopolitical tensions arising in Russia and the Middle East, the economic development in major emerging markets currently entails the greatest risk to the global economy. Above all, the further development of China and the strained economic situation in Russia and Brazil could impact the development of the economy. At the same time, the low price of crude oil strains on the economy of major oil exports. In contrast, the economy in advanced industrial nations such as the US or the eurozone is likely to increase slightly. Against this backdrop, the International Monetary Fund (IMF) expects the global economy to grow by 3.4 % in 2016.

Development of the TV and Online Advertising Market, page 125.

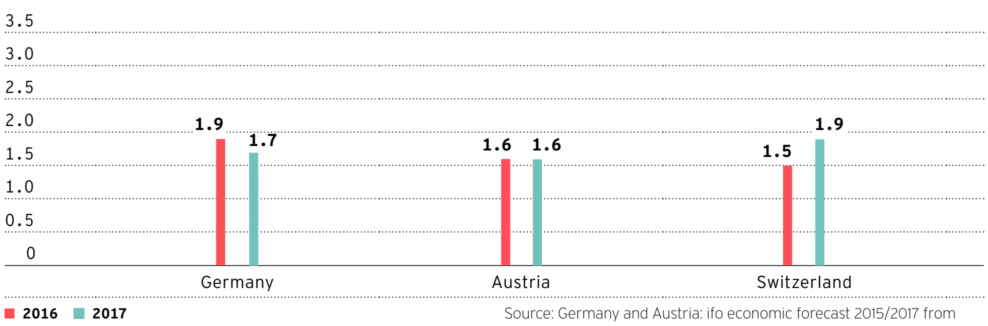
The prospects for the German TV advertising market remain positive. Since its development is closely related to the current and expected general economic situation, the TV advertising market is continuing to benefit from the favorable consumer climate in Germany. With a share in GDP of roughly 54 %, private consumption is the most important macroeconomic expenditure component. It is therefore an important indicator for the TV advertising market as well. In addition to a sound economic environment, the TV advertising market is also benefiting from structural changes: The relevance of TV as an advertising medium is increasing as a result of digitalization; together with online, this category is continuously gaining market share from print. The growth prospects for the German TV advertising market are accordingly positive: With a stable economy and further structural gains, the net German TV advertising market is likely to exceed the previous year's high level again in 2016. The institutes currently anticipate net growth in the low to mid single-digit percentage range (WARC: +4.3 %, ZenithOptimedia: +2.5 %, Magna Global: +4.3 %). ProSiebenSat.1 expects the market to grow by 2 % to 3 % in net terms. The Group also expects to grow in line with the market over the year as a whole.

The prospects are also positive for digital media: In-stream video advertising is likely to develop dynamically and drive the growth of the online advertising market. For 2016, the institutes anticipate net growth of nearly 8 % (WARC: +7.1 %, ZenithOptimedia: +7.6 %, Magna Global: +7.7 %). Video-on-demand (VoD) will also continue its significant growth. The number of pay-VoD subscribers relevant to ProSiebenSat.1 is expected to grow by an annual average of 140 % by 2018; this equates to a market volume of EUR 575 million. 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.

Technical Distribution, Media Consumption and Advertising Impact, page 113.

Forecasts for real gross domestic product in countries important for ProSiebenSat.1 (Fig. 94)

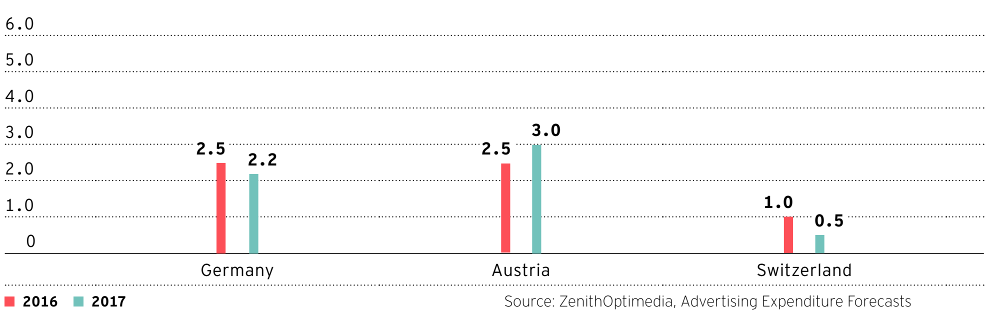
in percent, change vs. previous year



Source: Germany and Austria: ifo economic forecast 2015/2017 from December 9, 2015; 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. 95)

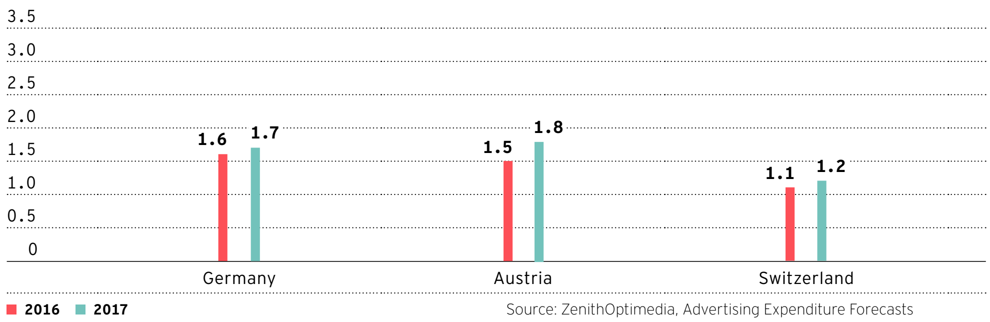
in percent, change vs. previous year



Source: ZenithOptimedia, Advertising Expenditure Forecasts December 2015, 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. 96)

in percent, change vs. previous year



Source: ZenithOptimedia, Advertising Expenditure Forecasts December 2015, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources

Company Outlook

- **We expect to continue our profitable revenue growth in all three segments and increase consolidated revenues by more than ten percent.**
- **The Digital & Adjacent segment contributes the highest growth share for our medium-term targets until 2018 with the very dynamic Ventures & Commerce business.**
- **In addition to ongoing economic stimuli, we base our forecast on the success of our dual strategy.**

Basis of the Forecast

Future Business and Industry Environment, page 179.

Planning assumptions. According to the ifo Institute's forecast, Germany remains on course for stable growth due to the ongoing positive consumer climate. The generally positive economic prospects are likely to lead to another increase in spending on TV and online advertising; digital commerce is also expected to keep growing and maintain its momentum in a solide economic environment. Against this backdrop, we are again expecting growth of 2% to 3% for the German TV advertising market, which is our largest revenue market. Our planning is therefore somewhat more conservative than the research institutes' forecasts. We expect to grow in line with the market. Alongside the volume of investment in advertising, an important planning assumption is the success of our stations. We therefore take the development of our shares in the audience market into account in our business planning. The German station family has concluded 2015 with the highest audience share in ten years. We assume that we will be able to consolidate our leading market position at a high level, but do not rule out a slight decrease in ratings for 2016. In the upcoming year are two major sporting events, which are primarily broadcast by the public stations. At the same time, increasing prices for TV advertising are likely to be realized. The fragmentation of media usage means that television's high reach is becoming increasingly valuable for advertisers. Our newer stations in particular are increasingly able to better capitalize on their reach. This also applies to our digital platforms.

Explanatory notes on the forecast. 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. Advertising customers use the program preview as an important basis for making decisions about their advertising investments for the subsequent months. In so-called program screenings, ProSiebenSat.1 Group informs its customers about the strategy of the station planning as well as planned formats twice a year. As is customary in this business, the final budgets are confirmed on a month-by-month basis, sometimes in the very short term. Only then is the full volume transparent. Furthermore, additional advertising budgets are granted at short notice towards the end of the year. Due to this limited visibility characteristic of the TV business, we partly disclaim quantitative forecasts for the planning years 2016 to 2017 below. Instead, we will make qualified, comparative statements; the described degrees of change "slight increase," "mid single-digit increase," "mid to high single-digit increase," "high single-digit increase" and "significant increase" are based on the expected change on the previous year as a percentage.

Planning and Management, page 92.

The disclosures made in the Company Outlook section are based on the planning adopted by the Executive Board and Supervisory Board in February 2016. In addition, our statements are guided by current economic data; these are based on our knowledge at the time of preparation of the report.

Expected Group and Segment Revenue and Earnings Performance

Significant Events and Changes in the Scope of Consolidation, page 132.

Revenue and earnings forecast 2016 to 2017. We had a positive start to the financial year 2016 in all segments and continue to expect a favorable business and economic climate. In addition to organic growth, revenue growth will be strengthened by additions to the portfolio. ProSiebenSat.1 has budgeted for profitable revenue growth of over EUR 200 million in 2016 in connection with the acquisitions in the past financial year. In total, we expect consolidated revenues to increase by more than ten percent for 2016 against the backdrop of the strengthened M&A activities. In 2017, consolidated revenues are likely to grow by a high single-digit percentage. In addition to ongoing economic stimuli, we base this forecast on the success of our strategy in the TV and digital business. We closed 2015 with revenues of EUR 3.261 billion.

The Group is investing in sustainable growth in all segments and is diversifying its revenue portfolio. The related cost increase will be offset by further high growth in revenues; we therefore forecast EBITDA and recurring EBITDA to increase by a mid to high single-digit percentage in 2016 and 2017. We also expect underlying net income to grow mid to high single-digit percentage in these periods.

Strategy and Management, page 89.

For ProSiebenSat.1 as a diversified Group, the priority is to achieve profitable growth and generate the highest possible returns on purchase prices paid for acquisitions. In its TV segment, the Group is growing with a recurring EBITDA margin of more than 30 %; at the same time, the Company is generating a continuously increasing earnings contribution in the Digital & Adjacent and Content Production & Global Sales segments, which have a lower margin profile due to structural reasons. Against this backdrop, we expect a slight decline in the Group earnings margin overall. However, this is likely to remain above average compared to our relevant European peers. The following table provides an overview of the relevant forecast figures for the Group:

Forecast for Group key figures – 2-year view (Fig. 97)

EUR m	2015	Forecast[1] 2016 respectively 2017
Revenues	3,260.7	Significant increase respectively high single-digit increase
EBITDA	881.1	Mid to high single-digit increase
Recurring EBITDA	925.5	Mid to high single-digit increase
Underlying net income	467.5	Mid to high single-digit increase
Leverage[2]	2.1[2]	1.5 – 2.5

1 Percentage change vs. previous year.
2 Adjusted for the LTM recurring EBITDA of Eastern European operations.

Business Development of the Segments, page 147.

The ProSiebenSat.1 Group is growing profitably in all three segments; for 2016 and 2017, we expect the following revenue and earnings performance in the segments:

- **Broadcasting German-speaking segment:** In the TV segment, we want to continue our solid and highly profitable growth. In the next two forecast periods, we therefore expect another

Future Business and Industry Environment, page 179.

slight increase in revenues and earnings. ProSiebenSat.1 Group benefits from the fact that it has successively expanded its complementary station family in the last few years and established a second business model in the form of distribution. In addition to a favorable economic environment, the ongoing structural change is having a positive effect on advertising revenues: Many print customers are moving their advertising budgets to television. The newer stations are capitalizing on their reach increasingly adequately and obtaining new customers for the medium of TV.

Media Glossary, page 323.

- **Digital & Adjacent segment:** The dynamic growth in the Digital & Adjacent segment is likely to continue: For 2016 and 2017, we are therefore planning another significant revenue increase; revenue growth will lead to a similarly significant increase in recurring EBITDA and EBITDA. We are the leading marketer for video advertising and are successively enlarging our customer base. In this context, we have also identified a new growth prospect in the market for digital out-of-home advertising. At the same time, we want to consolidate our competitive position in attractive digital entertainment markets and further establish and internationalize verticals in the Ventures & Commerce business. This strategy comprises acquisitions and strategic alliances; they make it easier to access new markets and contain additional growth potential.

- **Content Production & Global Sales segment:** In the Content Production & Global Sales segment, we have used acquisitions in important TV markets such as the US and the UK in recent years to establish ourselves as one of the major players in the production and distribution business. In 2015, Red Arrow further increased its presence in the US, expanded its English-language fiction portfolio and promoted business with digital companies. We will continue this successful strategy; revenues and recurring EBITDA are expected to gain a significant increase in the next two years.

Forecast for segment key figures – 2-year view (Fig. 98)

	2015		Forecast[1] 2016 and 2017	
EUR m	External revenues	Recurring EBITDA	External revenues	Recurring EBITDA
Broadcasting German-speaking	2,152.1	734.3	Slight increase	Slight increase
Digital & Adjacent	846.4	170.2	Significant increase	Significant increase
Content Production & Global Sales	262.2	25.0	Significant increase	Significant increase

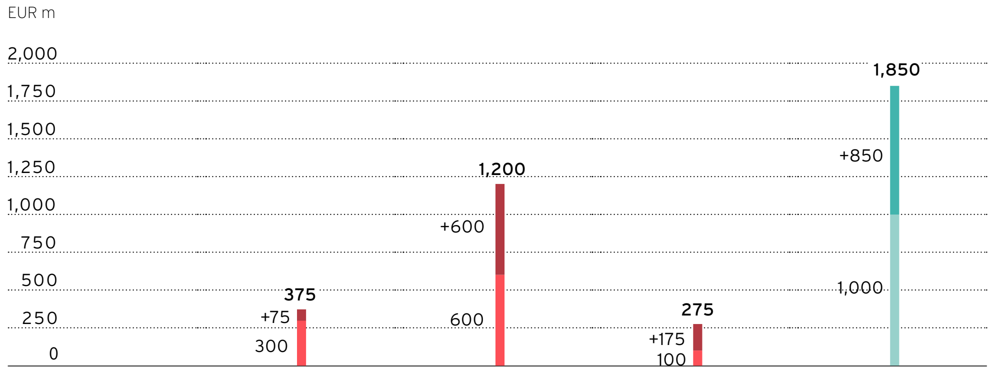
1 Percentage change vs. previous year.

Medium-term revenue and earnings targets. ProSiebenSat.1 has identified the greatest potential and synergy in the interlinking of the high-reach TV offering and its digital activities. The Group is therefore diversifying its business areas and becoming increasingly independent from the seasonality of individual markets, especially the TV advertising market. In the medium term, we are aiming at an even distribution of revenues by 2018 and want to generate around 50 % of revenues outside the TV advertising business.

Comparison of Actual and Expected Business Performance, page 127.

ProSiebenSat.1 has informed the capital market in October 2015 about the new medium-term targets: For 2018, we expect consolidated revenues of EUR 4.2 billion; this is an increase by EUR 1.85 billion compared to 2012. The highest share of growth will be generated by the Digital & Adjacent segment with its very dynamic Ventures & Commerce business. Recurring Group EBITDA is expected to rise by EUR 350 million to nearly EUR 1.1 billion at the same time. These growth targets include the recently acquired majority interests such as in Verivox and etraveli. The graphic below shows an overview of the expected revenue contributions from each segment:

Revenue growth targets 2018 and degree of achievement 2015 (Fig. 99)



Degree of achievement 2015	Broadcasting German-speaking[1]	Digital & Adjacent[2]	Content Production & Global Sales	**ProSiebenSat.1 Group**
EUR m	226	512	167	**905**
in percent	60	43	61	**49**

Growth of external revenues vs. 2012 from continuing operations.
= Target until October 2015
= Target increase on Capital Markets Day 2015

1 External revenues including pay TV.
2 External revenues excluding pay TV.

Future Financial Position and Performance

Borrowings and Financing Structure, page 140.

As of December 31, 2015, with an equity ratio of 17.7 % and a leverage ratio of 2.1, the Group had an efficient balance sheet and capital structure. The Group optimized its financing further and profited from attractive conditions by extending the duration of the facilities agreement to 2020 and increasing the term loan to EUR 2.100 billion. The Group has good liquidity and financial scope for investments.

Corporate Strategy and Vision, page 89.
Opportunity Report, page 174.

The ProSiebenSat.1 Group will continue its multi-station strategy in the TV segment and invest around EUR 900 million a year in programming assets and the expansion of the stations. We will also continue our M&A strategy. With idle advertising inventory worth more than EUR 1.5 billion (gross), we have a second investment currency that allows us to expand our portfolio and build up new brands with capital efficiency and without high cash investment. Despite its M&A activity, the Group will also continue to adhere to its target range for the leverage ratio of 1.5 to 2.5.

Proposed Allocation of Profits, page 45.

The ProSiebenSat.1 Group lets its shareholders participate in the Company's growth appropriately. We therefore intend to continue our earnings-oriented dividend policy and distribute an annual dividend of 80 % to 90 % of underlying net income. For 2015, we will propose a dividend of EUR 1.80 per common share (previous year: EUR 1.60). This represents an expected payout of EUR 386 million or 82.5 % of underlying net income. This results in an attractive dividend yield of 3.8 % (previous year: 4.6 %) compared to the closing price of the ProSiebenSat.1 share at the end of 2015.

Overall Assessment of Future Development — Management View

We are looking ahead to 2016 with confidence: We are growing dynamically thanks to the high reach of our TV stations and the consistent cross-linking of the TV portfolio with our digital offerings. The forecasts for the television business and our digital markets are positive. Against this backdrop, we expect consolidated revenues and the operational performance indicators EBITDA, recurring EBITDA and underlying net income to further increase in 2016. All segments will again contribute to this: In the TV segment, we want to continue generating solid growth at market level; in the Digital & Adjacent and Content Production & Global Sales segments we anticipate a considerable increase in revenues. In the medium-term, we are targeting consolidated revenues of EUR 4.2 billion by 2018, EUR 850 million more than originally planned. Recurring EBITDA is expected to rise to almost EUR 1.1 billion in the same period. Acquisitions will also accelerate profitable revenue growth in the future. At the same time, we are adhering to a target range for the leverage ratio of 1.5 to 2.5 times.

Our aim is to continuously increase the value of the Company and establish new revenue drivers from which our shareholders will profit in the long term. Free advertising time on TV gives us an additional investment currency. It enables us to invest in growth efficiently and without high amounts of cash while distributing an attractive dividend. We pay out around 80% to 90% of underlying net income as a dividend every year. We will continue to adhere to this shareholder-friendly dividend policy in the future.

C

CONSOLIDATED FINANCIAL STATEMENTS

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Income Statement

Income Statement of ProSiebenSat.1 Group (Fig. 100)

EUR m			2015	2014	Change	Change in %
CONTINUING OPERATIONS						
1.	Revenues	[8]	3,260.7	2,875.6	+385.0	+13.4%
2.	Cost of sales	[9]	-1,763.9	-1,560.4	-203.4	+13.0%
3.	**Gross profit**		**1,496.8**	**1,315.3**	**+181.5**	**+13.8%**
4.	Selling expenses	[10]	-371.5	-312.2	-59.3	+19.0%
5.	Administrative expenses	[11]	-412.5	-331.5	-80.9	+24.4%
6.	Other operating expenses	[12]	-7.6	-4.8	-2.8	+58.4%
7.	Other operating income	[13]	24.7	27.9	-3.2	-11.5%
8.	**Operating profit**		**729.9**	**694.5**	**+35.4**	**+5.1%**
9.	Interest and similar income		1.4	3.6	-2.2	-61.0%
10.	Interest and similar expenses		-93.4	-101.5	+8.0	-7.9%
11.	Interest result	[14]	-92.0	-97.9	+5.9	-6.0%
12.	Income from investments accounted for using the equity method	[15]	4.6	2.9	+1.7	+60.6%
13.	Other financial result	[15]	-39.0	-39.4	+0.5	-1.2%
14.	**Financial result**		**-126.4**	**-134.4**	**+8.1**	**-6.0%**
15.	**Profit before income taxes**		**603.6**	**560.1**	**+43.5**	**+7.8%**
16.	Income taxes	[16]	-207.7	-178.6	-29.1	+16.3%
17.	**Profit for the period from continuing operations**		**395.9**	**381.5**	**+14.4**	**+3.8%**
DISCONTINUED OPERATIONS						
18.	Result from discontinued operations (net of income taxes)	[7]	0.3	-27.1	+27.5	~
PROFIT FOR THE PERIOD			**396.2**	**354.3**	**+41.9**	**+11.8%**
	Attributable to shareholders of ProSiebenSat.1 Media SE		390.9	346.3	+44.6	+12.9%
	Non-controlling interests		5.3	8.0	-2.7	-33.9%
EUR						
	Earnings per share					
	Basic earnings per share	[17]	1.83	1.62	+0.21	+12.6%
	Diluted earnings per share	[17]	1.81	1.61	+0.20	+12.6%
	Earnings per share from continuing operations					
	Basic earnings per share	[17]	1.83	1.75	+0.08	+4.4%
	Diluted earnings per share	[17]	1.81	1.74	+0.08	+4.4%
	Earnings per share from discontinued operations					
	Basic earnings per share	[17]	0.00	-0.13	+0.13	~
	Diluted earnings per share	[17]	0.00	-0.13	+0.13	~

Statement of Comprehensive Income

Statement of Comprehensive Income of ProSiebenSat.1 Group (Fig. 101)

EUR m	2015	2014	Change	Change in %
Profit for the period	**396.2**	**354.3**	**+41.9**	**+11.8%**
Items subsequently reclassified to profit or loss				
Change in foreign currency translation adjustment[1]	17.4	5.3	+12.2	>+100%
Changes in fair value of cash flow hedges	171.8	139.9	+31.9	+22.8%
Deferred tax on other comprehensive income	-48.1	-39.1	-9.0	+23.0%
Deconsolidation reclassifications	-/-	16.7	-16.7	-100.0%
Items subsequently not reclassified to profit or loss				
Effects from valuation of pension obligations	0.1	-1.8	+1.8	-/-
Deferred tax on effects from valuation of pension obligations	-0.0	0.5	-0.5	-/-
Other comprehensive income for the period	**141.2**	**121.4**	**+19.7**	**+16.2%**
Total comprehensive income for the period	**537.3**	**475.8**	**+61.6**	**+12.9%**
Attributable to Shareholders of ProSiebenSat.1 Media SE	531.8	467.7	+64.0	+13.7%
Non-controlling interests	5.6	8.0	-2.5	-30.7%

1 Includes non-controlling interests from change in foreign currency translation adjustment in 2015 of 0.3 EUR m (2014: 0.0 EUR m) as well as amounts associated with assets and liabilities held for sale of 0,0 EUR m (2014: -1,1 EUR m).

Statement of Financial Position

Statement of Financial Position of ProSiebenSat.1 Group (Fig. 102)

EUR m			12/31/2015	12/31/2014	Change
A.	**Non-current assets**				
I.	Goodwill	[19]	1,655.6	1,047.7	+607.8
II.	Other intangible assets	[19]	552.8	259.8	+293.1
III.	Property, plant and equipment	[20]	226.3	213.7	+12.6
IV.	Investments accounted for using the equity method	[21]	24.6	39.2	-14.6
V.	Non-current financial assets	[24]	291.5	216.0	+75.5
VI.	Programming assets	[22]	1,153.4	1,101.7	+51.8
VII.	Other receivables and non-current assets	[25]	15.5	6.1	+9.4
VIII.	Deferred tax assets	[16]	13.4	13.3	+0.1
			3,933.1	**2,897.5**	**+1,035.6**
B.	**Current assets**				
I.	Programming assets	[22]	99.0	110.2	-11.2
II.	Inventories	[23]	8.3	1.3	+6.9
III.	Current financial assets	[24]	72.5	45.6	+26.9
IV.	Trade receivables	[24]	383.3	318.1	+65.2
V.	Current tax assets		21.8	27.7	-5.9
VI.	Other receivables and current assets	[25]	65.0	29.6	+35.4
VII.	Cash and cash equivalents	[26]	734.4	470.6	+263.8
			1,384.3	**1,003.2**	**+381.1**
	Total assets		**5,317.3**	**3,900.7**	**+1,416.7**

EUR m			12/31/2015	12/31/2014	Change
A.	**Equity**	[27]			
I.	Subscribed capital		218.8	218.8	+0.0
II.	Capital reserves		600.4	592.4	+8.0
III.	Consolidated equity generated		26.3	-22.7	+49.0
IV.	Treasury shares		-20.0	-30.5	+10.4
V.	Accumulated other comprehensive income		149.6	8.8	+140.9
VI.	Other equity		-53.6	-28.4	-25.1
	Total equity attributable to shareholders of ProSiebenSat.1 Media SE		921.6	738.4	+183.2
VII.	Non-controlling interests		21.5	15.5	+6.0
			943.1	**753.9**	**+189.1**
B.	**Non-current liabilities**				
I.	Non-current financial debt	[30]	2,673.7	1,973.1	+700.6
II.	Other non-current financial liabilities	[30]	359.7	206.0	+153.7
III.	Trade payables	[30]	67.2	37.0	+30.2
IV.	Other non-current liabilities	[31]	33.7	37.8	-4.1
V.	Provisions for pensions	[28]	22.9	19.8	+3.1
VI.	Other non-current provisions	[29]	17.1	6.2	+10.9
VII.	Deferred tax liabilities	[16]	245.0	130.0	+114.9
			3,419.2	**2,409.8**	**1,009.4**
C.	**Current liabilities**				
I.	Current financial debt	[30]	1.1	-/-	+1.1
II.	Other current financial liabilities	[30]	146.8	56.4	+90.3
III.	Trade payables	[30]	450.0	374.6	+75.4
IV.	Other current liabilities	[31]	242.6	228.5	+14.1
V.	Provisions for taxes	[16]	61.7	27.6	+34.1
VI.	Other current provisions	[29]	52.9	49.8	+3.2
			955.1	**736.9**	**+218.2**
	Total equity and liabilities		**5,317.3**	**3,900.7**	**+1,416.7**

Cash Flow Statement

Cash flow Statement of ProSiebenSat.1 Group (Fig. 103)

EUR m	2015	2014
Profit from continuing operations	395.9	381.5
Profit from discontinued operations (net of income taxes)	0.3	-27.1
of which gain/ loss on the sale of discontinued operations (net of tax)	-/-	-14.0
Profit for the period	**396.2**	**354.3**
Income taxes	207.7	178.6
Financial result	126.4	134.4
Depreciation/amortization and impairment of other intangible and tangible assets	151.1	123.8
Consumption/reversal of impairment of programming assets	887.0	862.7
Change in provisions for pensions and other provisions	22.3	3.0
Gain/loss on the sale of assets	-7.0	5.0
Negative goodwill on business combinations	-0.1	-/-
Other non-cash income/expenses	1.2	0.9
Cash flow from continuing operations	1,784.6	1,690.0
Cash flow from discontinued operations	-2.1	-4.6
Cash flow total	**1,782.5**	**1,685.4**
Change in working capital	-12.0	-12.2
Dividends received	6.6	5.7
Income tax paid	-177.8	-163.4
Interest paid	-81.5	-91.2
Interest received	0.6	2.1
Payments for financing costs from derivatives	-/-	-6.3
Cash flow from operating activities of continuing operations	1,520.5	1,424.8
Cash flow from operating activities of discontinued operations	-1.7	19.5
Cash flow from operating activities total	**1,518.8**	**1,444.3**
Proceeds from disposal of non-current assets	3.0	7.9
Payments for the acquisition of other intangible and tangible assets	-122.5	-99.2
Payments for the acquisition of financial assets	-41.7	-47.8
Proceeds from disposal of programming assets	15.2	7.3
Payments for the acquisition of programming assets	-943.9	-889.7
Payments for loans to associated companies	-0.0	-0.1
Payments for loans to other investments	-0.1	-0.2
Payments for the issuance of loan receivables to external parties	-3.5	-5.9
Proceeds for the issuance of loan repayments from external parties	2.1	5.0
Cash flow from obtaining control of subsidiaries or other business (net of cash and cash equivalents acquired)	-425.6	-122.2
Cash flow from losing control of subsidiaries or other business (net of cash and cash equivalents disposed of)	-4.6	-3.5
Cash flow from investing activities of continuing operations	-1,521.7	-1,148.4
Cash flow from investing activities of discontinued operations	16.7	-25.2
of which proceeds from disposal of discontinued operation (net of cash disposed of)	16.1	-6.4
Cash flow from investing activities total	**-1,505.0**	**-1,173.6**
Free cash flow of continuing operations	-1.2	276.5
Free cash flow of discontinued operations	15.0	-5.7
Free cash flow	**13.8**	**270.7**

Cash Flow Statement continued

EUR m	2015	2014
Free cash flow (amount carried over from page 192)	**13.8**	**270.7**
Dividends paid	-341.9	-313.4
Repayment of interest-bearing liabilities	-333.0	-459.8
Proceeds from issuance of interest-bearing liabilities	950.1	600.0
Repayment of finance lease liabilities	-12.7	-9.6
Proceeds from the sale of treasury shares	10.4	7.2
Payments for shares in other entities without change in control	-14.3	-0.1
Payments in connection with refinancing measures	-4.8	-23.6
Dividend payments to non-controlling interests	-11.7	-8.9
Cash flow from financing activities of continuing operations	242.1	-208.3
Cash flow from financing activities of discontinued operations	-/-	-/-
Cash flow from financing activities total	**242.1**	**-208.3**
Effect of foreign exchange rate changes of continuing operations on cash and cash equivalents	8.0	4.0
Effect of foreign exchange rate changes of discontinued operations on cash and cash equivalents	-/-	-0.3
Change in cash and cash equivalents total	**263.8**	**66.1**
Cash and cash equivalents at beginning of reporting period	470.6	404.5[1]
Cash and cash equivalents at end of reporting period	**734.4**	**470.6**

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 2014 (Fig. 104)

					Accumulated other comprehensive income							
EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	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).

Statement of Changes in Equity of ProSiebenSat.1 Group 2015 (Fig. 105)

					Accumulated other comprehensive income							
EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
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
Profit for the period	-/-	-/-	390.9	-/-	-/-	-/-	-/-	-/-	-/-	390.9	5.3	396.2
Other comprehensive income	-/-	-/-	-/-	-/-	17.1	171.8	0.1	-48.1	-/-	140.9	0.3	141.2
Total comprehensive income	**-/-**	**-/-**	**390.9**	**-/-**	**17.1**	**171.8**	**0.1**	**-48.1**	**-/-**	**531.8**	**5.6**	**537.3**
Dividends paid	-/-	-/-	-341.9	-/-	-/-	-/-	-/-	-/-	-/-	-341.9	-11.7	-353.6
Share-based payments	-/-	7.9	-/-	10.4	-/-	-/-	-/-	-/-	-8.2	10.2	-/-	10.2
Other changes	-/-	0.0	0.0	-/-	-/-	-/-	-/-	-/-	-16.9	-16.9	12.1	-4.8
December 31, 2015	**218.8**	**600.4**	**26.3**	**-20.0**	**22.2**	**184.9**	**-7.9**	**-49.6**	**-53.6**	**921.6**	**21.5**	**943.1**

Notes

Basis of Preparation

1 General information

At the Annual General Meeting on May 21, 2015, the shareholders of ProSiebenSat.1 Media AG resolved to convert the Company into a European Stock Corporation (Societas Europaea, SE). It was entered into the commercial register on July 7, 2015.

