ProSiebenSat.1 Media SE

Half-Yearly Financial Report 2018

THE CORE OF OUR STRATEGY

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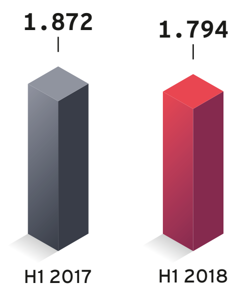
ABOUT PROSIEBENSAT.1 GROUP

ProSiebenSat.1 is the leading German entertainment company with a strong e-commerce business. Our objective is to offer great entertainment – whenever, wherever and on any device. As of June 30, 2018, ProSiebenSat.1 employed 6,512 employees, who are passionate creators that love to entertain and delight our viewers and consumers each day. We are diversifying the Group's revenue and earnings base and are driving forward the digitalization insistently. In the first half of 2018, ProSiebenSat.1 Group’s business performance was in line with our expectations: Adjusted EBITDA and adjusted net income declined in the mid single-digit percentage range in the second quarter. This expected development primarily reflects consolidation effects from transactions and a deviating seasonality of program costs. In the first half of the year, key operating earnings figures were virtually stable at the previous year’s level. Adjusted for consolidation and currency effects, consolidated revenues also almost remained at the previous year’s level in both reporting periods. For the full year 2018, ProSiebenSat.1 confirms the Group's financial targets.

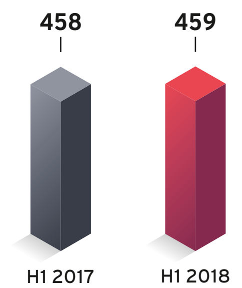
REVENUES

in EUR m

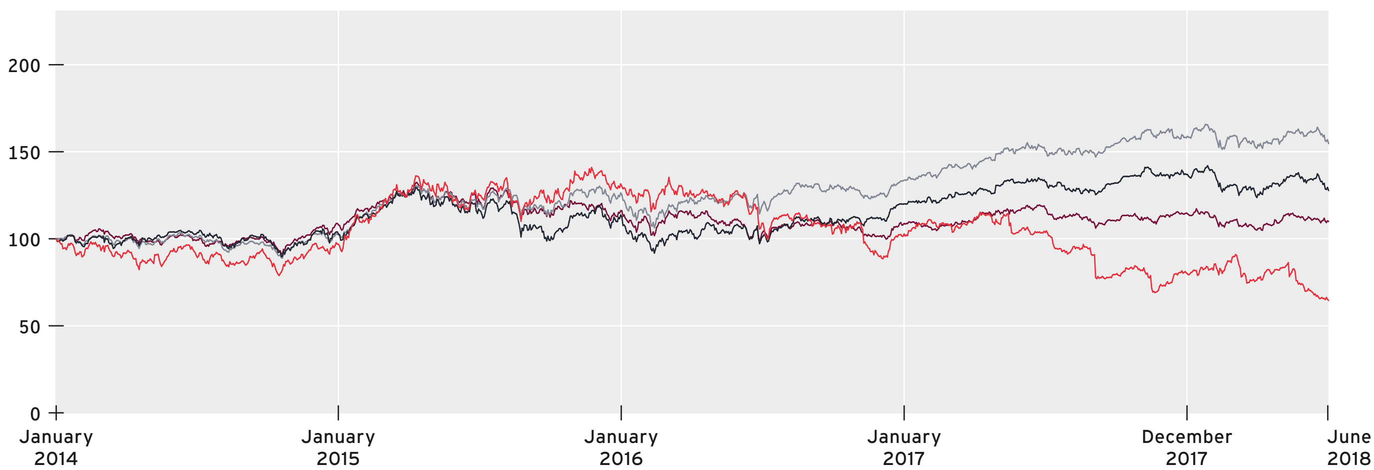


ADJUSTED EBITDA

in EUR m



PRICE PERFORMANCE OF THE PROSIEBENSAT.1 SHARE



— ProSiebenSat.1 — Euro Stoxx Media — MDAX — DAX / Basis: Xetra closing quotes, an index of 100 = last trading day 2013; Source: Reuters.

All information relates to continuing operations.

A / GROUP INTERIM MANAGEMENT REPORT

REPORT ON THE ECONOMIC POSITION: Q2 2018

BUSINESS AND INDUSTRY ENVIRONMENT

There have been no significant changes compared to the basic principles of the Group described on page 3 of the statement on the first quarter of 2018. It is possible that individual figures do not exactly add up to the totals shown and that percentage figures given do not exactly reflect the absolute figures to which they relate.

Development of Audience Shares and User Numbers

ProSiebenSat.1 Group operates advertising-financed free TV stations in Germany, Austria and Switzerland and offers these in both SD and HD quality. The Group's biggest revenue market is Germany, where it holds the leading position.

01 / AUDIENCE SHARES OF PROSIEBENSAT.1 GROUP in %

	Q2 2018	Q2 2017	H1 2018	H1 2017
Germany	**27.1**	27.1	**26.9**	26.9
Austria	**27.9**	27.7	**28.1**	26.6
Switzerland	**16.7**	17.2	**17.1**	17.1

Figures are based on 24 hours (Mon–Sun).
Germany: SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX, kabel eins Doku; advertising-relevant target group adults 14–49.
Source: AGF in cooperation with GfK/videoSCOPE 1.1/Marktstandard TV/71m/Committees Representation.
Austria: Adults 12–49; SAT.1 Österreich, ProSieben Austria, kabel eins Austria, PULS 4, sixx Austria, ProSieben MAXX Austria, SAT.1 Gold Österreich, kabel eins Doku Austria, ATV + ATV2 (since April 7, 2017 at ProSiebenSat.1 PULS 4, previously an independent group). Source: AGTT/GfK TELETEST; Evogenius Reporting; January 1, 2017–June 30, 2018; weighted for number of people; including VOSDAL/time-shift; standard.
Switzerland: SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8; advertising-relevant target group adults 15–49; market shares relate to the German-speaking part of Switzerland D–CH; total signal. Source: Mediapulse TV Panel.

In the second quarter of 2018, the combined market share of the broadcasting group was stable and on a par with the previous year at 27.1% among viewers aged between 14 and 49 years (previous year: 27.1%). The newer stations sixx, SAT.1 Gold, ProSieben MAXX and kabel eins Doku developed particularly positively. The stations marketed by IP Deutschland (RTL, VOX, n-tv, Super RTL, NITRO and RTLplus) had a market share of 23.0% (previous year: 25.1%).

02 / AUDIENCE SHARES OF PROSIEBENSAT.1 STATIONS IN GERMANY in %

Target group 14–49 years	Q2 2018	Q2 2017	H1 2018	H1 2017
SAT.1	**7.9**	8.3	**8.0**	8.4
ProSieben	**9.1**	9.7	**9.1**	9.7
kabel eins	**4.9**	4.8	**4.8**	4.8
sixx	**1.4**	1.2	**1.4**	1.1
SAT.1 Gold	**1.7**	1.4	**1.7**	1.4
ProSieben MAXX	**1.5**	1.3	**1.5**	1.2
kabel eins Doku	**0.6**	0.3	**0.6**	0.3

Relevant target groups	Q2 2018	Q2 2017	H1 2018	H2 2017
SAT.1: Adults 14 to 59 years old	**8.0**	8.3	**7.9**	8.4
ProSieben: Adults 14 to 39 years old	**11.9**	12.9	**11.8**	12.9
kabel eins: Adults 14 to 49 years old	**4.9**	4.8	**4.8**	4.8
sixx: Women 14 to 39 years old	**1.9**	1.7	**1.9**	1.7
SAT.1 Gold: Women 40 to 64 years old	**2.9**	2.5	**2.8**	2.3
ProSieben MAXX: Men 14 to 39 years old	**2.3**	2.8	**2.4**	2.5
kabel eins Doku: Men 40 to 64 years old	**0.6**	0.4	**0.6**	0.4

Figures are based on 24 hours (Mon–Sun). SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX, kabel eins Doku; source: AGF in cooperation with GfK/TV Scope 6.1/SevenOne Media Committees Representation.

As expected, the development of market shares was influenced by major sports events such as the Winter Olympic Games and the FIFA World Cup. These were broadcast primarily by public TV stations. At the same time, the competitive environment in the German free TV market has intensified over the past few months. The market has fragmented in the wake of digitalization, partly because several new

special-interest stations, as RTLplus or kabel eins Doku, have emerged.
→ Development of Economy and Advertising Market, page 4

In addition, ProSiebenSat.1 is covering various online forms of media usage. Based on the most recent data published by Arbeitsgemeinschaft Online Forschung (AGOF) in June 2018, the websites managed by SevenOne Media, a ProSiebenSat.1 advertising sales company, reached around 33 million unique users in Germany (previous month: around 35 million unique users). The digital studio Studio71 is one of the largest MCNs in the world with around 27 billion video views in the second quarter of 2018 (previous year: around 22 billion video views).

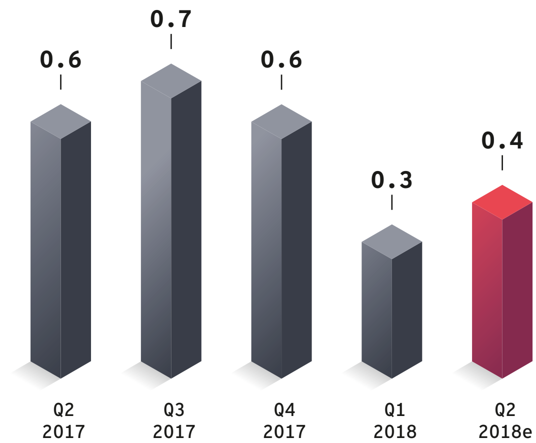
At the same time, digitalization is also enabling additional revenue models. For instance, in the free TV business, ProSiebenSat.1 participates in the technical service fees that end customers pay to the respective providers for programs in HD quality. The number of HD users has been increasing since 2012 and amounted to 9.2 million users in the second quarter of 2018 (previous year: 7.6 million). The pay-video-on-demand (PayVoD) portal maxdome also generates revenues from subscriptions (SVoD) and pay-per-view.

The Group is continuously expanding its portfolio and developing offers that incorporate various platforms based on the main medium of TV and provide the advertising industry with additional environments for addressing target groups. In June 2018, ProSiebenSat.1 Group presented its plans for a new OTT platform in cooperation with Discovery. The streaming platform will make content available from the TV stations ProSieben, SAT.1, kabel eins, sixx, ProSieben MAXX, SAT.1 Gold and kabel eins doku as well as DMAX, TLC and selected content from Eurosport. Further TV stations have also already committed to provide their content via the platform. In addition, the VoD portal maxdome and the Eurosport Player will be integrated in this service. The common platform is to be launched in the first half of 2019 and is expected to draw around 10 million users already in the first two years.

Development of Economy and Advertising Market

The German economy has lost momentum in the year to date. In particular, exports and corporate investments are estimated to be considerably weaker than at the beginning of the year. By contrast, significant growth momentum is still likely to come from private consumption, which is benefiting from favorable labor market and income conditions. Against this backdrop, Destatis calculates that revenues in retail grew by 1.0 % in real terms in the first half of the year (January to May 2018); they account for almost a third of private consumption. The online and mail order business developed particularly dynamically (+3.6 % in real terms). → Future Business and Industry Environment, page 16

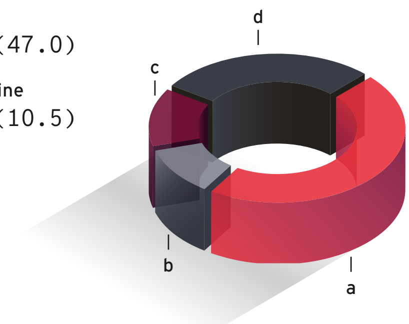
03 / DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN GERMANY in %, change vs. previous quarter



Interlinked, adjusted for price, seasonal and calendar effects.
Source: Destatis, DIW Economic Barometer from June 27, 2018 / **e:** estimate

According to Nielsen Media Research, gross TV advertising investment in Germany rose by 1.7 % to EUR 3.617 billion in the second quarter of 2018 (previous year: EUR 3.557 billion). On a half-year basis, there was a 3.4 % increase to EUR 7.223 billion (previous year: EUR 6.985 billion). TV has the greatest relevance in comparison to other media. In the second quarter, 46.8 % of gross advertising investment went on TV advertising (previous year: 47.0 %). This figure came to 47.7 % from January to June (previous year: 47.3 %).

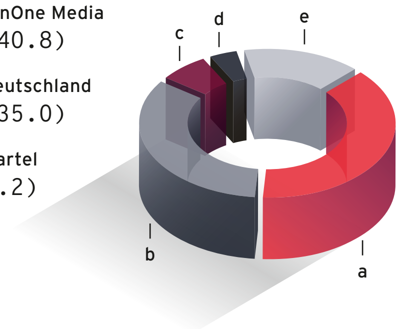
04 / MEDIA MIX GERMAN GROSS ADVERTISING MARKET in %, Q2 2017 figures in parentheses



Source: Nielsen Media Research.

Data from Nielsen Media Research are important indicators for assessing the advertising market's development. However, they are collected on a gross revenue basis, meaning that they do not take account of discounts, self-promotion or agency commission. In addition, the figures also include TV spots from media-for-revenue-share and media-for-equity transactions. Furthermore, major digital players from the US (such as Google and Facebook) are not reflected in the Nielsen figures and therefore they do not represent the entire market. On a net basis, the net TV advertising market remained at the previous year's level in the first half of 2018. → Future Business and Industry Environment, page 16

05 / MARKET SHARES GERMAN GROSS TV ADVERTISING MARKET in %, Q2 2017 figures in parentheses



a — SevenOne Media **38.8** (40.8)
b — IP Deutschland **33.9** (35.0)
c — EL-Cartel **7.1** (7.2)
d — Public Stations **4.5** (3.7)
e — Others **15.7** (13.3)

Source: Nielsen Media Research.

According to Nielsen, ProSiebenSat.1 is the market leader in the German TV advertising market and generated gross TV advertising revenues of EUR 1.403 billion in the second quarter of 2018 (previous year: EUR 1.452 billion). On a half-year basis, the Company generated revenues of EUR 2.826 billion (previous year: EUR 2.868 billion). This resulted in a market share of 38.8 % for the second quarter of 2018 (previous year: 40.8 %). In the first half of the year, the advertising market share was 39.1% (previous year: 41.1%). The year-on-year decline in the market share is partly due to the emergence of new market participants. As of the start of 2018, Nielsen Media Research added numerous channels of the pay TV broadcaster Sky to its analysis, as well as kabel eins Doku, RTLplus, MTV, and Servus TV. In addition, the broadcasting of the FIFA World Cup resulted in higher market shares for the public stations (gross increase of 0.8 percentage points). → Development of Audience Shares and User Numbers, page 3
→ Business Development of the Segments, page 9

06 / TV ADVERTISING MARKETS IN GERMANY, AUSTRIA AND SWITZERLAND ON A GROSS BASIS in %

	Development of the TV advertising market in Q2 2018 (Change against previous year)	Market shares ProSiebenSat.1 Q2 2018	Market shares ProSiebenSat.1 Q2 2017
Germany	**1.7**	**38.8**	40.8
Austria	**3.7**	**43.3**	42.6
Switzerland	**6.3**	**28.5**	29.3

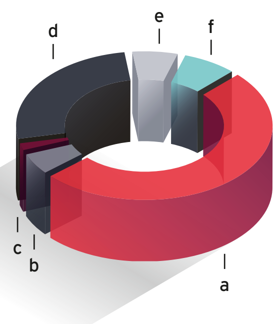
	Development of the TV advertising market in H1 2018 (Change against previous year)	Market shares ProSiebenSat.1 H1 2018	Market shares ProSiebenSat.1 H1 2017
Germany	**3.4**	**39.1**	41.1
Austria	**2.6**	**43.3**	39.5
Switzerland	**4.9**	**29.0**	28.5

Germany: Gross, Nielsen Media. / **Austria:** Gross, Media.
Switzerland: The market shares relate to the German-speaking part of Switzerland, gross, Media Focus.

According to Nielsen, the advertising budgets for in-stream video ads in Germany declined to a gross market volume of EUR 145.8 million in the second quarter of 2018 (previous year: EUR 157.4 million) and to EUR 273.4 million in the first half of the year (previous year: EUR 295.1 million). In-stream video ads are forms of Internet video advertising shown before, after or during a video stream. By selling them, ProSiebenSat.1 generated gross revenues of EUR 74.6 million in the second quarter of 2018 (previous year: EUR 65.9 million). This corresponds to a year-on-year increase of 13.2 % and a market share of 51.2 % (previous year: 41.9 %) → Fig. 07. Over the six-month period, the gross revenues of the ProSiebenSat.1 Group rose by 9.3 % to EUR 135.4 million (previous year: EUR 123.8 million). This resulted in a market share of 49.5 % (previous year: 41.9 %). Overall, investments in online forms of advertising in Germany climbed by 9.6 % to EUR 869.4 million (previous year: EUR 793.1 million). In the six-month period, the investments amounted to EUR 1.682 billion (previous year: EUR 1.569 billion). By selling them, ProSiebenSat.1 generated revenues of EUR 95.4 million in the second quarter (+ 5.4 %) and of EUR 177.1 million in the first half of the year (+ 5.3 %). In addition to in-stream videos, the online advertising market also includes display ads such as traditional banners and buttons.

i Nielsen Media Research designates gross figures for the online advertising market in Germany. They do not comprise data from Google/ YouTube and Facebook, among others, and therefore they do not represent the entire market.