ProSiebenSat.1 Media SE (formerly ProSiebenSat.1 Media AG) is a listed stock corporation under European law and, as the ultimate parent company of the Group, is registered under the name ProSiebenSat.1 Media SE with the Munich District Court, Germany (HRB 219 439). 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 SE, Medienallee 7, 85774 Unterföhring, Germany.

ProSiebenSat.1 Media SE and its subsidiaries (together "the Company", "ProSiebenSat.1 Group" or "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-funded 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 Ventures & Commerce (covering all ventures activities and the verticals 7Travel, 7Commerce and Online Comparison), Digital Entertainment (comprising online video and online games) 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, 2015 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 financial year 2015 were also applied. The additional requirements of Section 315a of the German Commercial Code (HGB) were followed.

ProSiebenSat.1 Media SE prepares and publishes its consolidated financial statements in euro. Unless specifically indicated otherwise, all amounts are presented in millions of euros (EUR m). The figures for the financial year 2015 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. Plus/minus signs relating to change rates are presented using a mathematical perspective.

In March 2015, the Executive Board and Supervisory Board of ProSiebenSat.1 Media SE 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 SE on the Group's website (www.prosiebensat1.com). The consolidated financial statements of ProSiebenSat.1 Media SE for the financial year 2015 were approved for submission to the Supervisory Board by decision of the Executive Board on February 22, 2016.

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 financial year 2015, 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 or within a clearly identified operating cycle. 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 and provisions 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. Advertising revenues are presented net of volume discounts, agency commissions, cash discounts and value-added tax.

Revenues are recognized on the sale of goods if the Company has transferred the significant risks and rewards of ownership of the sold goods to the buyer and retains neither rights of disposal nor effective control over the sold goods. Revenues are recognized on the rendering of services once the service has been rendered. In both cases, the amount of the revenue must be reliably measurable, an inflow of economic benefits from the sale must be sufficiently probable and the costs associated with the sale must be reliably measurable.

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 investments in other entities ("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. Shares received in this context are recognized at fair value. Variable revenue components from revenue shares ("media-for-revenue") depend on the ability of ProSiebenSat.1 Group to estimate these revenues reliably. In this case, the Group must first have access to the partner's necessary target attainment documentation in order to recognize the variable component as revenues.

Advertising revenues also include revenues from the sale of digital offerings from external providers. For this purpose, ProSiebenSat.1 Group acquires rights of use to advertising licenses for the sale of digital offerings from external providers, e.g. internet advertising space. Revenues are recognized on the sale of the advertising space.

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 minimum license fee 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 and pay 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 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 at 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 program production business ("Content Production & Global Sales" segment) 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 generally 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.

Revenues from online agency services, which the Group renders in the "Digital & Adjacent" segment, are recognized after the service is rendered if the amount of the revenues and the associated costs can be measured reliably and it is probable that the economic benefits arising from the transaction with flow to the Group. The affected Group entities act as agents according to IAS 18, thus only the commissions to be received are recognized as revenues. The relevant transactions are subject to legal and voluntary cancellation and rescission policies. If reliable information about cancellation and rescission rates exists, the Group mostly recognizes the corresponding commission revenues when the customer data are conveyed to the respective partner rendering the primary service, otherwise when the partner begins rendering the service or on commencement of the contract. For further information, please refer to Note 8 "Revenues".

Other operating income is generally recognized when the service has been rendered, the amount of the income can be measured reliably, and an inflow of the economic benefits 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 and impairment of property, plant and equipment, amortization and impairment of intangible assets and expenses from the disposal of programming assets. Cost of sales also includes other items relating to the generation of revenues in the 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 entities, property, plant and equipment, and other 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 investments that are neither fully consolidated nor accounted for using the equity method are recognized at the time when the legal entitlement arises. More detailed information is provided under Note 14 "Interest result".

Goodwill

Goodwill is an asset that represents future economic benefits from assets acquired in a business combination that cannot be 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 foreign entities 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 entities 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.

In this financial year and the comparative year, non-controlling interests were measured as of the acquisition date at their share in the identifiable net assets of the acquired entity. The transaction-related option to implement the full goodwill method was not exercised in this financial year or the comparative year. Changes to the Group's share in a subsidiary that do not result in a loss of control are recognized as equity transactions.

Other intangible assets

Intangible assets comprise customer relationships and brands from the acquisition of fully consolidated subsidiaries, together with intellectual property rights and similar rights and assets.

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.

Based on the expected useful lives, amortization is recognized on a straight-line basis, primarily over the following periods:

Useful lives of other intangible assets (Fig. 106)

Years	
Software	3–8
Licenses and other intellectual property	10 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 mainly include customer relationships with a useful life of 1.5 to 15 years. Useful lives and amortization methods are reviewed annually and adjusted in accordance with any changes in expectations.

The intangible assets with indefinite useful lives acquired in the context of business combinations relate particularly to brand names. In accordance with IAS 36, these are not amortized if they have indefinite useful lives, but tested at least annually for impairment and additionally in the event of indications of potential impairment. Brands with definite useful lives are amortized over these lives and tested in the event of indications of potential impairment.

Intangible assets include acquired rights of use to advertising licenses for the sale of digital offerings of external providers. They are capitalized in the amount of the fixed purchase price of the acquired advertising inventory and amortized over the term of the contract. In the event of indications of potential impairment, they are tested and impaired if necessary.

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 research and development expenditures, 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 product or process must also be proven to be commercially feasible. For internally generated program formats, this is generally only the case at a very late stage of the process when the format can be successfully placed with a buyer. For this reason, expenses for format developments usually do not meet the capitalization requirements of IAS 38. The subsequent measurement of internally generated intangible assets follows the principles for acquired intangible assets stated above.

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 produced property, plant and equipment includes direct costs as well as the portions of overhead costs directly attributable to the production. The Group has no items of property, plant and equipment constituting qualifying assets as defined by IAS 23. Borrowing costs are therefore recognized in profit or loss in the period in which they are incurred.

Based on expected usage pattern, depreciation is recognized on a straight-line basis over the following economic useful lives:

Useful lives of property, plant and equipment (Fig. 107)

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 a single 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 on an accrual basis as an expense under functional costs on the income statement.

Impairment of goodwill, other 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 indications exist, 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 case of an 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 reasons for the impairment no longer exist, the impairment loss is reversed. The reversal cannot result in an amount exceeding amortized cost.

Moreover, other intangible assets with an indefinite useful life, other intangible assets not yet ready for use or advance payments such assets as well as goodwill must be tested for impairment annually. A test is also performed whenever there is any indication that an asset might be impaired. Where the reasons for an impairment no longer exist, 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 performed at the relevant level of cash-generating units to which the asset is attributable.

Goodwill acquired in a business combination is allocated at the acquisition date to the cash-generating unit or group of cash-generating units that are expected to profit from the synergies deriving from the business combination. This also represents the lowest level at which goodwill is monitored for internal management purposes. These are the operating and reportable segments Broadcasting German-speaking, Digital & Adjacent and Content Production & Global Sales. There is currently no goodwill in the Group that can be directly allocated to an individual entity, because this reflects the enterprise value of the acquired entity regardless of the transaction. Brand names with indefinite useful lives 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 amount 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 "Goodwill and other 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 obtained, investments in associates or joint ventures accounted for using the equity method are recognized at cost in the consolidated statement of financial position. The carrying amount of the investment includes any assets identified in the purchase price allocation and assumed liabilities and contingent liabilities as of the acquisition date as well as goodwill as the positive difference. In subsequent periods, the carrying amount is adjusted to reflect the changes in the equity share of the investee and the subsequent measurement of the assets identified in the purchase price allocation and assumed liabilities and contingent liabilities. Dividends received from entities accounted for using the equity method reduce their carrying amounts. The pro rata comprehensive income of the relevant entities attributable to ProSiebenSat.1 Group is 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, commissioned productions, and digital content 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 broadcasts 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 standardized, Group-wide matrix, which reflects the expected 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 fewer opportunities for exploitation, 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 impaired. 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 homogeneous mass; the individual titles are essentially interchangeable.

Impairments of programming assets are reversed if there are indications that the reasons for the original impairment no longer exist, and a higher recoverable amount results. The reversal cannot result in an amount exceeding amortized cost. Reversals of impairment are netted against program-related expenses recognized in cost of sales.

Programming assets intended for single runs, such as sport events or news shows, 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. Provisions for onerous contracts are recognized with regard to genre-based program groups.

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 particularly include 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 investments in entities over which the Group exercises neither control, joint control nor significant influence. Furthermore, ProSiebenSat.1 Group has designated some units in investment funds acquired to cover pension obligations and which do not constitute plan assets under IAS 19 as well as other investment funds 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.

Financial assets and liabilities 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.

Financial liabilities are derecognized if the contractual obligations are settled, canceled 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 rewards associated with the ownership of the financial asset. If credit conditions change or terms are extended, the Group examines whether these constitute substantial modifications under IAS 39.

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), forward exchange transactions and currency options. 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 financial assets or financial liabilities 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 and currency options 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 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, 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, changes in market value of the effective portion of the derivative are recognized separately in accumulated other comprehensive income and are not recognized in profit or loss until the underlying transaction is realized. The ineffective portion is recognized immediately in profit or loss. In the context of hedging 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 hedged item 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 hedged item 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. ProSiebenSat.1 Group compiles and manages the identified 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 accumulated other comprehensive income are recognized in the profit or loss for the period in which the results of the underlying transactions affect 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 receivables 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 investments in entities 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 of the financial instrument 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 contains 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 SE, the fair value option is currently used for financial assets acquired to cover pension obligations that do not qualify for recognition as plan assets. This category also includes the venture capital funds of SevenOne Capital (Holding) GmbH, which are reported as other equity instruments.

Financial assets available for sale

Investments in equity instruments and debt instruments 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 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-outs), 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 items in the context of business combinations are recognized as 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 and associated liabilities (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 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, previous-year statement of financial position figures are not adjusted.

Provisions 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 allocates 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 accumulated other comprehensive income 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 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 at the 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 obligation. The amount of the provision is regularly adjusted if new information becomes available or if circumstances change. Non-current provisions are recognized at the reporting date with the present value of expected settlement amounts, taking account of estimated increases in prices or costs. 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 the settlement of the contract and 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 individual 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 or taxable 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. The 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 specific to the Group entity 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 SE divided by the weighted average number of shares outstanding during the financial year.

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 common shares 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 payments

ProSiebenSat.1 Group's share-based remuneration (stock options and rights to shares) exclusively comprises remuneration plans that give ProSiebenSat.1 Media SE the option to settle them with shares or by way of cash settlement. As ProSiebenSat.1 Media SE has no present obligation to settle in cash, the plans are accounted for according to the intention to settle the remuneration with equity instruments (equity settlement). 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; the offsetting entry is made in capital reserves.

Summary of relevant measurement methods (Fig. 108)

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 and changes in 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 are 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 conditions develop contrary to these assumptions and are outside the control of management, actual amounts can 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 the same period they occur and in future periods.

Assumptions and estimates are particularly necessary for the following accounting matters:
- Recognition and measurement of assets (particularly other 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 context 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, and
- Estimates of future tax credits and uncertain tax positions.

For purposes of the purchase price allocation in the context of business combinations, assumptions must be made with regard to the recognition and measurement of assets and liabilities. Assumptions are necessary in determining the fair values 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 those 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 2015, EUR 300.3 million were recognized as identifiable intangible assets in connection with purchase price allocations (previous year: EUR 79.1 million), EUR 596.6 million as goodwill (previous year: EUR 48.8 million) and EUR 237.2 million as liabilities from contingent considerations (previous year: EUR 24.6 million). For detailed information on the acquisitions in the financial year 2015, refer to Note 7 “Acquisitions and disposals”.

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 goodwill, other 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 2014 and 2015, no impairments of goodwill were recognized. In the current financial year there were impairments on intangible assets from purchase price allocations of EUR 8.6 million (previous year: EUR 1.0 million). As of December 31, 2015, the consolidated statement of financial position of ProSiebenSat.1 Group contained goodwill of EUR 1.656 billion (previous year: EUR 1.048 billion) and other intangible assets and advance payments of EUR 552.8 million (previous year: EUR 259.8 million). For detailed information on other intangible assets and on the assumptions used for impairment testing, refer to Note 19 “Goodwill and other intangible assets”.

Contingent purchase price components in business combinations in the form of put options on non-controlling interests are regularly measured at fair value on the acquisition date and in subsequent periods. The measurement is transaction-based and mainly based on input data not observable on the market. The calculation uses multiplication or income capitalization methods. The cash flows expected on the date the options are exercised are discounted at the measurement date with a debt capital interest rate of appropriate duration and risk. Due to changes in estimates, valuation gains on earn out and put option liabilities of EUR 4.4 million (previous year: EUR 10.8 million) were recognized in other financial result in the financial year 2015 (please also refer to Note 15 "Result from investments accounted for using the equity method and other financial result"). Further information can be found in Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7".

The expected useful lives and the depreciation and amortization schedules for other 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 reporting date, ProSiebenSat.1 Group had other intangible assets, property plant and equipment of EUR 779.1 million (previous year: EUR 473.5 million). For more information, see Note 19 "Goodwill and other 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 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 reporting date, ProSiebenSat.1 Group had programming assets of EUR 1.252 billion (previous year: EUR 1.212 billion).

Broadcasting-related consumption of programming assets is measured using a declining-balance method according to a standard Group matrix, which previously reflected expected revenue-generation and audience reach potential relating to the respective broadcast. As part of the ongoing monitoring of its depreciation and amortization methods and processes, from the third quarter of 2015 the Group adapted its standard Group amortization matrix such that it only reflects the audience reach potential relating to the respective broadcast. This changes the consumption profile of programming assets over time and extends the expected useful life. The consumption calculated on the basis of the adjusted matrix also takes into account the IASB's discussions in connection with the amendments cited under Note 3 "Changes in reporting standards" to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" with regard to an appropriate depreciation and amortization method. These amendments were adopted by the European Commission on December 2, 2015.

In the financial year 2015, the impact of the change in estimates on consumption resulted in a decline of approximately EUR 6 million. In the medium term, the extension of the expected useful life is associated with lower consumption. This is expected to be offset by higher impairment. This effect is related to a higher number of broadcasts that will be subject to impairment and to higher carrying amounts at the date of calculating impairment. As a result, we are also currently expecting no material effect on the total consumption of programming assets reported in the income statement in the medium term.

For detailed information on programming assets, refer to Note 22 "Programming assets".

Individual receivables and any necessary valuation allowances 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.

To measure various financial assets recognized at fair value that are not based on prices quoted on active markets, ProSiebenSat.1 Group uses observable prices obtained as part of the most recently implemented financing rounds or valuations obtained on the basis of the income capitalization approach using risk-adjusted discount rates (see Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7").

Provisions are recognized and measured on the basis of estimates regarding the amount and probability of future outflows of resources 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 or external 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 70.0 million (previous year: EUR 55.9 million). For more information, see Note 29 "Other provisions" and Note 33 "Contingent liabilities".

Impairment of deferred tax assets is evaluated on the basis of internal projections about the respective Group entity's future earnings situation. Evaluations of the possibility of realizing tax loss carry-forwards are based on whether they can be used in the tax projection period of five years. If there are doubts that loss carry-forwards can be used, impairments of individual deferred tax assets are recognized. As of the reporting date, ProSiebenSat.1 Group had deferred tax assets of EUR 13.4 million after netting (previous year: EUR 13.3 million). EUR 23.8 million of this related to tax loss carry-forwards before netting (previous year: EUR 15.9 million). For more information on deferred taxes, see Note 16 "Income taxes".

Uncertain tax positions are analyzed on an ongoing basis, and appropriate risk provisions are recognized if estimated to be necessary. As estimates can change over time, this can accordingly affect the amount of the risk provision estimated to be necessary. The amount of the expected tax liability or tax receivable reflects the amount that represents the best estimate with due regard to tax uncertainties, if any. For more information, 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) Recently implemented reporting standards

The standards, interpretations and amendments to standards and interpretations required to be applied for the first time in the reporting period solely comprise the amendments from the Annual Improvement Project 2011–2013 published by the IASB in December 2013. These relate to clarifications in four standards, including **IFRS 1 "First-Time Adoption of International Financial Reporting 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. The initial application had no impact on the earnings, financial position and performance of ProSiebenSat.1 Group.

b) Reporting standards not yet implemented

In addition to the changes outlined above, new or revised accounting standards have been issued by the IASB and the IFRS IC, but not yet been implemented in the consolidated financial statements as of December 31, 2015.

Standards, Amendments (Fig. 109)

	Mandatory for fiscal years beginning on or after:	Endorsement by European Commission
Amendments to IAS 1 "Presentation of Financial Statements"	January 1, 2016	December 19, 2015
Amendments to IAS 12 "Income Tax" relating to "Recognition of Deferred Tax Assets for Unrealised Losses"	January 1, 2017	outstanding
Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"	January 1, 2016	December 2, 2015
Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"	January 1, 2016	November 24, 2015
IAS 19 "Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)"	February 1, 2015	January 9, 2015
Amendments to IAS 27: "Equity Method in Separate Financial Statements"	January 1, 2016	December 23, 2015
IFRS 9 "Financial Instruments"	January 1, 2018	outstanding
Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" referring to "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	postponed indefinitely	outstanding
Amendments to IFRS 10, IFRS 12 und IAS 28 "Investment Entities – Applying the Consilidation Exception"	January 1, 2016	outstanding
Amendments to IFRS 11 "Joint Arrangements"	January 1, 2016	November 25, 2015
IFRS 14 "Regulatory Deferral Accounts"	January 1, 2016	not planned
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018	outstanding
IFRS 16 "Leases"	January 1, 2019	outstanding
Amendments to IAS 7 "Statement of Cash Flows"	January 1, 2017	outstanding
"Annual Improvements to IFRSs 2010-2012 Cycle"[1]	February 1, 2015	January 9, 2015
"Annual Improvements to IFRSs 2012-2014 Cycle"[2]	January 1, 2016	December 16, 2015

1 refers to Standards IAS 7, IAS 16, IAS 24, IAS 38, IFRS 2, IFRS 3, IFRS 8, IFRS 13
2 refers to Standards IAS 19, IAS 34, IFRS 5, IFRS 7

The above new standards or amendments are of minor importance to future consolidated financial statements of ProSiebenSat.1 Media SE with the exception of the following new standards and amendments:

In May 2014, the IASB issued **amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets".** These amendments contain 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. Statements on quantitative effects on the consolidated financial statements are presented in Note 2 "Accounting policies", because ProSiebenSat.1 Group adapted its standard Group amortization matrix for programming assets as part of the ongoing monitoring of depreciation and amortization methods and processes in the third quarter of 2015 and also took account of the above amendments in this context (see Note 2 "Accounting policies").

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 accumulated other comprehensive income. Regulations on the derecognition of financial assets and liabilities and on the general accounting requirements 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 accumulated other comprehensive income, other value changes in the income statement. Also completely new are the requirements for the recognition of impairments, which are 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. 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.

By issuing **IFRS 15 "Revenue from Contracts with Customers"** in May 2014, the IASB revised the concept of revenue recognition, both in terms of timing and amount. The version of IFRS 15 issued in May 2014 provided for initial application as of January 1, 2017. In September 2015, the IASB announced the postponement of first-time mandatory application of IFRS 15 to January 1, 2018, while early application remains permissible. IFRS 15 will 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. ProSiebenSat.1 Group is analyzing the developments and effects of IFRS 15 in a Group-wide project and is currently occupied with the analysis of the existing processes, systems and contracts and the modeling of the revenue-recognition process. The introduction of specific software solutions is also being considered to ensure compliant revenue recognition and compliance with the standard's disclosure requirements. Currently, it is not possible to state the quantitative effects of the application of IFRS 15 on the consolidated financial statements.

In January 2016, the IASB issued the accounting standard **IFRS 16 "Leases".** The new standard stipulates that, in general, all leases and associated contractual rights and obligations must be recognized in the statement of financial position of the lessee. The distinction between finance and operating leases required under IAS 17 therefore ceases to apply. The lessee recognizes a lease liability for the lease obligations to be incurred in the future. Correspondingly, a right of use to the leased asset is capitalized, which equates to the present value of the future lease payments plus directly attributable costs and is amortized over its useful life. The regulations on lease accounting for lessors essentially correspond to the regulations under IAS 17. ProSiebenSat.1 Group is analyzing the developments relating to IFRS 16. Currently it is not possible to state the quantitative effects of the application of IFRS 16 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 acquisition 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 assets identified in connection with the purchase price allocations for acquired entities are measured by independent external appraisers. Any excess of the acquisition cost over net fair value of the acquired entity's net assets is recognized as goodwill (see Note 2 "Accounting policies" for information on subsequent measurement).

If ProSiebenSat.1 Media SE gains control of the entity as a result of the acquisition of a further equity interest in an associate or a joint venture respectively, then the entity is to be fully consolidated from the time control is acquired. The fair value of the previously held stake is to be regarded as a 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 in the income statement.

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 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 goodwill, other intangible assets and property, plant and equipment 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 SE and all fully consolidated entities is the calendar year.

5 Scope of consolidation

The consolidated financial statements of ProSiebenSat.1 Media SE include all material subsidiaries. ProSiebenSat.1 Media SE controls an investee if it has power over the investee. This means it has existing rights that give it 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 SE is directly or indirectly exposed to or holds rights to variable returns from its investment in the investee via the respective parent company and is able to influence these returns using its power over the investee.

5 (previous year: 12) 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 2015:

Fully consolidated subsidiaries (Fig. 110)

	Germany	Other countries	Total
Included at December 31, 2014	69	65	134
Additions	32	46	78
Disposals	−7	−5	−12
Included at December 31, 2015	**94**	**106**	**200**

Alongside newly founded entities, the additions in the financial year 2015 include the acquisitions described in more detail in Note 7 "Acquisitions and disposals".

In addition to the fully consolidated entities, 15 (previous year: 14) associates and three (previous year: 2) joint ventures were accounted for using the equity method (see Note 21 "Investments accounted for using the equity method").

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 in the notes to the consolidated financial statements. 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 translated at the exchange rate as of the transaction date.

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.

7 Acquisitions and disposals

a) Acquisitions

Key acquisitions in the financial year 2015

Acquisition of 51.79 % of the shares in Sonoma Internet GmbH

By contract dated March 16, 2015, and effective as of April 1, 2015, ProSiebenSat.1 Group, via the Group company ProSiebenSat.1 Commerce GmbH, Unterföhring, increased its share in Sonoma Internet GmbH, Berlin, by 51.79 % to 75.0 %. Because control was acquired, the investment, which was previously accounted for using the equity method, is fully consolidated and allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting") from the acquisition date. Via the website "amorelie.de", the company operates an online lifestyle shop for love lives. The acquisition represents a further expansion of the Group's e-commerce business. The cash purchase price amounts to EUR 17.6 million. Transaction costs of EUR 0.4 million in connection with the acquisition of the entity were recognized in functional costs. Additionally, a put option was agreed with the existing shareholders for a further 5.0 % of the shares. As of the acquisition date, the fair value of this contingent purchase price component due in 2017 was EUR 2.2 million. As of the reporting date, this figure was EUR 1.1 million. As ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise, the consolidation percentage used on the basis of the present ownership was 80.0 % as of April 1, 2015. The fair value of the contingent purchase price component was measured on the basis of a contractually defined multiplier. In addition, the remeasurement of the 23.21 % share already held and the carrying amount of EUR 2.6 million as of the acquisition date resulted in a profit of EUR 5.4 million recognized in other financial result (see Note 15 "Result from investments accounted for using the equity method and other financial result"). The fair value of the previous investment accounted for using the equity method as of the acquisition date (EUR 8.0 million) also represents a purchase price component under IFRS 3.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. Only the items of the statement of financial position showing values are presented:

Acquisition Sonoma Internet GmbH (Fig. 111)

EUR m	Fair Value at acquisition
Other intangible assets	13.9
Property, plant and equipment	0.0
Deferred tax assets	1.5
Non-current assets	**15.4**
Inventories	0.5
Trade receivables	0.6
Other current receivables and other assets	0.4
Cash and cash equivalents	0.5
Current assets	**2.0**
Deferred tax liabilities	4.1
Non-current liabilities and provisions	**4.1**
Trade payables	1.4
Other provisions	0.9
Other liabilities	0.2
Current liabilities and provisions	**2.6**
Non-controlling interests	2.1
Total net assets	**8.6**
Purchase price per IFRS 3	27.8
Goodwill	**19.2**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities, taking into account deferred taxes. It primarily represents strategic synergy and development potential in the Digital & Adjacent segment and is accordingly assigned to the Digital & Adjacent cash-generating unit. The goodwill is not tax deductible and is recorded in the functional currency, the euro. The identified other intangible assets primarily comprise the brand and internet domain "amorelie.de" with a fair value of EUR 13.0 million and an indefinite useful life. In addition, this item also includes customer relationships with a fair value of EUR 0.7 million and a useful life of 18 months. The brand was valued using the relief-from-royalty method. The customer relationships were valued using the multi-period excess earnings method. Deferred tax liabilities of EUR 4.1 million were recognized relating to the identified other intangible assets.

The carrying amounts of inventories, trade receivables and other assets acquired equal their respective fair values.

The inclusion of the entity in the consolidated financial statements from the beginning of the financial year to the initial consolidation on April 1, 2015, would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: additional revenues of EUR 3.3 million and a result after taxes of minus EUR 0.8 million. From the initial consolidation to December 31, 2015, the entity contributed revenues of EUR 17.3 million and a result after taxes of minus EUR 3.0 million to the Group.

Full acquisition of Flaconi GmbH
By contract dated March 17, 2015, and effective as of April 1, 2015, ProSiebenSat.1 Group, via the Group company ProSiebenSat.1 Commerce GmbH, Unterföhring, increased its share in Flaconi GmbH, Berlin, by 53.01% to 100.0%. Because control was acquired, the investment, which was previously accounted for using the equity method, is fully consolidated and allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting") from the acquisition date. Via the website "flaconi.de", the company operates an online shop for perfume and cosmetics in the German-speaking market. The acquisition serves the expansion of the e-commerce business. The purchase price according to IFRS 3 comprises a cash purchase price of EUR 15.8 million and an earn-out component. As of the acquisition date, the fair value of this contingent purchase price component was EUR 0.1 million. On the basis of the company's current performance, this value increased to EUR 1.8 million as of the reporting date. Transaction costs of EUR 0.2 million in connection with the acquisition of the entity were recognized in functional costs. In addition, the remeasurement of the 46.99 % share already held and its carrying amount of EUR 8.1 million as of the acquisition date resulted in a profit of EUR 0.1 million recognized in other financial result (see Note 15 "Result from investments accounted for using the equity method and other financial result"). The fair value of the previous investment accounted for using the equity method as of the acquisition date (EUR 8.2 million) also represents a purchase price component under IFRS 3.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. Only the items of the statement of financial position showing values are presented:

Acquisition Flaconi GmbH (Fig. 112)

EUR m	Fair Value at acquisition
Other intangible assets	7.5
Property, plant and equipment	0.3
Deferred tax assets	2.2
Non-current assets	**9.9**
Inventories	2.6
Trade receivables	2.0
Other current receivables and other assets	0.3
Cash and cash equivalents	0.9
Current assets	**5.7**
Deferred tax liabilities	2.2
Non-current liabilities and provisions	**2.2**
Trade payables	2.1
Other provisions	0.4
Other liabilities	1.7
Current liabilities and provisions	**4.2**
Total net assets	**9.3**
Purchase price per IFRS 3	24.1
Goodwill	**14.8**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities, taking into account deferred taxes. It primarily represents strategic synergy and development potential in the Digital & Adjacent segment and is accordingly assigned to the Digital & Adjacent cash-generating unit. The goodwill is not tax deductible and is recorded in the functional currency, the euro. The identified other intangible assets primarily comprise the brand and internet domain "flaconi.de" with a fair value of EUR 6.6 million and an indefinite useful life. In addition, this item also includes customer relationships with a fair value of EUR 0.7 million and a useful life of 4 years. The brand was valued using the relief-from-royalty method. The customer relationships were valued using the multi-period excess earnings method. Deferred tax liabilities of EUR 2.2 million were recognized relating to the identified other intangible assets.

The carrying amounts of inventories, trade receivables and other assets acquired equal their respective fair values.

The inclusion of the entity in the consolidated financial statements from the beginning of the financial year to the initial consolidation on April 1, 2015, would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: additional revenues of EUR 4.0 million and a result after taxes of minus EUR 0.9 million. Since the initial consolidation, the entity has contributed revenues of EUR 29.0 million and a result after taxes of plus EUR 1.5 million to the Group.

Acquisition of another 50.0 % of the shares in Collective Digital Studio, LLC

By contract dated June 30, 2015, ProSiebenSat.1 Group, via its Group companies Red Arrow International, Inc., Los Angeles, USA, and ProSiebenSat.1 Digital & Adjacent GmbH, Unterföhring, increased its share in Collective Digital Studio, LLC, Los Angeles, USA, by another 50.0 % to 75.0 %.

During the second quarter of 2015, the Grouphas already increased its share in this company by 5.0 % to 25.0 % on the basis of the purchase agreement dated March 20, 2015, and effective as of April 7, 2015, via the Group company Red Arrow International, Inc., Los Angeles, USA. For the corresponding increase in the shareholding, the Group paid a cash purchase price of USD 5.0 million (approximately EUR 4.6 million).

Collective Digital Studio, LLC, is one of the leading multi-channel networks (MCN) in the United States. The company produces, distributes and markets video content on digital platforms. With the majority acquisition, ProSiebenSat.1 Group is internationalizing its online video business. As part of the transaction, Studio71 (a MCN founded by ProSiebenSat.1) and CDS will in the future be combined as a global MCN. For this purpose, 100.0 % of the shares in Studio 71 GmbH and 100.0 % of the shares in Collective Digital Studio, LLC, were contributed into the holding company ProSiebenSat.1 Digital Content LP. The Group holds a 75.0 % share in this entity, while the existing shareholders of CDS hold a 25.0 % share. Because control was acquired on July 27, 2015, the investment, which was previously accounted for using the equity method, and its subsidiaries were fully consolidated and allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting") from the acquisition date. For the acquisition of another 50.0 % of shares, the Group is investing a total cash purchase price of USD 82.8 million (EUR 74.8 million). Transaction costs of EUR 3.4 million in connection with the acquisition of the entity are recognized in functional costs. In addition, the remeasurement of the 25.0 % share already held and its carrying amount of EUR 13.7 million as of the acquisition date resulted in a profit of EUR 21.7 million as of the acquisition date recognized in other financial result (see Note 15 "Result from investments accounted for using the equity method and other financial result"). The fair value of the previous investment accounted for using the equity method as of the acquisition date (EUR 35.5 million) also represents a purchase price component under IFRS 3.