07 / MARKET SHARES GERMAN GROSS ONLINE ADVERTISING MARKET FOR IN-STREAM VIDEO ADS in %, Q2 2017 figures in parentheses



a — SevenOne Media **51.2** (41.9)
b — Interactive Media Impact (ASMI) **5.7** (7.7)
c — Burda Forward **2.5** (6.8)
d — Others **6.6** (5.4)
e — IP Deutschland **26.3** (28.3)
f — Ströer Digital Media **7.7** (10.0)

Source: Nielsen Media Research.

MAJOR INFLUENCING FACTORS ON EARNINGS, FINANCIAL POSITION & PERFORMANCE

Changes in the Scope of Consolidation

As part of the restructuring of the commerce portfolio under the umbrella of NuCom Group, ProSiebenSat.1 Group agreed to a partnership with General Atlantic in February 2018; the alliance was put into effect in April 2018. General Atlantic is one of the world's leading growth capital investors. The shared goal is to establish a leading omnichannel network for consumer services and lifestyle brands in Europe. In a first joint transaction, NuCom Group acquired additional shares in Verivox and PARSHIP ELITE Group in the second quarter. In addition, NuCom Group acquired the remaining minority shares in SilverTours GmbH (billiger-mietwagen.de). As well as expanding the commerce portfolio, ProSiebenSat.1 also strengthened its ad-tech activities. As a result, in addition to the transactions already completed in die first quarter of 2018, in April 2018 the Group acquired a share of 90.0 percent in esome advertising technologies GmbH, the leading social advertising provider in the DACH region. The company is allocated to the Entertainment segment. → Notes, Note 4 "Acquisitions, disposals and other transactions in the connection with subsidiaries," page 32

GROUP EARNINGS

Revenue and Earnings Performance in the Second Quarter of 2018

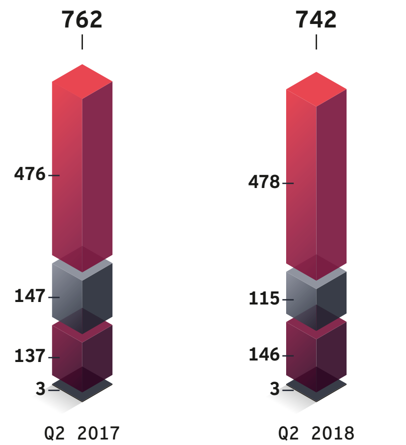
08 / RECONCILIATION OF THE INCOME STATEMENT
in EUR m

	Q2 2018 IFRS	Adjust-ments	Q2 2018 Adjusted
Revenues	912	-/-	912
Total costs	-742	-43	-700
thereof operating costs	-661	-/-	-661
thereof depreciation and amortization	-52	-14	-38
Other operating income	8	1	7
Operating profit (EBIT)	**178**	**-42**	**220**
Financial result	6	26	-20
Result before income taxes	184	-16	200
Income taxes	-59	1	-60
CONSOLIDATED NET PROFIT	**125**	**-15**	**140**
Attributable to shareholders of ProSiebenSat.1 Media SE	126	-11	136[1]
Non-controlling interests	-1	-4	4
Result before income taxes	184	-16	200
Financial result	6	26	-20
Operating profit (EBIT)	**178**	**-42**	**220**
Depreciation, amortization and impairments	-52	-14	-38
thereof from purchase price allocations	-12	-12	-/-
EBITDA	**230**	**-28**	**259[2]**

ProSiebenSat.1 Group also uses non-IFRS figures in the form of adjusted net income (1) and adjusted EBITDA (2). At the beginning of financial year 2017, ProSiebenSat.1 published a full income statement adjusted for certain influencing factors. This publication takes into account the development of reporting practices for non-IFRS figures and more stringent regulatory transparency requirements in this area.

In the second quarter of 2018, the consolidated revenues of ProSiebenSat.1 Group declined by 5 % or EUR 50 million to EUR 912 million. This expected development mainly reflected the deconsolidation of large parts of the travel portfolio, particularly including Etraveli in the third quarter of 2017. In addition, currency effects impacted the revenue development of the Group. Adjusted for consolidation and currency effects, revenues were almost at the previous year's level. → Business Development of the Segments, page 9

09 / TOTAL COSTS in EUR m



Cost of Sales ■ Selling expenses ■ Administrative expenses
■ Other operating expenses

10 / RECONCILIATION OF OPERATING COSTS
in EUR m

	Q2 2018	Q2 2017
Total costs	742	762
Expense adjustments	29	12
Depreciation, amortization and impairments[1]	52	53
Operating costs	**661**	**696**

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

As expected, program costs increased in the second quarter of 2018 as a result of different seasonality. In this context, consumption of programming assets recorded an increase of EUR 17 million or 9 % to EUR 207 million. Despite higher program costs, the Group's total costs declined by 3 % to EUR 742 million (previous year: EUR 762 million). This was attributable to consolidation effects and efficient cost management. Operating costs also decreased, falling by 5 % or EUR 35 million to EUR 661 million. → Fig. 09 → Fig. 10

The revenue development led to a decline in adjusted EBITDA of 4 % or EUR 12 million to EUR 259 million. The corresponding adjusted EBITDA margin was 28.4 % (previous year: 28.1 %).

Group EBITDA decreased by 11 % to EUR 230 million (previous year: EUR 258 million). EBITDA was characterized by higher reconciling items totaling minus EUR 28 million (previous year: EUR -12 million), which comprised the following: M&A measures resulted in costs of EUR 20 million (previous year: EUR 5 million). The Group restructured its portfolio in the commerce sector and bundled it in the NuCom

Group. In addition, reorganizations gave rise to expenses of EUR 3 million (previous year: EUR 4 million). These were mainly attributable to restructuring measures to implement the three-pillar strategy and the associated bundling of resources. Other EBITDA effects amounted to minus EUR 6 million (previous year: EUR – 3 million). This includes other material one-time items of minus EUR 10 million (previous year: EUR -5 million), particularly related to expenses of other accounting periods in the Entertainment and Commerce segments. Valuation effects on cash-settled share-based payments (Group Share Plan) of EUR 2 million (previous year: EUR 1 million) as well as legal claims of EUR 1 million (previous year. EUR 0 million) had an opposite effect. → Changes in the Scope of Consolidation, page 5 → Notes, Note 3 "Segment reporting," page 29

11 / RECONCILIATION OF ADJUSTED EBITDA

in EUR m

	Q2 2018	Q2 2017
Result before income taxes	184	179
Financial result	6	– 26
Operating profit (EBIT)	**178**	**205**
Depreciation, amortization and impairment[1]	– 52	– 53
thereof from purchase price allocations	– 12	– 13
EBITDA	**230**	**258**
Reconciling items (net)[2]	– 28	– 12
Adjusted EBITDA	**259**	**270**

[1] Depreciation, amortization and impairment of other intangible assets and property, plant and equipment.
[2] Expense adjustments of EUR 29 million (previous year: EUR 12 million) less income adjustments of EUR 1 million (previous year: EUR 0 million).

The financial result amounted to EUR 6 million (previous year: EUR – 26 million) and was characterized by opposite developments in the other financial result item: The other financial result amounted to EUR 25 million (previous year: EUR – 11 million) and included impairments and reversals of impairment on financial assets of EUR 29 million (net) for the second quarter of 2018 (previous year: EUR – 10 million). EUR 33 million of this (previous year: EUR – 7 million) related to the remeasurement of put options; the biggest individual item in the second quarter of 2018 was the remeasurement of shares in Studio71. This was offset by lower impairment of financial investments, which amounted to minus EUR 6 million (previous year: EUR – 15 million). While the other financial result improved for the reasons mentioned above, the interest result decreased year-on-year at minus EUR 17 million (previous year: EUR – 14 million). As in the previous year, the result from investments accounted for using the equity method amounted to minus EUR 2 million.

Due to the significantly improved financial result and lower total costs, pre-tax profit increased by 3 % or EUR 6 million to EUR 184 million. Income tax expenses amounted to EUR 59 million (previous year: EUR 57 million) with an unchanged tax rate of 32 %. Consolidated net profit rose by 3 % to EUR 125 million (previous year: EUR 121 million) and consolidated net profit after non-controlling interests grew to EUR 126 million (previous year: EUR 117 million).

Adjusted net income decreased by 6 % to EUR 136 million (previous year: EUR 144 million). Basic underlying earnings per share amounted to EUR 0.60 (previous year: EUR 0.63). In addition to the impairments and reversals of impairment recognized under other financial result, the adjusted reconciling items also included EBITDA effects such as expenses resulting from M&A measures. Both items increased in the second quarter of 2018. The reconciliation breaks down as follows: → Fig. 12 → Notes, Note 6 "Earnings per share," page 41

12 / RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	Q2 2018	Q2 2017
Consolidated net profit after non-controlling interests	126	117
Other EBITDA adjustments	28	12
Amortization from purchase price allocations[1]	13	15
Impairments on other financial investments	5	15
Put options/earn-outs	– 28	4
Valuation effects from financial derivatives	–/–	1
Reassessment of tax risks	– 1	– 2
Other effects	– 2	– 9
Tax effects	– 1	– 8
Minority interests	– 4	– 2
Adjusted net income	**136**	**144**

[1] Including effects on associates consolidated using the equity method.

Revenue and Earnings Performance in the First Half of 2018

13 / RECONCILIATION OF THE INCOME STATEMENT
in EUR m

	H1 2018 IFRS	Adjust-ments	H1 2018 Adjusted
Revenues	1,794	-/-	1,794
Total costs	-1,550	-126	-1,425
thereof operating costs	-1,350	-/-	-1,350
thereof depreciation and amortization	-103	-29	-75
Other operating income	16	1	15
Operating profit (EBIT)	**260**	**-125**	**384**
Financial result	-30	15	-44
Result before income taxes	230	-110	340
Income taxes	-75	27	-102
CONSOLIDATED NET PROFIT	**155**	**-83**	**238**
Attributable to shareholders of ProSiebenSat.1 Media SE	153	-77	230[1]
Non-controlling interests	2	-6	8
Result before income taxes	230	-110	340
Financial result	-30	15	-44
Operating profit (EBIT)	**260**	**-125**	**384**
Depreciation, amortization and impairments	-103	-29	-75
thereof from purchase price allocations	-24	-24	-/-
EBITDA	**363**	**-96**	**459[2]**

ProSiebenSat.1 Group also uses non-IFRS figures in the form of adjusted net income (1) and adjusted EBITDA (2). At the beginning of financial year 2017, ProSiebenSat.1 published a full income statement adjusted for certain influencing factors. This publication takes into account the development of reporting practices for non-IFRS figures and more stringent regulatory transparency requirements in this area.

As a result of consolidation and currency effects, consolidated revenues fell by 4% or EUR 78 million to EUR 1,794 million in the first half of 2018. Adjusted for these factors, consolidated revenues were at the previous year's level. At the same time, the Group's total costs were almost unchanged at EUR 1,550 million (-1% or EUR -18 million). → Business Development of the Segments, page 9

Operating costs decreased by 5% or EUR 73 million to EUR 1,350 million, partly due to consolidation effects. The decline in operating costs resulted in adjusted EBITDA of EUR 459 million, after EUR 458 million in the previous year. The corresponding adjusted EBITDA margin improved to 25.6% (previous year: 24.5%). This development primarily reflects a positive margin effect in advertising revenues and higher distribution revenues with efficient cost management in the Entertainment segment.

While adjusted EBITDA recorded a stable development, EBITDA decreased by 14% or EUR 58 million and amounted to EUR 363 million in the first half of 2018. EBITDA included reconciling items of minus EUR 96 million (previous year: EUR -37 million), which primarily were attributable to the reorganization program in the Entertainment segment (EUR -63 million; previous year: EUR -20 million). At the beginning of the year, the Group restructured its portfolio on the basis of a three-pillar strategy. This new structure is intended to strengthen growth and efficiency in the Entertainment, Content Production & Global Sales, and Commerce segments. M&A projects resulted in costs of EUR 24 million in the first half of the year (previous year: EUR 9 million). Other EBITDA effects amounted to minus EUR 9 million (previous year: EUR -8 million). This includes other material one-time items of minus EUR 11 million (previous year: EUR -6 million), particularly related to expenses of other accounting periods in the Entertainment and Commerce segments. Valuation effects on legal claims of EUR 1 million (previous year: EUR 0 million) had an opposite effect. → Notes, Note 3 "Segment reporting," page 29

14 / RECONCILIATION OF ADJUSTED EBITDA
in EUR m

	H1 2018	H1 2017
Result before income taxes	230	276
Financial result	-30	-37
Operating profit (EBIT)	**260**	**314**
Depreciation, amortization and impairment[1]	-103	-107
thereof from purchase price allocations	-24	-27
EBITDA	**363**	**421**
Reconciling items (net)[2]	-96	-37
Adjusted EBITDA	**459**	**458**

[1] Depreciation, amortization and impairment of other intangible assets and property, plant and equipment.
[2] Expense adjustments of EUR 97 million (previous year: EUR 38 million) less income adjustments of EUR 1 million (previous year: EUR 0 million).

The financial result amounted to minus EUR 30 million, compared to minus EUR 37 million in the previous year. Valuation adjustments to financial investments resulted in an improvement in the financial result both for the second quarter and for the first half of the year.

The developments described resulted in a decline in pre-tax profit of 17% or EUR 46 million to EUR 230 million. Consolidated net profit after non-controlling interests fell to EUR 153 million (previous year: EUR 181 million). By contrast, adjusted net income remained stable at EUR 230 million (previous year: EUR 233 million). Reconciling items can influence or even overshadow operating performance; figures adjusted for such items therefore offer supplementary information for the assessment of the Company's operating performance.

15 / RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	H1 2018	H1 2017
Consolidated net profit after non-controlling interests	153	181
Other EBITDA adjustments	96	37
Amortization from purchase price allocations[1]	24	30
Impairments on other financial investments	11	17
Put options/earn-outs	– 22	– 3
Reassessment of tax risks	5	1
Other effects	– 4	– 11
Tax effects	– 27	– 17
Minority interests	– 6	– 4
Adjusted net income	**230**	**233**

[1]Including effects on associates consolidated using the equity method.

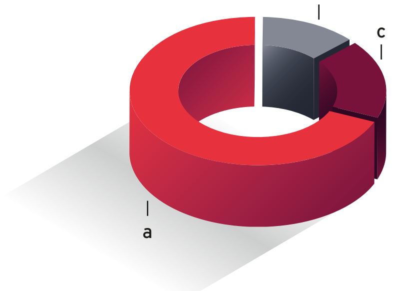
16 / CHANGES IN REPORTING STANDARDS

IFRS 16 is initially effective for the financial years commencing on or after January 1, 2019. ProSiebenSat.1 Group has exercised the option to early-adopt the standard and has initially applied IFRS 16 at January 1, 2018, using the modified retrospective transition approach. At ProSiebenSat.1 Group, the initial application primarily affects those leases classified as operating leases to this date. Further information is available in the → Annual Report 2017 starting on page 258 and in the → Notes, Note 2 "Changes in reporting standards," page 23.