Additionally, a put option was agreed with the existing shareholders for a further 25.0 % of the shares of the holding company. As of the acquisition date, the fair value was USD 95.9 million (EUR 87.4 million) and, less the remuneration component described below, constituted a contingent purchase price payment. As ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise, the consolidation percentage used on the basis of present ownership was 100.0 % as of July 27, 2015. The fair value of the contingent purchase price component of USD 95.9 million reflects the estimated enterprise value of the holding company in 2019 and was estimated on the basis of an income capitalization approach. On the basis of sensitivity analyses carried out, as of the acquisition date ProSiebenSat.1 Group expected the pro rata enterprise value to range from USD 92.7 million to USD 113.1 million (EUR 82.9 million to EUR 101.2 million) in 2019. No maximum amount has been defined.

On the basis of a contractually agreed adjustment mechanism, the fair value of the put option as of the reporting date was USD 85.4 million (EUR 78.4 million).

As the amount of payment of the contingent purchase price component of USD 95.9 million as of the acquisition date partially depends on the continued employment of management, this part of the agreement was identified as a separate transaction from the acquisition. The compensation arising in this context is recognized as personnel expenses in the income statement over the exercise period in which management's services are rendered. The amount of the compensation component was measured at the fair value of the potential reduction if management leaves prematurely. As of the reporting date, the fair value, which is recognized in other receivables and reduces the purchase price as per IFRS 3, was USD 6.4 million (EUR 5.9 million). Due to the described adjustment of the put option, the fair value decreased to USD 5.5 million (EUR 5.1 million as of the reporting date. In the financial year 2015, USD 0.6 million (EUR 0.5 million) were recognized as personnel expenses in the income statement.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. Only the items of the statement of financial position showing values are presented:

Acquisition Collective Digital Studio, LLC (Fig. 113)

EUR m	Fair Value at acquisition
Other intangible assets	16.2
Property, plant and equipment	0.1
Non-current assets	**16.3**
Programming assets	2.0
Trade receivables	7.7
Other current receivables and other assets	3.4
Cash and cash equivalents	11.2
Current assets	**24.3**
Other non-current liabilities	0.3
Non-current liabilities and provisions	**0.3**
Trade payables	6.1
Other provisions	0.2
Other liabilities	8.1
Current liabilities and provisions	**14.4**
Total net assets	**25.8**
Purchase price per IFRS 3	191.9
Goodwill	**166.1**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities. It primarily represents strategic synergy and development potential in the Digital & Adjacent segment and is accordingly assigned to the Digital & Adjacent cash-generating unit. The goodwill is tax deductible and recorded in the functional currency, the US dollar. The identified other intangible assets comprise various contractual relationships with talents, advertising customers and business customers with fair values of USD 4.8 million (EUR 4.3 million as of the acquisition date), USD 3.0 million (EUR 2.7 million as of the acquisition date) and USD 0.4 million (EUR 0.4 million as of the acquisition date) and useful lives of five, six and three years respectively. In addition, this item also includes the following assets – the brand with a fair value of USD 2.0 million (EUR 1.8 million as of the acquisition date) and a useful life of five years, two favorable contractual relationships in the field of marketing with a fair value of USD 1.8 million (EUR 1.6 million as of the acquisition date) and USD 0.7 million (EUR 0.6 million as of the acquisition date) and a useful life of five and six years respectively, non-compete agreements with a fair value of USD 3.3 million (EUR 3.0 million as of the acquisition date) and a useful life of four years and rights to produced program content with a step-up to the fair value of USD 1.5 million (EUR 1.3 million as of the acquisition date) and a useful life of four months. The brand was valued using the relief-from-royalty method. All other identified other intangible assets were valued on the basis of the multi-period excess earnings method.

The carrying amounts of programming assets, trade receivables and other assets acquired equal their respective fair values.

The inclusion of the acquired entities in the consolidated financial statements from the beginning of the financial year to the initial consolidation in August 2015 would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: additional revenues of USD 31.0 million (EUR 27.8 million) and a result after taxes of minus USD 11.9 million (EUR –10.7 million). From the initial consolidation to December 31, 2015, the entity contributed revenues of USD 33.2 million (EUR 29.8 million) and a result after taxes of minus USD 5.7 million (EUR –5.2 million) to the Group.

Acquisition of 80.0 % of the shares in Verivox GmbH

By contract dated June 26, 2015, and effective as of August 7, 2015, ProSiebenSat.1 Group, via the Group company Verivox Holding GmbH (formerly ProSiebenSat.1 Commerce Beteiligungsgesellschaft mbH), Unterföhring, acquired an 80.0 % share in Verivox GmbH, Heidelberg. Because control was acquired, the investment and its subsidiaries are fully consolidated and allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting") from the acquisition date. The company operates the largest independent consumer energy portal in Germany and also offers comparisons for telecommunications, insurance, finance, vehicles and commission-free property. The acquisition represents a further expansion of the Group's activities in the online comparison business. The cash purchase price amounts to EUR 166.9 million. Transaction costs of EUR 3.4 million in connection with the acquisition of the entity were recognized in functional costs. The purchase price according to IFRS 3 also includes an earn-out component based on the EBITDA of the financial year 2015, the fair value of which was EUR 13.7 million as of the acquisition date and EUR 8.0 million as of the reporting date. The fair value of the contingent purchase price component was measured on the basis of the estimated EBITDA for the financial year 2015 and results in an estimated payment between EUR 4.9 million and EUR 22.3 million as of the acquisition date. Additionally, a put option was agreed with the existing shareholders for a further 20.0 % of the shares maturing in 2020. As of the acquisition date, the fair value of this contingent purchase price component was EUR 62.0 million; this figure was EUR 62.4 million as of the reporting date. As ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise, the consolidation percentage used on the basis of the present ownership was 100.0 % as of August 7, 2015. The fair value of the contingent purchase price component of EUR 62.0 million reflects the estimated enterprise value of the entity in 2020 and was estimated on the basis of an income capitalization approach. On the basis of sensitivity analyses carried out, as of the acquisition date ProSiebenSat.1 Group expected the pro rata enterprise value to range from EUR 58.1 million to EUR 80.2 million.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. Only the items of the statement of financial position showing values are presented:

Acquisition Verivox GmbH (Fig. 114)

EUR m	Fair Value at acquisition
Other intangible assets	158.6
Property, plant and equipment	0.6
Deferred tax assets	0.9
Non-current assets	**160.1**
Trade receivables	8.0
Other current receivables and other assets	5.0
Cash and cash equivalents	9.4
Current assets	**22.4**
Deferred tax liabilities	46.4
Non-current liabilities and provisions	**46.4**
Trade payables	2.7
Other provisions	5.0
Other liabilities	3.0
Current liabilities and provisions	**10.7**
Total net assets	**125.4**
Purchase price per IFRS 3	242.6
Goodwill	**117.2**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities, taking into account deferred taxes. It primarily represents strategic synergy and development potential in the Digital & Adjacent segment and is accordingly assigned to the Digital & Adjacent cash-generating unit. The goodwill is not tax deductible and is recorded in the functional currency, the euro. The identified other intangible assets comprise the brands and the internet domains used by Verivox GmbH with a fair value of EUR 108.4 million. Of these, assets of EUR 107.4 million have an indefinite useful life and assets of EUR 1.0 million have a useful life of ten years. In addition, this item also includes customer relationships with a fair value of EUR 46.0 million and a useful life of eight years. EUR 1.2 million was also identified for technologies used, which have a remaining useful life of five years. The brand was valued using the relief-from-royalty method. The customer relationships were valued using the multi-period excess earnings method, the technology on the basis of replacement costs. Deferred tax liabilities of EUR 46.4 million were recognized relating to the identified other intangible assets.

The carrying amounts of trade receivables and other assets acquired equal their respective fair values.

The inclusion of the entities in the consolidated financial statements from the beginning of the financial year to the initial consolidation in August would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: additional revenues of EUR 38.0 million and a result after taxes of plus EUR 1.7 million. From the initial consolidation to December 31, 2015, the entity contributed revenues of EUR 47.0 million and a result after taxes of plus EUR 5.9 million to the Group.

Acquisition of another 55.0 % of the shares in SMARTSTREAM.TV GmbH

By contract dated June 30, 2015, and effective as of August 14, 2015, ProSiebenSat.1 Group, via the Group company ProSiebenSat.1 Digital GmbH, Unterföhring, increased its share in SMARTSTREAM.TV GmbH by 55.0 % to 80.0 %. ProSiebenSat.1 Group already held 25.0 % of the shares via the Group company SevenVentures GmbH, Unterföhring. Because control was acquired, the investment, which was previously accounted for using the equity method, is fully consolidated and allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting") from the acquisition date. The entity provides services relating to the optimization of online advertising space. The purchase price according to IFRS 3 comprises a cash purchase price of EUR 11.9 million due in 2016 and an earn-out component. As of the acquisition date, the fair value of this contingent purchase price component was EUR 11.0 million. The fair value was EUR 10.2 million as of the reporting date. The fair value of the contingent purchase price component was measured on the basis of estimated earnings before taxes for the financial year 2015 and is due in 2016. Transaction costs of EUR 0.3 million in connection with the acquisition of the entity were recognized in functional costs. In addition, the remeasurement of the 25.0 % share already held and its carrying amount of EUR 1.6 million as of the acquisition date resulted in a profit of EUR 7.7 million recognized in other financial result (see Note 15 "Result from investments accounted for using the equity method and other financial result"). The fair value of the previous investment accounted for using the equity method as of the acquisition date (EUR 9.4 million) also represents a purchase price component under IFRS 3.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. Only the items of the statement of financial position showing values are presented:

Acquisition SMARTSTREAM.TV GmbH (Fig. 115)

EUR m	Fair Value at acquisition
Other intangible assets	22.1
Property, plant and equipment	0.0
Non-current assets	**22.1**
Trade receivables	3.2
Other current receivables and other assets	0.7
Cash and cash equivalents	3.5
Current assets	**7.4**
Deferred tax liabilities	7.0
Non-current liabilities and provisions	**7.0**
Trade payables	2.3
Other provisions	1.8
Other liabilities	2.2
Current liabilities and provisions	**6.4**
Non-controlling interests	3.3
Total net assets	**13.0**
Purchase price per IFRS 3	32.2
Goodwill	**19.1**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities, taking into account deferred taxes. It primarily represents strategic synergy and development potential in the Digital & Adjacent segment and is accordingly assigned to the Digital & Adjacent cash-generating unit. The goodwill is not tax deductible and is recorded in the functional currency, the euro. The identified other intangible assets chiefly comprise technologies used with a fair value of EUR 7.4 million and a useful life of five years. In addition, this item also includes customer relationships with a fair value of EUR 12.6 million and a useful life of eight years. The brand and the technology were valued using the relief-from-royalty method. The customer relationships were valued using the multi-period excess earnings method. Deferred tax liabilities of EUR 6.6 million were recognized relating to the identified other intangible assets.

The carrying amounts of trade receivables and other assets acquired equal their respective fair values.

The inclusion of the entity in the consolidated financial statements from the beginning of the financial year to the initial consolidation in September 2015 would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: additional revenues of EUR 13.8 million and a result after taxes of plus EUR 2.0 million. From the initial consolidation to December 31, 2015, the entity contributed revenues of EUR 11.2 million and a result after taxes of plus EUR 0.7 million to the Group.

Acquisition of 51.38 % of the shares in Virtual Minds AG

By contract dated June 27, 2015, and effective as of September 4, 2015, ProSiebenSat.1 Group, via the Group company ProSiebenSat.1 Digital GmbH, Unterföhring, acquired a 51.38 % share in Virtual Minds AG, Freiburg. Because control was acquired, the investment and its subsidiaries are fully consolidated and allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting") from the acquisition date. The entity is a media holding company whose portfolio brings together specialist companies in the fields of media technologies, digital advertising and hosting. The purchase price according to IFRS 3 comprises a cash purchase price of EUR 29.5 million. Transaction costs of EUR 0.8 million in connection with the acquisition of the entity were recognized in functional costs. Additionally, a put option was agreed with the existing shareholders for a further 48.62 % of the shares. As of the acquisition date, the fair value, which less the remuneration component described below represents a variable purchase price component, was EUR 35.7 million; this figure was EUR 35.9 as of the reporting date. As ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise, the consolidation percentage used on the basis of present ownership was 100.0 % as of September 4, 2015. The fair value of the contingent purchase price component was measured on the basis of a contractually defined multiplier to determine the estimated enterprise value in 2018. On the basis of sensitivity analyses carried out, as of the acquisition date ProSiebenSat.1 Group expects the pro rata enterprise value in 2018 to range from EUR 34.2 million to EUR 40.2 million.

As the amount of payment of the contingent purchase price component of EUR 35.7 million as of the acquisition date partially depends on the continued employment of management, this part of the agreement was identified as a separate transaction from the acquisition. The compensation arising in this context is recognized as personnel expenses in the income statement over the exercise period in which management's services are rendered. The amount of the compensation component was measured at the fair value of the potential reduction if management leaves prematurely. As of the date control was acquired, the fair value, which is recognized in other receivables and reduces the purchase price as per IFRS 3, was EUR 2.5 million. In the financial year 2015, EUR 0.3 million of this was recognized as personnel expenses in the income statement, so the remaining receivable as of the reporting date amounted to EUR 2.2 million.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. Only the items of the statement of financial position showing values are presented:

Acquisition Virtual Minds AG (Fig. 116)

EUR m	Fair Value at acquisition
Other intangible assets	13.5
Property, plant and equipment	6.0
Other non-current assets	2.1
Non-current assets	**21.6**
Trade receivables	6.4
Other current receivables and other assets	2.4
Cash and cash equivalents	7.5
Current assets	**16.3**
Deferred tax liabilities	4.2
Other non-current liabilities	0.7
Non-current liabilities and provisions	**4.9**
Trade payables	4.4
Other provisions	1.0
Other liabilities	6.0
Current liabilities and provisions	**11.4**
Total net assets	**21.6**
Purchase price per IFRS 3	62.6
Goodwill	**41.0**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities, taking into account deferred taxes. It primarily represents strategic synergy and development potential in the Digital & Adjacent segment and is accordingly assigned to the Digital & Adjacent cash-generating unit. The goodwill is not tax deductible and is recorded in the functional currency, the euro. The identified other intangible assets comprise technologies used by the entities with a fair value of EUR 4.2 million and a useful life of five years. In addition, this item also includes customer relationships with a fair value of EUR 4.8 million and a useful life of ten years and other customer relationships with a fair value of EUR 4.2 million and a useful life of five years. They were valued using the multi-period excess earnings method. In addition, ProSiebenSat.1 Group acquired shares in three entities accounted for using the equity method, which are assigned an additional value of EUR 1.7 million. Deferred tax liabilities of EUR 4.2 million were recognized relating to the identified other intangible assets.

The carrying amounts of trade receivables and other assets acquired equal their fair value.

The inclusion of the acquired entities in the consolidated financial statements from the beginning of the financial year to the initial consolidation in September would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: additional revenues of EUR 12.1 million and a result after taxes of plus EUR 1.1 million. From the initial consolidation to December 31, 2015, the entities contributed revenues of EUR 6.9 million and a result after taxes of minus EUR 0.2 million to the Group.

Acquisition of 60.0 % of the shares in Crow Magnon, LLC (Karga Seven Pictures)
By contract dated and effective as of November 10, 2015, ProSiebenSat.1 Group, via the Group company Red Arrow International, Inc., Los Angeles, USA, acquired a 60.0 % share in Crow Magnon, LLC, Los Angeles, USA. Because control was acquired, the investment and its subsidiaries are fully consolidated and allocated to the Content Productions & Global Sales segment (see Note 36 "Segment reporting") from the acquisition date. The group of companies is a leading US producer and developer of factual entertainment formats and produces both scripted and non-scripted programs. The acquisition strengthens the Group's international market position in the area of TV production. Transaction costs of EUR 1.2 million in connection with the acquisition of the entity were recognized in functional costs.

The purchase price according to IFRS 3 comprises a cash purchase price of USD 29.6 million (EUR 27.9 million). Additionally, a put option was agreed with the existing shareholders for a further 40.0 % of the shares maturing no earlier than 2021. As of the acquisition date, the fair value of this contingent purchase price component was USD 15.8 million (EUR 14.9 million), which approximates the fair value as of the reporting date. As ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise, the consolidation percentage used on the basis of the present ownership was 100.0 % as of November 10, 2015. The fair value of the contingent purchase price component of USD 15.8 million was measured on the basis of a contractually defined multiplier to determine the estimated enterprise value in 2021. On the basis of sensitivity analyses carried out, ProSiebenSat.1 Group expects the pro rata enterprise value to range from USD 18.4 million to USD 19.5 million (EUR 17.3 million to EUR 18.4 million).

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. Only the items of the statement of financial position showing values are presented:

Acquisition Crow Magnon, LLC (Fig. 117)

EUR m	Fair Value at acquisition
Other intangible assets	14.3
Property, plant and equipment	0.8
Non-current assets	**15.1**
Trade receivables	3.4
Other current receivables and other assets	0.4
Cash and cash equivalents	2.5
Current assets	**6.3**
Trade payables	0.5
Other liabilities	3.8
Current liabilities and provisions	**4.3**
Total net assets	**17.0**
Purchase price per IFRS 3	42.7
Goodwill	**25.7**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities. It primarily represents strategic synergy and development potential in the Content Production & Global Sales segment, especially in program production, and is accordingly assigned to the Content Production & Global Sales cash-generating unit. The goodwill is tax deductible and recorded in the functional currency, the US dollar.

The identified other intangible assets comprise customer relationships with a fair value of USD 12.5 million (EUR 11.8 million as of the acquisition date) and a useful life of 15 years. In addition, this item also includes an order backlog with a fair value of USD 0.4 million (EUR 0.4 million as of the acquisition date) and a useful life of half a year and shows in production with a fair value of USD 2.2 million (EUR 2.1 million as of the acquisition date) and a useful life of 1.2 years. Each was valued using the multi-period excess earnings method.

The carrying amounts of trade receivables and other assets acquired equal their fair value.

The inclusion of the entities in the consolidated financial statements from the beginning of the financial year to the initial consolidation in November 2015 would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: additional revenues of USD 20.4 million (EUR 18.4 million) and a result after taxes of plus USD 0.7 million (EUR 0.7 million). From the initial consolidation to December 31, 2015, the entity contributed revenues of USD 5.9 million (EUR 5.3 million) and a result after taxes of plus USD 2.4 million (EUR 2.2 million) to the Group.

Acquisition of 100.0% of the shares in eTRAVELi Holding AB

Effective as of October 8, 2015, ProSiebenSat.1 Group, via the Group company SevenVentures GmbH, Unterföhring, acquired a 3.3% share in eTRAVELi Holding AB, Uppsala, Sweden, via a media-for-equity agreement. The Group paid the purchase price for the acquisition of the shareholding by granting media volume.

By contract dated October 9, 2015, and effective as of November 30, 2015, ProSiebenSat.1 Group, via the Group company 7Travel Flights HoldCo AB, Stockholm, Sweden, a subsidiary of ProSieben Travel GmbH, Unterföhring, acquired a share of 96.7% in eTRAVELi Holding AB. Because control was acquired, the investment and its subsidiaries, initially recognized under non-current financial assets, are fully consolidated and allocated to the Digital & Adjacent segment (see Note 36 "Segment reporting") from the acquisition date. In this context, the 3.3% share originally accounted for at SevenVentures GmbH was transferred to 7Travel Flights HoldCo AB. The group is a pan-European online travel agency for flights and supplements the travel portfolio of the 7Travel vertical. In addition to selling flight tickets, etraveli offers hotel packages and other travel-related services. Transaction costs of EUR 0.6 million in connection with the acquisition of the entity were recognized in functional costs.

The purchase price according to IFRS 3 comprises a cash purchase price of SEK 1,662.1 million (EUR 179.6 million). In addition, the remeasurement of the 3.3% share already held resulted in a fair value of the other material investment of SEK 53.4 million (EUR 5.8 million) as of the acquisition date, which likewise constitutes a purchase price component under IFRS 3.

As part of the transaction, the management in their function as existing shareholders extended part of their returns. This results in a shareholding by the management of the company of 1.2% in 7Travel Flights HoldCo AB. At the same time, a put/call agreement was made with the management for the future acquisition of these shares. The put option maturing in 2019 less the remuneration component described below constitutes a contingent purchase price component under IFRS 3. As of the acquisition date, the fair value was SEK 94.1 million (EUR 10.2 million), which approximates the fair value as of the reporting date. As ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise, the consolidation percentage used on the basis of the present ownership was 100.0% as of November 30, 2015. The fair value of the contingent purchase price component of EUR 10.2 million was measured using an income capitalization approach to determine the estimated enterprise value in 2019. On the basis of sensitivity analyses carried out, ProSiebenSat.1 Group expects the pro rata enterprise value to range from SEK 92.3 million to SEK 104.0 million (EUR 10.0 million to EUR 11.2 million). No maximum amount has been defined.

As the amount of payment of the contingent purchase price component of EUR 10.2 million partially depends on the continued employment of management, this part of the agreement was identified as a separate transaction from the acquisition. The compensation arising in this context is recognized as personnel expenses in the income statement over the exercise period in which management's services are rendered. The amount of the compensation component was measured at the fair value of the potential reduction if management leaves prematurely. As of the date control was acquired, the fair value, which is recognized in other receivables and reduces the purchase price as per IFRS 3, was SEK 71.0 million (EUR 7.7 million). In the financial year 2015, SEK 1.5 million (EUR 0.2 million) of this was recognized as personnel expenses in the income statement, so the remaining receivable as of the reporting date amounted to SEK 69.5 million (EUR 7.2 million).

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. Only the items of the statement of financial position showing values are presented:

Acquisition eTRAVELi Holding AB (Fig. 118)

EUR m	Fair Value at acquisition
Other intangible assets	59.9
Property, plant and equipment	0.3
Non-current assets	**60.2**
Trade receivables	11.6
Other current receivables and other assets	16.1
Cash and cash equivalents	28.6
Current assets	**56.3**
Deferred tax liabilities	13.9
Non-current liabilities and provisions	**13.9**
Trade payables	10.4
Other provisions	3.9
Other liabilities	91.9
Current liabilities and provisions	**106.2**
Total net assets	**-3.5**
Purchase price per IFRS 3	187.8
Goodwill	**191.4**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities, taking into account deferred taxes. It primarily represents strategic synergy and development potential in the Digital & Adjacent segment and is accordingly assigned to the Digital & Adjacent cash-generating unit. The goodwill is not tax deductible and is recorded in the functional currency, SEK. The identified other intangible assets comprise the brands and the internet domains used by the entities with a fair value of SEK 265.7 million (EUR 28.7 million as of the acquisition date). Of these, assets of SEK 44.0 million (EUR 4.8 million as of the acquisition date) have an indefinite useful life and assets of SEK 221.7 million (EUR 23.9 million as of the acquisition date) have a useful life of ten years. In addition, this item also includes customer relationships with a fair value of SEK 152.4 million (EUR 16.5 million as of the acquisition date) and a useful life of three years. SEK 136.4 million (14.7 million as of the acquisition date) was also identified for technologies used, which have a remaining term of seven years. The brand was valued using the relief-from-royalty method. The customer relationships were valued using the multi-period excess earnings method, the technology on the basis of replacement costs. Deferred tax liabilities of SEK 128.4 million (EUR 13.9 million as of the acquisition date) were recognized relating to the identified other intangible assets.

The carrying amounts of trade receivables and other assets acquired equal their respective fair values.

The assumed other liabilities include issued notes. As of the acquisition date, the liability was increased to the repayment amount according to the terms of the notes of SEK 768.3 million (EUR 83.0 million). The notes were fully repaid in December 2015 (see Note 30 "Financial liabilities").

The inclusion of the entities in the consolidated financial statements from the beginning of the financial year to the initial consolidation in December 2015 would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: additional revenues of SEK 818.8 million (EUR 87.4 million) and a result after taxes of plus SEK 28.6 million (EUR 3.1 million). From the initial consolidation to December 31, 2015, the entity contributed revenues of SEK 78.3 million (EUR 8.4 million) and a result after taxes of plus SEK 0.7 million (EUR 0.1 million) to the Group.

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 2015.

Other transactions relating to subsidiaries in the financial year 2015

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. 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 with a fair value as of the acquisition date of EUR 5.1 million. The fair value of this liability was EUR 5.3 million as of the reporting date.

Acquisition of another 7.5 % of the shares in SilverTours GmbH

In the financial year 2013, ProSiebenSat.1 Group acquired 60.0 % of the shares in SilverTours GmbH, Freiburg/Breisgau. 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. In the financial year 2014, the first tranche was paid via a share acquisition of 7.4 %. Details will be provided in the following section "Other transactions relating to subsidiaries in the financial year 2014". The purchase price of EUR 6.7 million for the second tranche, an acquisition of 7.5 %, was paid on November 26, 2015.

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". A cash purchase price of EUR 40.8 million was paid for the shares acquired. 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. 119)

EUR m	Fair Value at acquisition
Other intangible assets	33.2
Property, plant and equipment	0.1
Deferred tax assets	1.6
Non-current assets	**34.9**
Trade receivables	0.8
Other current receivables and other assets	0.2
Cash and cash equivalents	1.4
Current assets	**2.4**
Deferred tax liabilities	10.6
Non-current liabilities and provisions	**10.6**
Trade payables	3.0
Other liabilities	0.5
Current liabilities and provisions	**3.5**
Total net assets	**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 acquired assets and assumed liabilities, taking into account 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.

The other 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 favorable 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 favorable contract relationships were valued using the incremental income method. Deferred tax liabilities of EUR 10.6 million were recognized relating to the other intangible assets recognized separately from goodwill.

The carrying amounts of the receivables and other assets acquired equal their respective fair values.

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. Transaction costs of EUR 0.2 million in connection with the acquisition of the entity 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 20.8 million (EUR 18.4 million) at the reporting date. In addition, an earn-out payment due in the short term 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. Only the items of the statement of financial position showing values are presented:

Acquisition Half Yard Productions, LLC (Fig. 120)

EUR m	Fair Value at acquisition
Other intangible assets	21.4
Property, plant and equipment	0.7
Non-current assets	**22.1**
Trade receivables	2.5
Other current receivables and other assets	0.2
Cash and cash equivalents	1.5
Current assets	**4.2**
Trade payables	1.7
Other liabilities	1.4
Current liabilities and provisions	**3.1**
Total net assets	**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 acquired assets and assumed liabilities. 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. 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 other intangible assets identified in connection with the purchase price allocation comprise customer relationships with a fair value of USD 15.1 million (EUR 11.0 million as of the acquisition date) and a useful life of 15 years, non-compete agreements with a fair value of USD 11.7 million (EUR 8.5 million as of the acquisition date) and a useful life of 9 years, the order backlog with a fair value of USD 1.5 million (EUR 1.1 million as of the acquisition date) and a useful life of one year and shows currently in production with a fair value of USD 0.9 million (EUR 0.7 million as of the acquisition date) 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 carrying amounts of the receivables and other assets acquired equal their respective fair values.

Acquisition of Aeria Games Europe GmbH

By contract of February 19, 2014, and effective April 1, 2014, ProSiebenSat.1 Group, 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 of USD 0.8 million (EUR 0.6 million as of the acquisition date) 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 by July 29, 2014.

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 remeasurement in the financial year 2015 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. It contains only those items of the statement of financial position showing values:

Acquisition Aeria Games Europe GmbH (Fig. 121)

EUR m	Fair Value at acquisition
Other intangible assets	17.6
Property, plant and equipment	0.5
Non-current assets	**18.1**
Trade receivables	1.6
Other current receivables and other assets	0.1
Cash and cash equivalents	0.1
Current assets	**1.8**
Trade payables	1.5
Other provisions	0.1
Other liabilities	0.7
Current liabilities and provisions	**2.4**
Total net assets	**17.5**
Purchase price per IFRS 3	35.9
Goodwill	**18.4**

The identified goodwill resulted from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities. 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 fully tax deductible and is carried in the functional currency, the euro.

The other 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 games' respective license agreements ranges between one and a maximum of six years. Furthermore, in connection with the purchase price allocation, the following other 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 carrying amounts of the receivables and other assets acquired equal their respective fair values.

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 the financial year 2014

Put option for outstanding shares in wetter.com AG

By contract of March 23, 2012, ProSiebenSat.1 Group, via the Group company ProSiebenSat.1 Digital GmbH, Unterföhring, (ProSieben Travel GmbH, Unterföhring, is now the majority shareholder) granted a put option for the remaining 27.0 % of shares in its subsidiary wetter.com GmbH, 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/Breisgau. 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.

b) Discontinued operations and disposals of subsidiaries

No material disposals of subsidiaries took place in the financial year 2015.

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 the digital and adjacent business activities.

Disposal of the 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. In the financial year 2014, the sale had the following impact on the earnings, financial position and performance of the Group:

Impact of deconsolidation on the Group (Fig. 122)

EUR m	Carrying amounts at the date of sale
Other 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 flow 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 SE.

On the deconsolidation date, foreign currency rate effects of EUR 16.7 million attributable to the Hungarian entities were reclassified from accumulated 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.

In connection with the sale of the Hungarian subsidiaries, ProSiebenSat.1 Group agreed a credit facility of EUR 9.0 million with the buyers. ProSiebenSat.1 Group also granted a bridge loan of up to HUF 1.6 billion (EUR 5.2 million) for the Hungarian operations in early 2015. In addition, ProSiebenSat.1 Group guaranteed existing license agreements.

Likewise, the Group provided guarantees for license agreements between the Hungarian and Romanian television stations and Universal Studios, CBS and Programs for Media totaling approximately EUR 32.5 million.

The loans, the purchase price receivable and the license guarantees due from the purchaser of the Hungarian operations were settled in the context of a resale of the shares. This took economic effect within the past financial year 2015. ProSiebenSat.1 Group thereby received EUR 16.1 million. Therefore the risk relating to this transaction has ceased to exist.

Disposal of the 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 in the financial year 2014 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. 123)

EUR m	Carrying amounts at the date of sale
Other 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 was reported in the result from discontinued operations and was fully attributable to the shareholders of ProSiebenSat.1 Media SE.

The measurement of the deconsolidation impact included the purchase price receivable from the sale of Prima TV with a fair value of EUR 10.2 million. ProSiebenSat.1 Group agreed an earn-out payment with the buyer. As a result, 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. After the impairment of EUR 6.4 million in the financial year 2014, the fair value of the receivable as of December 31, 2014, amounted to EUR 3.8 million. The financial result of the discontinued operations of the financial year 2015 includes the full impairment on this purchase price receivable. 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".

ProSiebenSat.1 Group was released from the license guarantees described in connection with the disposal of the Hungarian operations in exchange for a part payment. Therefore the risk relating to this transaction has ceased to exist.