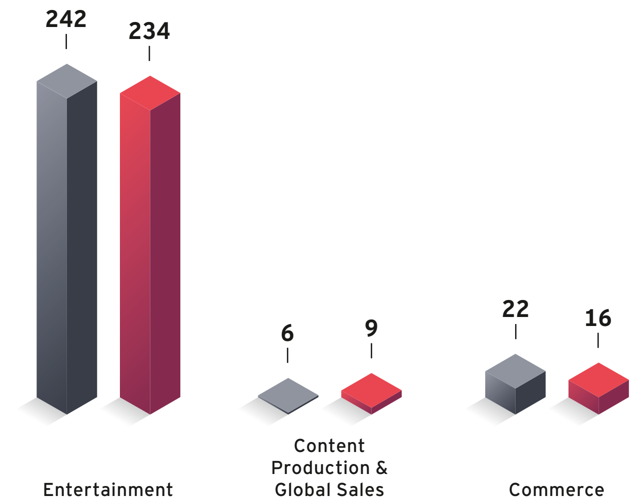
BUSINESS DEVELOPMENT OF THE SEGMENTS

17 / GROUP REVENUE SHARE BY SEGMENT

in %; 2017 figures in parentheses



18 / ADJUSTED EBITDA BY SEGMENT in EUR m



Segment Entertainment

REVENUE AND EARNINGS PERFORMANCE IN THE SECOND QUARTER OF 2018

External revenues in the Entertainment segment declined by 3 % and amounted to EUR 628 million in the second quarter of 2018 (previous year: EUR 646 million). While distribution business and the ad-tech portfolio were characterized by continuing dynamic growth, revenues from advertising business decreased slightly year-on-year in the second quarter. This was partly due to the FIFA World Cup, which was broadcast on the public stations. At the same time, online advertising business recorded a decline in revenues. → Development of Economy and Advertising Market, page 4 → Notes, Note 3 "Segment reporting," page 29

In spite of different seasonality for program costs, **adjusted EBITDA** developed in line with revenues, recording a decline of 3 % or EUR 8 million to EUR 234 million. The increase in program costs was countered by efficient management of other cost items. The **adjusted EBITDA margin** was thus almost on a par with the previous year's level at 36.2 % (previous year: 36.8 %). **EBITDA** decreased by 9 % to EUR 215 million (previous year: EUR 236 million). This figure is influenced by reconciling items in connection with expenses from M&A transactions. → Group Earnings, page 6

REVENUE AND EARNINGS PERFORMANCE IN THE FIRST HALF OF 2018

In the first half of the year, **external segment revenues** amounted to EUR 1,252 million, which was almost on a par with the previous year (previous year: EUR 1,258 million). The stable revenue development combined with efficient cost management resulted in an increase in

adjusted EBITDA of 4 % or EUR 16 million to EUR 417 million. The **adjusted EBITDA margin** rose to 32.4 % (previous year: 31.2 %), reflecting the high profitability of the free TV and distribution business. However, **EBITDA** decreased by 11 % to EUR 332 million (previous year: EUR 374 million). This included reconciling items that particularly arose in connection with restructuring measures in the first half of the year. → Group Earnings, page 6

19 / KEY FIGURES ENTERTAINMENT SEGMENT in EUR m

	Q2 2018	Q2 2017	H1 2018	H1 2017
Segment revenues	**646**	659	**1,288**	1,286
External revenues	**628**	646	**1,252**	1,258
Internal revenues	**18**	13	**36**	28
EBITDA	**215**	236	**332**	374
Adjusted EBITDA	**234**	242	**417**	401
Adjusted EBITDA margin[1] (in %)	**36.2**	36.8	**32.4**	31.2

[1]Based on segment revenues.

Segment Content Production & Global Sales

REVENUE AND EARNINGS PERFORMANCE IN THE SECOND QUARTER OF 2018

The Content Production & Global Sales segment saw a decline in **external revenues** of 12 % to EUR 116 million in the second quarter of 2018 (previous year: EUR 132 million). This was firstly due to currency effects that impacted the revenues of the US portfolio, in particular. Secondly, a continuing demanding environment in the US production market led to a decrease in segment revenues compared to the same period of the previous year. By contrast, global sales business developed positively, with the initial consolidation of the US film distributor Gravitas Ventures since November 2017 having an impact. → Notes, Note 3 "Segment reporting," page 29

Adjusted EBITDA rose by EUR 3 million to EUR 9 million, primarily due to the initial consolidation effect mentioned above and efficient cost management. The corresponding **adjusted EBITDA margin** grew to 7.3 % (previous year: 4.1 %). **EBITDA** also increased, amounting to EUR 8 million (previous year: EUR 7 million).

REVENUE AND EARNINGS PERFORMANCE IN THE FIRST HALF OF 2018

The effects in the second quarter also characterized the development in the first half of the year: As a result of currency effects and the competitive situation on the US production market, **external revenues** decreased to EUR 214 million (previous year: EUR 244 million). While revenues recorded a 12 % decline, the key earnings figures increased significantly. **Adjusted EBITDA** increased by 28 % to EUR 13 million (previous year: EUR 11 million) while the **adjusted EBITDA margin** amounted to 5.6 % (previous year: 3.7 %). **EBITDA** also grew by 28 % and amounted to EUR 12 million (previous year: EUR 9 million).

20 / KEY FIGURES CONTENT PRODUCTION & GLOBAL SALES SEGMENT in EUR m

	Q2 2018	Q2 2017	H1 2018	H1 2017
Segment revenues	**130**	149	**239**	282
External revenues	**116**	132	**214**	244
Internal revenues	**14**	17	**26**	38
EBITDA	**8**	7	**12**	9
Adjusted EBITDA	**9**	6	**13**	11
Adjusted EBITDA margin[1] (in %)	**7,3**	4,1	**5,6**	3,7

[1]Based on segment revenues.

Segment Commerce

REVENUE AND EARNINGS PERFORMANCE IN THE SECOND QUARTER OF 2018

External revenues in the Commerce segment decreased by 9 % to EUR 168 million in the second quarter of 2018 (previous year: EUR 184 million). The revenue development particularly reflects the deconsolidation of the online travel agency Etraveli in the third quarter of 2017 and the sale of COMVEL in the fourth quarter of 2017. By contrast, the initial consolidation of Jochen Schweizer in October 2017 had a positive impact. The online perfume store Flaconi, the online comparison portal Verivox, the OTC provider Windstar, and the online dating platforms Parship and ElitePartner made substantial contributions to organic growth. Adjusted for portfolio measures, the segment recorded double-digit percentage growth in revenues in the second quarter. → Notes, Note 3 "Segment reporting," page 29

Adjusted EBITDA decreased by 29 % to EUR 16 million (previous year: EUR 22 million) while the **adjusted EBITDA margin** amounted to 9.5 % (previous year: 12.2 %). **EBITDA** fell by 49 % or EUR 8 million to EUR 8 million. The main reason for the earnings development was the deconsolidation of large parts of the travel business.

REVENUE AND EARNINGS PERFORMANCE IN THE FIRST HALF OF 2018

For the reasons mentioned above, the segment also recorded a decline in revenues and earnings in the first half of the year: **External revenues** decreased by 11 % to EUR 328 million (previous year: EUR 370 million). Adjusted for portfolio measures, the commerce segment recorded high single-digit percentage growth in the first six months of the year. **Adjusted EBITDA** fell by 38 % to EUR 29 million (previous year: EUR 47 million) while the **adjusted EBITDA margin** amounted to 8.9 % (previous year: 12.7 %). **EBITDA** decreased by 47 % or EUR 18 million to EUR 20 million.

21 / **KEY FIGURES COMMERCE SEGMENT** in EUR m

	Q2 2018	Q2 2017	H1 2018	H1 2017
Segment revenues	**168**	185	**328**	370
External revenues	**168**	184	**328**	370
Internal revenues	**0**	0	**0**	1
EBITDA	**8**	16	**20**	38
Adjusted EBITDA	**16**	22	**29**	47
Adjusted EBITDA margin[1] (in %)	**9.5**	12.2	**8.9**	12.7

[1]Based on segment revenues.

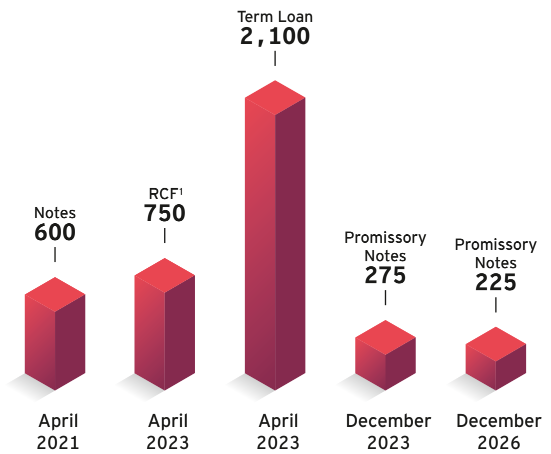
GROUP FINANCIAL POSITION AND PERFORMANCE

Borrowings and Financing Structure

ProSiebenSat.1 Group uses various financing instruments. As of June 30, 2018, debt accounted for an 83 % share of total equity and liabilities (December 31, 2017: 81 %; June 30, 2017: 83 %). The majority of this was attributable to current and non-current financial liabilities, which amounted to EUR 3,189 million or 62 % as of June 30, 2018 (December 31, 2017: 60 %; June 30, 2017: 63 %).

The Group practices active financial management and continuously monitors and assesses developments on the money and capital markets. In March 2018, ProSiebenSat.1 extended the tenor of the syndicated term loan and the syndicated revolving credit facility (RCF) by one year at a time. → Further information on the financing instruments can be found on pages 142 – 143 of the Annual Report 2017

22 / **DEBT FINANCING INSTRUMENTS AND MATURITIES AS OF JUNE 30, 2018** in EUR m



[1]Not drawn.

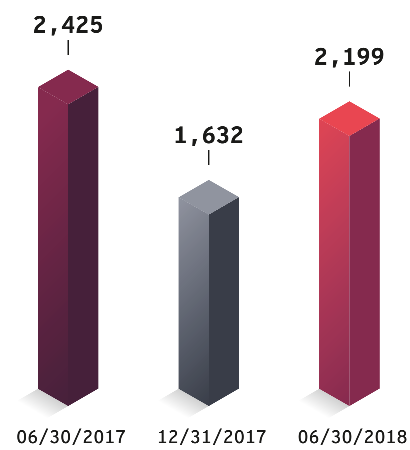
Rating agencies do not take ProSiebenSat.1 Group's loan agreement or notes into account in their credit ratings. For this reason, no corresponding statements are made here.

Interest payable on the term loan and the RCF is variable and based on Euribor money market rates plus an additional credit margin. The Group uses derivative financial instruments in the form of interest rate swaps and interest rate options to hedge against interest rate changes caused by the market. The proportion of fixed interest was approximately 98 % of the entire long-term financing portfolio as of June 30, 2018 (December 31, 2017, and June 30, 2017: approx. 98 %). The average fixed rate of the interest rate swaps was 0.5 % per annum as of June 30, 2018. The average interest rate ceiling of the interest rate caps was 1.0 % per annum. In the first half of 2018, the Group entered into interest hedges in the amount of EUR 500 million to hedge against interest rate risks in the period from 2020 to 2023.
→ Analysis of Liquidity and Capital Expenditure, page 12

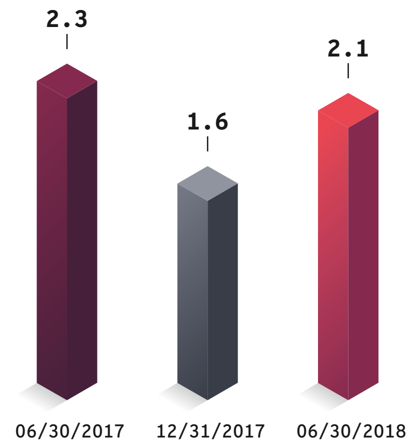
As of June 30, 2018, net financial debt rose to EUR 2,199 million (December 31, 2017: EUR 1,632 million; June 30, 2017: EUR 2,425 million). The leverage ratio thus amounted to 2.1 and was in the target range, as expexted (December 31, 2017: 1.6; June 30, 2017: 2.3). The leverage ratio is a key indicator for Group-wide financial and investment planning. It reflects the ratio of net debt to adjusted EBITDA over the last twelve months (LTM adjusted EBITDA). The target is a ratio between 1.5 and 2.5 at the end of the relevant year. The target range may be exceeded for a short period of time as a result of fluctuations during the year. → Analysis of Liquidity and Capital Expenditure, page 12

As of June 30, 2018, the definition of ProSiebenSat.1's net financial debt does not include lease liabilities according to IFRS 16. They amounted to EUR 165 million.

23 / **NET FINANCIAL DEBT[1]** in EUR m



24 / **LEVERAGE FACTOR**[1] in EUR m



[1] After reclassification of cash and cash equivalents of companies held for sale due to portfolio adjustment. Net financial debt is defined as total borrowings minus cash and cash equivalents and certain current financial assets. The leverage ratio is derived by calculating the ratio of net financial debt to adjusted EBITDA of the last twelve months (LTM adjusted EBITDA).

Analysis of Liquidity and Capital Expenditure

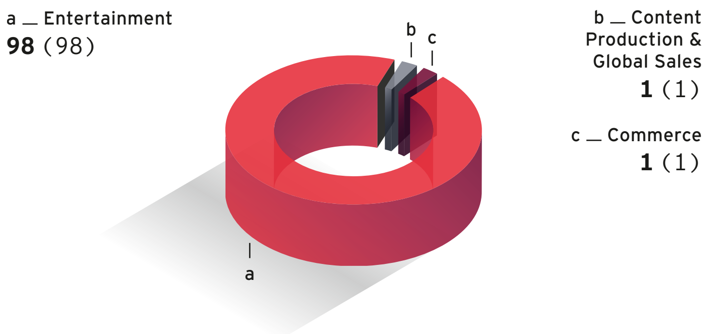
25 / **STATEMENT OF CASH FLOWS** in EUR m

	Q2 2018	Q2 2017	H1 2018	H1 2017
Consolidated net profit	**125**	**121**	**155**	**188**
Cash flow from operating activities	**266**	**346**	**607**	**649**
Cash flow from investing activities	**-466**	**-366**	**-751**	**-685**
Free cash flow	**-199**	**-20**	**-143**	**-37**
Cash flow from financing activities	**-382**	**-448**	**-414**	**-404**
Effect of foreign exchange rate changes on cash and cash equivalents	20	-5	12	-6
Change in cash and cash equivalents	-562	-472	-545	-448
Cash and cash equivalents at beginning of reporting period	1,576[1]	1,296	1,559[1]	1,271
Cash and cash equivalents available for sale at the end of the reporting period	24	65	24	65
Cash and cash equivalents at end of reporting period[2]	**990**	758	**990**	758

[1] Includes cash and cash equivalents from held for sale entities.
[2] Cash and cash equivalents shown in the statement of cash flows correspond to the cash and cash equivalents reported on the statement of financial position as of the respective closing date.

In the second quarter of 2018, ProSiebenSat.1 Group generated cash flow from operating activities of EUR 266 million (previous year: EUR 346 million). This increase was firstly due to the development of working capital, which in turn resulted from a greater reduction in liabilities. Secondly, the earnings performance had a negative impact on the operating cash flow. Cash flow from operating activities amounted to EUR 607 million in the first half of 2018 (previous year: EUR 649 million). This decline was mainly attributable to the Group's earnings performance.

26 / **INVESTMENTS BY SEGMENT**[1]
in %, previous year's figures in parentheses



[1] Investments by segment before M&A activities.

Investing activities resulted in a cash outflow of EUR 466 million for the second quarter of 2018 (previous year: EUR -366 million), representing an increase of 27 %. The cash outflow in the first half of 2018 amounted to EUR 751 million (previous year: EUR -685 million). **Cash flow from investing activities** was mainly influenced by the following developments:

- Cash outflow from additions to the scope of consolidation amounted to EUR 205 million in the second quarter of 2018 (previous year: EUR -54 million). The higher cash outflow primarily reflected purchase price payments for the acquisition of the health brand Zirkulin, the social advertising provider esome advertising technologies, and deferred purchase price payments for Verivox Holding and Virtual Minds. In the first half of 2018, the cash outflow for additions to the scope of consolidation amounted to EUR 230 million (previous year: EUR 90 million). It also included purchase price payments for the e-commerce marketer Kairion and the online cancellation service Aboalarm, as well as deferred purchase price payments for the US production companies Fabrik and Kinetic Content.
- The cash outflow for the acquisition of programming rights amounted to EUR 236 million in the second quarter. This corresponds to a decrease of 13 % or EUR 37 million compared to the second quarter of 2017. The programming investments were made in the Entertainment segment again, with a little under two thirds being used for licensed programming (Q2 2018: 60 %; H1 2018: 58 %) and over a third for commissioned productions (Q2 2018: 39 %; H1 2018: 41 %). In the first half of the year, cash outflows decreased by 12 % and amounted to EUR 463 million (previous year: EUR -523 million).

- Investments in property, plant and equipment amounted to EUR 11 million in the second quarter (previous year: EUR 10 million) and EUR 19 million in the first half of the year (previous year: EUR 18 million). Most of this was attributable to the Entertainment segment (Q2 2018: 84 %; H1 2018: 85 %) and was related to technical facilities and leasehold improvements at the Unterföhring site. In the second quarter of 2018, a total of EUR 23 million went on other intangible assets (previous year: EUR 27 million). In the first half of the year, cash outflows amounted to EUR 48 million (previous year: EUR 50 million). The Group invested in other intangible assets primarily in the Entertainment segment, which accounted for shares of 82 % and 74 %.

Free cash flow for the second quarter of 2018 decreased by EUR 180 million to minus EUR 199 million. In the first half of 2018, free cash flow amounted to minus EUR 143 million (previous year: EUR –37 million). This decline was mainly due to the cash outflows for additions to the scope of consolidation, the development of cash flow from operating activities, and a year-on-year decrease in investments in programming assets. In this context, free cash flow before M&A measures also dropped significantly to minus EUR 3 million in the second quarter of 2018 (previous year: EUR 40 million). In the first half of the year, free cash flow before M&A measures amounted to EUR 83 million. This equates to an increase of 18 % or EUR 13 million.