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. In the financial year 2014, the sale had the following impact on the earnings, financial position and performance of the Group:

Impact of deconsolidation on the Group (Fig. 124)

EUR m	Carrying amounts at the date of sale
Other 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 flow on sale	**4.0**
Result from deconsolidation	**-3.2**

The deconsolidation impact was reported in the result from discontinued operations and was fully attributable to the shareholders of ProSiebenSat.1 Media SE.

The purchase price of EUR 6.1 million was received by ProSiebenSat.1 Group on August 4, 2014.

Presentation of discontinued operations

After the full deconsolidation of the Hungarian and Romanian TV and radio activities, no further assets of the sold subsidiaries as of December 31, 2015 and 2014, or associated liabilities are reported in the consolidated statement of financial position.

The following table contains the result from discontinued operations for the financial year 2015. 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.

For the financial year 2015, the result from discontinued operations includes earnings made in connection with discontinued operations after deconsolidation. In the financial year 2014, the deconsolidation results of the Hungarian and Romanian operations were included alongside the operating earnings contributions from the sold and deconsolidated Eastern European entities.

Income statement discontinued operations (Fig. 125)

EUR m		2015	2014
1.	Revenues	-/-	12.3
2.	Operating expenses	-1.3	-20.2
3.	Operating income	1.1	0.3
4.	**Operating result**	**-0.2**	**-7.6**
5.	Financial result	-1.1	-13.2
6.	**Operating result before tax**	**-1.2**	**-20.8**
7.	Income Tax	1.6	7.6
8.	**Result, net of income tax**	**0.3**	**-13.2**
9.	Result on sale of discontinued operations	-/-	-14.0
10.	Income Tax on result on sale of discontinued operations	-/-	-/-
11.	**Result after tax**	**0.3**	**-27.1**

EUR 0.3 million (previous year: EUR -27.1 million) of the result from discontinued operations was attributable to the shareholders of ProSiebenSat.1 Media SE in the financial year 2015.

Other disposals of subsidiaries in the 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, a sole shareholder manages the production company founded for fictional TV entertainment. 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 also 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 subsidiaries 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 SE 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.

Notes to the Income Statement

8 Revenues

Revenues (Fig. 126)

EUR m	2015	2014
Advertising revenues	2,203.9	2,127.5
Revenues from content production	221.3	154.5
Agency Comissions	153.6	101.6
Distribution revenues	110.6	93.0
Barter transactions	72.4	59.7
Other revenues	498.9	339.4
Total	**3,260.7**	**2,875.6**

Traditional advertising revenues and barter transactions comprise revenues generated by broadcasting advertising in 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 and the sale of digital offerings from external providers. 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 commissioned content production projects and amounted to EUR 221.3 million as of December 31, 2015 (previous year: EUR 154.5 million).

As of the reporting date, some of these projects are still in the production phase. In the financial year 2015, these projects generated a result of EUR 38.6 million (previous year: EUR 12.7 million) with costs related to project progress incurred at the same time totaling EUR 155.7 million (previous year: EUR 86.1 million).

The Group generates distribution revenues from the distribution of its HD stations. In this respect, the Group participates in technical fees that cable network, satellite, and IPTV operators generate from the distribution of ProSiebenSat.1 HD stations. Moreover revenues from the marketing of the basic pay TV stations are also presented under distribution revenues.

Agency Comissions arise mainly from commission payments for the brokering of contracts between primary service providers and end customers in the fields of rental cars, travel, insurance, events, energy supply, mobile communications, broadband telephony and HD television via online price comparison sites.

Other revenues particularly include revenues from

- the distribution of rights and other merchandising services,
- sales of programming rights and ancillary rights, and
- the online business.

9 Cost of sales

Cost of sales (Fig. 127)

EUR m	2015	2014
Consumption of programming assets (incl. impairments)	895.5	867.8
Production costs	468.2	369.6
Personnel expenses	220.8	172.9
Depreciation of property, plant and equipment and amortization of other intangible assets (incl. impairment)	83.8	64.6
Expenses from the disposal of programming assets	8.0	12.1
Other	87.6	73.4
Total	**1,763.9**	**1,560.4**

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, copyright fees and cost of sales in the travel operator business. 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 other 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 “Other” item includes amongst others IT costs and travel expenses.

10 Selling expenses

Selling expenses (Fig. 128)

EUR m	2015	2014
Marketing and marketing-related expenses	137.4	99.9
Personnel expenses	74.5	62.5
Distribution	72.5	70.7
Thereof distribution fees	48.4	44.8
Thereof satellite rental	24.1	25.9
Sales comissions	39.9	33.8
Production costs	18.0	17.8
Depreciation of property, plant and equipment and amortization of other intangible assets (incl. impairment)	7.5	11.6
Other	21.8	15.9
Total	**371.5**	**312.2**

Marketing and 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 other intangible assets in the sales area.

11 Administrative expenses

Administrative expenses (Fig. 129)

EUR m	2015	2014
Personnel expenses	182.0	156.2
Depreciation of property, plant and equipment and amortization of other intangible assets (incl. impairment)	55.7	46.4
Consultancy fees	31.8	16.5
IT operations	30.9	24.3
Use of buildings	27.9	23.4
Marketing expenses	19.2	17.1
Other personnel-related expenses	10.1	6.9
Corporate hospitality and travel	9.1	7.5
Production-related expenses	6.4	7.6
Automobile expenses	4.4	4.4
Other	35.0	21.2
Total	**412.5**	**331.5**

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 other intangible assets relate primarily to administrative buildings, office furniture and equipment and software licenses. Consultancy fees primarily include management and M&A consultancy costs as well as legal consulting costs. Use of buildings relates primarily to rent, ancillary, and maintenance costs.

12 Other operating expenses

Other operating expenses (Fig. 130)

EUR m	2015	2014
Impairments of other intangible assets	4.2	1.0
Derecognition of receivables from previous years	2.8	0.7
Disposal of property, plant and equipment and other intangible assets	0.4	1.3
Disposal of affiliated companies	0.1	1.8
Total	**7.6**	**4.8**

The impairments of other intangible assets of EUR 4.2 million (previous year: EUR 1.0 million) primarily include impairments on brands (see Note 2 "Accounting policies" and Note 19 "Goodwill and other intangible assets" for further information).

13 Other operating income

Other operating income (Fig. 131)

EUR m	2015	2014
Other income relating to other periods	10.8	7.4
Release of items for which the statute of limitations has elapsed	2.9	0.9
Government grants	2.8	2.6
Recharges	1.1	4.1
Income from the disposal of property, plant and equipment and other intangible assets	1.1	0.2
Cost allocations / refunds	1.0	1.7
Income from release of valuation allowance on receivables	0.5	0.2
Income from the disposal of affiliated companies	0.3	3.7
Insurance benefits / compensation for damages	0.2	0.2
Rental income	0.1	0.1
Partial reclaim purchase price payments	-/-	2.4
Public investment grants	-/-	1.6
Other	3.8	3.0
Total	**24.7**	**27.9**

Income relating to other periods primarily includes previous-year reimbursements from collecting societies. Government grants primarily comprise subsidies received for productions in Austria and investment subsidies for the expansion of business premises. Recharges primarily contain income from the contractual assumption of costs by third parties.

14 Interest result

Interest result (Fig. 132)

EUR m	2015	2014
Interest and similar income	1.4	3.6
Thereof from unwinding of discount interest income from corporate income tax receivables	0.5	0.7
Thereof interest income from tax authorities	0.4	1.0
Thereof from banks	0.1	0.2
Thereof from available for sale financial assets	-/-	1.2
Thereof other interest and similar income	0.4	0.5
Interest and similar expenses	-93.4	-101.5
Thereof from hedging derivatives	-47.1	-41.7
Thereof from financial liabilities at amortized cost	-39.1	-53.8
Thereof other interest and similar expenses	-7.2	-6.0
Interest result	**-92.0**	**-97.9**

The main interest expense items pertain to interest on loans drawn and expenses for hedging derivatives. For details on ProSiebenSat.1 Group's syndicated loan agreement, please refer to Note 30 "Financial liabilities". The interest expenses from hedging derivatives include EUR 6.0 million for ineffectiveness (see Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7").

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" item contains 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. 133)

EUR m	2015	2014
Share of income from associates	4.6	2.9
Income from investments accounted for using the equity method	**4.6**	**2.9**
Changes in earn-out and put option liabilities (financial liabilities at fair value through profit or loss)	4.4	10.8
Result from disposal of investments (financial assets at fair value through profit or loss)	0.2	3.2
Foreign currency translation gains/losses	-0.6	1.5
Thereof from financial assets and liabilities held for trading	19.2	17.4
Thereof from loans and receivables	4.1	4.2
Thereof from cash and cash equivalents	2.7	1.5
Thereof from financial liabilities at amortized cost	-22.5	-23.8
Thereof other	-4.2	2.1
Impairment of financial assets and securities	-62.9	-30.3
Thereof from available for sale financial assets	-27.5	-7.3
Thereof from financial assets at fair value through profit or loss	-31.1	-1.1
Thereof from other financial investments and securities	-4.3	-21.9
Financing costs	-15.7	-21.5
Revalution of associates due to assuming control	35.2	-/-
Other effects from measurement of financial instruments (financial assets at fair value through profit or loss)	0.9	-3.4
Other	-0.5	0.2
Other financial result	**-39.0**	**-39.4**

The change in earn-out and put option liabilities of EUR 4.4 million (previous year: EUR 10.8 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 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”).

The foreign currency translation gains from financial assets and liabilities held for trading result from the measurement of derivatives of EUR 19.2 million (previous year: EUR 17.4 million). The foreign currency translation losses from financial liabilities at amortized cost of EUR 22.5 million (previous year: EUR 23.8 million) result primarily from the measurement of liabilities for programming assets at EUR 20.6 million (previous year: EUR 19.4 million).

Impairments on financial investments and securities amounted to EUR 62.9 million in the reporting period (previous year: EUR 30.3 million) and related primarily to ZeniMax Media Inc., Rockville, USA, a developer of interactive entertainment content for consoles, PCs and wireless devices, amounting to EUR 23.1 million (previous year: EUR 7.3 million) and to the shares in Talenthouse Inc., Los Angeles, USA, a platform for artist marketing, amounting to EUR 4.4 million (previous year: EUR 0.0 million). Both investments are recognized as financial assets available for sale. In addition, impairments of EUR 24.5 million (previous year: EUR 3.8 million) were incurred on media-for-equity investments, of which EUR 19.4 million (previous year: EUR 0.0 million) related to AliphCom Inc. The result from the remeasurement of Deezer of minus EUR 10.0 million is reported under financial assets measured at fair value through profit or loss (see Note 35 “Further notes on financial risk management and financial instruments according to IFRS 7”).

Financing costs primarily include expenses from the accrued interest on non-current loans measured according to the effective interest rate method and deferred fees in connection with non-current loans (see Note 25 "Other receivables and assets") of EUR 4.5 million (previous year: EUR 9.9 million). In addition, costs for the utilization of the revolving credit facility of EUR 1.6 million (previous year: EUR 1.6 million) are also presented in financing costs. For further details on the syndicated loan agreement, please refer to Note 30 "Financial liabilities".

The remeasurement of investments accounted for using the equity method in the context of first-time consolidations resulted in income of EUR 35.2 million (previous year: EUR 0.0 million), which is attributable to Collective Digital Studio, LLC (EUR 22.0 million), SMARTSTREAM.TV GmbH (EUR 7.7 million), Sonoma Internet GmbH (EUR 5.4 million) and Flaconi GmbH (EUR 0.1 million) (see also Note 7 "Acquisitions and disposals").

16 Income taxes

Income taxes include both taxes paid or owed on income and deferred tax items. Taxes on income comprise the following:

Income taxes expenses (Fig. 134)

EUR m	2015	2014
Current income tax expenses – Germany	200.0	157.0
Current income tax expenses – other countries	15.1	12.3
Current tax expenses	**215.1**	**169.3**
Deferred income tax income / expenses – Germany	-6.9	9.0
Deferred income tax income / expenses – other countries	-0.5	0.3
Deferred income tax income / expenses	**-7.4**	**9.3**
Total income tax expenses	**207.7**	**178.7**

The current income tax expenses comprise all domestic and foreign taxes based on taxable profits in 2015 (corporate income tax, trade tax and respective foreign taxes) and income tax expenses for prior years of EUR 19.4 million (previous year: EUR 6.8 million). While in the previous year there were no significant reductions in the actual income tax expenses due to previously unrecognized tax losses or temporary differences from a prior period, in the financial year 2015 income tax was reduced by EUR 0.5 million.

Deferred tax income for the financial year 2015 of EUR 7.4 million (previous year: EUR 9.3 million deferred tax expenses) includes deferred tax income of EUR 2.2 million (previous year: EUR 0.5 million) resulting from the ongoing change in deferred taxes on loss carry-forwards. Previously unrecognized tax losses resulted in deferred tax income of EUR 0.3 million (previous year: EUR 1.2 million).

In the financial year 2015, deferred tax income of EUR 5.2 million (previous year: EUR 12.1 million deferred tax expenses) resulted from the current change in temporary differences. Of this, deferred tax expenses of EUR 0.3 million related to previously unrecognized temporary differences. In the previous year, there was deferred tax income of EUR 1.1 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. As in the previous year, these changes in tax rates resulted in no material deferred tax expenses in the financial year 2015.

Changes in expected tax rates (Fig. 135)

	Expected tax rate 2015	Expected tax rate 2014
Denmark	**22.0%**	23.5%
Norway	**25.0%**	27.0%

The corporate income tax rate in Germany in 2015 of 15.0% as well as the German reunification surtax ("solidarity surtax") of 5.5% both remain unchanged compared to the previous year. Including trade tax (local business income tax) with an average basis factor of 340.1% (previous year: 340.3%), the rounded total tax rate for 2015 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 amounts to 28.0%. Regarding continuing operations, the expected tax expense can be reconciled with the actual tax expense as follows:

Reconciliation of tax expenses (Fig. 136)

EUR m	2015	2014
Profit before taxes	**603.6**	**560.1**
Applicable group tax rate	28%	28%
Expected income tax expense	169.0	156.8
Adjustments to the expected income tax expense:		
Differences in tax rates		
Effects due to foreign tax rate differences	2.7	1.6
Effects due to domestic tax rate differences	-1.8	-1.7
Effects due to changes in statutory tax rates	0.1	0.0
Effects from deviation in taxable base		
Non-deductible interest expenses	2.7	2.7
Other non-deductible operating expenses	23.8	13.0
Tax-free income	-9.5	-2.5
Non-taxable disposal effects	-0.1	-1.4
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	19.4	6.1
Investments accounted for using the equity method	-1.2	-1.3
Other	-4.5	-1.9
Total income tax expenses	**207.7**	**178.6**

Deferred tax assets on tax loss carry-forwards and on temporary differences were recognized and measured on the basis of projected future taxable income. In the financial year 2015, deferred tax assets recognized on loss carry-forwards were impaired by EUR 1.2 million (previous year: EUR 0.8 million). Deferred tax assets recognized on tax loss carry-forwards were revalued upward by EUR 1.4 million in the financial year 2015, while no revaluations were recognized in the previous year. As in the previous year impairments to deferred tax assets relating to temporary differences were immaterial.

Deferred tax assets on temporary differences and tax loss carry-forwards are recognized only to the extent that it is probable that sufficient taxable profit will be available in future to allow 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, 2015, no deferred tax assets were recognized for corporate income tax loss carry-forwards amounting to EUR 180.8 million (previous year: EUR 135.5 million) and for trade tax loss carry-forward amounting to EUR 82.9 million (previous year: EUR 55.2 million). As was the case last year, none of these tax loss carry-forwards will expire within the next ten years if they are not utilized. While no deferred taxes were recognized for tax credits of EUR 0.3 million in the previous year, there were no tax credits in the financial year 2015. No deferred tax assets were recognized for temporary differences in the financial year 2015 amounting to EUR 0.2 million (previous year: EUR 0.0 million).

Tax loss carry-forwards for corporate income tax for which no deferred tax assets were recognized amounted to EUR 35.8 million (previous year: EUR 26.0 million). Tax loss carry-forwards for trade tax for which no deferred tax assets were recognized amounted to EUR 12.0 million (previous year: EUR 7.7 million).

As of December 31, 2015, deferred tax assets in excess of deferred tax liabilities of EUR 1.5 million (previous year: EUR 2.4 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. 137)

	2015		2014	
EUR m	Assets	Liabilities	Assets	Liabilities
Goodwill	1.7	78.1	2.2	74.7
Other intangible assets	2.3	117.2	1.0	40.1
Property, plant and equipment	0.2	31.9	0.0	32.4
Financial assets	6.3	8.9	5.5	0.7
Programming assets	-/-	3.1	0.0	15.2
Inventories and other assets	9.8	80.3	4.5	33.9
Provision for pensions	1.2	0.1	1.1	-/-
Other provisions	6.3	0.9	5.2	-/-
Liabilities	62.7	25.2	63.6	18.8
Tax loss carryforwards	23.8	-/-	15.9	-/-
Netting	-100.9	-100.9	-85.8	-85.8
Total	**13.4**	**245.0**	**13.3**	**130.1**

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 1.3 million (previous year: EUR 0.7 million) was recognized for ownership interests in subsidiaries (outside basis differences). Furthermore, taxable temporary differences of EUR 11.2 million (previous year: EUR 11.2 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 the 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 accumulated other comprehensive income and on the current taxes recognized in capital reserves, please refer to Note 27 "Shareholders' equity".

In the financial year 2015, ProSiebenSat.1 Group reassessed tax risks in connection with share-based payment models that are fulfilled by issuing shares and in connection with open assessment periods in previous tax years that led to an increase in tax expenses in the financial year.

17 Earnings per share

The table below shows the parameters for calculating earnings per share for the financial year 2015 and the comparative year.

Earnings per share (Fig. 138)

	2015	2014	2015	2014
EUR m	**Basic**	**Basic**	**Diluted**	**Diluted**
Reconciliation of income figures				
Profit for the period attributable to shareholders of ProSiebenSat.1 Media SE	**390.9**	**346.3**	**390.9**	**346.3**
Thereof from continuing operations	390.6	373.5	390.6	373.5
Thereof from discontinued operations	0.3	-27.1	0.3	-27.1
Shares				
Reconciliation of weighted average number of shares				
Weighted average number of shares outstanding	213,776,180	213,315,036	213,776,180	213,315,036
Dilution effect based on stock options and rights to shares			1,651,392	1,685,201
Calculation basis of outstanding shares	**213,776,180**	**213,315,036**	**215,427,572**	**215,000,237**
EUR				
Earnings per share	**1.83**	**1.62**	**1.81**	**1.61**
Thereof from continuing operations	1.83	1.75	1.81	1.74
Thereof from discontinued operations	0.00	-0.13	0.00	-0.13

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 2015, basic earnings per share amount to EUR 1.83 (previous year: EUR 1.62).

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 0.02 (previous year: EUR 0.01).

Due to share options being exercised, the weighted average number of outstanding shares increased from 213,315,036 to 213,776,180 in the financial year 2015. At the reporting date, executives and selected employees had 1,651,392 (previous year: 1,685,201) rights to stock options or to shares with dilutive effect.

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. 139)

EUR m	2015	2014
Wages and salaries	422.9	348.4
Social security contributions and expenses for pensions and other employee benefits	54.5	43.3
Total	**477.3**	**391.7**

Expenses for pensions totaled EUR 1.3 million in the financial year 2015 (previous year: EUR 0.7 million).

The Group had the following average numbers of employees during the year:

Number of employees (Fig. 140)

	2015	2014
Female employees	2,284	1,874
Male employees	2,596	2,244
Total	**4,880**	**4,118**

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 895.5 million (previous year: EUR 867.8 million) is part of EBITDA and is presented as cost of sales. The following depreciation, amortization and impairments on other intangible assets and property, plant and equipment are included under cost of sales, selling expenses, administrative expenses and other operating expenses:

Depreciation and amortization (Fig. 141)

EUR m	2015	2014
Amortization of other intangible assets	96.9	81.3
Depreciation of property, plant and equipment	36.1	31.2
Impairment of other intangible assets	17.9	10.9
Impairment of property, plant and equipment	0.2	0.4
Total	**151.1**	**123.8**

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. 142)

EUR m	Goodwill	Other intangible assets	Advances paid	Total other intangible assets
COST				
Balance as of January 1, 2014	**1,083.5**	**414.6**	**26.8**	**441.4**
Exchange rate differences	8.0	-2.0	-/-	-2.0
Additions due to change in scope of consolidation	48.8	79.6	-/-	79.6
Additions	-/-	92.5	7.7	100.2
Reclassifications	-/-	15.6	-15.6	-/-
Disposals due to change in scope of consolidation	0.0	-2.7	-/-	-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 / January 1, 2015	**1,140.3**	**601.9**	**17.2**	**619.0**
Exchange rate differences	12.0	4.9	0.1	5.0
Additions due to change in scope of consolidation	596.6	307.7	1.7	309.4
Additions	-/-	68.7	30.2	98.9
Reclassifications	-/-	12.1	-12.1	-/-
Disposals due to change in scope of consolidation	-0.7	-1.0	-/-	-1.0
Disposals	-/-	-63.2	-0.1	-63.4
Balance as of December 31, 2015	**1,748.2**	**931.0**	**36.9**	**967.9**
AMORTIZATION				
Balance as of January 1, 2014	**92.6**	**266.7**	**1.1**	**267.8**
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 / January 1, 2015	**92.6**	**359.0**	**0.3**	**359.3**
Exchange rate differences	-/-	1.1	-/-	1.1
Additions due to change in scope of consolidation	-/-	1.4	-/-	1.4
Additions[1]	-/-	114.5	0.3	114.8
Reclassifications	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	-/-	-0.6	-/-	-0.6
Disposals	-/-	-60.7	-0.0	-60.8
Balance as of December 31, 2015	**92.6**	**414.5**	**0.5**	**415.1**
Carrying amount December 31, 2015	**1,655.6**	**516.4**	**36.4**	**552.8**
Carrying amount December 31, 2014	**1,047.7**	**242.9**	**16.9**	**259.8**

1 Of the impairments recognized in this position, EUR 13.7 million (previous year: EUR 9.9 million) are presented in the expenses of the corresponding functional area,

As of December 31, 2015, goodwill amounted to EUR 1,655.6 million (previous year: EUR 1,047.7 million). The increase in the financial year 2015 resulted chiefly from initial consolidations in the Digital & Adjacent segment, largely from the acquisition of stakes in Collective Digital Studio, LLC, Verivox GmbH and eTRAVELi HOLDING AB (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".

Other intangible assets include brands, software, licenses from the sale of digital offerings from external providers, intellectual property rights and customer relationships. Expenses for internally generated intangible assets were also capitalized in other intangible assets in the financial year. However, the amount recognized is immaterial for the consolidated financial statements of ProSiebenSat.1 Group. Amortization and impairments 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 2015 to EUR 196.5 million as of the reporting date (previous year: EUR 65.3 million) is due primarily to the brand names identified in the context of the purchase price allocation at Verivox Group, which were recognized at fair value (see Note 7 "Acquisitions and disposals"). All brands with indefinite useful lives 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".

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. 143)

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, 2014 (EUR m)	3.4	61.9	-/-	**65.3**
Carrying amount of brands at December 31, 2015 (EUR m)	3.3	220.7[2]	-/-	**224.0**
Carrying amount of goodwill at December 31, 2014 (EUR m)	464.0	493.7	90.0	**1,047.7**
Carrying amount of goodwill at December 31, 2015 (EUR m)	464.0	1,068.3	123.3	**1,655.6**

1 The cash generating units correspond to the operating segments (refer to Note 36 "Segment reporting").

2 Including brands with definite useful lives amounting to EUR 27.5 million.

On the basis of the impairment test performed in line with IAS 36, there were impairments of EUR 1.0 million (previous year: EUR 0.0 million) for other intangible assets with indefinite useful lives in the financial year 2015. The recognized impairments relate to a brand in the Digital & Adjacent segment.

In the past financial year, impairments of EUR 7.7 million (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 primarily related to brands and games licenses in the games business.

Beside the above impairments, impairments were mainly recognized in the past financial year on licenses amounting to EUR 4.5 million (previous year: EUR 6.4 million) and minimum guarantees amounting to EUR 2.5 million (previous year: EUR 1.3 million).

According to the impairment tests for goodwill carried out in the financial year 2015 and the previous year, the carrying amounts are 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 reporting date. In the financial year 2015, ProSiebenSat.1 Group brought the measurement date forward to August 31 (previous year: November 30) because of a change to the planning process:

Disclosures on impairment testing of goodwill (Fig. 144)

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]	2.3% (2.6%)	17.1% (14.4%)	3.8% (5.0%)
Ø EBITDA margin p.a. in the projection period [2]	31.8% (31.7%)	21.2% (24.3%)	10.3% (11.8%)
Duration of projection period	5 Jahre	5 Jahre	5 Jahre
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 p.a. at the end of projection period [2]	32.3% (32.2%)	23.2% (21.0%)	11.1% (11.0%)
Ø Discount rate (before taxes) [2]	10.1% (9.0%)	10.5% (9.3%)	10.3% (9.8%)

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 revenue growth used in the projection period are based on the corporate planning adopted by management as of the date of the impairment test. The assumptions for revenue growth used for the projection period subsequent to the corporate planning are based on externally published sources. In some cases, risk discounts were applied for regional characteristics. The assumed EBITDA margins are based on historical experience, or were projected on the basis of cost-cutting measures that have already been introduced.

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 1.5 % (previous year: 2.0 %) and a market risk premium of 6.75 % (previous year: 6.25 %). 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 well as the country-specific tax rates and risk premiums.

To the extent that a reasonably possible change in a key assumption used in the impairment test could result in a reduction of the recoverable amount 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 the financial year 2015, 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. 145)

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, 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/January 1, 2015	**254.8**	**154.3**	**58.3**	**5.1**	**472.4**
Exchange rate differences	0.2	0.8	0.2	-/-	1.1
Additions due to change in scope of consolidation	0.2	9.9	3.5	-/-	13.5
Additions	8.0	17.8	8.0	8.3	42.1
Reclassifications	3.5	0.5	0.0	-4.0	-/-
Disposals due to change in scope of consolidation	-/-	-/-	-0.3	-/-	-0.3
Disposals	-0.5	-7.6	-1.5	-/-	-9.6
Balance as of December 31, 2015	**266.0**	**175.7**	**68.2**	**9.4**	**519.3**
DEPRECIATION					
Balance as of 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/January 1, 2015	**105.4**	**110.4**	**42.9**	**-/-**	**258.7**
Exchange rate differences	0.1	0.5	0.1	-/-	0.7
Additions due to change in scope of consolidation	0.0	3.7	1.7	-/-	5.4
Additions	12.0	18.8	5.5	-/-	36.3
Reclassifications	-/-	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	-/-	-/-	-0.2	-/-	-0.2
Disposals	-0.4	-6.1	-1.4	-/-	-7.9
Balance as of December 31, 2015	**117.1**	**127.3**	**48.6**	**-/-**	**293.0**
Carrying amount December 31, 2015	**148.9**	**48.4**	**19.6**	**9.4**	**226.3**
Carrying amount December 31, 2014	**149.3**	**43.9**	**15.4**	**5.1**	**213.7**

The buildings on land owned by others, fixtures and renovations line item relates to leased buildings with a residual carrying amount of EUR 102.1 million (previous year: EUR 104.3 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) may occur earlier. The real estate leases were signed on prevailing market terms. Other leases with a carrying amount of EUR 12.1 million (previous year: EUR 11.0 million) exist mainly for technical equipment which also qualify as finance leases.

As of December 31, 2015, and the previous year's reporting date, the minimum lease payments comprise the following:

Minimum lease payments (Fig. 146)

EUR m	Remaining term 1 year or less	Remaining term 2 to 5 years	Remaining term over 5 years	Total 12/31/2015
Property, plant and equipment				
Minimum lease payments	16.2	38.8	2.8	**57.9**
Share of interest of minimum lease payments	2.5	5.0	0.1	**7.7**
Present value of minimum lease payments	13.7	33.8	2.7	**50.2**

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 of 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**

Additionally, lease obligations related to buildings on land owned by others of EUR 32.0 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, 2015, amounted to EUR 82.2 million (previous year: EUR 89.2 million).

21 Investments accounted for using the equity method

As of the reporting date of December 31, 2015, ProSiebenSat.1 Group held investments in 15 (previous year: 14) associates and three (previous year: 2) joint ventures, which were accounted for using the equity method in the consolidated financial statements (see Note 5 "Scope of consolidation").

Associates

By contract dated October 6, 2015, and effective as of October 14, 2015, ProSiebenSat.1 Group acquired, via the Group company 7NXT GmbH, a 29.05 % share in Vitafy GmbH, Munich. Vitafy is an online store for fitness, wellness and health and augments the commerce vertical "Health & Wellness" in the Digital & Adjacent segment. The entity is a material associate and is included in the consolidated financial statements using the equity method. The total purchase price for the investment in Vitafy amounted to EUR 6.8 million (including transaction costs of EUR 0.1 million), of which EUR 4.3 million is attributable to the cash purchase price and EUR 2.4 million to the media agreement. In addition, multiple call options were agreed for the gradual acquisition of control in the next three years. In the reporting year, ProSiebenSat.1 Group did not receive any dividends from Vitafy.

The investments in Collective Digital Studio, LLC, and Flaconi GmbH disclosed in the previous year were fully consolidated as subsidiaries in the course of acquisition of further shares during the financial year 2015 (see Note 7 "Acquisitions and disposals"). The earnings contributions before full consolidation amounted to minus EUR 1.9 million from Collective Digital Studio and EUR 0.3 million from Flaconi.

The following table shows aggregated financial information for the material associates and a reconciliation of the summarized financial information to the carrying amounts of interests in associates. The entities named are not publicly traded.

Financial information for material associates (Fig. 147)

	Vitafy GmbH		Flaconi GmbH		Collective Digital Studios LLC	
EUR m	**12/31/2015**	12/31/2014	**12/31/2015**	12/31/2014	**12/31/2015**	12/31/2014
ProSiebenSat.1 Group's share (in %)	**29.05%**	**-/-**	**100.00%**	**46.99%**	**75.00%**	**20.00%**
Non-current assets	**3.2**	-/-	**-/-**	0.5	**-/-**	0.3
Current assets	**8.4**	-/-	**-/-**	7.4	**-/-**	18.0
Non-current liabilities	**0.1**	-/-	**-/-**	-/-	**-/-**	2.9
Current liabilities	**0.4**	-/-	**-/-**	5.0	**-/-**	8.0
Net assets (100 %)	**11.1**	**-/-**	**-/-**	**2.8**	**-/-**	**7.4**
ProSiebenSat.1 Group's share of net assets	**3.2**	-/-	**-/-**	1.3	**-/-**	1.5
Goodwill	**3.1**	-/-	**-/-**	6.8	**-/-**	11.1
Carrying amount of interest in associate	**6.3**	**-/-**	**-/-**	**8.1**	**-/-**	**12.6**
Revenue	**1.5**[1]	-/-	**-/-**	7.7	**-/-**	19.0
Profit or loss for the period (100 %)	**-1.7**[1]	-/-	**-/-**	-0.7	**-/-**	-4.2
ProSiebenSat.1 Group's share of profit or loss	**-0.5**[1]	**-/-**	**-/-**	**-0.3**	**-/-**	**-0.8**

1 The amounts represent the figures since acquisition.

The investments in Goldbach Media (Switzerland) AG and Stylight GmbH were classified as immaterial as of December 31, 2015. ProSiebenSat.1 Group holds additional investments in associates that are immaterial for the Group, for which the table below shows aggregated information.

Aggregate financial information for immaterial associates (Fig. 148)

EUR m	**12/31/2015**	12/31/2014
Carrying amount of interests in associates	**18.3**	**18.5**
Profit share[1]	**6.7**	**4.5**

1 No discontinued operations at immaterial associates.

Joint ventures

The investments in joint ventures held by ProSiebenSat.1 Group as of December 31, 2015, are immaterial for the Group.

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. 149)

EUR m	Capitalized TV rights	Advances paid	Total
Carrying amount January 1, 2014	**1,079.9**	**121.7**	**1,201.6**
Exchange rate differences	-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/January 1, 2015	**1,122.9**	**88.9**	**1,211.9**
thereof non-current programming assets			1,101.7
thereof current programming assets			110.2
Exchange rate differences	0.0	0.5	0.5
Additions due to change in scope of consolidation	0.9	0.1	1.1
Additions	900.5	43.4	943.9
Disposals due to change in scope of consolidation	-/-	-/-	-/-
Disposals	-8.4	-0.0	-8.4
Reclassifications	56.6	-56.6	-/-
Consumption[1]	-896.6	-/-	-896.6
thereof scheduled			-797.2
thereof impairment			-99.4
Reclassification to assets held for sale	-/-	-/-	-/-
Carrying amount December 31, 2015	**1,176.0**	**76.4**	**1,252.4**
thereof non-current programming assets			1,153.4
thereof current programming assets			99.0

1 Consumption including provisions for onerous contracts from prior periods of EUR 9.6 million (previous year: EUR 4.4 million).

Because of their high importance for ProSiebenSat.1 Group, programming assets, which would normally be classified under other intangible assets, are presented as a separate item in the statement of financial position. Capitalized TV rights primarily contain free TV rights of EUR 1,159.0 million (previous year: EUR 1,111.0 million) as well as other TV rights such as pay TV, video-on-demand and mobile TV rights of EUR 17.0 million (previous year: EUR 11.9 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 2015 or in the previous year.

23 Inventories

Inventories consist primarily of marketing materials and promotional products as well as merchandise intended for sale. The inventories are considered immaterial by the Group.

24 Financial receivables and assets

Financial receivables and assets (Fig. 150)

EUR m	12/31/2015 Current	12/31/2015 Non-current	12/31/2015 Total	12/31/2014 Current	12/31/2014 Non-current	12/31/2014 Total
Receivables from content production contracts	13.8	-/-	13.8	7.7	-/-	7.7
Trade accounts receivable	369.5	-/-	369.5	310.4	-/-	310.4
Total trade accounts receivable	**383.3**	**-/-**	**383.3**	**318.1**	**-/-**	**318.1**
Derivatives	64.0	188.2	252.2	35.8	92.6	128.4
Investments	-/-	64.8	64.8	-/-	83.7	83.7
Securities	-/-	33.3	33.3	-/-	18.1	18.1
Other financial assets	8.5	5.1	13.6	9.8	21.6	31.5
Total financial assets	**72.5**	**291.5**	**363.9**	**45.6**	**216.0**	**261.6**
Total	**455.8**	**291.5**	**747.3**	**363.7**	**216.0**	**579.7**

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".

In the statement of financial position, the Group reports the respective net items for each commissioned production either as a receivable or as a liability. A commissioned production is reported as a receivable if the incurred costs and recognized profits less recognized losses exceed the advance payments received. Otherwise, commissioned productions result in liabilities.

Net position for ongoing construction contracts (Fig. 151)

EUR m	12/31/2015	12/31/2014
Amounts due to from customers for contract work	13.8	7.7
Amounts due to customers for contract work	15.8	12.6
Net position	**-2.0**	**-4.9**

The net position relates to the following items:

EUR m	12/31/2015	12/31/2014
Aggregate costs incurred and recognised profits (less recognised losses) to date	194.3	98.7
Less: progress billings	-196.3	-103.6
	-2.0	**-4.9**

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".

The investments include the minority stakes that the Group acquires in the context of its "media-for-equity" strategy. In addition, the investment in ZeniMax Media Inc. that was impaired in the financial year 2015 is also reported under this item (see Note 35 "Further notes on financial risk management and financial instruments according to IFRS 7").

Securities primarily comprise shares in investment funds recognized at fair value through profit and loss amounting to EUR 19.5 million (previous year: EUR 16.2 million) acquired to cover the pension obligations, which do not qualify as plan assets under IAS 19. This item also includes the venture capital funds of SevenOne Capital (Holding) GmbH.

The following table shows the changes in credit allowances on the gross total of current and non-current trade receivables:

Changes in credit allowances (Fig. 152)

EUR m	12/31/2015	12/31/2014
Credit allowances at the beginning of the reporting period	24.6	24.0
Additions	12.4	7.3
Release	-2.1	-2.2
Usage	-15.7	-4.8
Foreign currency effects	0.0	0.0
Changes to the scope of consolidation	0.3	0.2
Reclassification to assets held for sale	-/-	0.1
Credit allowances at the end of the reporting period	**19.5**	**24.6**

As of December 31, 2015, the Group's past due, unimpaired trade receivables had the following aging structure:

Aging structure (Fig. 153)

EUR m	12/31/2015	12/31/2014
Not due at the end of the reporting period	294.3	257.5
Amount past due the following time ranges:		
Less than 3 months	64.1	39.8
Between 3 and 6 months	3.4	6.9
Between 6 and 9 months	2.1	1.2
Between 9 and 12 months	4.2	4.2
More than 12 months	2.8	8.7
Total trade accounts receivables past due but not impaired	**76.6**	**60.7**

Where objective indications of impairment exist, past due trade receivables are written down, taking experiential values regarding their recoverability into account.

25 Other receivables and assets

Other receivables and assets (Fig. 154)

	12/31/2015			12/31/2014		
EUR m	Current	Non-current	Total	Current	Non-current	Total
Advance payments	18.6	-/-	18.6	17.2	-/-	17.2
Accrued items	28.7	10.4	39.1	3.1	-/-	3.1
Other	17.7	5.0	22.7	9.3	6.1	15.4
Total other receivables and assets	**65.0**	**15.5**	**80.5**	**29.6**	**6.1**	**35.7**

The current and non-current accrued items both include remuneration components not yet earned in connection with the acquisitions of Collective Digital Studio, LLC, Virtual Minds AG and eTRAVELi Holding AB (please refer to Note 7 "Acquisitions and disposals"). They also include accrued claims to supplier bonuses of the newly acquired eTRAVELi group. The "Other" item includes transaction costs of credit facilities to be released over the entire term (see Note 30 "Financial liabilities").

26 Cash and cash equivalents

Cash and cash equivalents of ProSiebenSat.1 Media SE comprise the categories shown in the table below. Bank balances have a maturity of three month or less as of their acquisition date.

Cash and cash equivalents (Fig. 155)

EUR m	12/31/2015	12/31/2014
Cash with banks	433.1	368.4
Other cash and cash equivalents	300.5	101.5
Cash on hand	0.6	0.5
Cash in transit	0.3	0.2
Total cash and cash equivalents	**734.4**	**470.6**

Other cash and cash equivalents include call and time deposit accounts with maturities of two months or less held in different currencies.

27 Shareholders' equity

As of December 31, 2015, the subscribed capital of ProSiebenSat.1 Media SE remained unchanged at EUR 218.8 million, each share representing a nominal value of EUR 1.00 of the share capital. As of December 31, 2015, the number of common shares outstanding was therefore 218,797,200, of which the Company itself held 4,579,400 common shares in treasury (previous year: 5,178,600 common shares).

Capital reserves amounted to EUR 600.4 million (previous year: EUR 592.4 million). They mainly comprise the share premium from the share issuance in 1997 and the capital increase in 2004. In addition, EUR 7.9 million (previous year: EUR 6.7 million) was recognized in capital reserves in connection with share-based payments in the financial year 2015. As of December 31, 2015, this entire amount related to rights to shares (previous year: EUR 9.3 million). In the previous year, it also included current taxes relating to stock options (EUR 1.1 million) and stock option plans (EUR 0.6 million) as well as a cash settlement of stock options (EUR –4.3 million). Detailed information on the share-based payments granted in the financial year 2015 is presented under Note 37 "Share-based payments".

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 149.6 million (previous year: EUR 8.8 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. The considerable year-on-year increase is attributable to measurement effects from cash flow hedge accounting and relates to currency hedges with a fair value of EUR 230.6 million (previous year: EUR 97.9 million) and interest rate hedges amounting to minus EUR 45.7 million (previous year: minus EUR 84.9 million) before deduction of related deferred taxes. The deferred tax liabilities relate to currency hedges of EUR 64.3 million (previous year: EUR 27.4 million). Deferred tax assets of EUR 12.8 million (previous year: EUR 23.8 million) relate to interest rate hedges.

Actuarial losses of minus EUR 7.9 million (previous year: minus EUR 7.9 million) and attributable deferred tax assets of EUR 2.2 million (previous year: EUR 2.2 million) were recognized as part of the measurement of pension obligations.

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 22.2 million (previous year: EUR 5.1 million).

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 of were reclassified from accumulated other comprehensive income and recognized in the income statement in the previous year.

Results recognized in accumulated other comprehensive income over the course of the financial year 2015 comprised the following:

Changes of accumulated other comprehensive income (Fig. 156)

	2015			2014		
EUR m	Before Taxes	Deferred Taxes	After Taxes	Before Taxes	Deferred Taxes	After Taxes
Currency translation effects of ProSiebenSat.1 Media SE's foreign susidiaries	17.1	-/-	17.1	6.3	-/-	6.3
Currency translation effects of non-controlling interests of foreign subsidiaries	0.3	-/-	0.3	0.0	-/-	0.0
Currency translation effects associated with assets and liabilities held for sale	-/-	-/-	-/-	-1.1	-/-	-1.1
Currency translation effects recognised in other comprehensive income	17.4	-/-	17.4	5.3	-/-	5.3
Deconsolidation effects	-/-	-/-	-/-	16.7	-/-	16.7
Effect from foreign currency translation	**17.4**	**-/-**	**17.4**	**22.0**	**-/-**	**22.0**
Currency hegdes	132.6	-37.1	95.5	127.8	-35.8	92.0
Interest rate hedges	39.2	-11.0	28.2	12.0	-3.3	8.7
Effects from cash flow hedge accounting recognised in other comprehensive income	171.8	-48.1	123.7	139.9	-39.1	100.7
Recognition of cash flow hedges	**171.8**	**-48.1**	**123.7**	**139.9**	**-39.1**	**100.7**
Valuation effects of provisions for pensions recognised in other comprehensive income	**0.1**	**-0.0**	**0.0**	**-1.8**	**0.5**	**-1.3**
Total other comprehensive income/loss for the period	**189.3**	**-48.1**	**141.2**	**160.1**	**-38.6**	**121.4**

In the reporting period, a subsidiary's share-based remuneration plan was settled in cash (see Note 37 "Share-based payments"). The transaction was recognized outside profit or loss as a reduction in other equity. The other changes amounting to minus EUR 16.9 million primarily include increases in shares of subsidiaries already fully consolidated (see Note 2 "Accounting policies").

Non-controlling interests

No other shareholders in addition to ProSiebenSat.1 Group are invested in the fully consolidated subsidiaries to a material extent from the Group's perspective. As of December 31, 2015, non-controlling interests in fully consolidated subsidiaries amounted to EUR 21.5 million (previous year: EUR 15.5 million). This figure is made up of various individually immaterial amounts. 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 in the notes to the consolidated financial statements.

Allocation of profits

In the financial year just ended, under a resolution adopted at the Annual General Meeting on May 21, 2015, a dividend of EUR 341.9 million was paid out to shareholders of ProSiebenSat.1 Media SE out of ProSiebenSat.1 Media SE's 2014 distributable profit of EUR 1.828 billion. This equates to a dividend distribution of EUR 1.60 per dividend-entitled common share. The dividend of EUR 341.9 million was disbursed on May 22, 2015.

In accordance with the German Stock Corporation Act, the dividend payable to shareholders depends on the distributable profit shown in the annual financial statements of ProSiebenSat.1 Media SE under the German Commercial Code. It is planned to allocate the distributable profit at ProSiebenSat.1 Media SE for the financial year 2015 of EUR 1.919 billion as follows:

Proposed allocation of profit (Fig. 157)

EUR	
Distribution of a dividend of EUR 1.80 per bearer share of preferred stock	385,592,040.00
Balance to be carried forward to the next accounting period	1,533,636,420.75
ProSiebenSat.1 Media SE distributable profit	**1,919,228,460.75**

Distribution of the dividend is subject to the approval of the Annual General Meeting on June 30, 2016. 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

By resolution of the Annual General Meeting on May 21, 2015, authorized capital was created 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 accordingly 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. In principle, the shareholders must be granted the legal preemptive right to the new shares.

Contingent capital

There is currently no contingent capital at the Company.

Treasury shares

The Annual General Meeting of May 21, 2015, in line with Section 71 (1) No. 8 of the German Stock Corporation Act, authorized the Company to acquire its own common shares on or before May 20, 2020, up to the total nominal amount of 10 % of the Company's share capital at the time the authorization was granted or – if lower – the time the authorization is exercised and to use them with preemptive rights excluded in certain cases described in more detail in the authorization. Treasury shares can be acquired up to a total of 5 % of the share capital with the use of derivatives.

In the financial year 2015, 599,200 share options from the LTIP 2010 (Cycle 2011), LTIP 2010 (Cycle 2010) and LTIP 2008 (Cycle 2009) were exercised. Therefore, treasury shares declined from 5,178,600 as of December 31, 2014, to 4,579,400 as of December 31, 2015.

Information about capital management

The primary capital management tools available to 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 taken into account. 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 reporting date was as follows:

Capital structure (Fig. 158)

EUR m	12/31/2015	12/31/2014
Shareholders' equity	**943.1**	**753.9**
Share of total capital	17.7%	19.3%
Financial debt	**2,674.8**	**1,973.1**
Share of total capital	50.3%	50.6%
Leverage	**2.1**	**1.8**
Total Capital (total equity and liabilities)	**5,317.3**	**3,900.7**

In April 2015, ProSiebenSat.1 Group arranged an amendment to its syndicated agreement. The main aspect of this change was the extension of the term of the loan of EUR 1.400 billion and the revolving credit facility (RCF) with a volume of EUR 600.0 million by one year to April 2020. With contractual effect from October 13, 2015, the Group also increased the volume of the term loan by EUR 700.0 million to EUR 2.100 billion. No cash drawings were made on the RCF as of December 31, 2015, nor as of the previous year's reporting date. ProSiebenSat.1 also issued seven-year notes in the amount of EUR 600.0 million in the previous year. The notes are also unsecured and due for repayment in April 2021. They are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7; see Note 30 "Financial liabilities").

ProSiebenSat.1 Group and its financial liabilities are not 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 combined 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 SE 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 exposed 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 risks, results in a material adverse effect on ProSiebenSat.1 Group's earnings, financial performance and position.

In calculating pension expenses, ProSiebenSat.1 Media SE takes into account the expected service cost and 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. 159)

EUR m	2015	2014
Present value of obligation at January 1	**19.8**	**15.5**
Current service cost	0.6	0.5
Interest cost	0.5	0.6
Total amount recognized in profit or loss	**1.1**	**1.1**
Remeasurements:		
Actuarial losses/(gains) arising from changes in financial assumptions	-0.2	2.1
Actuarial losses/(gains) arising from experience losses/(gains)	0.1	-0.3
Total amount recognized in other comprehensive income	**-0.1**	**1.8**
Deferred compensation	2.4	1.8
Pension payments	-0.3	-0.3
Present value of obligation at December 31	**22.9**	**19.8**

The interest expense relating to pension obligations is presented within interest result. The other components of pension expenses included in the income statement are recognized as administrative expenses. Actuarial gains and losses are recognized immediately in accumulated other comprehensive income in the period in which they occur. These result primarily from changes in financial assumptions. Amounts recognized in accumulated other comprehensive income are not recognized in profit or loss in future periods. The deferred compensation relates to conversions of parts of the fixed base salary and bonus entitlements 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 were applied:

Overview actuarial parameters (Fig. 160)

	2015	2014
Discount rate	2.53%	2.40%
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, 2015 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 eight years until retirement age. In the financial year 2015, pension payments were made to former Executive Board members with pension entitlements amounting to EUR 0.3 million (previous year: EUR 0.3 million). This includes pension payments of EUR 0.2 million (previous year: EUR 0.2 million) resulting from deferred compensation. The following table shows the pension payments expected for subsequent years:

Expected pension payments (Fig. 161)

	2016	2017	2018	2019	2020
Expected pension payments	0.5	0.4	1.8	10.6	0.4
thereof deferred compensation	0.2	0.2	0.7	8.3	0.2

The expected payments in 2016 to acquire shares in investment funds to cover the obligation for defined-benefit pension plans are EUR 0.7 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. 162)

EUR m	As of 01/01/2015	Exchange rate differences	Additions	Usage	Release	Changes in scope of consolidation	As of 12/31/2015
Provisions for onerous contracts	**9.3**	**0.0**	**9.5**	**-10.1**	**-1.0**	**-/-**	**7.7**
thereof current	6.9						5.8
Provisions for business operations	**14.7**	**-/-**	**17.9**	**-12.9**	**-2.3**	**0.4**	**17.8**
thereof current	14.7						17.8
Other provisions	**31.9**	**0.0**	**24.7**	**-7.8**	**-11.2**	**6.8**	**44.5**
thereof current	28.1						29.3
Total	**55.9**	**0.1**	**52.1**	**-30.8**	**-14.5**	**7.2**	**70.0**

The provisions are made up of current provisions totaling EUR 52.9 million (previous year: EUR 49.8 million) and non-current provisions of EUR 17.1 million (previous year: EUR 6.2 million).

ProSiebenSat.1 Media SE expects that the large part of the provisions will fall due within the next year. The majority of the non-current provisions are expected to be settled within five years.

Provisions for onerous contracts relate primarily to programming assets in an amount of EUR 4.7 million (previous year: EUR 5.7 million). Provisions for onerous contracts include EUR 1.9 million non-current provisions (previous year: EUR 2.3 million). Provisions for business operations largely include provisions for sales discounts. The remaining provisions comprise provisions relating to the remuneration of employees of EUR 14.2 million (previous year: EUR 3.6 million), provisions for VAT of EUR 8.0 million (previous year: EUR 2.7 million), provisions for interest on taxes of EUR 6.4 million (previous year: EUR 6.8 million), provisions for litigation costs of EUR 3.2 million (previous year: EUR 2.2 million), provisions for additional payments to bestseller beneficiaries of EUR 3.5 million (previous year: EUR 6.8 million) and other provisions of EUR 9.2 million (previous year: EUR 9.8 million).

In the financial year 2015, interest effects from unwinding of provisions amounted to EUR 0.2 million (previous year: EUR 0.1 million).

30 Financial liabilities

Financial liabilities (Fig. 163)

EUR m	Current	Non-current	Total 12/31/2015
Loans and borrowings	1.1	2,078.9	2,080.0
Notes	-/-	594.8	594.8
Financial debt	**1.1**	**2,673.7**	**2,674.8**
Trade payables	**450.0**	**67.2**	**517.2**
Accrued interest	18.8	-/-	18.8
Liabilities from finance leases	13.7	68.5	82.2
Liabilities from derivatives	17.3	35.5	52.9
Earn-out liabilities and liabilities from put options	33.7	255.6	289.4
Accrued media authority liabilities	17.9	-/-	17.9
Various other liabilities	45.3	-/-	45.3
Total other financial liabilities	**146.8**	**359.7**	**506.4**
Total financial liabilities	**597.9**	**3,100.6**	**3,698.5**

EUR m	Current	Non-current	Total 12/31/2014
Loans and borrowings	-/-	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
Earn-out liabilities and liabilities from put options	8.2	42.3	50.5
Accrued media authority liabilities	14.4	-/-	14.4
Various other liabilities	4.9	-/-	4.9
Total other financial liabilities	**56.4**	**206.0**	**262.4**
Total financial liabilities	**431.1**	**2,216.1**	**2,647.1**

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".

On April 2, 2014, in connection with comprehensive refinancing, a new syndicated loan agreement was concluded. This new loan agreement comprises an unsecured bullet loan, which was increased by EUR 700.0 million to EUR 2.100 billion in October 2015, and an unsecured revolving credit facility (RCF) with a volume of EUR 600.0 million. The loan and the RCF mature in April 2020. 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. EUR 250.0 million was drawn on the RCF during the year, but this was repaid before December 31, 2015.

The revolving credit facility maturing in April 2020 replaced the unutilized RCF maturing in July 2018 in 2014.

The repayment amount of the term loan at December 31, 2015, is EUR 2.100 billion (previous year: EUR 1.400 billion). These financial liabilities are measured at amortized cost using the effective interest rate method and have a carrying amount of EUR 2.079 billion as of December 31, 2015 (previous year: EUR 1.379 billion).

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 2015, ProSiebenSat.1 Group complied with all contractual obligations.

In addition, ProSiebenSat.1 Group issued seven-year unsecured notes in the financial year 2014 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).

As of December 31, 2015, the repayment amount of the notes issued in the financial year 2014 was 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 594.8 million as of December 31, 2015 (previous year: EUR 593.8 million).

ProSiebenSat.1 Group hedges risks from changes 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 77.8 % as of December 31, 2015 (previous year: 95.0 %).

In connection with the acquisition of eTRAVELi Holding AB, Uppsala, Sweden, notes in the amount of EUR 80.0 million were acquired. The notes had a variable interest rate of 6.5% over three-month Euribor and a term until September 27, 2017. The interest was paid out on a quarterly basis (see Note 7 "Acquisitions and disposals").

On November 24, 2015, the partial repayment of the notes was announced in accordance with their terms. This partial repayment reduced the nominal of EUR 100,000 per note by EUR 10,000 in each case. The repayment was made on December 28, 2015, plus a premium of 3 % and the interest accrued up until this date and totaled EUR 8.4 million. On November 30, 2015, the full repayment of all outstanding notes was announced in accordance with their terms. This repayment was made with effect as of December 30, 2015, at nominal amount plus a premium of 4 % and the interest accrued up until this date and totaled EUR 76.1 million.

The interest rate swap arranged to hedge the interest rate of the corporate notes was retired on December 21, 2015, by payment of SEK 0.7 million (EUR 0.1 million).

Other financial liabilities include purchase price liabilities of EUR 37.3 million (previous year: EUR 0.0 million).

31 Other liabilities

Other liabilities (Fig. 164)

EUR m	12/31/2015 current	12/31/2015 non-current	12/31/2014 current	12/31/2014 non-current
Accrued items and advance payments received	104.2	-/-	71.2	-/-
Liabilities to employees	41.7	-/-	52.3	-/-
Liabilities from VAT	40.6	-/-	43.7	-/-
Liabilities from other taxes	14.0	-/-	10.9	-/-
Vacation payment accruals	11.5	-/-	10.1	-/-
Liabilities from rebates	8.1	-/-	6.1	-/-
Liabilities from outstanding advertising services	7.1	33.1	24.2	36.2
Accruals from social security payments	2.2	-/-	0.7	-/-
Liabilities to artists social fund	0.5	-/-	1.7	-/-
Other	12.5	0.6	7.6	1.6
Total	**242.6**	**33.7**	**228.5**	**37.8**

The accrued items and advance payments received are made up largely of advance payments received, deferred marketing rights and liabilities to media agencies.

The advance payments received include advance payments of EUR 15.8 million (previous year: EUR 12.6 million) collected for projects currently in production in the area of commissioned productions of program content that have not yet been offset against claims.

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 presented in 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 consolidated statement of financial position and the related segment figures.

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 flows by segment.

Cash flow by segments (Fig. 165)

EUR m	Segment Broadcasting German-speaking	Segment Digital & Adjacent	Segment Content Production & Global Sales	Eliminations and other reconciling items	**Total segments, continuing operations 2015**
Cash flow from operating activities	1,415.3	93.5	-24.2	35.9	**1,520.5**
Cash flow from investing activities	-931.7	-542.2	4.8	-52.6	**-1,521.7**
Free cash flow	483.6	-448.6	-19.3	-16.8	**-1.2**
Cash flow from financing activities[1]	-13.9	558.3	24.8	-327.2	**242.1**

EUR m	Segment Broadcasting German-speaking	Segment Digital & Adjacent	Segment Content Production & Global Sales	Eliminations and other reconciling items	**Total segments, continuing operations 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**

1 Dividends paid by ProSiebenSat.1 Media SE are disclosed in column „Eliminations and other reconciling items".

33 Contingent liabilities

Tax risks in connection with the disposal of subsidiaries. The investment structure was adjusted following the acquisition of SBS Group in January 2008 by transferring the Swedish business with all of its assets and liabilities, functions and employees to a Swedish branch of the Dutch parent company SBS Broadcasting Europe B.V. This structure is currently subject to an investigation by the Swedish and Dutch tax authorities.

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. In the judgment of 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 final reports of the two audits therefore stipulate additional payments totaling approximately SEK 372 million (around EUR 40.5 million as of December 31, 2015).

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 was filed with the next-higher court (Administrative Court of Appeal) in due time. The second instance proceedings are expected to take 12 to 18 months. The tax years 2012 and 2013 were added to these proceedings for reasons of simplicity and are thus the subject of a judicial dispute.

ProSiebenSat.1 Group continues to consider actual claims unlikely and is supported in this opinion by corresponding assessments of Swedish tax and legal consultants. As a consequence, no provisions were recognized as of the reporting date. The probability of occurrence was rated as possible in the context of risk management. Occurrence could have a material, one-off impact on earnings performance up to the maximum amount stated above.

In addition, there is a risk for ProSiebenSat.1 Group that, if the Group is successful in its appeal, the Swedish tax authorities will have the case examined again on the basis of another line of argument. The partial non-deductibility of intra-Group interest expenses could serve as a basis for a claim. The potential additional payments resulting from this are estimated at approximately SEK 64 million (around EUR 7.0 million as of December 31, 2015). On the basis of expert legal opinions, ProSiebenSat.1 Group believes that the Swedish tax authorities will be unlikely to be able to enforce this line of argument.

In October 2015, the Dutch tax authorities issued a tax assessment notice with no further explanation. As a result, the interest payments therein relating to the Swedish branch were corrected in full. An appeal against the 2011 tax assessment was filed in due time in December 2015. In addition, a suspension of execution was applied for and granted. At the present time, it cannot be ruled out that further tax assessment notices will be issued for the tax year 2010 and subsequent years. This could result in potential additional payments for ProSiebenSat.1 Group for the affected tax years. ProSiebenSat.1 Group considers the financial impact of this risk to be material with a mid-eight-figure sum, but regards materialization as unlikely. This stance is supported by two expert opinions from international audit firms.

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 SE acted as vender guarantering 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 review and the resulting reassessment of the factual and legal situation, ProSiebenSat.1 Group considers the risk to have a material impact but to be unlikely to materialize. As a consequence, no provision was recognized as of December 31, 2015.

Major outstanding litigation procedures in which ProSiebenSat.1 Media SE and/or entities controlled by ProSiebenSat.1 Media SE are involved as defendants and for which no provisions have been recognized as of December 31, 2015, are presented 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 reporting 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 ratings.

  For this subject matter, a total of EUR 3.5 million (previous year: EUR 6.8 million) was recognized as a provision as of December 31, 2015, 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". 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.

In addition, ProSiebenSat.1 Media SE 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. figures have not been discounted.

Other financial obligations (Fig. 166)

EUR m	12/31/2015	12/31/2014
Remaining term 1 year or less	632.0	546.1
Remaining term 1 to 5 years	2,277.0	1,882.0
Remaining term over 5 years	541.6	711.9
Purchase commitments for programming assets	**3,450.6**	**3,140.0**
Remaining term 1 year or less	67.2	66.6
Remaining term 1 to 5 years	125.4	131.1
Remaining term over 5 years	45.7	12.3
Distribution	**238.2**	**210.0**
Remaining term 1 year or less	26.1	19.4
Remaining term 1 to 5 years	59.4	49.2
Remaining term over 5 years	13.3	16.8
Leases and long-term rental commitments	**98.8**	**85.4**
Remaining term 1 year or less	122.3	85.5
Remaining term 1 to 5 years	39.3	29.9
Remaining term over 5 years	1.7	0.5
Other financial obligations	**163.4**	**115.8**
Total	**3,951.0**	**3,551.3**

The purchase commitments for programming assets reflects contracts for film and series licenses and commissioned productions entered into before December 31, 2015. Most of the contracts were concluded in US dollar.

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 48.5 million in 2015 (previous year: EUR 43.2 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. 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 risks described below have been identified as material and are assessed on an ongoing basis. After taking account 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. As part of its active financial management, the Group uses the attractive conditions on the financial markets. In April 2015, the Group arranged an amendment to its syndicated agreement. The main aspect of this change was the extension of the term of the loan of EUR 1.400 billion and the revolving credit facility (RCF) with a volume of EUR 600.0 million by one year to April 2020. In order to continue supporting the course of growth, ProSiebenSat.1 Group increased the volume of the term loan by EUR 700.0 million to EUR 2.100 billion in October 2015. 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 amounting to EUR 600.0 million in the previous year. They are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7).

The nominal amount of the term loan was EUR 2.100 billion as of December 31, 2015 (previous year: EUR 1.400 billion). As of the reporting date, the revolving credit facility amounted to EUR 600.0 million (previous year: EUR 600.0 million). No cash drawings were made as of December 31, 2015, 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. With 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 determined by discounting expected future cash flows. As a buyer of interest rate options, ProSiebenSat.1 Group 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 Group. For this right an option premium must generally be paid. The market values of the interest rate options are calculated based on an option price model reflecting the current market situation. 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, 2015, the Group held interest rate swaps with a total volume of EUR 1.300 billion (previous year: EUR 1.300 billion) and an interest rate cap of EUR 200 million (previous year: EUR 200 million), which hedge the 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 (previous year: EUR 1.350 billion), hedging the interest rate risk in the period from 2016 to 2018. Thereof EUR 850.0 million (previous year: EUR 850.0 million) were interest rate swaps and EUR 500.0 million (previous year: EUR 500.0 million) interest rate swaptions. In August 2015, the Group concluded forward transactions amounting to EUR 500.0 million to hedge the interest rate risk in the period from 2018 to 2020. The hedge ratio/proportion of fixed interest for the loans and borrowings was approximately 78 % as of December 31, 2015 (previous year: approximately 95 %). The average fixed-interest swap rate is 3.1% per annum (previous year: 3.1%). The fixed-rate coupon of the notes is 2.625 % per annum.