Cash flow from financing activities amounted to minus EUR 382 million in the second quarter (previous year: EUR -448 million) and minus EUR 414 million (previous year: EUR -404 million) in the first half of 2018. In both reporting periods, there was a cash inflow from the sale of shares in the NuCom Group to General Atlantic in the amount of EUR 286 million. For the first half of 2017, the Group had reported a cash inflow of EUR 52 million. At the beginning of 2017, ProSiebenSat.1 added two partners, TF1 Group and Mediaset, for Studio71 and thereby generated a cash inflow of EUR 52 million. There was a cash outflow of EUR 200 million in the second quarter of 2018 as a result of the purchase price payment for additional shares in the subsidiary PARSHIP ELITE Group and the acquisition of additional shares in Silvertours. In the first six months of the current year, the cash outflow amounted to EUR 221 million and included the purchase price payment for additional shares in the subsidiary Sonoma Internet GmbH. An additional cash outflow resulted from the dividend payment in May 2018 in the amount of EUR 442 million (previous year: EUR 435 million). Payments for lease liabilities increased by EUR 6 million to EUR 10 million in the second quarter and by EUR 13 million to EUR 20 million in the first half of 2018. This development is attributable to the initial application of IFRS 16 and the associated change in the classification of lease payments. → Notes, Note 2 "Changes in reporting standards," page 23
→ Notes, Note 4 "Acquisitions, disposals and other transactions in connection with subsidiaries," page 32

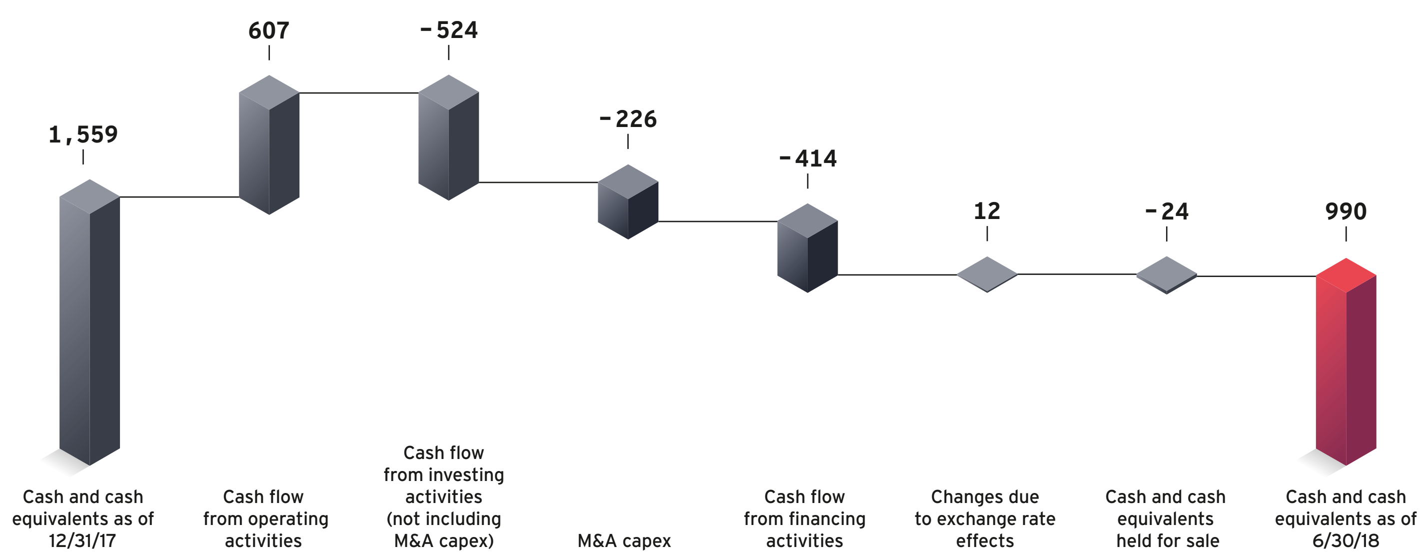
The cash flows described resulted in a decline in cash and cash equivalents of 36 % or EUR 562 million compared to December 31, 2017, to EUR 990 million. The Group thus has a comfortable level of liquidity.

Analysis of Assets and Capital Structure

With an equity ratio of 17 %, ProSiebenSat.1 Group has a solid asset and capital structure (December 31, 2017: 19 %). Total assets amounted to EUR 6,197 million as of June 30, 2018 (down 6 % or EUR –372 million). The key items in the statement of financial position are described below:

i In accordance with IFRS 5, assets and liabilities held for sale due to portfolio adjustments are reported separately in the statement of financial position.

27 / **CHANGE IN CASH AND CASH EQUIVALENTS** in EUR m



- **Current and non-current assets:** Goodwill increased by 4 % and amounted to EUR 1,913 million (December 31, 2017: EUR 1,831 million). Its share in total assets accounted for 31 % of total assets (December 31, 2017: 28 %). Other intangible assets also recorded an increase, amounting to EUR 782 million as of June 30, 2018 (December 31, 2017: EUR 745 million). This development was driven by the initial consolidation of esome advertising technologies GmbH and the acquisition of all intangible assets related to the Zirkulin health brand. Property, plant and equipment rose significantly by 48 % or EUR 99 million to EUR 303 million. This was due to the capitalization of leased property, plant and equipment as a result of applying the new reporting standard IFRS 16 for the first time as of January 2018.

  Other non-current financial and non-financial assets were up 12 % amounting to EUR 200 million (December 31, 2017: EUR 179 million). This increase was primarily due to new media-for-equity and fund investments and positive valuation effects on these. Other current financial and non-financial assets increased to EUR 131 million (December 31, 2017: EUR 105 million). This was mainly attributable to the positive development of currency hedging instruments. While other financial and non-financial assets increased in total, current trade receivables declined by 18 % or EUR 88 million to EUR 413 million as of June 30, 2018.

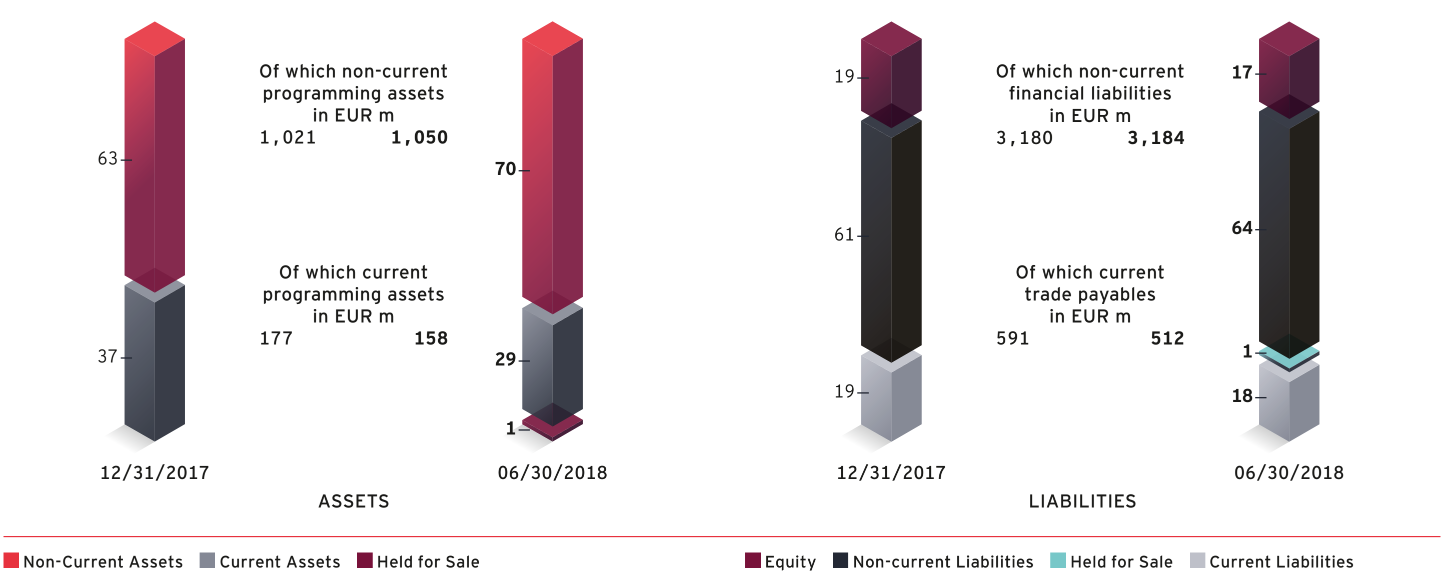
  In addition to goodwill, programming assets are among ProSiebenSat.1's most important assets and comprise non-current and current programming assets. They amounted to EUR 1,208 million (December 31, 2017: EUR 1,198 million), corresponding to a share of total assets of 19 % as of June 30, 2018 (December 31, 2017: 18 %).

  Cash and cash equivalents decreased compared to the end of the year. They amounted to EUR 990 million (previous year: EUR 1,552 million) and reflect the development of cash flow.
  → Analysis of Liquidity and Capital Expenditure, page 12

- **Equity:** As of June 30, 2018, the equity ratio amounted to 17 % (December 31, 2017: 19 %), with equity of EUR 1,041 million (previous year: EUR 1,252 million). The main reason for this slight decrease was the distribution of the dividend in May 2018 in the amount of EUR 442 million (previous year: EUR 435 million), although this was partly offset by the positive consolidated net profit and latters strengthened the equity base.

- **Current and non-current liabilities:** Debt decreased by 3 % to EUR 5,155 million compared to the closing date in 2017 (December 31, 2017: EUR 5,317 million). This was mainly due to the decline in other non-current and current financial liabilities by EUR 90 million to EUR 528 million (December 31, 2017: EUR 618 million). This decrease was attributable to payments and positive valuation effects of the put options, which led to a reduction in liabilities. This was offset by increased lease liabilities as a result of the applying IFRS 16 for the first time. In addition, trade payables decreased by EUR 80 million from EUR 591 million to EUR 512 million. Non-current and current financial liabilities reported in debt totaled EUR 3,189 million (December 31, 2017: EUR 3,185 million).

28 / STRUCTURE OF THE STATEMENT OF FINANCIAL POSITION in %



THE PROSIEBENSAT.1 SHARE

PROSIEBENSAT.1 ON THE CAPITAL MARKET

The ProSiebenSat.1 share concluded the first half of 2018 at EUR 21.73 and was thus below the level (-24.3 %) achieved on the last day of trading in 2017 (December 29, 2017: EUR 28.71). The DAX closed the first six months of trading in 2017 with a decrease of 4.7 %, while the MDAX was down 1.3 %. The relevant sector index for European media stocks, the EURO STOXX Media, decreased by 3.7 %. → Price Performance of the ProSiebenSat.1 Share, page 2

Although the ProSiebenSat.1 share performed well in the first two months of 2018, it was characterized by a significant downward trend from the start of March onward. On March 6, Deutsche Börse announced that it would be replacing the ProSiebenSat.1 share with Covestro with effect from March 19 and consequently removing it from the leading index, the DAX. The associated adjustments in index funds influenced the share's price performance and trading volume. In addition, the short attack by the Viceroy Research Group took effect on the same day and resulted in a substantial decline in the share price. ProSiebenSat.1 responded in detail to the allegations published in Viceroy Research's report and rejected the presentation as false and misleading. The Munich public prosecution department has now opened preliminary investigations on suspicion of market manipulation and the German financial supervisory authority BaFin is also examining whether this is a case of illegal market manipulation.

Beside these factors, the lower valuation of the entire European media sector influenced the performance of the ProSiebenSat.1 share. Due to changing media usage, some analysts regarded the stock more critically than in the previous year. On May 9, 2018, ProSiebenSat.1 Group published its figures for the first quarter. The announced shift of earnings contributions into the fourth quarter was a factor which led to reluctance on the capital market. The ex-dividend of EUR 1.93 on May 17, 2018, also had an impact on the share price performance. → Development of Economy and Advertising Market, page 3

At the end of the half-year period, a total of 25 brokerage firms and financial institutions actively analyzed the ProSiebenSat.1 share and published research reports. At the end of the first half of 2018, 44 % of analysts recommended the ProSiebenSat.1 share as a buy, while 36 % were in favor of holding the share and 20 % issued a sell recommendation. The analysts' median price target was EUR 32.00.

ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2017

The Annual General Meeting of ProSiebenSat.1 Media SE for the financial year 2017 took place on May 16, 2018. Around 870 participants attended the Annual General Meeting. Attendance was approximately 64 % of share capital. The shareholders resolved on a dividend payment of EUR 1.93 per dividend entitled share for the financial year 2017 (previous year: EUR 1.90). The total dividend payout amounts to approximately EUR 442 million, resulting in a payout ratio of 80.3 % of adjusted net income. The dividend was paid out on May 22, 2018. In addition, the Annual General Meeting approved the new remuneration system for Executive Board members by a clear majority. Another item on the agenda was the supplementary Supervisory Board elections. The shareholders elected Marjorie Kaplan, a self-employed entrepreneur and member of the Supervisory Board of The Grierson Trust, to the Supervisory Board of ProSiebenSat.1 Media SE. Marjorie Kaplan is taking over from Antoinette (Annet) P. Aris, who resigned with effect from the end of the Annual General Meeting. The Annual General Meeting also granted discharge to the Executive Board and Supervisory Board for the financial year 2017. In addition, the designated CEO Max Conze appeared at the Annual General Meeting for the first time to introduce himself to the shareholders. Max Conze then officially assumed the role of chairman of the Executive Board of ProSiebenSat.1 Group as at June 1. He took over from Thomas Ebeling, who had left the Group on February 22. → Analysis of Liquidity and Capital Expenditure, page 12

SHAREHOLDER STRUCTURE OF PROSIEBENSAT.1 MEDIA SE

The shareholder structure is unchanged compared to December 31, 2017. The shares are mostly held by institutional investors in the US, the UK and Germany. In total, 98.3 % were held in free float as of June 30, 2018 (December 31, 2017: 98.3 %). The remaining 1.7 % are held by the Group (December 31, 2017: 1.7 %).

RISK AND OPPORTUNITY REPORT

We estimate that there are currently no risks 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.

The overall risk situation remains limited, although the German economy's growth has lost momentum over the course of the year. We therefore consider economic risks to be slightly increased. We now classify high negative effects as possible (previously: unlikely). However, economic forecasts naturally entail some uncertainties. In particular, it remains to be seen whether and to what extent macroeconomic development will have implications for the advertising market. We therefore continue to consider this a medium risk. → Future Business and Industry Environment, page 16

At the same time, we consider the occurrence of compliance risks to be possible (previously: unlikely) and also classify this risk category as slightly increased compared to the end of 2017. This is because the General Data Protection Regulation came into effect in May 2018, the potential impacts of which we already reported in the statement for the first quarter of 2018. Overall, we continue to rate this individual risk as a medium risk and the possible financial impact as high. The Group took early measures to minimize the risk and is monitoring current developments closely, in particular with regard to the General Data Protection Regulation, in order to react optimally and immediately to expected and unexpected conditions.

By contrast, the tax risks published in the Annual Report 2017 relating to the measurement of programming assets no longer exist, because an agreement has since been reached with the tax authorities. For further information, please refer to → Notes, Note 7 "Provisions, contingent liabilities and other financial obligations," page 41.

In this context, the Group's overall risk situation has not changed significantly compared to the end of 2017. This same applies to the opportunity situation. The risks and opportunities identified as significant are described in the Annual Report 2017 from page 162. The organizational requirements for risk and opportunity management are also explained here. The Annual Report was published on March 15, 2018, and is available at → http://www.prosiebensat1.com/en/investor-relations/publications/results.