Due to the sustained low interest rate level, interest expenses of EUR 41.1 million (previous year: EUR 41.6 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, 2015, they had a negative market value of EUR 51.7 million (previous year: negative value of EUR 84.9 million). An amount of EUR 45.7 million (previous year: EUR 84.9 million) was recognized as a separate item within accumulated other comprehensive income and unrealized accrued interest amounting to EUR 4.4 million (previous year: EUR 4.2 million) within interest expenses. As of December 31, 2015, EUR 6.0 million (previous year: EUR 0.0 million) from ineffectiveness was recognized in the income statement (see Note 14 “Interest result”). If interest remains negative and hedge ineffectiveness therefore increases, this could result in hedge accounting under IAS 39 having to be discontinued and the hedging relationship terminated in future periods. This may lead to increased volatility in financial result. However, the earnings effects would balance each other out over the entire term of the hedging relationships. On the other hand, the interest rate options are stand-alone hedging transactions, which are not accounted for under 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, 2015, 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 for the effective portion of the hedge are recognized in accumulated other comprehensive income. If the interest rate were to increase by one percentage point, the impact would amount to plus EUR 23.1 million in equity and plus EUR 5.9 million in the financial result. If the interest rate were to decrease by one percentage point, the impact would amount to plus EUR 4.9 million in equity and minus EUR 27.8 million in the financial result. Hedge accounting was not used for the interest rate options. If the interest rate were to increase or decrease by one percentage point, the interest rate options would result in no earnings effects (previous year: EUR 2.8 million or EUR 0.0 million respectively).

Interest rate risks (Fig. 167)

EUR m	Interest	2015	2014
Cash and cash equivalents	variable	734.4	470.6
Liabilities to banks	variable	-2,078.9	-1,379.3
Notes	fix	-594.8	-593.8
Gross exposure	**variable**	**-1,344.5**	**-908.7**
	fix	**-594.8**	**-593.8**
Interest rate hedges[1]		1,300.0	1,300.0
Net exposure	**variable**	**-44.5**	**391.3**
Hedge ratio		96.7%	143.1%
Annual potential effect of an increase in short-term interest rates by 100 basis points (1 percentage point)[2]		-3.2	3.9
Annual potential effect of a decrease in short-term interest rates by 100 basis points (1 percentage point)[2]		-8.5	-3.9

1 The interest rate cap with a nominal amount of EUR 200.0 million was, due to the strike price being far out of the money, excluded of the interest rate risk analysis, as it will not have a hedging effect based on the underlying scenarios.

2 Due to the negative interest rate environment and existing lower interest rate limits there is no symmetry of the effects.

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 the low volume.

ProSiebenSat.1 Group pursues a Group-wide portfolio approach to hedge financial obligations from the acquisition of programming rights. Foreign currency exposure is regarded as the total volume of all future US dollar payments that result from existing license agreements and are due within a period of seven years in line with the implemented hedging strategy. ProSiebenSat.1 Group uses a variety of derivative and non-derivative financial instruments to hedge fluctuations in exchange rates. These include currency forwards, currency options 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. As a buyer of a currency option, ProSiebenSat.1 Group has the right but not the obligation to buy a given currency at a certain date and at a price defined when the contract is entered into. For this right an option premium must generally be paid.

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 titles 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, 2015, ProSiebenSat.1 Group had currency forwards with a par value of USD 2.370 billion (previous year: USD 2.042 billion) and currency options with a par value of USD 95.0 million (previous year: USD 0.0 million) in its portfolio to hedge financial obligations from the acquisition of programming rights. The market values of the currency hedges are based on market forward exchange rates. Measurement was based on market figures (mid-rates) on December 31, 2015. As of December 31, 2015, the currency holdings in US dollar amounted to USD 53.7 million (previous year: USD 31.3 million). The market values of the currency options are calculated based on an option price model reflecting the current market situation.

Currency-related transactions and balances (Fig. 168)

	Year of maturity			Nominal amount	Fair Value	Fair Value
	2016 USD m	2017–2020 USD m	from 2021 USD m	12/31/2015 USD m	12/31/2015 EUR m	12/31/2014 EUR m
Currency forwards	584.5	1,395.0	390.0	2,369.5	**236.3**	**108.3**
thereof within cash flow hedges	380.0	1,390.0	390.0	2,160.0	**229.6**	**96.0**
Currency options	45.0	50.0	-/-	95.0	**3.9**	**-/-**
thereof within cash flow hedges	45.0	50.0	-/-	95.0	**3.9**	**-/-**
Currency holdings	53.7	-/-	-/-	53.7	**49.3**	**25.7**

Under hedge accounting, at December 31, 2015, plus EUR 230.6 million (previous year: plus EUR 97.9 million) was recognized in a separate item within accumulated other comprehensive income. In 2015, EUR 49.3 million (previous year: EUR 5.3 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 2015 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.

Currency risks (Fig. 169)

USD m	12/31/2015	12/31/2014
Gross foreign currency exposure	**-3,366.0**	**-2,983.2**
Currency hedges	2,518.2	2,073.7
thereof hedge accounting	2,255.0	1,845.4
thereof held for trading	209.5	197.0
thereof currency holdings	53.7	31.3
Net exposure	**-847.8**	**-909.5**
Hedge Ratio	74.8%	69.5%
Spot rate	1.0892	1.2155
US Dollar increase by 10%	0.9803	1.0940
US Dollar decrease by 10%	1.1981	1.3371
EUR m		
Change in future payments resulting from a 10% increase in the US dollar	-86.5	-83.1
Change in future payments resulting from a 10% decrease in the US dollar	70.8	68.0

From an accounting perspective the foreign exchange effects resulting from license liabilities, currency hedges in the held-for-trading category, the fair value of options in hedge accounting 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 3.7 million (plus EUR +0.5 million) in the foreign exchange result. The foreign exchange impact of minus EUR 164.3 million from a 10.0% fall of the US dollar and of plus EUR 207.0 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.

The reporting currency of the Group is the euro. The financial statements of companies with their registered office outside the eurozone 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 default risks are recognized in the measurement of derivative financial instruments at fair value (credit value adjustments). 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 expected cash flows of the derivative financial instrument. In the financial year, credit value adjustments of EUR 2.4 million (previous year: 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 (previous year: 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, 2015, the total market value of the derivative financial instruments for which ProSiebenSat.1 Group recognizes a net positive market value per counterparty was EUR 191.0 million (previous year: EUR 57.6 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 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 receivables, 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. The major components of Group-wide financing are the unsecured term loan of EUR 2.100 billion as of the reporting date, which was increased by EUR 700.0 million in October 2015, and a revolving credit facility (RCF). The volume of the revolving credit facility (RCF) available as of December 31, 2015, was EUR 600.0 million. ProSiebenSat.1 Group may use this credit facility variably for general operative purposes. As of December 31, 2015, there were no utilization of the facility (previous year: no utilization). In addition, there was no drawings on guarantees, so EUR 600.0 million under the revolving credit facility was unused at December 31, 2015 (previous year: EUR 600.0 million). Both the term loan and the RCF mature in April 2020.

Additionally, as of December 31, 2015, ProSiebenSat.1 Group had total cash and cash equivalents of EUR 734.4 million (previous year: EUR 470.6 million). Thus, the Group had cash funds and unused credit facilities of EUR 1.334 billion as of December 31, 2015 (previous year: EUR 1.071 billion).

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, 2015, and the previous financial year to the following maturity ranges:

Financial liabilities by maturity (Fig. 170)

EUR m	1 year or less	More than 1 to 5 years	More than 5 years	Total contractual cash flows 12/31/2015
Notes	15.8	63.0	615.8	694.5
Bank loans	22.0	2,187.3	-/-	2,209.3
Liabilities from finance leases	16.2	68.7	4.9	89.9
Trade accounts payable	450.0	67.2	-/-	517.2
Non-derivative financial liabilities	**504.0**	**2,386.2**	**620.7**	**3,510.9**
Interest rate swaps	30.1	26.4	-/-	56.5
Currency forwards	0.5	0.6	-/-	1.2
Put options and earn-outs	34.5	276.1	-/-	310.6
Derivative financial liabilities	**65.2**	**303.1**	**-/-**	**368.3**
Total	**569.2**	**2,689.3**	**620.7**	**3,879.2**

EUR m	1 year or less	More than 1 to 5 years	More than 5 years	Total contractual cash flows 12/31/2014
Notes	15.8	63.0	631.5	710.3
Bank loans	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	-/-	-/-	-/-	-/-
Put options and earn-outs	8.3	49.0	-/-	57.3
Derivative financial liabilities	**48.6**	**98.4**	**-/-**	**147.0**
Total	**477.1**	**1,733.1**	**673.3**	**2,883.5**

Disclosures 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 12/31/2015 (Fig. 171)

			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	**19.5**	19.5	-/-	-/-	-/-	-/-	19.5	-/-	-/-	**19.5**
Other equity instruments	Non-current financial assets	**78.6**	78.6	-/-	-/-	-/-	-/-	-/-	-/-	78.6	**78.6**
Purchase price receivable	Non-current financial assets	**-/-**	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-/-	**-/-**
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	**17.9**	17.9	-/-	-/-	-/-	-/-	-/-	7.1	10.8	**17.9**
Hedge derivatives	Current and non-current financial assets	**234.2**	-/-	234.2	-/-	-/-	-/-	-/-	234.2	-/-	**234.2**
Not measured at fair value											
Cash and cash equivalents	Cash and cash equivalents	**734.4**	-/-	-/-	734.4	-/-	-/-				
Loans and receivables	Current financial assets	**396.9**	-/-	-/-	396.9	-/-	-/-				
Financial assets at cost[2]	Current and non-current financial assets	**0.1**	-/-	-/-	-/-	-/-	-/-				
Total		**1,481.7**	**116.0**	**234.2**	**1,131.4**	**-/-**	**-/-**	**19.5**	**241.3**	**89.4**	**350.3**
Financial liabilities											
Measured at fair value											
Liabilities from put options and earn-outs	Other financial liabilities	**289.4**	289.4	-/-	-/-	-/-	-/-	-/-	-/-	289.4	**289.4**
Derivatives for which hedge accounting is not applied	Other financial liabilities	**0.4**	0.4	-/-	-/-	-/-	-/-	-/-	0.4	-/-	**0.4**
Hedge derivatives	Other financial liabilities	**52.4**	-/-	52.4	-/-	-/-	-/-	-/-	52.4	-/-	**52.4**
Not measured at fair value											
Bank loans	Financial Debt	**2,080.0**	-/-	-/-	-/-	-/-	2,080.0	-/-	2,055.2	-/-	**2,055.2**
Notes	Financial Debt	**594.8**	-/-	-/-	-/-	-/-	594.8	615.6	-/-	-/-	**615.6**
Liabilities from finance leases	Other financial liabilities	**82.2**	-/-	-/-	-/-	-/-	82.2	-/-	86.8	-/-	**86.8**
Financial liabilities at (amortised) cost	Other financial liabilities and trade payables	**599.2**	-/-	-/-	-/-	-/-	599.2				
Total		**3,698.5**	**289.8**	**52.4**	**-/-**	**-/-**	**3,356.2**	**615.6**	**2,194.9**	**289.4**	**3,099.9**

1 This item only includes shares in investment funds, that serve to cover pension obligations, but aren't plan assets within the meaning of IAS 19.

2 Position 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 12/31/2014 (Fig. 172)

			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, that serve to cover pension obligations, but aren't plan assets within the meaning of IAS 19.

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 secure 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, 2015. The assets are not hedged against a potential counterparty risk since considering the market conditions this risk is seen as unlikely.

Other equity instruments primarily contains the minority stakes in other entities that the Group acquires in the context of its "media-for-equity" strategy. These investments and options to shares in entities are measured at fair value through profit or loss. When measuring fair value, valuations are deployed which are obtained on the basis of observable prices achieved in the most recently implemented financing rounds or on the basis of present value methods using risk-adjusted discount rates. As of December 31, 2015, impairments of EUR 24.5 million (previous year: EUR 3.8 million) were incurred on media-for-equity investments, of which EUR 19.4 million (previous year: EUR 0.0 million) related to AliphCom Inc. This item also includes the venture capital funds of SevenOne Capital (Holding) GmbH. These investment funds are designated at fair value through profit or loss on their initial recognition. The measurement is based on input data that cannot be derived directly or indirectly from the market.

As a result of the sale of the TV station Prima TV in Romania in the financial year 2014, a purchase price receivable was capitalized at fair value. This fair value was based on significant non-observable input data. The purchase price receivable was classified as a level 3 financial instrument. In the third quarter of 2015, the purchase price receivable was written down in full by EUR 3.8 million (previous year: EUR 0.0 million).

Derivatives for which hedge accounting is not applied include a warrant agreement that ProSiebenSat.1 Group agreed with Odyssey Music Group S.A., Paris, ("Deezer") in the financial year 2014. Among other things, Odyssey Music Group S.A. operates the music streaming portal "Deezer". The warrant agreement constitutes a financial derivative. Its fair value (EUR 20.0 million as of December 31, 2014) was calculated in the financial year 2014 by way of a two-stage measurement process using a multiplier valuation and a Monte Carlo simulation. In the financial year 2015, the Group obtained planning information with input parameters that were not observable on the market. As a result, the Group has switched to a measurement method based on the income approach. The discounting of cash flows is based on a risk-appropriate, weighted average cost of capital. Changes in the fair value are essentially dependent on the forecast business performance of Deezer and the assumptions for determining a market discount rate. Due to changed market conditions and the associated deviation of Deezer's business performance from expectations, the fair value of the derivative fell from EUR 20.0 million to EUR 10.0 million as of the reporting date. An increase or reduction in the interest rate by one percentage point in each case would reduce or increase the fair value of EUR 10.0 million by EUR 0.9 million or EUR 1.0 million respectively. The financial derivative is currently classified as a hierarchy level 3 financial instrument.

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 receivables and payables, 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 2015, an impairment of EUR 23.1 million (previous year: EUR 7.3 million) was recognized on the investment in other financial result.

Liabilities from put options over non-controlling interests in affiliated companies already acquired are reported as financial liabilities and 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 input data not observable on the market. In calculating these values, multiplication methods were mostly 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 at the reporting date by EUR 17.9 million/EUR 16.0 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 8.4 million or increasing by EUR 8.8 million respectively. The liabilities are classified as level 3 financial instruments.

The bank loan is an unsecured term loan granted under a syndicated agreement and recognized at amortized cost.

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. 173)

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
January 1, 2015	**20.0**	**3.8**	**50.5**
Results included in income statement as well as in other comprehensive income (unrealized)[1]	-9.4	-3.8	3.7
Additions from acquisitions	0.2	-/-	242.9
Disposals/Payments	-/-	-/-	-7.7
December 31, 2015	**10.8**	**-/-**	**289.4**

1 This item includes compounding effects and further valuation adjustments.

In the financial years 2015 and 2014, there were no transfers between level 1 and level 2 for the measurement of fair values and no reclassifications to or from level 3.

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:

Offsetting of financial instruments (Fig. 174)

EUR m	Financial assets (gross presentation)	Financial liabilities offset in the statement of financial position	Financial assets (net presentation)	Amounts subject to offsetting agreements	Financial assets after offsetting (not reflected in the statement of financial position)
Derivative financial instruments 12/31/2015	244.3	-/-	244.3	-53.4	191.0
Derivative financial instruments 12/31/2014	109.5	-/-	109.5	-51.9	57.6

EUR m	Financial liabilities (gross presentation)	Financial assets offset in the statement of financial position	Financial liabilities (net presentation)	Amounts subject to offsetting agreements	Financial liabilities after offsetting (not reflected in the statement of financial position)
Derivative financial instruments 12/31/2015	53.4	-/-	53.4	-53.4	-/-
Derivative financial instruments 12/31/2014	85.5	-/-	85.5	-51.9	33.6

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 GmbH. The Broadcasting German-speaking segment also participates in technical access 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. The Digital & Adjacent segment brings together the business activities Ventures & Commerce (covering all ventures activities and the verticals 7Travel, 7Commerce and Online Comparison), Digital Entertainment (comprising online video and online games) and Adjacent (including music, live entertainment, events, ticketing and artist management).

The Content Production & Global Sales segment combines all activities in the areas of production and global sales of programming content, which are bundled under the umbrella of 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 financial covenant conditions at Group level. Recurring EBITDA stands for recurring earnings before interest, taxes, depreciation and amortization. Non-recurring expenses and income are not included so that this key figure reflects the operating profitability of the Group and its segments.

Segment assets cover all assets used for operating activities. They contain goodwill, other intangible assets, property, plant and equipment, 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 other 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, additions to provisions, expenses from the valuation of the stock option plan, and impairments of receivables. These expenses are offset by income from the release of provisions.

Net financial debt 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 information.

Various other non-compulsory segment information is also disclosed. 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 2015 (Fig. 175)

EUR m	Segment Broadcasting German-speaking 2015	Segment Digital & Adjacent 2015	Segment Content Production & Global Sales 2015	Total segments continued operations 2015	Eliminations and other reconciling items 2015	Total consolidated financial statements 2015
Revenues	2,228.0	856.2	318.4	3,402.6	-141.9	3,260.7
External revenues	2,152.1	846.4	262.2	3,260.7	-/-	3,260.7
Internal revenues	75.9	9.7	56.3	141.9	-141.9	-/-
Recurring EBITDA	734.3	170.2	25.0	929.5	-4.0	925.5
Recurring EBITDA margin	33.0%	19.9%	7.8%	27.3%	-/-	28.4%
EBITDA[1]	715.9	149.2	21.4	886.5	-5.4	881.1
Income from investments accounted for using the equity method[1]	6.3	0.2	-/-	6.5	-1.9	4.6
Interest and similar income[1]	5.1	0.5	0.0	5.6	-4.2	1.4
Interest and similar expenses[1]	88.2	5.9	3.6	97.7	-4.3	93.4
Income taxes[1]	191.4	12.6	3.4	207.3	-2.0	205.4
Depreciation and amortization	48.5	72.1	12.5	133.1	-0.1	133.0
Impairment	0.0	15.5	2.5	18.1	-/-	18.1
thereof goodwill	-/-	-/-	-/-	-/-	-/-	-/-
Other non-cash expenses (-) and income (+)	-902.1	-57.2	-1.5	-960.9	7.2	-953.7
Segment assets[1]	2,157.0	1,761.9	270.9	4,189.7	-38.1	4,151.6
thereof goodwill	464.0	1,068.3	123.3	1,655.6	-/-	1,655.6
Segment investments	970.6	80.9	19.9	1,071.3	-4.9	1,066.4
Segment free cash flow[1]	483.6	-448.6	-19.3	15.6	-16.8	-1.2
Investments accounted for using the equity method[1]	5.0	19.6	-/-	24.6	-/-	24.6
Segment liabilities[1]	2,114.7	-67.0	-11.3	2,036.4	-96.0	1,940.4

1 This information is provided on a voluntary basis as part of segment reporting.

Segment information continuing operations 2014 (Fig. 176)

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	1.6	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.

The reconciliation between the segment values and the consolidated values from continuing operations is shown below:

Reconciliation of segment information to Group values (Fig. 177)

EUR m	2015	2014
REVENUES		
Revenues from reportable segments	3,402.6	2,999.2
Eliminations and other reconciling items	-141.9	-123.5
Revenues of the Group	**3,260.7**	**2,875.6**
RECURRING EBITDA		
Recurring EBITDA of reportable segments	929.5	851.3
Eliminations and other reconciling items	-4.0	-3.9
Recurring EBITDA of the Group	**925.5**	**847.3**
Non-recurring result	-44.4	-28.9
Financial result	-126.4	-134.4
Depreciation and amortization	-133.0	-112.5
Impairment	-18.1	-11.3
Consolidated profit/loss before taxes	**603.6**	**560.1**
OTHER NON-CASH INCOME/EXPENSES		
Other non-cash income/expenses of reportable segments	960.9	890.8
Eliminations and other reconciling items	-7.2	5.0
Other Group non-cash income/expenses	**953.7**	**895.8**
thereof consumption of programming assets	895.5	867.8
thereof other	58.2	28.0
ASSETS		
Total assets of reportable segments	4,189.7	3,124.7
Eliminations and other reconciling items	-38.1	-47.7
Group's segment assets	**4,151.6**	**3,077.0**
Investments accounted for using the equity method	24.6	39.2
Non-current financial assets	291.5	216.0
Deferred tax assets	13.4	13.3
Current financial assets	72.5	45.6
Other interest-bearing assets	6.4	8.0
Current tax assets	23.0	31.0
Cash and cash equivalents	734.4	470.6
Group assets	**5,317.3**	**3,900.7**
INVESTMENTS		
Investments of reportable segments	1,071.3	988.1
Eliminations and other reconciling items	-4.9	0.9
Group's investments	**1,066.4**	**988.9**
thereof investments in programming assets	943.9	889.7
thereof investments in property, plant and equipment	38.4	32.8
thereof investments in other intangible assets	84.1	66.4
NET FINANCIAL LIABILITIES		
Total liabilities of reportable segments	2,036.4	1,601.5
Eliminations and other reconciling items	-96.0	-99.0
Group's segment liabilities	**1,940.4**	**1,502.5**
less current financial assets	-72.5	-45.6
Group's net financial liabilities	**1,867.9**	**1,456.9**

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. 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. 178)

Geographical breakdown	GER		AT/CH		UK		USA		Other		Total consolidated financial statements	
EUR m	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
External revenues	2,734.2	2,476.7	252.8	223.5	29.7	36.6	211.4	111.3	32.6	27.6	**3,260.7**	**2,875.6**
Non-current assets	2,963.3	2,443.6	20.3	21.8	30.0	28.4	314.7	81.8	259.8	47.2	**3,588.1**	**2,622.8**
Investments	1,049.3	973.9	9.8	9.1	0.2	-0.9	4.3	3.9	2.9	2.8	**1,066.4**	**988.9**

In 2015, EUR 2,734.2 million (previous year: EUR 2,476.7 million) external revenues were generated in Germany. This corresponds to a share of 83.9% (previous year: 86.1%) of consolidated revenues. Revenues are attributed to the country of the company that provided the service.

Non-current assets reported under the entity-wide disclosures include goodwill, other intangible assets, property, plant and equipment and non-current programming assets.

The share of non-current segment assets attributable to Germany amounted to 82.6% in the financial year 2015 (previous year: 93.2%).

More than 10% of consolidated revenues from continuing operations were generated with one client in the financial year 2015. EUR 681.5 million (previous year: EUR 446.8 million) was attributable to this client. In the previous reporting period, there was another client with which more than 10% of consolidated revenues were generated, totaling EUR 296.7 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.

Stock options

Long Term Incentive Plan (LTIP)

As of December 31, 2015, ProSiebenSat.1 Media SE has 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 SE having the option to determine the type of settlement. As the Company 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 SE in return for payment of an exercise price. Further information on the Long Term Incentive Plan can be found in the "Compensation Report" section of the combined management report.

Number of stock options

The LTIP 2008 covered the grant of up to 4,900,000 stock options. As of December 31, 2015, all stock options of the Cycle 2009 of the LTIP 2008 were exercised or expired.

The LTIP 2010 covered 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 1,497,800 stock options were issued under the LTIP 2010 until December 31, 2014. Of these stock options, 17,250 expired in the financial year 2015. As a consequence, 1,480,550 of the original stock options were outstanding as of December 31, 2015.

Beneficiaries

The stock options are intended exclusively for purchase by members of the Executive Board of ProSiebenSat.1 Media SE, selected managing directors and other employees of ProSiebenSat.1 Media SE 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 were chosen by the Executive Board of ProSiebenSat.1 Media SE, 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 were 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 ultimately in 2009.

The stock options for the LTIP 2010 were issuable in one or two annual tranches. Options were issuable 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 ultimately in 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 from 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".

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.

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 (Cycle 2009) and the LTIP 2010 (Cycles 2010 and 2011), the stock option plans 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 SE stock option program:

Stock option plans (Fig.179)

	LTIP 2008 Cycle 2009	LTIP 2010 Cycle 2010	LTIP 2010 Cycle 2011
As of January 1, 2015	9,250	154,300	970,300
Options exercised in 2015[1]	5,750	128,800	464,650
Options expired or forfeited in 2015	3,500	0	17,250
As of December 31, 2015	**0**	**25,500**	**488,400**
Thereof eligible for exercise as of December 31, 2015	-/-	25,500	339,250
Minimum exercise price in EUR	0	13.62	17.96
Absolute exercise hurdle in EUR	0	17.71	23.35
Maximum exercise gain	20.00	27.24	35.92
Issue periods[2]	July 3 to December 30	August 1 to November 1	September 1 to December 22
Fair value per option in EUR[3]	1.97–5.71	2.63–4.77	1.64–2.57
Expected volatility of the underlying share	70.0%	60.0%–65.0%	55.0%–60.0%
Risk-free interest rate[3]	1.79%–2.68%	1.54%–1.90%	0.80%–1.44%
Expected dividend yield	2.0%–3.0%	4.0%–5.5%	8.0%
Vesting period[4]	December 31, 2009	December 31, 2010	December 31, 2011
End of exercise period	December 31, 2015	December 31, 2016	December 31, 2017

1 No options were settled in cash during the financial year 2015 (previous year: 193,000).
2 Issue in several tranches.
3 Depending on when vesting occurs and exercise time.
4 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 SE 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 SE common share on the exercise days of the stock options in the first quarter of the financial year was EUR 44.27, in the second quarter EUR 44.44, and in the third quarter EUR 48.23. In the fourth quarter, the weighted average price of the common share of ProSiebenSat.1 Media SE was EUR 49.13. 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 2015 was EUR 1.3 million (previous year: EUR 0.6 million). Stock options outstanding at the end of the financial year have an average remaining duration of 2 years.

Rights to shares

Group Share Plan

As of December 31, 2015, there were four programs with rights to shares at ProSiebenSat.1 Media SE, the Group Share Plans 2012, 2013, 2014 and 2015.

In the fourth quarter of the financial year 2015, 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 2015. The basic structure and mechanisms to exercise the rights largely correspond to those of the Group Share Plans 2012, 2013 and 2014.

All programs involve long-term remuneration instruments developed by ProSiebenSat.1 Media SE for members of the Executive Board, selected executives and other employees of ProSiebenSat.1 Group. The Annual General Meeting approved the introduction of the Group Share Plan on May 15, 2012. These plans relate to share-based payments, with ProSiebenSat.1 Media SE having the option to determine the type of settlement. As ProSiebenSat.1 Media SE has no present obligation to settle in cash, the plans are accounted for as equity-settled. The structures of the plans are identical in many aspects. For this reason, on several occasions below they are referred to as one plan. However, where there are differences, these are described separately.

In the Group Share Plan, plan participants are issued performance share units ("PSUs", "virtual shares"). They entitle the plan participants to receive common shares in ProSiebenSat.1 Media SE 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 150.0%.

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 principaly corresponds 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. Further information on the Group Share Plan can be found in the "Compensation Report" section of the combined management report.

Beneficiaries

The performance share units in all four programs are intended exclusively for members of the Executive Board of ProSiebenSat.1 Media SE, selected executives and employees of ProSiebenSat.1 Media SE and its dependent Group companies. The individual beneficiaries and the number of performance share units to be granted to them are determined by the Executive Board of ProSiebenSat.1 Media SE, 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

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 and ProSiebenSat.1 Group's EBITDA does not fall below a defined minimum.

The performance target for the Group Share Plans 2012 to 2013 is the cumulative EBITDA target achievement over a four-year plan period, with reference to the financial years 2012 to 2015 for the Group Share Plan 2012 and the financial years 2013 to 2016 for the Group Share Plan 2013. The performance target for the Group Share Plans 2014 and 2015 is an annual target achievement, with reference to the financial years 2014 to 2017 for the Group Share Plan 2014 and the financial years 2015 to 2018 for the Group Share Plan 2015.

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 number of PSUs is also adjusted in the event of the payment of a superdividend by applying a corresponding dilution ratio. The superdividend dilution ratio and the conversion factor are applied at the date on which the performance share units are converted into shares.

In all plans, the conversion takes place after the publication of the Annual Report for the final year of the four-year holding period and once consent has been obtained from the plan participants. This means there is a holding period for the common shares of at least four years from the start of the year they were granted under all plans.

The following table provides information about the particular Group Share Plans of ProSiebenSat.1 Media SE:

Group share plans (Fig. 180)

	GSP 2012	GSP 2013	GSP 2014	GSP 2015
Performance Share Units as of January 01, 2015	453,270	352,499	384,300	-/-
Performance Share Units granted in 2015	-/-	-/-	-/-	153,224
Performance Share Units forfeited in 2015	5,065	23,719	48,030	206
Performance Share Units as of December 31, 2015	448,205	328,780	336,270	153,018
Grant date	11/01/2012	09/09/2013	09/15/2014	12/01/2015
Fair Value as of grant date in EUR[1]	20.65	31.70	31.18	48.77
Vesting period	2012 until 2015	2013 until 2016	2014 until 2017	2015 until 2018

1 Share price as of grant date less dividend deduction.

The expense for the financial year 2015 for performance share units granted under the programs amounted to EUR 7.5 million (previous year: EUR 9.3 million) and is recognized under personnel expenses.

Other share-based payment models

In the financial year 2015, a subsidiary's share-based remuneration plan was settled in cash. The transaction was recognized outside profit or loss as a reduction in equity amounting to EUR 8.6 million.

The Group also maintains other share-based payment models, but these are not considered material from the perspective of ProSiebenSat.1 Group.

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 SE are listed together with their memberships on other statutorily required supervisory boards and comparable bodies in the notes to the consolidated financial statements under "Members of the Executive Board" and "Members of the Supervisory Board". Details of the system of compensation for members of the Executive Board and the Supervisory Board of ProSiebenSat.1 Media SE are explained in the "Compensation Report" section of the combined management report.

In its press release of September 10, 2014, the Company announced that Axel Salzmann would leave the Executive Board of ProSiebenSat.1 Media SE as of March 31, 2015. The employment contract for Mr. Axel Salzmann ended on March 31, 2015. Dr. Gunnar Wiedenfels and Dr. Ralf Schremper were appointed to the Executive Board of ProSiebenSat.1 Media SE on April 1, 2015. By resolution of July 1, 2015, the Supervisory Board of ProSiebenSat.1 Media SE prematurely extended the contract of CEO Thomas Ebeling until the Annual General Meeting in 2019.