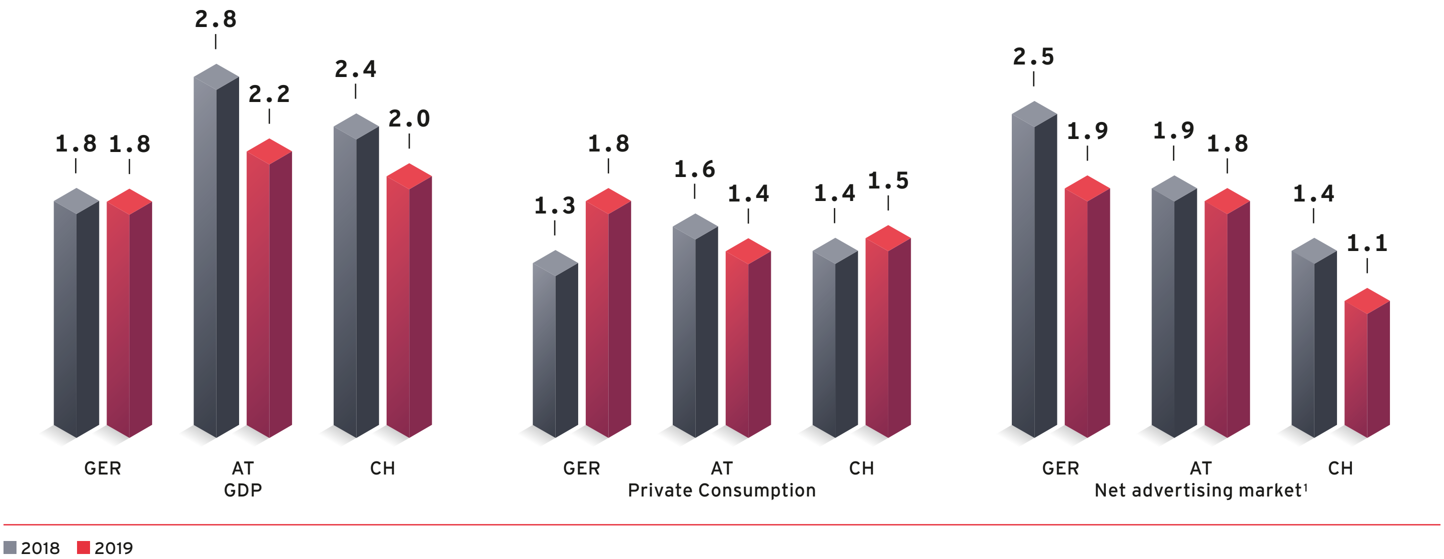
OUTLOOK

FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

The leading German research institutes have adjusted their forecasts for 2018 based on the economic development in the first half of the year. For the further course of the year, they now anticipate real GDP growth of just under 2 % on average (German Institute for Economic Research – DIW: 1.9 %; ifo Institute: 1.8 %). The forecasts for private consumer spending come to around 1.2 % (German Institute for Economic Research – DIW: 1.2 %; ifo Institute: 1.3 %). The general conditions for private consumer spending are expected to remain favorable, but risks from foreign trade have increased significantly. For the euro zone, the International Monetary Fund (IMF) anticipates growth of 2.2 % for 2018 (previously: 2.4 %); the global economy is likely to expand by 3.9 % (previously: 3.9 %). The institutes point to significant forecast risks here, too, such as the trade conflict between the US and China or a resurgence of the euro crisis. → Development of Economy and Advertising Market, page 3 → Risk and Opportunity Report, page 16

The German net TV advertising market drew less benefit from the positive macroeconomic data in 2017 and was characterized by increased volatility. This was attributable to sector-specific effects such as increasing consolidation of important sectors for the TV advertising market, which represent developments whose duration and impact cannot yet be conclusively assessed. However, the slowdown affected not only the German market, but the entire European advertising industry. Against this backdrop, research institutes' forecasts for the TV advertising market vary considerably, ranging between – 0.2 % (Magna Global) and +3.0 % (ZenithOptimedia) in net terms. For the German advertising market as a whole, Magna Global and ZenithOptimedia anticipate net growth of 2.5 %. In-stream video advertising is likely to continue its dynamic development and drive

29 / **FORECAST FOR GDP, PRIVATE CONSUMPTION AND NET ADVERTISING MARKET IN COUNTRIES IMPORTANT FOR PROSIEBENSAT.1** in %, change vs. previous year



Source: **GER:** ifo Economic Forecast, summer 2018. / **AT:** European Commission, European Economic Forecast, spring 2018.
CH: SECO, economic forecast by Federal Government's Expert Group, summer 2018.
[1] ZenithOptimedia, advertising expenditure forecast June 2018, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

growth on the online advertising market. Here, the research institutes anticipate a plus of 8.8 % (ZenithOptimedia) or 9.9 % (Magna Global) respectively. → Development of the TV and Online Advertising Market, page 4

COMPANY OUTLOOK

ProSiebenSat.1 is confirming its financial targets for the full-year, which the Group published at the Annual Press Conference on February 22, 2018, and in the Annual Report 2017 on March 15, 2018. Consolidated revenues are thus expected to increase by a low to mid single-digit percentage in 2018. This revenue growth target still includes the revenue contributions of the companies that are expected to be deconsolidated in the third quarter of 2018 (7NXT, maxdome) for the full financial year. An update to the planned increase in consolidated revenues for 2018 reflecting the deconsolidated revenue contributions therefore will not take place until the transactions have been completed. The financial target for the adjusted EBITDA margin for 2018 is not affected by this and is expected to remain in the mid-20 percent range and thus at the previous year's level. As previously announced, ProSiebenSat.1 Group expects adjusted EBITDA to decline year-on-year in the third quarter of 2018, too, due to a different seasonal pattern in program costs. The Group still anticipates a counter-balancing positive effect on earnings in the fourth quarter. With regard to adjusted net income in the full year, ProSiebenSat.1 therefore continues to anticipate a conversion rate of adjusted EBITDA to adjusted net income of around 50 %. Additional contributions from acquisitions that may take place this year are not yet included in this financial outlook

The company has published detailed explanatory notes on the forecast and the anticipated Group and segment key figures on → pages 168 and 169 of the Annual Report 2017.

30 / **PREDICTIVE STATEMENTS**

Forecasts are based on current assessments of future developments. In this context, we draw on our budget planning and comprehensive market and competitive analyses. The forecasted values are calculated in accordance with the reporting principles used in the financial statements and are consistent with the adjustments described in the Management Report. However, forecasts naturally entail some uncertainties that could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the predictive statements are made no longer 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 expected at the time this report was prepared. These and other factors are explained in detail in the Risk- and Opportunity Report. There we also report on additional growth potential; opportunities that we have not yet or not fully budgeted for could arise from corporate strategy decisions, for example. Potential risks are accounted for regularly and systematically as part of the Group-wide risk management process. Significant events after the end of the reporting period are explained in the → Notes, Note 11 "Events after the interim reporting period," page 46. The publication date of the Half-Yearly Financial Report 2018 is August 2, 2018.

B / INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

31 / INCOME STATEMENT OF PROSIEBENSAT.1 GROUP in EUR m

		Q2 2018	Q2 2017	H1 2018	H1 2017
1.	Revenues	912	962	1,794	1,872
2.	Cost of sales	- 478	- 476	- 968	- 998
3.	**Gross profit**	**434**	**486**	**826**	**874**
4.	Selling expenses	- 115	- 147	- 234	- 289
5.	Administrative expenses	- 146	- 137	- 342	- 277
6.	Other operating expenses	- 3	- 3	- 6	- 4
7.	Other operating income	8	4	16	10
8.	**Operating result**	**178**	**205**	**260**	**314**
9.	Interest and similar income	3	1	3	1
10.	Interest and similar expenses	- 20	- 15	- 43	- 37
11.	Interest result	- 17	- 14	- 40	- 36
12.	Result from investments accounted for using the equity method	- 2	- 2	- 5	- 4
13.	Other financial result	25	- 11	15	2
14.	**Financial result**	**6**	**- 26**	**- 30**	**- 37**
15.	**Result before income taxes**	**184**	**179**	**230**	**276**
16.	Income taxes	- 59	- 57	- 75	- 88
RESULT FOR THE PERIOD		**125**	**121**	**155**	**188**
	Attributable to shareholders of ProSiebenSat.1 Media SE	126	117	153	181
	Non-controlling interests	- 1	4	2	7
in EUR					
	Earnings per share				
	Basic earnings per share	0.55	0.51	0.67	0.79
	Diluted earnings per share	0.54	0.51	0.67	0.79

STATEMENT OF COMPREHENSIVE INCOME

32 / STATEMENT OF COMPREHENSIVE INCOME OF PROSIEBENSAT.1 GROUP in EUR m

	Q2 2018	Q2 2017	H1 2018	H1 2017
Result for the period	**125**	**121**	**155**	**188**
Items subsequently reclassified to profit or loss				
Change in foreign currency translation adjustment[1]	23	– 23	11	– 28
Changes in fair value of cash flow hedges	87	– 84	31	– 122
Deferred tax on other comprehensive income	– 24	23	– 9	34
Other comprehensive income for the period	**85**	**– 83**	**34**	**– 116**
Total comprehensive income for the period	**210**	**38**	**189**	**72**
Attributable to Shareholders of ProSiebenSat.1 Media SE	211	34	187	66
Non-controlling interests	– 1	4	2	6

[1] Includes amounts associated with assets and liabilities held for sale of 0 EUR m for H1 2018 (H1 2017: -4 EUR m) and 0 EUR m for the second quarter 2018 (Q2 2017: – 4 EUR m).

STATEMENT OF FINANCIAL POSITION

33 / STATEMENT OF FINANCIAL POSITION OF PROSIEBENSAT.1 GROUP in EUR m

		06/30/2018	12/31/2017
A.	**Non-current assets**		
I.	Goodwill	1,913	1,831
II.	Other intangible assets	782	745
III.	Property, plant and equipment	303	205
IV.	Investments accounted for using the equity method	93	108
V.	Non-current financial assets	195	175
VI.	Programming assets	1,050	1,021
VII.	Other receivables and non-current assets	5	4
VIII.	Deferred tax assets	24	34
		4,365	**4,123**
B.	**Current assets**		
I.	Programming assets	158	177
II.	Inventories	43	39
III.	Current financial assets	63	52
IV.	Trade receivables	413	501
V.	Current tax assets	48	41
VI.	Other receivables and current assets	68	53
VII.	Cash and cash equivalents	990	1,552
VIII.	Assets held for sale	47	32
		1,831	**2,446**
	Total assets	**6,197**	**6,569**

		06/30/2018	12/31/2017
A.	**Equity**		
I.	Subscribed capital	233	233
II.	Capital reserves	1,038	1,055
III.	Consolidated equity generated	−214	79
IV.	Treasury shares	−13	−13
V.	Accumulated other comprehensive income	18	−16
VI.	Other equity	−193	−113
	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	868	1,225
VII.	Non-controlling interests	173	26
		1,041	**1,252**
B.	**Non-current liabilities**		
I.	Non-current financial debt	3,184	3,180
II.	Other non-current financial liabilities	391	473
III.	Trade payables	38	50
IV.	Other non-current liabilities	7	7
V.	Provisions for pensions	29	27
VI.	Other non-current provisions	34	46
VII.	Deferred tax liabilities	264	253
		3,948	**4,036**
C.	**Current liabilities**		
I.	Current financial debt	5	4
II.	Other current financial liabilities	137	145
III.	Trade payables	473	541
IV.	Other current liabilities	290	357
V.	Provisions for taxes	93	120
VI.	Other current provisions	148	107
VII.	Liabilities associated with assets held for sale	62	6
		1,208	**1,281**
	Total equity and liabilities	**6,197**	**6,569**

CASH FLOW STATEMENT

34 / CASH FLOW STATEMENT OF PROSIEBENSAT.1 GROUP in EUR m

	Q2 2018	Q2 2017	H1 2018	H1 2017
Result for the period	**125**	**121**	**155**	**188**
Income taxes	59	57	75	88
Financial result	-6	26	30	37
Depreciation/amortization and impairment of other intangible and tangible assets	52	53	103	107
Consumption/reversal of impairment of programming assets	206	190	446	452
Change in provisions for pensions and other provisions	-31	-12	33	-9
Gain/loss on the sale of assets	-1	5	-3	3
Other non-cash income/expenses	0	2	1	3
Change in working capital	-53	-15	-97	-83
Dividends received	0	0	6	7
Income tax paid	-60	-56	-107	-108
Interest paid	-27	-26	-38	-37
Interest received	1	1	2	1
Cash flow from operating activities	**266**	**346**	**607**	**649**
Proceeds from disposal of non-current assets	17	1	28	1
Payments for the acquisition of other intangible and tangible assets	-34	-37	-68	-67
Payments for the acquisition of financial assets	-9	-7	-27	-18
Proceeds from disposal of programming assets	3	4	8	12
Payments for the acquisition of programming assets	-236	-273	-463	-523
Payments for the issuance of loan receivables to financial assets	-3	0	-3	0
Proceeds from the repayment of loans to financial assets	1	-/-	1	-/-
Cash flow from obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	-205	-54	-230	-90
Cash flow from losing control of subsidiaries or other businesses (net of cash and cash equivalents disposed of)	-/-	-/-	2	-/-
Cash flow from investing activities	**-466**	**-366**	**-751**	**-685**
Free cash flow	**-199**	**-20**	**-143**	**-37**
Dividends paid	-442	-435	-442	-435
Repayment of interest-bearing liabilities	0	0	-1	-7
Proceeds from issuance of interest-bearing liabilities	5	0	6	5
Repayment of lease liabilities	-10	-4	-20	-7
Proceeds from the sale of treasury shares	-/-	0	-/-	1
Proceeds from the sale of shares in other entities without change in control	286	-2	286	52
Payments for shares in other entities without change in control	-200	0	-221	0
Proceeds from non-controlling interests	1	-/-	1	-/-
Payments in connection with refinancing measures	-/-	-4	-/-	-4
Dividend payments to non-controlling interests	-23	-4	-23	-9
Cash flow from financing activities	**-382**	**-448**	**-414**	**-404**
Effect of foreign exchange rate changes on cash and cash equivalents	20	-5	12	-6
Change in cash and cash equivalents	**-562**	**-472**	**-545**	**-448**
Cash and cash equivalents at beginning of reporting period	1,576[1]	1,296	1,559[1]	1,271
Cash and cash equivalents at end of reporting period	**1,014**[1]	**824**[1]	**1,014**[1]	**824**[1]
Cash and cash equivalents classified under assets held for sale at end of reporting period	24	65	24	65
Cash and cash equivalents at end of reporting period (statement of financial position)	**990**	**758**	**990**	**758**

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

STATEMENT OF CHANGES IN EQUITY

35 / STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP H1 2017 in EUR m

					Accumulated other comprehensive income							
	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, 2016	233	1,054	42	-14	18	221	-9	-59	-79	1,408	24	1,432
Result for the period	-/-	-/-	181	-/-	-/-	-/-	-/-	-/-	-/-	181	7	188
Other comprehensive income[1]	-/-	-/-	-/-	-/-	-28	-122	-/-	34	-/-	-116	0	-116
Total comprehensive income	**-/-**	**-/-**	**181**	**-/-**	**-28**	**-122**	**-/-**	**34**	**-/-**	**66**	**6**	**72**
Dividends	-/-	-/-	-435	-/-	-/-	-/-	-/-	-/-	-/-	-435	-9	-444
Share-based payments	-/-	1	-/-	0	-/-	-/-	-/-	-/-	-/-	1	-/-	1
Other changes	-/-	0	0	-/-	-/-	-/-	-/-	-/-	-1	-1	8	7
June 30, 2017	**233**	**1,055**	**-211**	**-14**	**-10**	**100**	**-9**	**-25**	**-80**	**1,039**	**29**	**1,068**

[1] Includes amounts associated with assets and liabilities held for sale from foreign currency translation (-4 EUR m).

36 / STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP H1 2018 in EUR m

					Accumulated other comprehensive income							
	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, 2017	233	1,055	79	-13	-14	7	-9	1	-113	1,225	26	1,252
Change in reporting standards	-/-	-/-	-5	-/-	-/-	-/-	-/-	-/-	-/-	-5	0	-5
January 1, 2018	**233**	**1,055**	**74**	**-13**	**-14**	**7**	**-9**	**1**	**-113**	**1,221**	**26**	**1,247**
Result for the period	-/-	-/-	153	-/-	-/-	-/-	-/-	-/-	-/-	153	2	155
Other comprehensive income	-/-	-/-	-/-	-/-	11	31	-/-	-9	-/-	34	0	34
Total comprehensive income	**-/-**	**-/-**	**153**	**-/-**	**11**	**31**	**-/-**	**-9**	**-/-**	**187**	**2**	**189**
Dividends	-/-	-/-	-442	-/-	-/-	-/-	-/-	-/-	-/-	-442	-23	-465
Share-based payments	-/-	-17	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-17	-/-	-17
Other changes	-/-	0	0	-/-	-/-	-/-	-/-	-/-	-80	-80	168	88
June 30, 2018	**233**	**1,038**	**-214**	**-13**	**-2**	**37**	**-9**	**-8**	**-193**	**868**	**173**	**1,041**

NOTES TO THE INTERIM FINANCIAL STATEMENT OF PROSIEBENSAT.1 GROUP AT JUNE 30, 2018

1 / General principles

The interim Consolidated Financial Statements of ProSiebenSat.1 Media SE and its subsidiaries (together "the Company," "the Group" or "ProSiebenSat.1 Group") as of June 30, 2018, were prepared in accordance with the IFRS applicable to interim reporting as published by the IASB and applicable in the EU and should be read in conjunction with the Consolidated Financial Statements as of December 31, 2017.

The accounting principles applied to the interim Consolidated Financial Statements as of June 30, 2018, except for the first-time application of IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers", and IFRS 16 "Leases" described in → Note 2 "Changes in reporting standards", are the same as for the Consolidated Financial Statements for the financial year 2017.

The Group's core business is subject to significant seasonal fluctuations. The results for the first six months of the financial year 2018 therefore do not necessarily permit predictions as to future business performance.

As announced in the Consolidated Financial Statements as of December 31, 2017, ProSiebenSat.1 Group adjusted its segment structure as of January 1, 2018 → see Note 2 "Segment Reporting" in the Notes to the Consolidated Financial Statements as of December 31, 2017. The comparative information for the second quarter 2017 and the first six months of 2017 was adjusted accordingly → see Note 3 "Segment Reporting" in the Notes to these interim Consolidated Financial Statements.

Due to a change in estimate for the determination of the regular consumption of programming assets, the Group expects additional expenditure in the low double-digit millions for the entire financial year 2018, based on current programming. However, the Group also expects counter-effects from programming adjustments.

The Annual General Meeting of ProSiebenSat.1 Media SE on May 16, 2018 resolved the allocation to retained earnings in the amount of EUR 200 million and the distribution of a dividend in the amount of EUR 1.93 per share for financial year 2017. The total dividend payment amounted to EUR 442 million and was disbursed on May 22, 2018.

Due to rounding, it is possible that individual figures in these interim 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.

2 / Changes in reporting standards

Since January 1, 2018, ProSiebenSat.1 Group is applying the following standards, as adopted by the IASB and transposed into European law, for the first time:

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers"
- IFRS 16 "Leases"

The effects of the initial application of these provisions on the Consolidated Financial Statements of ProSiebenSat.1 Group are presented below.

IFRS 9 "FINANCIAL INSTRUMENTS"

The IASB published the final version of IFRS 9 "Financial Instruments" in July 2014. This version replaces the previous standard IAS 39 "Financial Instruments: Recognition and Measurement" as well as all previous versions of IFRS 9 and was adopted into European law on November 29, 2016.

IFRS 9 is mandatorily applicable for financial years commencing on or after January 1, 2018. There has been no early application. The Group applies IFRS 9 prospectively and therefore for the first time as of January 1, 2018.

With IFRS 9 entering into force, additional disclosures pursuant to IFRS 7 "Financial Instruments: Disclosures" are required as well. They relate in particular to disclosures on impairments of financial instruments and hedge accounting. The Group will report these additional disclosures in their entirety for the first time in the Consolidated Financial Statements as of December 31, 2018.

- **Classification and measurement of financial instruments**
  ProSiebenSat.1 Group has been prospectively applying the provisions of IFRS 9 regarding the classification and measurement of financial instruments and impairment of financial assets since the date of initial adoption on January 1, 2018. The first-time application of these provisions has not had any significant effects on the earnings, financial position and performance of the Group. Applying the relief provisions of the standard, the figures for the previous year have not been adjusted.

  Financial assets are initially classified as assets "to be measured at fair value" and "to be measured at amortized cost", depending on the business model and the contractually stipulated cash flows of the respective financial instruments. Regarding the business model, allocation to said categories takes place at a portfolio level and with regard to the cash flow criterion, at the individual instrument level.

  Financial assets are subsequently measured at amortized cost or fair value, depending on their classification. Changes in the fair value must be reported in the Income Statement or in accumulated other comprehensive income.

  The provisions for the derecognition of financial assets and liabilities as well as for the general accounting for financial liabilities have been largely carried over from IAS 39, with the exception of the provisions regarding modifications of financial liabilities, the effects of which shall now recognized in profit or loss. Alterations in the classification of financial instruments result in changes for the ProSiebenSat.1 Group as of the date of first-time application (January 1, 2018), as shown in the following table:

37 / FINANCIAL ASSETS in EUR m

Financial Assets	Presented in the Statement of Financial Position as	Category: IAS 39	Category: IFRS 9	Carrying amount: IAS 39	Carrying amount: IFRS 9	Difference
Financial Assets designated at fair value	Non-current financial assets	Fair value through profit or loss	Fair Value through profit or loss	23	23	0
Other equity instruments	Non-current financial assets	Fair value through profit or loss	Fair Value through profit or loss	88	88	0
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	Fair value through profit or loss	Fair Value through profit or loss	11	11	0
Hedge derivatives[1]	Current and non-current financial assets	n/a[1]	n/a[1]	68	68	0
Cash and cash equivalents	Cash and cash equivalents	Loans and receivables	Amortized cost	1,552	1,552	0
Loans and receivables	Current and non-current financial assets	Loans and receivables	Amortized cost	532	532	0

[1] Hedge derivatives are accounted for using the hedge accounting provisions of IAS 39 and hence are not assigned to any category of IFRS 9.

The financial assets to be recognized at fair value through profit or loss under IAS 39 in the context of the so-called fair value option are fund units that the Group holds to finance pension obligations, but which are not plan assets as defined by IAS 19 "Employee Benefits" and are therefore reported as separate assets. Due to the amended provisions of IFRS 9, from January 1, 2018, such assets are now recognized mandatorily at fair value through profit or loss. This reclassification did not have any impact on the measurement.

The categorization on the equity and liabilities side of the Statement of Financial Position has not changed compared to the previous accounting under IAS 39.

- **Impairment of financial assets**
  The provisions regarding the recognition of impairments on financial assets, which under IFRS 9 are based on a model of expected losses (the so-called "expected credit loss model") are fundamentally new and involve significant judgements regarding the question as to what extent expected credit losses are affected by changes in economic factors. Unlike under IAS 39, financial assets have to be allocated to different risk categories taking into account historical and future expected default probabilities, and risk allowances must be recognized already prior to incurred credit losses.

  To determine the expected credit losses, the Group applies the simplified impairment model of IFRS 9 and recognizes lifetime expected credit losses on trade receivables and positive balances from contract production under IFRS 15. To determine the expected credit losses, ProSiebenSat.1 uses different impairment matrices based on customer groups and entities. The maturity-specific impairment factors are based on historical and forward-looking information.

  The new impairment model of IFRS 9 has the effect that impairments of financial assets, in particular trade receivables and positive balances from contract production, are brought forward. The Group continues to present the resulting expenses in cost of sales. For materiality reasons, the impairments recognized in the period are not presented separately in the Income Statement as would be required under IAS 1.82(ba).

  Upon the initial adoption of IFRS 9, the Group recognized a valuation allowance as of January 1, 2018 as a revaluation effect on loans and receivables in the amount of EUR 1 million. For cash and cash equivalents, an immaterial amount was determined.

- **Hedge accounting**
  The Group has not applied the hedge accounting provisions of IFRS 9 from January 1, 2018, but has instead made use of the option to continue hedge accounting under IAS 39.

IFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

With the publication of IFRS 15 "Revenue from Contracts with Customers" in May 2014, the IASB provides new requirements as to when and to what extent revenues are to be recognized in the future. The standard replaces the previous provisions of IAS 18 "Revenue", IAS 11 "Construction Contracts" as well a number of revenue-related interpretations. The scope of IFRS 15 excludes leases, financial instruments and insurance contracts.

Under IFRS 15, the recognition of revenues should reflect the transfer of promised goods or services to the customer in the amount corresponding to the consideration that an entity expects to receive in exchange for such goods or services. Revenues are realized once the customer obtains control of the goods or services.

In April 2016, the IASB published clarifying amendments to IFRS 15, which are also to be applied for financial years commencing on or after January 1, 2018. In addition to clarifying various provisions of the standard, the amendments also include further transitional relief. The clarifying amendments to IFRS 15 were implemented into European law on November 9, 2017.

The standard bases revenue recognition on a "five-step model", under which an entity must initially identify whether or not a contract with a customer as defined by the standard exists. The entity's performance obligations, which have been defined explicitly or implicitly in the contract, have to be identified separately and the transaction price to be received from the customer has to be allocated to these performance obligations. Upon the transfer of control, revenues have to be recognized either at a point in time or over a period of time.

The provisions of IFRS 15 are applied as of January 1, 2018 using the modified retrospective approach. The previous-year figures are not adjusted in line with the standard's transitional provisions. ProSiebenSat.1 Group uses the exemption under IFRS 15.C7 and does not reassess any contracts that were completed prior to the date of first-time application (January 1, 2018).

ProSiebenSat.1 Group has analyzed the impact of the first-time application of IFRS 15 in a Group-wide project, including existing processes, systems and contracts. The initial application of IFRS 15 as of January 1, 2018 has led to an increase of contract liabilities by EUR 5 million (thereof EUR 2 million non-current) and deferred tax assets by EUR 1 million and a corresponding decrease of consolidated equity generated by EUR 4 million at the date of initial application January 1, 2018, due to the recognition of certain license revenues over time. Due to the reversal of the negative contract balances, revenues increased in the second quarter of 2018 by EUR 1 million compared to the previous accounting under IAS 18 (first half of 2018: EUR 2 million). The net earnings effect taking into account deferred taxes amounted to EUR 1 million in the second quarter (first half of 2018: EUR 1 million). The contract liabilities are reported as other liabilities in the Statement of Financial Position. The initial application of IFRS 15 has not had any other material effects on the earnings, financial position and performance of the Group.

IFRS 16 "LEASES"

In January 2016, the IASB published the financial reporting standard IFRS 16 "Leases", which was adopted into European law on November 9, 2017. The standard replaces the existing guidance on leases, including IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases – Incentives" and SIC-27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognized in the lessee's Statement of Financial Position, unless the term is 12 months or less or the lease is for a low-value asset. Thus, the classification required under IAS 17 into operating or finance leases is eliminated for lessees. For each lease, the lessee recognizes a liability for lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

IFRS 16 is mandatorily applicable initially for financial years commencing on or after January 1, 2019. ProSiebenSat.1 Group has exercised the option of early-adopting the standard and has applied IFRS 16 for the first time as of January 1, 2018, using the modified retrospective approach. Initial application at ProSiebenSat.1 Group has affected leases that previously had been classified as operating leases. Short-term leases with a term not exceeding 12 months (and no purchase option) as well as leases where the underlying asset is of low value are not recognized using the option under IFRS 16.5. ProSiebenSat.1 Group is using the option under IFRS 16.15 and recognizes all lease and non-lease components under IFRS 16. Moreover, the Group has applied the relief provisions of IFRS 16.C3(b) and has not reviewed contracts under the definition of a lease in IFRS 16, which were not classified as leases under IAS 17 "Leases" in conjunction with IFRIC 4 "Determining whether an Arrangement contains a Lease".

During the first-time application of IFRS 16 to operating leases, the right to use the leased asset was generally measured at the amount of the lease liability, using the interest rate at the time of the first-time application (IFRS 16.C8(b)(i)). The average interest rate as of January 1, 2018 was approximately 2%. In case of current lease liabilities, the right-of-use was adjusted by the relevant amount under IFRS 16.C10(c)(ii). For the measurement of the right-of-use at the date of first-time application, initial direct costs were not taken into account in accordance with IFRS 16.C10(d). The comparative financial information for the financial year 2017 was not adjusted in the financial year 2018 under IFRS 16.C7.

ProSiebenSat.1 Group has analyzed the impact of the first-time application of IFRS 16 in a Group-wide project, including existing processes, systems, and contracts. The following categories of leases were identified, where as a consequence of the change to IFRS 16 as of January 1, 2018, contracts that previously had been recognized as operating leases, now qualify as leases as defined by the new standard: real estate, technical equipment, vehicles and other leased assets. The first-time application resulted in recording rights-of-use in the amount of EUR 108 million and lease liabilities in the amount of EUR 110 million in the consolidated Statement of Financial Position as of January 1, 2018; the difference in the amount of EUR 2 million between the two items relates to the adjustment of current lease liabilities pursuant to IFRS 16.C10(c)(ii).

The off-balance lease obligations as of December 31, 2017 are reconciled as follows to the recognized lease liabilities as of January 1, 2018:

38 / RECONCILIATION OF LEASE LIABILITIES in EUR m

	01/01/2018
Off-balance lease obligation as of 12/31/2017	**107**
Current leases with a lease term of 12 months or less (short-term leases)	– 1
Leases of low-value-assets (low-value leases)	0
Variable lease payments	– 14
Other	– 1
Operating lease obligations as of 01/01/2018 (gross, without discounting)	**90**
Operating lease obligations as of 01/01/2018 (net, discounted)	**85**
Reasonably certain extension or termination options	24
Residual value guarantees	0
Non-lease-components	1
Lease liabilities due to initial application of IFRS 16 as of 01/01/2018	**110**
Lease liabilities from finance leases as of 01/01/2018	65
Total lease liabilities as of 01/01/2018	**175**

The quantitative impact of the first-time application of IFRS 9, 15 and 16 on the Statement of Financial Position as of December 31, 2017/January 1, 2018 is presented in the following table:

39 / STATEMENT OF FINANCIAL POSITION in EUR m

		Prospective application		Modified retrospective application		
Item	12/31/2017 before application of new IFRS	Adjustments IFRS 9 (Class & Meas)	Adjustments IFRS 9 (Impairment)	Adjustments IFRS 15	Adjustments IFRS 16	01/01/2018 after application of new IFRS
Property, plant and equipment	205	–/–	–/–	–/–	108	313
Deferred tax assets	34	–/–	0	1	–/–	36
Trade receivables	501	–/–	– 1	–/–	–/–	500
Other financial liabilities (current and non-current)	618	–/–	–/–	–/–	110	728
Accrued lease liabilities	2	–/–	–/–	–/–	–2	–/–
Contract liabilities	0	–/–	–/–	5	–/–	5
Consolidated equity generated	79	–/–	– 1	– 4	0	74

The impact of the application of the new IFRS standards on the Income Statement in the second quarter of 2018 is presented below:

40 / INCOME STATEMENT Q2 in EUR m

	Q2 2018 before application of new IFRS	Adjustments IFRS 9	Adjustments IFRS 15	Adjustments IFRS 16	Q2 2018 after application of new IFRS
Revenues	912	-/-	1	-/-	912
Operating costs[1]	- 668	0	-/-	8	- 661
Adjusted EBITDA	251	-/-	-/-	8	259
EBITDA	222	-/-	-/-	8	230
Depreciation and amortization	- 45	-/-	-/-	- 7	- 52
Financial Result	6	-/-	-/-	0	6
Income Taxes	- 59	0	0	-/-	- 59
Adjusted net income	135	0	1	0	136
Result for the period from continuing operations	124	0	1	0	125

[1] Operating costs contain cost of sales, selling expenses, administrative expenses and other operating expenses minus expense adjustments and depreciation and amortization.

The impact of the application of the new IFRS standards on the Income Statement in the first half of 2018 is presented below.

41 / INCOME STATEMENT H1 in EUR m

	H1 2018 before application of new IFRS	Adjustments IFRS 9	Adjustments IFRS 15	Adjustments IFRS 16	H1 2018 after application of new IFRS
Revenues	1,792	-/-	2	-/-	1,794
Operating costs[1]	- 1,364	0	-/-	15	- 1,350
Adjusted EBITDA	444	-/-	-/-	15	459
EBITDA	348	-/-	-/-	15	363
Depreciation and amortization	- 90	-/-	-/-	- 13	- 103
Financial Result	- 33	4	-/-	- 1	- 30
Income Taxes	- 73	- 1	-1	-/-	- 75
Adjusted net income	225	3	1	0	230
Result for the period from continuing operations	151	3	1	0	155

[1] Operating costs contain cost of sales, selling expenses, administrative expenses and other operating expenses minus expense adjustments and depreciation and amortization.

The adjustment from the first-time application of IFRS 9 to other financial result of EUR 4 million and to the tax result of EUR -1 million reflects the effects from the extension of long-term financial debt in March 2018 → see also Note 8 "Financial instruments" to be recognized in profit or loss in accordance with IFRS 9.B5.4.5ff. By contrast, the effects of the first-time application of the new impairment model of IFRS 9 in the second quarter and the first half of 2018 were not material. Due to the recognition of certain license revenues over time, revenues increased by EUR 1 million in the second quarter of 2018 (first half of 2018: EUR 2 million).

Under IAS 17, expenses for leases classified as operating leases were reported as functional costs. By contrast, rights-of-use under leases are amortized under IFRS 16. The interest expense relating to lease liabilities is reported in financial result. This change in presentation resulted in an increase of Adjusted EBITDA and EBITDA by EUR 8 million in the second quarter of 2018 (first half of 2018: EUR 15 million).

The impact of the application of the new IFRS standards on the Statement of Financial Position as of June 30, 2018 is illustrated below:

42 / STATEMENT OF FINANCIAL POSITION in EUR m

		Prospective application		Modified retrospective application		
Item	**06/30/2018 before application of new IFRS**	**Adjustments IFRS 9 (Class & Meas)**	**Adjustments IFRS 9 (Impairment)**	**Adjustments IFRS 15**	**Adjustments IFRS 16**	**06/30/2018 after application of new IFRS**
Property, plant and equipment	200	-/-	-/-	-/-	104	303
Deferred tax assets	25	-/-	0	- 1	-/-	24
Trade receivables	413	-/-	0	-/-	-/-	413
Non-current financial debt	3,188	-4	-/-	-/-	-/-	3,184
Other financial liabilities (current and non-current)	421	-/-	-/-	-/-	107	528
Provisions for taxes	92	1	-/-	-/-	-/-	93
Accrued lease liabilities	3	-/-	-/-	-/-	-3	0
Contract liabilities[1]	5	-/-	-/-	- 2	-/-	3
Consolidated equity generated	- 219	3	0	1	0	- 214

[1] The carrying amount of the contract liabilities as of June 30, 2018 prior to the application of new IFRS represents the amount recognized at the date of initial application of IFRS 15 (January 1, 2018). In the second quarter of 2018, EUR 1 million was recognized as revenues under IFRS 15 (first half of 2018: EUR 2 million).

The adjustments from the initial application of the classification and measurement guidance of IFRS 9 result from the extension of the syndicated loan arrangement in March 2018 of EUR 2.1 billion, presented as non-current financial debt, by one year until April 2023. In accordance with IFRS 9.B5.4.5 ff., the effects of such transactions are recognized in profit or loss. The corresponding journal entry was to other financial result. The initial application of IFRS 9 had no other material effects on the earnings, financial position and performance of the Group. The recognition of certain license revenues over time under IFRS 15 led to a decrease of contract liabilities by EUR 2 million and a corresponding increase of consolidated equity generated in the amount of EUR 1 million taking into account deferred taxes in an amount of EUR 1 million. The increase of property, plant and equipment and other financial liabilities reflects the initial application of IFRS 16 to leases classified as operating leases under previous standards.