The members of the Executive Board participate in a ProSiebenSat.1 Media SE 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. As of December 31, 2015, as in the previous year, the active members of the Executive Board held no stock options issued in Cycle 2006 (issued in the financial year 2006), Cycle 2008 (issued in the financial year 2008) or Cycle 2009 (issued in the financial year 2009). In the financial year 2015, the Company bought back zero (previous year: 165,000) stock options from active members of the Executive Board.

In the financial year 2015, the Executive Board of ProSiebenSat.1 Media SE did not exercise any stock options settled in cash (previous year: stock options totaling EUR 3.9 million).

As part of the Group Share Plan introduced in the financial year 2012, plan participants are issued performance share units ("PSUs", "virtual shares"). They entitle the plan participants to receive shares in ProSiebenSat.1 Media SE at the end of the plan term. In the financial year 2015, members of the Executive Board had been allocated 86,121 PSUs from the Group Share Plan 2015, 96,218 PSUs (previous year: 134,704) from the Group Share Plan 2014, 100,918 PSUs (previous year: 132,452) from the Group Share Plan 2013 and 164,650 PSUs (previous year: 184,021) from the Group Share Plan 2012.

The Mid-Term Incentive Plan (MTIP), another multi-year variable compensation component, was introduced in the financial year 2015. This is a medium-term cash compensation instrument for members of ProSiebenSat.1 Group's Executive Board and selected other executives. The plan term of the Mid-Term Incentive Plan is three years beginning from the financial year 2016. The one-time allocation under the Mid-Term Incentive Plan was made in February and April 2015. The payment amount depends on the recurring EBITDA of ProSiebenSat.1 Group until the end of the plan term and the achievement of certain minimum thresholds for revenues and recurring EBITDA during the plan term. The target value, i.e. the value granted to the Executive Board member in the event of 100% target achievement, is EUR 1.5 million for Thomas Ebeling and EUR 1.0 million each for Dr. Gunnar Wiedenfels, Conrad Albert, Dr. Christian Wegner and Dr. Ralf Schremper.

The Company has not granted loans, guarantees or warranties to the members of the Executive Board.

Remuneration for active members of the Executive Board of ProSiebenSat.1 Media SE in the financial year 2015 amounted to EUR 12.4 million (previous year: EUR 12.5 million). These figures include variable components of EUR 9.0 million (previous year: EUR 9.1 million) and fringe benefits of EUR 0.1 million (previous year: EUR 0.1 million). The variable compensation elements include annual and multi-year variable compensation.

The total compensation of former Executive Board members Heidi Stopper and Axel Salzmann amounted to EUR 2.9 million in the financial year 2015. In the previous year, remuneration of EUR 0.2 million was paid to departed Executive Board members.

ProSiebenSat.1 Media SE has recognized pension provisions totaling EUR 11.5 million (previous year: EUR 8.6 million) for pension commitments made to active members of the Executive Board in the financial year 2015. This includes pension provisions for deferred compensation of EUR 8.1 million (previous year: EUR 5.7 million). For pension obligations to former members of the Executive Board, provisions of EUR 11.4 million were recognized at December 31, 2015 (previous year: EUR 11.2 million). This includes pension provisions for deferred compensation of EUR 4.8 million (previous year: EUR 4.9 million).

The cumulative entitlement for pension benefits as of December 31, 2015, is EUR 13.5 million (previous year: EUR 10.0 million) for active members of the Executive Board in the financial year 2015. This includes entitlements from deferred compensation of EUR 9.1 million (previous year: EUR 6.3 million). The cumulative entitlement for pension benefits for departed Executive Board members is EUR 5.1 million (previous year: EUR 4.6 million). This includes entitlements from deferred compensation of EUR 1.4 million (previous year: EUR 1.4 million). Pension payments of EUR 0.3 million (previous year: EUR 0.3 million) were made to former members of the Executive Board in the financial year 2015. Funds have been acquired to guarantee these pension entitlements which, however, are not classified as plan assets because the relevant requirements of IFRS are not met.

Payments to the Executive Board – except for the LTIP, MTIP, GSP and pension entitlements – are all payable in the short term.

In the course of the conversion of the Company into a European Stock Corporation (Societas Europaea, SE), the first Supervisory Board of ProSiebenSat.1 Media SE was elected at the Annual General Meeting on May 21, 2015:

Dr. Werner Brandt (Chairman),
Dr. Marion Helmes (Deputy Chairman),
Lawrence A. Aidem,
Antoinette P. Aris,
Adam Cahan,
Philipp Freise,
Angelika Gifford,
Erik Adrianus Hubertus Huggers,
Prof. Dr. Rolf Nonnenmacher.

Prof. Dr. Harald Wiedmann's term in office ended when the conversion into a SE became effective on July 7, 2015. He had been a member of the Supervisory Board since March 7, 2007, and Chairman of the Audit and Finance Committee. Mr. Philipp Freise resigned from his position as a member of the Supervisory Board of ProSiebenSat.1 Media SE with effect as of July 31, 2015. Mr. Ketan Mehta was elected as a Supervisory Board member on November 24, 2015.

Expenses for the Supervisory Board of ProSiebenSat.1 Media SE amount to EUR 1.4 million during the reporting period (previous year: EUR 1.0 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 compensation respectively. The Supervisory Board members receive fixed annual compensation for their annual membership in the individual committees. The respective 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.

Members of the Supervisory Board received no remuneration or other consideration for personal services, especially consulting and mediation services, during the financial year 2015 and the previous year.

Altogether, the current members of the Executive Board and Supervisory Board directly held 157,345 (previous year: 155,000) shares in ProSiebenSat.1 Media SE as of December 31, 2015. 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 combined 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 SE are required to report securities transactions relating to ProSiebenSat.1 stock. They are furthermore required to report securities transactions by close family members. In the financial year 2015, a total of six transactions were reported to ProSiebenSat.1 Media SE in which members of the Supervisory Board acquired a total of 2,345 shares of ProSiebenSat.1 Media SE. In compliance with Section 15a of the Securities Trading Act, ProSiebenSat.1 Media SE reported these transactions immediately on its website (www.prosiebensat1.com). In the previous year, three transactions were reported in which members of the Supervisory Board sold a total of 85,000 shares of ProSiebenSat.1 Media SE and acquired 3,000 shares of ProSiebenSat.1 Media SE.

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 and Supervisory Board of ProSiebenSat.1 Media SE 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 in the list of affiliated companies and investments in the notes to consolidated financial statements along with the percentage interest held and the equity and earnings of the entity concerned. Transactions with subsidiaries included in the consolidated financial statements are eliminated in the consolidation process and are not explained further.

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 SE 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 2015 amounted to EUR 118.9 million (previous year: EUR 115.1 million). Goods and services received and other expenses relating to transactions with joint ventures and associates in the financial year 2015 amounted to EUR 28.1 million (previous year: EUR 19.0 million).

As of December 31, 2015, receivables from joint ventures and associates amounted to EUR 16.3 million (previous year: EUR 30.6 million). Liabilities to joint ventures and associates amounted to EUR 9.2 million (previous year: EUR 3.8 million).

40 Group affiliation and disclosures on voting rights notifications as per Section 21 (1) German Securities Trading Act (WpHG)

According to Section 160 (1) No. 8 of the German Stock Corporation Act, disclosures must be made regarding the existence of investments that ProSiebenSat.1 Media SE has been notified of in accordance with Section 21 (1) or (1a) of the German Securities Trading Act (WpHG).

The table below shows the reportable investments for which notification was given during the financial year 2015. 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 the financial year 2015 by ProSiebenSat.1 Media SE 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/en/page/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 the financial year 2015 (Fig. 181)

Notifying party	Date on which threshold was	Reporting threshold	Notification pursuant to WpHG	Shareholdings in %	Number of voting rights
TAM UK Holdings Limited, London, GB	02/13/2015	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	2.9998	6,563,571
TC Financing Limited (formerly: Threadneedle Holdings Limited), London, GB	02/13/2015	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	6,543,743
Threadneedle Asset Management Holdings Limited, London, GB	02/13/2015	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	2.9998	6,563,571
Threadneedle Asset Management Limited, London, GB	02/13/2015	Falling below 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6	2.99	6,543,743
Threadneedle Holdings Limited (formerly: Threadneedle Asset Management UK Ltd) London, GB	02/13/2015	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	2.9998	6,563,571
Threadneedle Asset Management Holdings SARL, Luxembourg, Luxembourg	02/13/2015	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	2.9998	6,563,571
BlackRock International Holdings, Inc., Wilmington, Delaware, USA	04/24/2015	Exceeding 3 %	§§ 21 sec. 1, 22	3.02[1]	6,610,514
BR Jersey International Holdings L.P., St. Helier, Jersey, Kanalinseln	04/24/2015	Exceeding 3 %	§§ 21 sec. 1, 22	3.02[1]	6,610,514
Ameriprise Financial, Inc., Minneapolis, Minnesota, USA	04/29/2015	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	6,539,097
Massachusetts Financial Services Company (MFS), Boston, Massachusetts, USA	05/15/2015	Falling below 3 %	§§ 21 sec. 1, 22.	2.36	5,158,108
Sun Life Assurance Company of Canada – U.S. Operations Holdings, Inc., Wellesley Hills, Massachusetts, USA	05/15/2015	Falling below 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	2.36	5,158,108
Sun Life Financial (U.S.) Holdings, Inc., Wellesley Hills, Massachusetts, USA	05/15/2015	Falling below 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	2.36	5,158,108
Sun Life Financial (U.S.) Investments LLC, Wellesley Hills, Massachusetts, USA	05/15/2015	Falling below 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	2.36	5,158,108
Sun Life Financial Inc., Toronto, Kanada	05/15/2015	Falling below 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	2.36	5,158,108
Sun Life Global Investments Inc., Toronto, Kanada	05/15/2015	Falling below 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	2.36	5,158,108

Notification voting rights in the financial year 2015 Continued

Notifying party	Date on which threshold was	Reporting threshold	Notification pursuant to WpHG	Shareholdings in %	Number of voting rights
Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston, Massachusetts, USA	05/15/2015	Falling below 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	2.36	5,158,108
BlackRock Group Limited, London, GB	05/27/2015	Exceeding 3 %	§§ 21 sec. 1, 22	3.0004[1]	6,564,799
Capital World Growth and Income Fund, Los Angeles, Kalifornien, USA	07/10/2015	Falling below 3 %	§§ 21 sec. 1	2.74	6,000,494
Norges Bank (the Central Bank of Norway), Oslo, Norwegen	08/03/2015	Falling below 3 %	§§ 21 sec. 1	2.99	6,542,344
Blackrock Investment Management (UK) Limited, London, GB	09/03/2015	Exceeding 3 %	§§ 21 sec. 1, 22	3.09[1]	6,766,958
Invesco Advisers Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6	3.33[2]	7,277,589
Invesco Group Services Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.33[3]	7,277,589
Invesco Holding Company Limited, Henley-on-Thames, GB	11/20/2015	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.33[3]	7,277,589
Invesco Management Group Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.33[3]	7,277,589
Invesco North American Holdings Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.33[3]	7,277,589
IVZ Inc., Wilmington, Delaware, USA	11/20/2015	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.33[3]	7,277,589
IVZ UK Limited, Henley-on-Thames, GB	11/20/2015	Exceeding 3 %	§§ 21 sec. 1, 22 sec. 1 sent. 1 no. 6 in conjunction with § 22 sec. 1 sent. 2	3.33[3]	7,277,589
BlackRock, Inc.	11/26/2015	N/A[4]	§§ 21, 22	7.63	16,688,589
Invesco Ltd., Hamilton, Bermuda	12/03/2015	Exceeding 5 %	§§ 21, 22	5.06	11,071,434
Ministry of Finance on behalf of the State of Norway, Oslo, Norwegen	12/17/2015	Falling below 3 %	§§ 21, 22	2.99	6,536,032

1 According to the notification of December 4, 2015 the voting rights of BlackRock, Inc. are below 3 %.
2 According to the notification of Invesco Ltd. of December 10, 2015 the voting rights of Invesco Advisers, Inc. are 3,27 %.
3 According to the notification of December 10, 2015 the voting rights of Invesco Ltd. are below 3 %.
4 Notification pursuant to § 41 sec. 4f WpHG

41 Professional fees of the independent auditor

The professional fees for the services of the Group auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, totaled EUR 4.7 million in the financial year 2015 (previous year: EUR 2.6 million). Of that total, EUR 2.3 million (previous year: EUR 1.7 million) relates to audit services for the financial statements, EUR 0.4 million (previous year: EUR 0.3 million) to other attestation services, EUR 0.5 million (previous year: EUR 0.3 million) to tax advisory services and EUR 1.5 million (previous year: EUR 0.4 million) to other services. The disclosures relate exclusively to the independent legal entity of the appointed auditor, KPMG AG Wirtschaftsprüfungsgesellschaft. Due to the initial application of IDW ERS HFA 36 revised, the fees for the reviews of the consolidated interim financial statements are presented under audit services. Prior-year figures were adjusted accordingly.

42 Events after the reporting period

Acquisition of 60.0 % of the shares in Dorsey Pictures Inc. (formerly Orion Entertainment)

By contract dated and effective as of January 15, 2016, ProSiebenSat.1 Group, via the Group company Red Arrow International, Inc., Los Angeles, USA, acquired a 60.0 % share in Dorsey Pictures Inc., Denver, USA. Because control was acquired, the investment and its subsidiaries are fully consolidated and allocated to the Content Productions & Global Sales segment (see Note 36 "Segment reporting") from the acquisition date. The group of companies is a leading US producer of non-scripted TV programs and branded entertainment offerings in the "outdoor adventure" genre. Transaction costs of EUR 1.2 million in connection with the acquisition of the entity were recognized in functional costs.

The purchase price according to IFRS 3 comprises a cash purchase price of USD 28.5 million (EUR 26.1 million). Due to an contractually agreed purchase price adjustment, an additional purchase price of USD 2.3 million (EUR 2.1 million) was recognized as liability. Additionally, a put option was agreed with the existing shareholders for the acquisition of a further 40.0 % of the shares maturing no earlier than 2021. As of the acquisition date, the fair value of this contingent purchase price component was USD 19.9 million (EUR 18.2 million). As ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise, the consolidation percentage used on the basis of the present ownership was 100.0 % as of January 15, 2016. The fair value of the contingent purchase price component was measured on the basis of a contractually defined multiplier to determine the estimated enterprise value in 2021. On the basis of sensitivity analyses carried out, ProSiebenSat.1 Group expects the pro rata enterprise value to range from USD 26.1 million to USD 27.5 million (EUR 24.0 million to EUR 25.2 million).

The following table illustrates the financial impact of this business combination on the consolidated financial statements of ProSiebenSat.1 Group. The amounts below were measured on a provisional basis until the audit of the opening statement of financial position and a full independent valuation.

Acquisition Dorsey Pictures Inc. (Fig. 182)

EUR m	Fair value at acquisition
Other intangible assets	21.6
Property, plant and equipment	0.8
Non-current assets	**22.5**
Programming assets	1.1
Trade receivables	5.5
Other current receivables and other assets	0.2
Cash and cash equivalents	0.0
Current assets	**6.8**
Trade payables	0.7
Other liabilities	1.1
Current liabilities and provisions	**1.7**
Total net assets	**27.5**
Purchase price per IFRS 3	46.5
Goodwill	**18.9**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities. It primarily represents strategic synergy and development potential in the Content Production & Global Sales segment, especially in program production, and is accordingly assigned to the Content Production & Global Sales cash-generating unit. The goodwill is tax deductible and recorded in the functional currency, the US dollar.

The identified other intangible assets comprise customer relationships with a fair value of USD 21.4 million (EUR 19.6 million). Thereof assets amounting to USD 21.1 million (EUR 19.4 million) have an useful life of 15 years and assets amounting to USD 0.2 million (EUR 0.2 million) have a useful life of 10 years. In addition, this item also includes shows in production with a fair value of USD 1.7 million (EUR 1.5 million) and a useful life of 11 months and intellectual property rights to various TV shows with a fair value of USD 0.5 million (EUR 0.5 million) and a useful life of 3 years. The intellectual property rights are valued using the relief-from-royalty method, the other intangible assets with the multi-period excess earnings method.

The carrying amounts of programming assets, trade receivables and other assets acquired equal their fair value.

Further events after the reporting date

Beyond this, no reportable events materially impacting the earnings, financial position and performance of ProSiebenSat.1 Group or ProSiebenSat.1 Media SE occurred between the end of the financial year 2015 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 February 22, 2016. The consolidated financial statements will be presented to the Supervisory Board for approval on March 11, 2016. Publication is on March 15, 2016.

February 22, 2016
The Executive Board

Members of the Executive Board

Members of the Executive Board of ProSiebenSat.1 Media SE (Fig. 183)

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 Ressources
Dr. Gunnar Wiedenfels CFO	CFO since April 1, 2015	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, Pay-TV and Content Acquisition, Corporate Security and Shareholder & Boards Management
Dr. Christian Wegner	Member of the Executive Board since October 1, 2011	Responsibilities: Digital & Adjacent, Ventures & Commerce, Digital Entertainment, Adjacent
Dr. Ralf Schremper	Member of the Executive Board since April 1, 2015	Responsibilities: Investments & Strategy, Mergers & Acquisitions
Axel Salzmann	Member of the Executive Board from May 1, 2008, until March 31, 2015 CFO from July 1, 2008 until March 31, 2015	Responsibilities: Group Operations & IT, Group Controlling, Group Finance & Investor Relations, Accounting & Taxes, Internal Audit and Administration

Members of the Supervisory Board

Members of the Supervisory Board of ProSiebenSat.1 Media SE[1] (Fig. 184)

Dr. Werner Brandt Chairman	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 (Consultant)	Mandates: RWE AG (non-executive), QIAGEN N.V. (non-executive), Osram Licht AG (non-executive), Deutsche Lufthansa AG (non-executive)
Dr. Marion Helmes Vice Chairwomen	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 (Consultant)	Mandates: NXP Semiconductors N.V. (non-executive)
Lawrence Aidem	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Our Film Festival, Inc. (Fandor) (President, CEO)	Mandates: none
Antoinette (Annet) P. Aris	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 INSEAD (Adjunct Professor of Strategy)	Mandates: Thomas Cook PLC (non-executive), Jungheinrich AG (non-executive), ASR Netherlands N.V. (non-executive), ASML N.V. (non-executive)
Adam Cahan	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Yahoo Inc. (Senior Vice President Mobile and Emerging Products)	Mandates: none
Angelika Gifford	Member of the Supervisory Board of ProSiebenSat.1 Media AG and ProSiebenSat.1 Media SE since May 21, 2015 Hewlett Packard GmbH (General Manager)	Mandates: Rothschild & Co. S.C.A, Paris (non-executive)
Erik Adrianus Hubertus Huggers	Member of the Supervisory Board of ProSiebenSat.1 Media AG since June 26, 2014 / of ProSiebenSat.1 Media SE since May 21, 2015 Vevo LLC (President, CEO)	Mandates: none
Ketan Mehta	Member of the Supervisory Board of ProSiebenSat.1 Media SE since November 24, 2015 Allen & Company LLC (Managing Director)	Mandates: none
Prof. Dr. Rolf Nonnenmacher	Member of the Supervisory Board of ProSiebenSat.1 Media SE since May 21, 2015 (German Public Auditor)	Mandates: Continental AG (non-executive), Covestro AG (non-executive), Covestro Deutschland AG (non-executive)
Philipp Freise	Member of the Supervisory Board of ProSiebenSat.1 Media AG from March 7, 2007 until July 7, 2015 and of ProSiebenSat.1 Media SE from May 21, 2015 until July 31, 2015 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)
Prof. Dr. Harald Wiedmann	Member of the Supervisory Board of ProSiebenSat.1 Media AG from March 7, 2007 until July 7, 2015 Gleiss Lutz Hootz Hirsch Partnergesellschaft von Rechtsanwälten und Steuerberatern (German Public Auditor, Tax Advisor, Attorney at Law)	Mandates: DO Deutsche Office AG (non-executive), Universal-Investment GmbH (non-executive)

1 Until the completion of the conversion into ProSiebenSat.1 Media SE on July 7, 2015, the Supervisory Board of ProSiebenSat.1 Media AG existed in parallel to that of ProSiebenSat.1 Media SE.

List of affiliated companies and investments

List of affiliated companies and investments of ProSiebenSat.1 Media SE (Fig. 185)

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousand[9]	Profit/loss for the period[9]
1	ProSiebenSat.1 Media SE	Unterföhring			EUR	2,668,518.3	300,241.8
	AFFILIATED COMPANIES						
	Germany						
2	12Auto Group GmbH	Unterföhring	100.00	46	EUR	1,355.6	388.1
3	7NXT GmbH	Berlin	100.00	44	EUR	-/-	-/-[4]
4	7NXT Health GmbH	Berlin	100.00	3	EUR	-/-	-/-[4]
5	7NXT Video GmbH	Berlin	100.00	3	EUR	-/-	-/-[4]
6	7Screen GmbH	Unterföhring	100.00	70	EUR	-/-	-/-[4]
7	7Stories GmbH i.G.	Unterföhring	100.00	42	EUR	-/-	-/-[4]
8	9Live Fernsehen GmbH[1]	Unterföhring	100.00	1	EUR	520.5	0.0[3]
9	Active Agent AG	Freiburg im Breisgau	100.00	91	EUR	183.5	0.0[3]
10	ADITION technologies AG	Düsseldorf	100.00	91	EUR	687.2	0.0[3]
11	Advopedia GmbH	Unterföhring	70.00	46	EUR	27.5	-21.6[5]
12	Aeria Games GmbH[1]	Berlin	100.00	49	EUR	23,644.4	-11,912.2
13	COMVEL GmbH	Munich	100.00	36	EUR	-2,142.7	-3,666.6
14	Discavo GmbH	Berlin	100.00	36	EUR	368.5	-2,186.0
15	DOSB New Media GmbH	Hamburg	57.50	5	EUR	-267.4	-794.4
16	EPIC Companies GmbH i.L.	Berlin	100.00	44	EUR	-/-	-/-[4]
17	Fem Media GmbH[1]	Unterföhring	100.00	46	EUR	399.8	0.0[3]
18	Flaconi GmbH	Berlin	100.00	43	EUR	-/-	-/-[4]
19	Gymondo GmbH	Berlin	100.00	43	EUR	742.5	-1,929.8
20	i12 GmbH	Linden	100.00	88	EUR	-/-	-/-[4]
21	lokalisten media GmbH[1]	Unterföhring	100.00	46	EUR	385.8	0.0[3]
22	MAGIC Internet GmbH	Berlin	100.00	23	EUR	562.8	-229.3
23	MAGIC Internet Holding GmbH[1]	Berlin	100.00	46	EUR	6,225.4	0.0[3]
24	marktguru Deutschland GmbH	Munich	90.00	73	EUR	-/-	-/-[4]
25	maxdome GmbH[1]	Unterföhring	100.00	44	EUR	25.0	0.0[3]
26	Maximilian Online Media GmbH	Linden	100.00	88	EUR	-/-	-/-[4]
27	MMP Event GmbH	Cologne	60.00	79	EUR	915.6	887.5
28	moebel.de Einrichten & Wohnen AG	Hamburg	50.10	43	EUR	9,826.5	1,980.4
29	mydays Event GmbH	Munich	100.00	30	EUR	-350.1	-16.2
30	mydays GmbH	Munich	100.00	31	EUR	-29,538.9	-6,540.8
31	mydays Holding GmbH	Munich	100.00	36	EUR	656.2	-54.9
32	myLoc managed IT AG	Düsseldorf	100.00	91	EUR	4,239.0	0.0[3]
33	P7S1 Erste SBS Holding GmbH[1]	Unterföhring	100.00	1	EUR	431,194.4	0.0[3]
34	P7S1 Zweite SBS Holding GmbH[1]	Unterföhring	100.00	1	EUR	107,755.6	0.0[3]
35	Preis24.de GmbH	Düsseldorf	84.60	43	EUR	824.5	1,589.2
36	ProSieben Travel GmbH[1]	Unterföhring	100.00	44	EUR	185,025.0	0.0[3]
37	ProSiebenSat.1 Accelerator GmbH[1]	Unterföhring	100.00	72	EUR	1,333.7	-1.3[6]
38	ProSiebenSat.1 Achte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	26.3	0.0[3]
39	ProSiebenSat.1 Achtzehnte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	-/-	-/-[4]
40	ProSiebenSat.1 Adjacent Holding GmbH[1]	Unterföhring	100.00	44	EUR	29,805.3	0.0[3]
41	ProSiebenSat.1 Applications GmbH[1]	Unterföhring	100.00	42	EUR	2,025.0	0.0[3]
42	ProSiebenSat.1 Broadcasting GmbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
43	ProSiebenSat.1 Commerce GmbH[1]	Unterföhring	100.00	44	EUR	2,931.3	-543.7
44	ProSiebenSat.1 Digital & Adjacent GmbH[1]	Unterföhring	100.00	1	EUR	284,186.8	0.0[3]
45	ProSiebenSat.1 Digital Content GmbH	Unterföhring	100.00	44	EUR	-/-	-/-[4]
46	ProSiebenSat.1 Digital GmbH[1]	Unterföhring	100.00	44	EUR	74,468.8	0.0[3]

List of affiliated companies and investments of ProSiebenSat.1 Media SE Continued

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousand[9]	Profit/loss for the period[9]
47	ProSiebenSat.1 Erste Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
48	ProSiebenSat.1 Fünfzehnte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
49	ProSiebenSat.1 Games GmbH[1]	Unterföhring	100.00	46	EUR	35,025.3	0.0[3]
50	ProSiebenSat.1 Licensing GmbH[1]	Unterföhring	100.00	40	EUR	1,702.1	0.0[3]
51	ProSiebenSat.1 Neunzehnte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	-/-	-/-[4]
52	ProSiebenSat.1 Pay TV GmbH[1]	Unterföhring	100.00	55	EUR	-/-	-/-[4]
53	ProSiebenSat.1 Produktion GmbH[1]	Unterföhring	100.00	42	EUR	8,977.7	0.0[3]
54	ProSiebenSat.1 Siebzehnte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	-/-	-/-[4]
55	ProSiebenSat.1 TV Deutschland GmbH	Unterföhring	100.00	1	EUR	976,835.3	0.0[3]
56	ProSiebenSat.1 Welt GmbH[1]	Unterföhring	100.00	42	EUR	-41.5	0.0[3]
57	PS Event GmbH	Cologne	67.00	58	EUR	68.2	97.8
58	PSH Entertainment GmbH[1]	Unterföhring	100.00	40	EUR	2,925.2	0.0[3]
59	RapidApe GmbH i.L.	Berlin	100.00	44	EUR	152.3	63.2
60	Red Arrow Entertainment Group GmbH[1]	Unterföhring	100.00	1	EUR	81,779.6	0.0[3]
61	Red Arrow International GmbH[1]	Unterföhring	100.00	60	EUR	125.0	0.0[3]
62	RedSeven Entertainment GmbH[1]	Unterföhring	100.00	60	EUR	25.0	0.0[3]
63	SAM – Starwatch Artist Management GmbH[1]	Unterföhring	100.00	79	EUR	192.4	0.0[3]
64	SAM Sports – Starwatch Artist Management GmbH	Hamburg	75.00	79	EUR	-267.6	-292.6[7]
65	Sat.1 Norddeutschland GmbH[1]	Hanover	100.00	66	EUR	24.9	0.0[3]
66	SAT.1 Satelliten Fernsehen GmbH[1]	Unterföhring	100.00	55	EUR	443,610.2	0.0[3]
67	Seven Scores Musikverlag GmbH[1]	Unterföhring	100.00	40	EUR	26.0	0.0[3]
68	SevenGames Network GmbH[1]	Berlin	100.00	49	EUR	30.3	0.0[3]
69	SevenOne AdFactory GmbH[1]	Unterföhring	100.00	70	EUR	30.0	0.0[3]
70	SevenOne Brands GmbH[1]	Unterföhring	100.00	42	EUR	5,168.3	0.0[3]
71	SevenOne Capital (Holding) GmbH[1]	Unterföhring	100.00	72	EUR	1,883.8	-70.2[8]
72	SevenOne Investment (Holding) GmbH[1]	Unterföhring	100.00	1	EUR	3,318.3	-0.7[8]
73	SevenOne Media GmbH[1]	Unterföhring	100.00	70	EUR	5,771.7	0.0[3]
74	SevenPictures Film GmbH[1]	Unterföhring	100.00	55	EUR	2,268.3	0.0[3]
75	SevenVentures GmbH[1]	Unterföhring	100.00	44	EUR	25,515.0	0.0[3]
76	SilverTours GmbH	Freiburg im Breisgau	74.90	36	EUR	6,843.2	6,818.2
77	SMARTSTREAM.TV GmbH	Munich	80.00	46	EUR	3,216.1	2,792.8
78	Sonoma Internet GmbH	Berlin	75.00	43	EUR	513.4	-3,436.6
79	Starwatch Entertainment GmbH[1]	Unterföhring	100.00	40	EUR	14,920.7	0.0[3]
80	Studio 71 GmbH	Berlin	100.00	151	EUR	2,956.4	0.0[3]
81	Sugar Ray GmbH[1]	Unterföhring	100.00	55	EUR	25.0	0.0[3]
82	Toptarif Internet GmbH	Berlin	100.00	88	EUR	-/-	-/-[4]
83	TROPO GmbH	Hamburg	100.00	36	EUR	-8,956.4	-2,838.4
84	tv weiss-blau Rundfunkprogrammanbieter GmbH[1]	Unterföhring	100.00	66	EUR	1,027.0	0.0[3]
85	TVRL GmbH	Cologne	100.00	23	EUR	-1.6	0.2
86	Valmano GmbH	Berlin	51.00	43	EUR	1,942.6	-736.9
87	Verivox Finanzvergleich GmbH	Heidelberg	100.00	88	EUR	-/-	-/-[4]
88	Verivox GmbH	Heidelberg	100.00	89	EUR	-/-	-/-[4]
89	Verivox Holding GmbH	Unterföhring	80.00	43	EUR	-/-	-/-[4]
90	Verivox Versicherungsvergleich GmbH	Heidelberg	100.00	88	EUR	-/-	-/-[4]
91	Virtual Minds AG	Freiburg im Breisgau	51.38	46	EUR	7,555.9	1,770.4
92	VX Sales Solutions GmbH	Heidelberg	100.00	88	EUR	-/-	-/-[4]
93	wer-weiss-was GmbH[1]	Unterföhring	100.00	46	EUR	6,565.9	0.0[3]
94	wetter.com GmbH[1]	Konstanz	100.00	36	EUR	5,995.4	4,497.5
95	yieldlab AG	Hamburg	100.00	91	EUR	569.1	246.4

List of affiliated companies and investments of ProSiebenSat.1 Media SE Continued