In the Cash Flow Statement, the consolidated profit, used as the basis for determining the cash flow from operating activities under the indirect method, has changed by EUR 1 million in the second quarter of 2018 and by EUR 4 million in the first half of 2018 due to the initial application of IFRS 9, 15 and 16.

The cash outflows from the repayment of lease liabilities presented in the cash flow from financing activities increased by EUR 7 million in the second quarter (first half year: EUR 14 million) due to the introduction of IFRS 16. There have been no material effects on the earnings, financial position and performance of the Group from the implementation of the new IFRS standards beyond those described.

3 / Segment reporting

Since January 1, 2018, the Group has been divided into the three reporting segments "Entertainment", "Content Production & Global Sales" and "Commerce". For a detailed description of the new segment structure, please refer to → Note 3 "Segment reporting" on page 27 of the Quarterly Statement of ProSiebenSat.1 Group for the first quarter of 2018.

The following table contains the segment information of ProSiebenSat.1 Group. The previous-year figures have been adjusted according to the new segmentation. The figures for the reporting period include the effects of the initial application of IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases". The previous-year data were not adjusted in line with the transitional provisions of said standards:

43 / SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP Q2 2018 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Other/ Eliminations	Total consolidated interim financial statements
Revenues	646	130	168	944	-32	912
External revenues	628	116	168	912	-/-	912
Internal revenues	18	14	0	32	-32	-/-
EBITDA[1]	215	8	8	231	0	230
Adjusted EBITDA	234	9	16	259	0	259

[1] This information is provided on a voluntary basis as part of segment reporting.

44 / SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP Q2 2017 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Other/ Eliminations	Total consolidated interim financial statements
Revenues	659	149	185	993	-30	962
External revenues	646	132	184	962	-/-	962
Internal revenues	13	17	0	30	-30	-/-
EBITDA[1]	236	7	16	258	0	258
Adjusted EBITDA	242	6	22	271	0	270

[1] This information is provided on a voluntary basis as part of segment reporting.

45 / SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP H1 2018 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Other/ Eliminations	Total consolidated interim financial statements
Revenues	1,288	239	328	1,855	-62	1,794
External revenues	1,252	214	328	1,794	-/-	1,794
Internal revenues	36	26	0	62	-62	-/-
EBITDA[1]	332	12	20	364	-1	363
Adjusted EBITDA	417	13	29	460	-1	459

[1] This information is provided on a voluntary basis as part of segment reporting.

46 / SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP H1 2017 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Other/ Eliminations	Total consolidated interim financial statements
Revenues	1,286	282	370	1,939	-67	1,872
External revenues	1,258	244	370	1,872	-/-	1,872
Internal revenues	28	38	1	67	-67	-/-
EBITDA[1]	374	9	38	421	0	421
Adjusted EBITDA	401	11	47	459	0	458

[1] This information is provided on a voluntary basis as part of segment reporting.

The Executive Board as chief operating decision maker measures the segment results using a segment profit measure, which in internal control and reporting is called "adjusted EBITDA".

The reconciliation of segment values to the corresponding group values is shown below:

47 / RECONCILIATION OF SEGMENT INFORMATION in EUR m

	Q2 2018	Q2 2017	H1 2018	H1 2017
ADJUSTED EBITDA				
Adjusted EBITDA of reportable segments	259	271	460	459
Other/Eliminations	0	0	- 1	0
Adjusted EBITDA of the Group	**259**	**270**	**459**	**458**
Reconciling Items	- 28	- 12	- 96	- 37
Financial result	6	- 26	- 30	- 37
Depreciation and amortization	- 52	- 51	- 101	- 103
Impairment	0	- 2	- 2	- 5
Result before income taxes	**184**	**179**	**230**	**276**

The reconciling items adjusted in arriving at adjusted EBITDA are distributed among the following categories:

48 / PRESENTATION OF THE RECONCILING ITEMS in EUR m

	Q2 2018	Q2 2017	H1 2018	H1 2017
Income from changes in scope of consolidation	-/-	-/-	-/-	0
Income - other one-off items	1	0	1	0
External income	**1**	**0**	**1**	**0**
M&A related costs	- 20	- 5	- 24	- 9
Reorganizations	- 3	- 4	- 63	- 20
Legal claims	1	0	1	0
Cash-settled share-based payments (Group Share Plan)	2	1	0	- 3
Other material one-time items	- 10	- 5	- 11	- 6
External EBITDA expenses	**- 29**	**- 12**	**- 97**	**- 38**
Reconciling items	**- 28**	**- 12**	**- 96**	**- 37**

Entity-wide disclosures for ProSiebenSat.1 Group are provided below:

49 / ENTITY-WIDE DISCLOSURES Q2 in EUR m

Geographical breakdown	GER		USA		AT/CH		UK		Scandinavia		Other		Total consolidated interim financial statements	
	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017	Q2 2018	Q2 2017
External Revenues	741	728	84	99	73	78	8	10	1	43	5	4	**912**	**962**

50 / ENTITY-WIDE DISCLOSURES H1 in EUR m

Geographical breakdown	GER		USA		AT/CH		UK		Scandinavia		Other		Total consolidated interim financial statements	
	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017
External Revenues	1,483	1,445	153	181	134	137	13	13	2	89	9	7	**1,794**	**1,872**

In the second quarter of the financial year 2018, revenues under IFRS 15 are broken down by segment as follows:

51 / REVENUES ACCORDING TO IFRS 15 Q2 2018 in EUR m

	Q2 2018			
	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total
Advertising revenues	525	-/-	-/-	525
Digital Services[1]	-/-	0	106	106
Revenues from the sales of goods	-/-	-/-	55	55
Production revenues	-/-	60	-/-	60
Distribution revenues	35	-/-	-/-	35
Program sales	9	11	-/-	20
Others[2]	58	45	7	111
Total	**628**	**116**	**168**	**912**
Timing of revenue				
Point in time	578	57	149	784
Over time	50	60	19	128
Total	**628**	**116**	**168**	**912**

[1] This item primarily contains revenues from online agency services and matchmaking as well as event vouchers and miscellaneous online market places.
[2] The Segment Content Production & Global Sales predominantly contains the revenues of Studio71.

52 / REVENUES ACCORDING TO IFRS 15 H1 2018 in EUR m

	H1 2018			
	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total
Advertising revenues	1,051	-/-	-/-	1,051
Digital Services[1]	-/-	0	211	211
Revenues from the sales of goods	-/-	-/-	103	103
Production revenues	-/-	103	-/-	103
Distribution revenues	69	-/-	-/-	69
Program sales	20	32	-/-	52
Others[2]	112	78	14	204
Total	**1,252**	**214**	**328**	**1,794**
Timing of revenue				
Point in time	1,154	110	289	1,553
Over time	98	103	39	241
Total	**1,252**	**214**	**328**	**1,794**

[1] This item primarily contains revenues from online agency services and matchmaking as well as event vouchers and miscellaneous online market places.
[2] The Segment Content Production & Global Sales predominantly contains the revenues of Studio71.

Since previous-year figures have not been adjusted in line with the transitional provisions of IFRS 15, these figures are not presented.

4 / Acquisitions, disposals and other transactions in connection with subsidiaries

A) ACQUISITIONS

The following acquisitions material for the Consolidated Financial Statements were completed in the first half of the financial year 2018:

53 / OVERVIEW ACQUISITIONS

Company	Purpose of the company	Voting equity interest acquired	Acquisition of control
Aboalarm GmbH	Online cancellation service provider	100.0%	01/02/2018
Kairion GmbH	E-Commerce marketer for media campaigns	100.0%	01/09/2018
InQpharm Group/ Zaluvida Corporate AG	Extension of OTC product portfolio in the area Commerce Health & Beauty	Asset Deal	03/28/2018
Zirkulin/roha Arzneimittel GmbH	Extension of OTC product portfolio in the area Commerce Health & Beauty	Asset Deal	04/01/2018
esome advertising technologies GmbH	Social-advertising provider	90.0%	04/26/2018

Acquisition of 100 percent of the shares in Aboalarm GmbH

By agreement and with economic effect of January 2, 2018, ProSiebenSat.1 Group has acquired 100.0 percent of the shares in Aboalarm GmbH, Munich, thereby gaining control. Aboalarm is an online cancellation service provider for consumer contracts in the areas of internet, mobile communications, insurance, dating and fitness. The company is allocated to the segment Commerce → see Note 3 "Segment reporting".

The purchase price per IFRS 3 amounts to EUR 10 million and is comprised of a cash purchase price in the amount of EUR 10 million and a contractually agreed earn-out component of less than EUR 0.5 million.

54 / ABOALARM – PURCHASE PRICE PER IFRS 3 in EUR m

Cash purchase price	10
Variable purchase price component – Earn-out	0
Purchase price per IFRS 3	**10**

The following table shows the fair values of the identified acquired assets and of the assumed liabilities in connection with the acquisition, each as of the time of acquisition.

55 / ACQUISITION ABOALARM in EUR m

	Fair value at acquisition
Other intangible assets	5
Thereof identified in the purchase price allocation	5
Property, plant and equipment	0
Non-current assets	**5**
Trade receivables	0
Other current receivables and other assets	0
Cash and cash equivalents	0
Current assets	**1**
Deferred tax liabilities	2
Non-current liabilities and provisions	**2**
Trade payables	0
Other provisions	0
Other liabilities	0
Current liabilities and provisions	**0**
Total net assets	**4**
Purchase price per IFRS 3	10
Goodwill	**7**

The identified goodwill almost exclusively represents strategic synergies and development potential in the Commerce segment, → see Note 3, "Segment reporting", and is thus allocated to the cash-generating unit Commerce. The goodwill is not tax-deductible and is managed in the functional currency EUR.

56 / PURCHASE PRICE ALLOCATION ABOALARM

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Brand	2	15
Customer relationships	1	8
Others	1	5 – 8

In the context of the purchase price allocation, a brand with a definite useful life of 15 years and a fair value of EUR 2 million, a customer base with a definite useful life of 8 years and a fair value of EUR 1 million and two types of technology (software) with a definite useful life of 5 and 8 years, respectively, and a fair value of EUR 1 million, were recognized separately from goodwill. EUR 2 million of deferred tax liabilities relate to the identified hidden reserves.

The effects on the earnings, financial position and performance, if the company was included from the beginning of the financial year until initial consolidation on January 2 were not disclosed for reasons of materiality and time overlap. Between initial consolidation and June 30, 2018, the company has contributed revenues of EUR 2 million and earnings after taxes in the amount of EUR 0 million to the consolidated net profit.

Acquisition of 100 percent of the shares in Kairion GmbH

By agreement and with economic effect of January 9, 2018, ProSiebenSat.1 Group has acquired 100.0 percent of the shares in Kairion GmbH, Frankfurt/Main, thereby gaining control. The company specializes in media marketing in the e-commerce sector. The Company is allocated to the segment Entertainment → see Note 3 "Segment reporting".

The purchase price per IFRS 3 amounts to EUR 10 million and is comprised of a cash purchase price in the amount of EUR 6 million, a contractually agreed earn-out component in the amount of EUR 2 million, payable in four tranches between 2018 and 2021, and a second variable purchase price adjustment in the amount of EUR 2 million, depending on the "ePrivacy Regulation" (Regulation on Privacy and Electronic Communications). If the legal framework of the European Union – which has yet to enter into force – would not have a negative impact on the future operating business of Kairion, ProSiebenSat.1 Group will be obligated to pay the former shareholders in 2020 a subsequent purchase price payment in the amount of EUR 2 million. The management of ProsiebenSat.1 Group currently does not expect any future negative impact by the ePrivacy Regulation on the operating business of Kairion GmbH.

57 / KAIRION – PURCHASE PRICE PER IFRS 3 in EUR m

Cash purchase price	6
Variable purchase price component – Earn-out	2
Variable purchase price component – ePrivacy	2
Purchase price per IFRS 3	**10**

The following table shows the fair values of the identified acquired assets and of the assumed liabilities in connection with the acquisition, each as of the time of acquisition.

58 / ACQUISITION KAIRION in EUR m

	Fair value at acquisition
Other intangible assets	3
Thereof identified in the purchase price allocation	1
Property, plant and equipment	0
Non-current assets	**3**
Trade receivables	1
Other current receivables and other assets	0
Cash and cash equivalents	0
Current assets	**1**
Deferred tax liabilities	0
Non-current liabilities and provisions	**0**
Trade payables	4
Other liabilities	0
Current liabilities and provisions	**4**
Total net assets	**0**
Purchase price per IFRS 3	10
Goodwill	**10**

The identified goodwill nearly exclusively represents strategic synergies and development potential in the Entertainment segment and is thus allocated to the cash-generating unit Entertainment, → see Note 3, "Segment Reporting". The goodwill is not tax-deductible and is managed in the functional currency EUR.

59 / PURCHASE PRICE ALLOCATION KAIRION

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Customer relationships	1	8
Others	2	5

In the context of the purchase price allocation, a customer base with a useful life of 8 years and a fair value of EUR 1 million was recognized separately from the goodwill. Moreover, software in the amount of EUR 2 million was recognized separately from goodwill. At the time of acquisition, EUR 2 million of the fair value of the technology had already been capitalized in the Statement of Financial Position. EUR 0 million of deferred tax liabilities relate to the identified hidden reserves.

The effects on the earnings, financial position and performance if the company was included from the beginning of the fiscal year until initial consolidation on January 9 are not disclosed for reasons of materiality and time overlap. Between the initial consolidation and June 30, 2018, the Company has contributed revenues of EUR 1 million and earnings after taxes in the amount of EUR 0 million to the consolidated net profit.

Acquisition of intangible assets from InQpharm Group (Zaluvida Corporate AG)

By agreement and with economic effect as from March 28, 2018, ProsiebenSat.1 Group has acquired selected intangible assets through the NuCom Group from InQpharm Group Sdn Bhd, Kuala Lumpur, Malaysia. The InQpharm Group is a subsidiary of Zaluvida Corporate AG, Rolle, Switzerland, a global life sciences company focused on bioactive compounds with pharmacological action in treatment, allergies and technologies in the area of obesity, antibiotic resistance and greenhouse gas emissions. The subject matter of the acquisition is the acquisition of six certified medical products in the field of allergy and gastrointestinal diseases, consisting of know-how, patents, trademarks and the associated supplier, production and distribution contracts as well as customer relationships. A research project was acquired as well. The intangible assets are acquired by

WindStar Medical GmbH and allocated to the segment Commerce, → see Note 3 "Segment reporting". The transaction constitutes a business combination as defined by IFRS 3.3.

The purchase price per IFRS 3 amounts to EUR 4 million and is comprised of a base purchase price in the amount of EUR 3 million and a contractually agreed earn-out component of EUR 1 million, with a payment date of 2020. As part of the purchase price allocation, a customer base with a useful life of 8 years and a fair value of EUR 2 million, as well as other intangible assets with a useful life of 10 years and a fair value of EUR 1 million were recognized separately from goodwill. For materiality reason, a detailed goodwill derivation is not presented. The identified goodwill in the amount of EUR 1 million exclusively represents strategic synergies and development potential in the Commerce segment and is therefore allocated to the cash-generating unit Commerce. The goodwill is tax-deductible over 15 years and is denominated in the functional currency euro.

Acquisition of the business under the Zirkulin brand (roha Arzneimittel GmbH)

By agreement dated December 29, 2017 and economic effect as of April 1, 2018, ProSiebenSat.1 Group acquired selected intangible assets from roha arzneimittel GmbH, Bremen, a manufacturer of natural medicines and dietary supplements. The subject matter of the acquisition is the acquisition of all intangible assets in connection with the health brand "Zirkulin". These include the Zirkulin business, including the associated customer base, industrial property rights, drug approvals, the product portfolio and other technical, regulatory and commercial know-how. In addition to the transfer of the Zirkulin business, both parties intend to enter into a supply contract for the purpose of continuing production. The acquired intangible assets under the Zirkulin brand are allocated to the Commerce segment, → see Note 3 "Segment reporting". The acquisition of the assets was accounted for as a business combination under IFRS 3.3.

The purchase price in accordance with IFRS 3 consists of a cash purchase price of EUR 32 million.

60 / ZIRKULIN – PURCHASE PRICE PER IFRS 3 in EUR m

Cash purchase price	32
Purchase price per IFRS 3	**32**

The following table shows the fair values of the identified assets acquired and liabilities assumed in connection with the acquisition at the time of acquisition.

61 / ACQUISITION ZIRKULIN in EUR m

	Fair value at acquisition
Other intangible assets	22
Thereof identified in the purchase price allocation	22
Purchase price per IFRS 3	32
Goodwill	**10**

The goodwill identified exclusively represents strategic synergies and development potential in the Commerce segment and is therefore allocated to the cash-generating unit Commerce, → see Note 3 "Segment reporting". Goodwill is tax-deductible over 15 years and is denominated in the functional currency euro.

62 / PURCHASE PRICE ALLOCATION ZIRKULIN

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Customer relationships	12	8
Others	10	15

As part of the purchase price allocation, a customer base with a useful life of 8 years and a fair value of EUR 12 million was recognized separately from goodwill. In addition, other intangible assets with a useful life of 15 years, in connection with the Zirkulin business, amounting to EUR 10 million were recognized separately from goodwill. The amounts disclosed are provisional until the finalization of the relevant valuation report.