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousand[9]	Profit/loss for the period[9]
	Armenia						
96	Marktguru LLC	Yerevan	100.00	105	AMD	55,962.0	39,195.0
	Austria						
97	Austria 9 TV GmbH	Vienna	100.00	100	EUR	11.3	0.5
98	AUSTRIA 9 TV GmbH & Co KG	Vienna	100.00	100	EUR	-4,380.2	0.0[3]
99	ProSieben Austria GmbH	Vienna	100.00	100	EUR	38.0	2.3
100	ProSiebenSat.1Puls 4 GmbH	Vienna	100.00	70	EUR	22,177.0	16,752.3
101	Puls 4 TV GmbH	Vienna	100.00	100	EUR	34.0	0.9
102	PULS 4 TV GmbH & Co KG	Vienna	100.00	100	EUR	2,600.1	0.0[3]
103	SAT.1 Privatrundfunk und Programmgesellschaft m.b.H	Vienna	51.00	66	EUR	7,172.2	6,894.4
104	SevenVentures Austria GmbH	Vienna	100.00	75	EUR	1,373.1	856.1
105	Visivo Consulting GmbH	Vienna	51.05	104	EUR	35.0	-16.9
	Belgium						
106	Sultan Sushi BVBA, in vereffening	Mechelen	100.00	60	EUR	-/-	-/-[4]
	Denmark						
107	Snowman Productions ApS	Copenhagen	100.00	129	DKK	1,670.9	-48.7
	Finland						
108	Oy SRG Finland Ab	Helsinki	100.00	130	EUR	-/-	-/-[4]
	Hong Kong						
109	Red Arrow International Limited	Hong Kong	100.00	60	HKD	-/-	-/-[4]
	Israel						
110	July August Communications and Productions Ltd.	Tel Aviv	76.00	60	ILS	2,046.0	1,398.0
111	The Band´s Visit LP	Tel Aviv	55.00	110	ILS	-/-	-/-[4]
	Jersey						
112	Scandinavian Broadcasting System (Jersey) Limited	Jersey	100.00	114	GBP	362.7	-/-[4]
	Luxembourg						
113	P7S1 Broadcasting S.à r.l.	Luxembourg	100.00	33; 34	EUR	66,625.7	386,969.1
	The Netherlands						
114	P7S1 Broadcasting Europe B.V.	Amsterdam	100.00	115	EUR	53,413.0	9,527.0
115	P7S1 Broadcasting Holding I B.V.	Amsterdam	100.00	113	EUR	4,080.0	78,452.0
116	P7S1 Nederland B.V.	Amsterdam	100.00	114	EUR	429.0	-117.0
117	Supersaver Travel B.V.	Amsterdam	100.00	130	EUR	-/-	-/-[4]
	Norway						
118	Marco Polo Travel AS	Oslo	100.00	130	NOK	-/-	-/-[4]
119	Snowman Productions AS	Oslo	100.00	129	NOK	747.6	-4,333.6
	Rumania						
120	MyVideo Broadband S.R.L.	Bucharest	100.00	23	EUR	-/-	-/-[4]
	Sweden						
121	100 Code AB	Stockholm	100.00	129	SEK	35.7	-14.3
122	7Travel Flights HoldCo AB	Stockholm	98.76	36	SEK	-/-	-/-[4]
123	eTRAVELi AB (publ)	Stockholm	100.00	124	SEK	-/-	-/-[4]
124	eTRAVELi Holding AB	Stockholm	100.00	122	SEK	-/-	-/-[4]
125	European Travel Interactive Group Holding AB	Stockholm	100.00	123	SEK	-/-	-/-[4]
126	Hard Hat AB i likvidation	Stockholm	100.00	129	SEK	73.5	-4,777.8
127	Scanworld Travelpartner AB	Uppsala	100.00	128	SEK	-/-	-/-[4]
128	Seat24 Travel AB	Uppsala	100.00	125	SEK	-/-	-/-[4]
129	Snowman Productions AB	Stockholm	100.00	60	SEK	12,606.8	-1,489.5
130	Svenska Resegruppen AB	Uppsala	100.00	128	SEK	-/-	-/-[4]
131	Svenska Resenätverket AB	Stockholm	100.00	130	SEK	-/-	-/-[4]
132	Ueberflieger AB	Uppsala	100.00	130	SEK	-/-	-/-[4]

List of affiliated companies and investments of ProSiebenSat.1 Media SE Continued

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousand[9]	Profit/loss for the period[9]
	Switzerland						
133	ADITION Schweiz GmbH	Locarno	100.00	91	CHF	104.6	138.3
134	mydays (Schweiz) AG	Küsnacht ZH	100.00	31	CHF	-/-	-/-[4]
135	ProSieben Puls 8 TV AG	Zurich	100.00	137	CHF	317.8	132.9
136	Sat.1 (Schweiz) AG	Küsnacht ZH	60.00	66	CHF	7,467.0	6,234.6
137	SevenOne Media (Schweiz) AG	Küsnacht ZH	100.00	70	CHF	19,101.6	18,442.2
138	SevenVentures (Schweiz) AG	Baar	100.00	75	CHF	235.1	30.8
139	Verivox Schweiz AG	Luzern	100.00	88	CHF	-/-	-/-[4]
	United Kongdom						
140	ADITION UK Limited	Cullompton	74.00	91	GBP	-/-	-/-[4]
141	CPL Productions Limited	London	100.00	148	GBP	70.3	25.2
142	Endor (Esio Trot) Limited	London	100.00	146	GBP	215.1	215.1
143	Endor (HBJ) Limited	London	100.00	146	GBP	0.0	0.0
144	Endor (T&T) Limited	London	100.00	146	GBP	0.0	0.0
145	Endor (Will) Limited	London	100.00	146	GBP	-/-	-/-[4]
146	Endor Productions Limited	London	51.00	153	GBP	-509.9	-191.1
147	European Radio Investments Limited	London	100.00	150	EUR	11.4	4,652.1
148	LHB Limited	London	68.25	153	GBP	-66.3	24.0
149	New Entertainment Research and Design Limited	London	100.00	153	GBP	-1,435.7	-791.9
150	P7S1 Broadcasting (UK) Limited	London	100.00	114	EUR	4,827.9	-28,305.7
151	ProSiebenSat.1 Digital Content GP Limited	London	75.00	45; 198	GBP	-/-	-/-[4]
152	ProSiebenSat.1 Digital Content LP	London	75.00	45; 151; 198	GBP	-/-	-/-[4]
153	Red Arrow Entertainment Limited	London	100.00	60	GBP	-385.6	-1,660.0
154	Red Arrow International-UK Limited	London	100.00	60	GBP	-/-	-/-[4]
155	Romanian Broadcasting Corporation Limited	London	100.00	150	EUR	-90.3	15,730.6
	United States of America						
156	8383 Productions, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
157	95 Ends, LLC	New York, NY	100.00	187	USD	-/-	-/-[4]
158	Aeria Games, Inc.	Wilmington, DE	100.00	12	USD	-/-	-/-[4]
159	By Dint Productions, LLC	New York, NY	100.00	157	USD	-/-	-/-[4]
160	Collective Digital Studio (Canada), Inc.	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
161	Collective Digital Studio GP, LLC	Wilmington, DE	100.00	152	USD	-/-	-/-[4]
162	Collective Digital Studio, LP	Wilmington, DE	100.00	152	USD	-/-	-/-[4]
163	Crow Magnon, LLC	Wilmington, DE	60.00	198	USD	-/-	-/-[4]
164	Delirium TV, LLC	Wilmington, DE	100.00	183	USD	-/-	-/-[4]
165	Digital Air, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
166	Digital Atoms, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
167	Digital Bytes, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
168	Digital Cacophony, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
169	Digital Demand, LLC	Dover, DE	100.00	183	USD	-/-	-/-[4]
170	Digital Diffusion, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
171	Digital Echo, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
172	Digital Fire, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
173	Fabrik Entertainment, LLC	Wilmington, DE	51.00	198	USD	9.5	970.1
174	Fortitude Production Services, LLC	Dover, DE	100.00	187	USD	-/-	-/-[4]
175	Fourteenth Hour Productions, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
176	GTG Production Services, LLC	Los Angeles, CA	100.00	163	USD	-/-	-/-[4]
177	Half Yard Productions, LLC	Wilmington, DE	65.00	198	USD	-/-	-/-[4]
178	HB Television Development, LLC	Wilmington, DE	100.00	173	USD	-/-	-/-[4]

List of affiliated companies and investments of ProSiebenSat.1 Media SE Continued

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousand[9]	Profit/loss for the period[9]
179	Hold Fast Productions, LLC	Wilmington, DE	100.00	173	USD	-/-	-/-[4]
180	Karga Seven Pictures, LLC	Los Angeles, CA	100.00	163	USD	-/-	-/-[4]
181	Kenilworth Productions, Inc.	Wilmington, DE	100.00	157	USD	-/-	-/-[4]
182	Kinetic Content Publishing, LLC	Dover, DE	100.00	183	USD	-/-	-/-[4]
183	Kinetic Content, LLC	Dover, DE	51.00	198	USD	-92.2	1,089.6
184	Kinetic Operations, LLC	Dover, DE	100.00	183	USD	-/-	-/-[4]
185	KinPro Music Publishing, LLC	Dover, DE	100.00	183	USD	-/-	-/-[4]
186	Kinpro, LLC	Dover, DE	100.00	183	USD	-/-	-/-[4]
187	Left/Right Holdings, LLC	Dover, DE	60.00	198	USD	29,611.5	4,304.5
188	Left/Right, LLC	Dover, DE	100.00	187	USD	-/-	-/-[4]
189	Moving TV, LLC	Dover, DE	100.00	183	USD	-/-	-/-[4]
190	NAR Pictures, LLC	Los Angeles, CA	100.00	163	USD	-/-	-/-[4]
191	Nerd TV, LLC	Wilmington, DE	100.00	149	USD	-/-	-/-[4]
192	Node Productions, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
193	Pacific View TV, LLC	Wilmington, DE	100.00	183	USD	-/-	-/-[4]
194	Pave Network, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
195	Prank Film, LLC	Beverly Hills, CA	100.00	162	USD	-/-	-/-[4]
196	Production Connection, LLC	Dover, DE	100.00	183	USD	-/-	-/-[4]
197	ProSiebenSat.1 Digital & Adjacent, Inc.	Wilmington, DE	100.00	44	USD	-/-	-/-[4]
198	Red Arrow International, Inc.	Wilmington, DE	100.00	60	USD	-1,171.5	3,772.2
199	Ripple Entertainment, LLC	Wilmington, DE	100.00	198	USD	-/-	-/-[4]
200	Three Tables Music, LLC	Dover, DE	100.00	183	USD	-/-	-/-[4]
201	WDSP, LLC	New York, NY	100.00	157	USD	-/-	-/-[4]
	ASSOCIATES						
	Germany						
202	Batch Media GmbH	Berlin	45.00	91	EUR	37.3	429.4
203	Covus Ventures GmbH	Munich	44.12	75	EUR	-/-	-/-[4]
204	eFashion Boulevard GmbH	Georgsmarienhütte	30.00	75	EUR	-2,118.9	-299.9
205	mov.ad GmbH	Munich	25.20	91	EUR	243.6	-166.7
206	mytic myticket AG	Berlin	20.00	79	EUR	-/-	-/-[4]
207	Stylight GmbH	Munich	22.08	43	EUR	-/-	-/-[4]
208	Tejado GmbH	Oldenburg	20.69	43	EUR	-/-	-/-[4]
209	The ADEX GmbH	Berlin	25.20	91	EUR	117.1	-944.7
210	VG Media Gesellschaft zur Verwertung der Urheber- und Leistungsschutzrechte von Medienunternehmen mbH	Berlin	29.54	42	EUR	419.8	0.0
211	Vitafy GmbH	Munich	29.05	3	EUR	-29.1	-1,068.8
	Switzerland						
212	fineartmultiple AG	Luzern	32.50	44; 75	CHF	-/-	-/-[4]
213	Goldbach Media (Switzerland) AG	Küsnacht ZH	22.96	137	CHF	23,866.6	23,236.1
214	swiss radioworld AG	Zurich	22.96	137	CHF	3,024.7	2,398.1
	United States of America						
215	Bloody Disgusting, LLC	Beverly Hills, CA	49.00	162	USD	-/-	-/-[4]
216	Fred Channel, LLC	Beverly Hills, CA	70.00	162	USD	-/-	-/-[4]
	AFFILIATED COMPANIES, NOT CONSOLIDATED						
	Germany						
217	Petobel GmbH i.L.	Berlin	100.00	16	EUR	-/-	-/-[4]
	Belgium						
218	Satelliet Sushi BVBA	Mechelen	100.00	106	EUR	-/-	-/-[4]
	Israel						
219	Metacafe Ltd.	Tel Aviv	100.00	162	ILS	-/-	-/-[4]
220	ProSiebenSat.1 Israel Ltd.	Tel Aviv	100.00	44	ILS	-/-	-/-[4]

List of affiliated companies and investments of ProSiebenSat.1 Media SE Continued

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousand[9]	Profit/loss for the period[9]
	United Kingdom						
221	Studio 71 UK Limited	London	100.00	151	GBP	-/-	-/-[4]
	JOINT VENTURES						
	Germany						
222	AdAudience GmbH	Munich	14.29	73	EUR	1,840.2	54.6
	Vereinigtes Königreich						
223	Nit TV Limited	London	50.01	141	GBP	-/-	-/-[4]
224	United Artists Media Group RA UK Limited	London	50.00	153	GBP	-20.9	-20.9
	OTHER MATERIAL INVESTMENTS						
	Germany						
225	AFK Aus- und Fortbildungs GmbH für elektronische Medien	Munich	12.00	42	EUR	1,572.5	-1,218.2
226	Appscend Video Solutions GmbH	Unterföhring	5.00	37	EUR	-/-	-/-[4]
227	ASANAYOGA GmbH	Berlin	5.00	37	EUR	-/-	-/-[4]
228	asgoodasnew electronics GmbH	Frankfurt (Oder)	13.61	75	EUR	2,225.2	-5,613.3
229	Atlantic Food Labs GmbH	Berlin	13.00	44; 75	EUR	-/-	-/-[4]
230	auxmedia GmbH	Jena	5.00	37	EUR	-/-	-/-[4]
231	babymarkt.de GmbH	Dortmund	8.34	75	EUR	27,111.1	-17,149.9
232	circle concepts GmbH	Berlin	5.00	37	EUR	-/-	-/-[4]
233	Deutscher Fernsehpreis GmbH	Cologne	25.00	42	EUR	307.9	-5.8
234	DREAMA MEDIA UG (haftungsbeschränkt)	Unterföhring	5.03	37	EUR	-/-	-/-[4]
235	ekoio UG (haftungsbeschränkt)	Leipzig	5.03	37	EUR	-/-	-/-[4]
236	ePetWorld GmbH	Munich	16.38	75	EUR	1,382.3	-2,613.0
237	Evolution Internet Fund GmbH	Munich	15.00	75	EUR	-/-	-/-[4]
238	FilmFernsehFonds Bayern GmbH, Gesellschaft zur Förderung der Medien in Bayern (FFF Bayern)	Munich	6.59	55	EUR	51.1	0.0
239	Flairelle GmbH	Hanover	5.00	37	EUR	-/-	-/-[4]
240	get2play GmbH i.L.	Berlin	15.00	37	EUR	-/-	-/-[4]
241	Hakle GmbH	Düsseldorf	17.50	75	EUR	-/-	-/-[4]
242	HC Hellocare UG (haftungsbeschränkt)	Berlin	5.12	37	EUR	-/-	-/-[4]
243	Kiveda Holding GmbH	Berlin	9.80	75	EUR	14,403.3	-8,365.1
244	Little Postman GmbH	Berlin	5.00	37	EUR	-/-	-/-[4]
245	onbelle GmbH	Cologne	5.00	37	EUR	-/-	-/-[4]
246	Outstore GmbH	Miesbach	17.51	75	EUR	-/-	-/-[4]
247	PippaJean GmbH	Frankfurt am Main	7.40	75	EUR	-/-	-/-[4]
248	Privatfernsehen in Bayern GmbH & Co. KG	Munich	10.00	84	EUR	57.1	2.6
249	Privatfernsehen in Bayern Verwaltungs-GmbH	Munich	10.00	84	EUR	248.2	42.1
250	Screenforce Gattungsmarketing GmbH	Berlin	5.56	73	EUR	-/-	-/-[4]
251	Shoe-Com GmbH	Munich	5.00	37	EUR	-/-	-/-[4]
252	Storyfeed GmbH	Berlin	5.00	37	EUR	-/-	-/-[4]
253	Tickethelden GmbH i.L.	Munich	5.00	37	EUR	-/-	-/-[4]
254	videostream360 GmbH	Leipzig	5.00	37	EUR	-/-	-/-[4]
255	WERK1.Bayern GmbH	Munich	6.09	42	EUR	304.5	-39.2
	Austria						
256	expressFlow GmbH	Vienna	5.00	37	EUR	-/-	-/-[4]
	Gibraltar						
257	Sportority Limited	Gibraltar	5.33	40	GIP	-/-	-/-[4]
	Israel						
258	Adam, the Film Ltd.	Ramat Gan	5.00	110	ILS	-/-	-/-[4]
259	Seven Days LP	Tel Aviv	50.00	110	ILS	-/-	-/-[4]

List of affiliated companies and investments of ProSiebenSat.1 Media SE Continued

No.	Company	Location	Share in %	Held via	Currency[2]	Equity in thousand[9]	Profit/loss for the period[9]
	Switzerland						
260	ayondo Holding AG	Zug	8.67	75	CHF	27,581.6	-1,253.3
	United Kiongdom						
261	Kastr Limited	London	7.78	44	GBP	-/-	-/-[4]
	United States of America						
262	AliphCom	San Francisco, CA	1.22	75	USD	-/-	-/-[4]
263	EverSport Media, Inc.	Wilmington, DE	6.02	44	USD	-/-	-/-[4]
264	Talenthouse, Inc.	Dover, DE	9.94	79	USD	-/-	-/-[4]
265	Wrap Media, Inc.	Dover, DE	10.47	44	USD	-/-	-/-[4]
266	ZeniMax Media, Inc.	Wilmington, DE	6.83	114	USD	621,977.3	-81,245.7

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 spot rates as of the end of the reporting period.
3 Result after profit and loss transfer agreement.
4 No figures available. Company acquired in 2015 or founded or in liquidation.
5 Shortened financial year from October 15, 2014 to December 31, 2014.
6 Shortened financial year from October 6, 2014 to December 31, 2014.
7 Shortened financial year from March 28, 2014 to December 31, 2014.
8 Shortened financial year from September 19, 2014 to December 31, 2014.
9 The figures for Equity and Profit/loss refer to the financial year 2014 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 combined 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, February 22, 2016

Thomas Ebeling (CEO)

Dr. Gunnar Wiedenfels (CFO)

Conrad Albert (Legal, Distribution & Regulatory Affairs)

Dr. Christian Wegner (Digital & Adjacent)

Dr. Ralf Schremper (Strategy & Investments)

Auditor's Report

We have audited the consolidated financial statements prepared by the ProSiebenSat.1 Media SE, 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 combined management report for the company and group for the financial year from January 1 to December 31, 2015. 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, February 24, 2016

KPMG AG
Wirtschaftsprüfungsgesellschaft
[original German version signed by:]

Sailer
Wirtschaftsprüfer
[German Public Auditor]

Schmidt
Wirtschaftsprüfer
[German Public Auditor]

D

ADDITIONAL INFORMATION

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Group Key Figures: Multi-Year Overview (Fig. 186)

EUR m	Q4 2015	Q4 2014	Q4 2013	Q4 2012	Q4 2011	Q4 2010	Q4 2009	Q4 2008	Q4 2007	Q4 2006
Revenues	**1,086.5**	965.9	840.8	789.3	712.4	828.9	880.4	876.8	989.3	657.2
Revenue margin before income taxes (in percent)	**19.5**	26.2	27.3	27.3	26.7	23.9	19.5	-14.6	14.4	27.1
Total costs	**809.0**	694.2	587.9	554.1	466.7	572.6	651.8	915.8	772.3	471.6
Operating costs[1]	**735.4**	645.6	547.3	509.5	434.7	520.8	576.2	621.6	695.1	460.3
Consumption of programming assets	**249.7**	255.0	247.2	244.6	239.0	279.3	290.1	327.5	395.6	264.2
Recurring EBITDA[2]	**357.4**	325.1	302.1	285.7	281.9	312.5	307.2	279.3	296.9	200.8
Recurring EBITDA margin (in percent)	**32.9**	33.7	35.9	36.2	39.6	37.7	34.9	31.9	30.0	30.6
EBITDA	**343.3**	316.9	288.7	269.3	266.5	292.9	293.0	251.7	281.1	200.2
Non-recurring items[3]	**-14.1**	-8.2	-13.4	-16.5	-15.4	-19.6	-14.2	-27.6	-15.8	-0.6
EBIT	**288.7**	281.8	262.1	241.3	249.3	260.8	239.2	3.5	222.1	189.4
Financial result	**-76.7**	-29.1	-32.3	-25.9	-58.9	-63.0	-67.3	-133.3	-79.6	-11.0
Profit before income taxes	**212.0**	252.7	229.8	215.4	190.4	197.8	171.9	-128.0	142.5	178.4
Consolidated net profit (after non-controlling interests)[4]	**141.7**	149.4	59.4	99.0	129.9	181.4	113.4	-170.0	39.5	113.4
Profit from discontinued operations (net of income taxes)	**3.2**	-18.4	-95.6	-63.7	-36.2	34.4	-/-	-/-	-/-	-/-
Underlying net income[5]	**201.1**	180.4	158.9	163.8	175.9	158.8	137.1	78.2	75.3	114.4
Basic earnings per share (underlying)[6]	**0.94**	0.84	0.75	-/-	-/-	-/-	-/-	-/-	-/-	-/-
Investments in programming assets	**210.1**	182.8	182.5	183.8	211.4	240.0	267.8	329.3	366.9	261.1
Free cash flow	**76.9**	297.3	306.4	262.8	237.5	203.5	241.6	389.2	213.9	190.7
Cash flow from investing activities	**-418.8**	-227.9	-223.4	-207.5	-222.8	-285.7	-305.1	-67.1	-432.1	-268.0

EUR m	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues	**3,260.7**	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
Revenue margin before income taxes (in percent)	**18.5**	19.5	20.2	19.4	15.8	12.6	8.4	-2.2	9.2	18.4
Total costs	**2,555.4**	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
Operating costs[1]	**2,354.5**	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	**895.5**	867.8	858.7	838.7	864.3	957.0	1,068.6	1,247.1	1,145.8	946.0
Recurring EBITDA[2]	**925.5**	847.3	790.3	744.8	725.5	791.5	696.5	674.5	662.9	487.0
Recurring EBITDA margin (in percent)	**28.4**	29.5	30.3	31.6	33.0	30.4	25.2	22.1	24.5	23.1
EBITDA	**881.1**	818.4	757.8	680.4	652.5	693.8	623.0	618.3	522.3	484.3
Non-recurring items[3]	**-44.4**	-28.9	-32.6	-64.4	-73.0	-97.7	-73.5	-56.2	-140.6	-2.7
EBIT	**729.9**	694.5	668.9	600.9	580.5	566.8	475.1	263.5	385.3	444.3
Financial result	**-126.4**	-134.4	-142.0	-144.4	-232.7	-238.2	-242.4[9]	-334.9	-135.5	-57.6
Profit before income taxes	**603.6**	560.1	526.9	456.5	347.8	328.6	233.1[9]	-68.4	249.8	386.7
Consolidated net profit (after non-controlling interests)[4]	**390.9**	346.3	312.1	295.0	637.5	312.7	146.6[9]	-129.1	89.4	240.7
Profit from discontinued operations (net of income taxes)	**0.3**	-27.1	-47.6	-30.2	373.2	78.1	-/-	-/-	-/-	-/-
Underlying net income[5]	**467.5**	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]	**2.19**	1.96	1.78	-/-	-/-	-/-	-/-	-/-	-/-	-/-
Investments in programming assets	**943.9**	889.7	860.2	843.3	938.9	1,098.6	1,227.2	1,397.0	1,176.7	955.0
Free cash flow	**-1.2**	276.5	330.1	256.3	201.2	179.0	157.4	183.8	-1,675.4	292.4
Cash flow from investing activities	**-1,521.7**	-1,148.4	-1,018.3	-945.8	-973.4	-1,186.4	-1,320.1	-1,175.0	-3,269.0	-979.6

Group Key Figures: Multi-Year Overview

EUR m	12/31/2015	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
Programming assets	**1,252.4**	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
Equity	**943.1**	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
Equity ratio (in percent)	**17.7**	19.3	16.4	27.7	28.6	16.2	9.8[9]	8.5[9]	18.2[9]	64.2
Cash and cash equivalents	**734.4**	470.6	395.7	702.3	517.9	740.7	737.4	632.9	250.8	63.5
Financial liabilities	**2,674.8**	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
Leverage[7]	**2.1**[13]	1.8[13]	1.8[10]	2.0[12]	2.1	3.3	4.7	5.1	5.0	0.3
Net financial debt	**1,940.4**	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
Employees[8]	**4,880**	4,210	3,590	3,026	2,605	4,117	4,814	5,450	4,852	2,976

Segment Group Key Figures: Multi-Year Overview (Fig. 187)

EUR m	2015	2014	2013
Broadcasting German-speaking			
External revenues	**2,152.1**	2,062.7	1,997.8
Recurring EBITDA[2]	**734.3**	702.8	678.6
Recurring EBITDA margin (in percent)[14]	**33.0**	32.9	32.7
EBITDA	**715.9**	686.8	649.9
Digital & Adjacent			
External revenues	**846.4**	610.7	483.7
Recurring EBITDA[2]	**170.2**	129.3	105.4
Recurring EBITDA margin (in percent)[14]	**19.9**	21.0	21.6
EBITDA	**149.2**	123.6	100.9
Content Production & Global Sales			
External revenues	**262.2**	202.2	123.8
Recurring EBITDA[2]	**25.0**	19.1	10.6
Recurring EBITDA margin (in percent)[14]	**7.8**	7.8	6.3
EBITDA	**21.4**	16.0	11.5

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 SE including discontinued operations.
5 Consolidated profit for the period attributable to shareholders 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 125.
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 2015 / at December 31, 2015: The figures for the 2015 financial year and the fourth quarter of 2015 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 ratio
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

Addressable TV

Addressable TV describes the opportunity to broadcast digital advertising in linear television programming selectively – i.e. nationally, regionally or according to target group – on Internet-connected TV sets by means of HbbTV technology. It thus combines the reach of the television mass medium with the targeted addressability of the online world.

Arbeitsgemeinschaft Fernsehforschung (AGF)

In the Arbeitsgemeinschaft Fernsehforschung (Working Group of Television Research), the ARD and ZDF broadcasters, the ProSiebenSat.1 Media SE 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 75.08 million people from the age of 3 or 38.19 million television households (as of January 1, 2016).

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.

C

Catch-up TV

Catch-up TV is a form of video-on-demand whereby stations give audiences the opportunity to watch television shows online for a certain period of time following the original broadcast (usually seven days). Audiences can usually access these shows for free.

D

Digital out-of-home (DooH)

Digital out-of-home means outdoor digital advertising, i.e. media outside of one's own four walls: LED boards or digital backlit billboards on roads, at train stations and airports, in public transport or at point of sale (e.g. electronics stores, food stores, convenience stores). DooH is a distinct media type that has built up relevant cumulative reach, which differs from traditional outdoor advertising (billboards): DooH allows advertisers to use video advertising in order to follow the mobile target group through the day and thus effectively extend television campaigns, for example.

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.

Gross/net reach

Net reach is the number of people who were reached by a piece of video content at least once. In contrast, gross reach is the total of all contacts made, regardless of whether specific individuals are reached multiple times.

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

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.

Subscription video-on-demand (SVoD)

Subscription video-on-demand describes a subscription model for customers of video-on-demand platforms such as maxdome. A fixed price is charged for a defined offering that can be accessed without restriction. It belongs to the overriding pay-video-on-demand (Pay-VoD) category, which also includes other payment models, such as transactional video-on-demand (TVoD) or pay-per-view (PPV).

T

Targeting

Targeting means modulating advertising automatically and in a targeted fashion using various parameters. It serves to optimize the delivery of digital advertising to predefined target groups with less wasted coverage.

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 Ventures & 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 the area Ventures & Commerce 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.

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Editorial Information

How to reach us

Press
ProSiebenSat.1 Media SE
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 SE
Investor Relations
Medienallee 7
85774 Unterföhring
Tel. +49 [89] 95 07 – 15 02
Fax +49 [89] 95 07 – 15 21
E-Mail: aktie@prosiebensat1.com

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ProSiebenSat.1 Media SE
Medienallee 7
85774 Unterföhring
Tel. +49 [89] 95 07 – 10
Fax +49 [89] 95 07 – 11 21
www.ProSiebenSat1.com
HRB 219 439 AG München

Content and Design
ProSiebenSat.1 Media SE
Corporate Communications

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FINANCIAL CALENDAR (Fig. 188)

02/25/2016	**Press Conference/IR Conference on Figures 2015** Press Release, Conference Call with analysts and investors, Conference Call with journalists
03/15/2016	**Publication of the Annual Report 2015**
05/03/2016	**Publication of the Quarterly Statement for the First Quarter of 2016** Press Release, Conference Call with analysts and investors, Conference Call with journalists
06/30/2016	**Annual General Meeting 2016**
07/01/2016	**Dividend Payment**
08/04/2016	**Publication of the Half-Yearly Financial Report of 2016** Press Release, Conference Call with analysts and investors, Conference Call with journalists
11/03/2016	**Publication of the Quarterly Statement for the Third Quarter of 2016** Press Release, Conference Call with analysts and investors, Conference Call with journalists

LOCATIONS OF PROSIEBENSAT.1 GROUP (V)

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 SE, **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

Digital & Adjacent
ProSieben Travel, ProSiebenSat.1 Digital, SevenVentures, Studio71, ProSiebenSat.1 Games, maxdome, MyVideo, ProSiebenSat.1 Licensing, Starwatch Entertainment

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 (Austria)

Digital & Adjacent
SevenVentures (Austria)

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
Digital & Adjacent
etraveli

SWITZERLAND
Broadcasting German-speaking
SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8, SevenOne Media (Switzerland), SevenOne AdFactory (Switzerland)

Digital & Adjacent
SevenVentures (Switzerland)

UNITED KINGDOM
Content Production & Global Sales
CPL Productions, Endor Productions, Nerd TV, Red Arrow Entertainment UK, Cove Pictures

USA
Content Production & Global Sales
Fabrik Entertainment, Kinetic Content, Ripple Entertainment, Dorsey Pictures, Karga Seven Pictures, Left/Right

Digital & Adjacent
Collective Digital Studio (CDS)

Growing to the Next Level

ProSiebenSat.1 Group
Medienallee 7
85774 Unterföhring
www.ProSiebenSat1.com