Acquisition of 90 percent of the shares in esome advertising technologies GmbH

With contract dated December 1, 2017 and economic effect from April 26, 2018, the ProSiebenSat.1 Group acquired a 90.0 percent stake in esome advertising technologies GmbH, Hamburg. The object of esome advertising technologies GmbH is the provision of technology for the placement of advertising campaigns in the social media sector, in particular the purchase, sale or brokerage of social media services, the use of target group information in the social media sector to optimize online advertising campaigns, the creation, licensing and marketing of technical systems for campaign management, as well as all services in connection with advertising activities in the social media sector. The company is allocated to the Entertainment Segment → see Note 3 "Segment reporting".

The preliminary purchase price per IFRS 3 comprises a cash purchase price of EUR 25 million and two contractually agreed earn-out components totaling EUR 26 million. A possible working capital cash purchase price adjustment is outstanding. In addition, a put option in the amount of EUR 10 million for the acquisition of a further 10.0 percent of the shares with earliest possible maturity in 2019 was agreed with the existing shareholders.

63 / ESOME – PURCHASE PRICE PER IFRS 3 in EUR m

Cash purchase price	25
Variable purchase price component – Put option	10
Variable purchase price component – Earn-out	26
Purchase price per IFRS 3	**60**

The following table shows the fair values of the identified assets acquired and liabilities assumed in connection with the acquisition at the time of acquisition. The amounts presented below were provisionally measured as a result of the ongoing purchase price negotiations and the associated potential working capital adjustment as of the reporting date, as well as due to the still open valuation of customer relationships as part of the independent purchase price allocation by an auditing company:

64 / ACQUISITION ESOME in EUR m

	Fair value at acquisition
Other intangible assets	19
Thereof identified in the purchase price allocation	16
Property, plant and equipment	0
Non-current assets	**20**
Trade receivables	13
Other current receivables and other assets	1
Cash and cash equivalents	2
Current assets	**16**
Deferred tax liabilities	6
Non-current liabilities and provisions	**6**
Trade payables	10
Other provisions	0
Other liabilities	0
Current liabilities and provisions	**10**
Total net assets	**19**
Purchase price per IFRS 3	60
Goodwill	**41**

The identified goodwill almost exclusively represents strategic synergies and development potential in the Entertainment Segment and is therefore allocated to the cash-generating Entertainment unit, → see Note 3 "Segment reporting". Goodwill is not tax-deductible and is denominated in the functional currency euro.

65 / PURCHASE PRICE ALLOCATION ESOME

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Brand	2	10
Customer relationships	10	10
Technology	7	5

As part of the purchase price allocation, a brand with a useful life of 10 years and a fair value of EUR 2 million, customer relationships with a useful life of 10 years and a fair value of EUR 10 million were recognized separately from goodwill. In addition, a technology of EUR 7 million was recognized separately from goodwill. At the acquisition date, EUR 3 million of the fair value of the technology had already been capitalized in the Statement of Financial Position. EUR 5 million of deferred tax liabilities relate to the identified hidden reserves.

The inclusion of these companies from the beginning of the financial year until their initial consolidation in April 2018 would have had the following effects on the earnings, financial position and performance of ProSiebenSat.1 Group: additional sales of EUR 4 million and earnings after taxes of EUR 0 million. From initial consolidation until June 30, 2018, the company contributed sales of EUR 2 million and earnings after taxes of EUR 0 million to consolidated earnings.

B) OTHER TRANSACTIONS

Acquisition of 22.82 percent in Sonoma Internet GmbH (Amorelie)

By agreement and with economic effect of March 19, 2018, ProsiebenSat.1 Group has acquired the minority shares in Sonoma Internet GmbH, Berlin, via NuCom Group and by exercising a call option. The company operates an online lifestyle shop for love lives via the Internet portal "amorelie.de". The shareholding of NuCom Group in Sonoma Internet GmbH now is 97.8%. In January 2014, ProsiebenSat.1 Group had invested in the company for the first time (23.2 percent) and in March 2015 increased its stake by 51.8 percent to 75.0 percent. The purchase price for the acquired shares amounts to EUR 21 million. The acquisition was accounted for as an equity transaction under IFRS 10. The cash outflow from the purchase price payment for additional shares in the already controlled Sonoma Internet GmbH was recognized in cash flow from financing activities.

Acquisition of the remaining 25.1 percent in Silvertours GmbH

By agreement of February 19, 2018 and with economic effect of April 6, 2018, ProSiebenSat.1 Group acquired 25.1% of the remaining shares in SilverTours GmbH, Freiburg, Germany, via NuCom Group, for a purchase price of EUR 59 million. SilverTours GmbH was established in 2003 and operates product comparison platforms for hire cars (e.g. www.billiger-mietwagen.de). In June 2013, ProSiebenSat.1 Group had invested initially in the company (74.9 percent) and has acquired the remaining shares in the company with the current transaction. NuCom Group now owns 100% of the shares in SilverTours GmbH. The acquisition is accounted for as an equity transaction under IFRS 10. The cash outflow from the purchase price payment for further shares in the already controlled Silvertours GmbH was recognized in cash flow from financing activities.

Acquisition of 20.0 percent of the shares in Verivox Holding GmbH

By agreement of February 21, 2018 and with economic effect of April 5, 2018, ProSiebenSat.1 Group acquired 20.0% of the shares in Verivox Holding GmbH, Unterföhring, Germany, via NuCom Group, for a purchase price of EUR 112 million. The company operates the largest independent consumer portal for energy in Germany and also offers comparisons in the areas of telecommunications, insurance, finance, vehicles and commission-free real estate. In June 2015, ProSiebenSat.1 Group had initially invested in the company (80.0 percent). Since March 31, 2018, NuCom Group owns 100% of the shares in Verivox Holding GmbH. The acquisition was accounted for as an equity transaction under IFRS 10. The cash outflow from the purchase price payment for further shares in the already controlled Verivox Holding GmbH was recognized in investing cash flow.

Acquisition of 44.2 percent of the shares in 7Love Holding GmbH (Parship Elite Group)

By agreement of February 21, 2018 and with economic effect of April 5, 2018, ProSiebenSat.1 Group acquired 44.2% of the shares in 7Love GmbH, Heidelberg, Germany, via NuCom Group, for a purchase price of EUR 162 million. Parship Elite Group operates an online dating service primarily in German-speaking countries. In October 2016, ProSiebenSat.1 Group had initially invested in the company (50.0 percent). NuCom Group now owns 94.2% of the shares in 7Love Holding GmbH. The acquisition is accounted for as an equity transaction under IFRS 10. The cash outflow from the purchase price payment for additional shares in the already controlled 7Love Holding GmbH (Parship Elite Group) was recognized in cash flow from financing activities.

Acquisition of 23.9 percent of Virtual Minds AG

With the exercise declaration dated May 29, 2018 and economic effect from June 8, 2018, the ProSiebenSat.1 Group exercised a call option on outstanding minority interests. Virtual Minds AG is a media holding company that brings together specialized companies from the fields of media technologies, digital advertising and hosting. ProSiebenSat.1 Group initially acquired a 51 percent stake in the company in June 2015. For an option purchase price of EUR 33 million, ProSiebenSat.1 Group, via ProSiebenSat.1 Digital GmbH, increases its stake from 51% to 75%. The acquisition was accounted for as an equity transaction in under IFRS 10. The cash outflow from the purchase price payment for further shares in the already controlled Virtual Minds AG was recognized in investing cash flow.

Completed purchase price allocation – Acquisition of 62.5 percent of the shares in Gravitas Ventures, LLC

The preliminary purchase price allocation of Gravitas Ventures, LLC as of December 31, 2017, as defined by IFRS 3.45 ff. has been completed as of June 30, 2018. A variable purchase price adjustment in the amount of USD 1 million (EUR 1 million) results in a final purchase price per IFRS 3 in the amount of USD 61 million (EUR 51 million) and a goodwill in the amount of USD 37 million (EUR 31 million).

C) DISPOSAL OF SUBSIDIARIES

Sale of 25.1 percent of NuCom Group shares to General Atlantic PD GmbH

With contract dated 21 February 2018 and economic effect from 4 April 2018, General Atlantic PD GmbH, Munich, acquired a 25.1% stake in NCG – NUCOM GROUP SE for a purchase price of EUR 286 million. ProSiebenSat.1 bundles the Commerce segment in NuCom Group, which was founded on January 1, 2018; → see Note 3 "Segment Reporting". The sale of the shares in NuCom Group to General Atlantic PD GmbH and the acquisition of minority shareholdings in Silvertours GmbH and 7Love Holding GmbH (Parship Elite Group) results in the major proportion of the changes to other equity of EUR -80 million as of June 30, 2018.

D) ASSETS AND LIABILITIES HELD FOR SALE

Non-current assets held for sale (or groups of assets or liabilities held for sale) are assets which can be sold in their current state, and where a sale is highly probable within the coming year. They are valued at the lower value of the carrying amount or the fair value minus costs of disposal, unless IFRS 5 does not apply to measurement. In line with IFRS 5.40, the previous year's Statement of Financial Position figures are not adjusted.

Initiated sale of 100% of shares in maxdome GmbH to 7TV JV GmbH

ProSiebenSat.1 sold maxdome GmbH to the 50/50 joint venture 7TV JV GmbH under an agreement dated June 22, 2018, subject to the approval of the Federal Cartel Office. In return, the joint venture partner, Discovery, Inc. will contribute its Eurosport Player app to the 7TV joint venture. ProSiebenSat.1 and Discovery intend to jointly build a leading streaming platform for Germany, which will integrate maxdome and the Eurosport Player App. As the transaction has not yet been closed, maxdome GmbH is available for sale in accordance with IFRS 5 and was reclassified to assets and liabilities held for sale.

Further planned sales

In connection with the portfolio streamlining of the ProSiebenSat.1 Group, which began in 2017, Tropo GmbH, which is assigned to the Commerce segment, remains held for disposal. Furthermore, 7NXT, which is allocated to the Entertainment Segment, is available for sale in accordance with IFRS 5 by resolution of April 24. 7NXT specializes in online sports programs for various target groups and operates the fitness platform Gymondo. The sale represents a further step in streamlining of the portfolio of ProSiebenSat.1 Group. In accordance with IFRS 5, additional assets held for sale in this context as well as associated liabilities are reported separately in the Statement of Financial Position, together with the assets and liabilities that were reclassified already as of June 30, 2017 following the disposal of the minority holdings to a private equity fund largely measured in accordance with IAS 39. After the partial completion of the latter transaction and the associated disposal of the relevant investments, the economic completion of the remaining part is expected to take place in the third quarter 2018 at a carrying amount of EUR 1 million.

As of the reporting date, the assets held for sale and the associated liabilities are distributed among the following main items:

66 / ASSETS AND LIABILITIES HELD FOR SALE in EUR m

	June 30, 2018
Other intangible assets	2
Property, plant and equipment	0
Non-current financial assets	1
Other assets (incl. deferred taxes)	21
Cash and cash equivalents	24
Total assets held for sale	**47**
Trade payables	52
Other liabilities and provisions (incl. deferred taxes)	10
Total liabilities associated with assets held for sale	**62**
Net assets	**−14**

5 / Income taxes

The Group's relevant nominal tax rate remains unchanged at 28.0 percent. For the calculation of the Group's tax expenses for the first six months of 2018, the effective Group tax rate expected for the full financial year of 32.5 percent (previous year: 32.0%) was used. The difference from the nominal tax rate is largely attributable to non-deductible operating expenses.

6 / Earnings per share

The following tables set out the underlying parameters when calculating earnings per share:

67 / PROFIT MEASURES INCLUDED IN CALCULATING EARNINGS PER SHARE in EUR m

	Q2 2018	Q2 2017	H1 2018	H1 2017
Result attributable to the shareholders of ProSiebenSat.1 Media SE (basic)	126	117	153	181
Valuation effects of share-based payments after taxes	– 1	– 1	0	0
Result attributable to the shareholders of ProSiebenSat.1 Media SE (diluted)	125	116	153	181

68 / NUMBERS OF SHARES INCLUDED IN CALCULATING EARNINGS PER SHARE Shares

	Q2 2018	Q2 2017	H1 2018	H1 2017
Weighted average number of shares outstanding (basic)	228,949,482	228,834,430	228,949,482	228,824,430
Dilution effect based on stock options and rights to shares	518,836	530,800	518,836	65,221
Weighted average number of shares outstanding (diluted)	229,468,318	229,365,230	229,468,318	228,889,651

Regarding the type of settlement, the Group share plans → see Note 9 "Share-based payment" include an option for ProSiebenSat.1 Media SE to settle them either by way of shares or cash. In accordance with IAS 33.58, these plans are treated as if they were settled in common shares for the calculation of earnings per share during this reporting period, due to the resulting dilution effect in relation to the first half of 2018. This treatment is in contrast to IFRS 2.

7 / Provisions, contingent liabilities and other financial obligations

RESTRUCTURING MEASURES

In the fourth quarter of the financial year 2017, ProSiebenSat.1 Group announced an extensive cost-saving program. The Group has currently launched a volunteer program in the human resources area. For the reorganization measures, particularly in the human resources area, a provision was recognized, which amounts to EUR 49 million as of the reporting date, June 30, 2018. Moreover, for cases which have already been finalized, liabilities of EUR 4 million have been recognized.

CONTINGENT LIABILITIES

Compared to the contingent liabilities reported in the Consolidated Financial Statements as of December 31, 2017, there has been the following change as of June 30, 2018:

The tax risk relating to the valuation of the programming assets no longer exists, as an agreement has since been reached with the tax authorities. The corresponding risk provision was adjusted accordingly.

OTHER FINANCIAL OBLIGATIONS

The other financial obligations are comprised as follows as of the reporting date and December 31, 2017:

69 / OTHER FINANCIAL OBLIGATIONS in EUR m

	June 30, 2018	December 31, 2017
Purchase commitments for programming assets	2,451	2,787
Distribution	198	227
Leasing and long-term rental commitments	16	107
Other financial obligations	161	281
Total	**2,825**	**3,402**

The decline in off-balance sheet leasing and rental obligations from EUR 107 million to EUR 16 million reflects the first-time application of IFRS 16 "Leases". The distinction made in the previous standard IAS 17 between recognized finance leases and non-recognized operating leases was eliminated under IFRS 16. With the exception of low-value and short-term leases as well as variable lease payments, rights-of-use as assets and lease liabilities for all leases now must be recognized in the Statement of Financial Position. In accordance with the transition requirements, the Group applies IFRS 16 for the first time for the financial year 2018; the previous-year figures have not been restated. The leasing and rental obligations presented as of June 30, 2018 therefore include future obligations for short-term and low-value leases as well as variable lease payments. With regard to the presentation of the impact of the first-time application of IFRS 16, we refer to → Note 2 "Changes in reporting standards".

8 / Financial instruments

ProSiebenSat.1 Group is applying IFRS 9 "Financial Instruments" for the first time in the financial year 2018. Hence, the date of first application is January 1, 2018. In line with the transitional provisions, previous-year figures are not adjusted. The quantitative effects of the first-time application as of January 1, 2018 are described in → Note 2 "Changes in reporting standards".

Impairment losses on financial assets in the scope of the expected credit loss model of IFRS 9 were immaterial in the first half of 2018. As of June 30, 2018, the balance of the corresponding credit allowance accounts is EUR 9 million. This includes lump-sum credit allowances on a portfolio basis in the amount of EUR 8 million.

In the first half of 2018, the Group entered into interest rate hedging instruments amounting to EUR 500 million to hedge the interest rate risk in the period 2020 to 2023.

The following table shows the carrying amounts and the fair values of all IFRS 9 categories of financial assets and financial liabilities of ProSiebenSat.1 Group and allocates the financial assets and financial liabilities, which have been measured at fair value, to the fair value hierarchy levels. Hedge accounting continues to be carried out in accordance with IAS 39.

70 / CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS AS OF JUNE 30, 2018 in EUR m

			Categories under IFRS 9				Fair Value			
	Presented in the Statement of Financial Position as	Carrying amount	At fair value through profit and loss	Hedging instruments	Assets measured at amortized cost	Liabilities measured at amortized cost	Level 1	Level 2	Level 3	Total
Financial assets										
Measured as fair value										
Fund units to finance pension obligations	Non-current financial assets	**25**	25	-/-	-/-	-/-	25	-/-	-/-	**25**
Other equity instruments	Non-current financial assets	**115**	115	-/-	-/-	-/-	-/-	-/-	115	**115**
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	**11**	11	-/-	-/-	-/-	-/-	0	11	**11**
Hedge derivatives	Current and non-current financial assets	**70**	-/-	70	-/-	-/-	-/-	70	-/-	**70**
Not measured at fair value										
Cash and cash equivalents[1]	Cash and cash equivalents	**990**	-/-	-/-	990	-/-				
Loans and receivables[1]	Current and non-current financial assets	**446**	-/-	-/-	446	-/-				
Other Financial assets at cost[1]	Current and non-current financial assets	**4**	-/-	-/-	4	-/-				
Total		**1,662**	**151**	**70**	**1,441**	**-/-**	**25**	**71**	**126**	**221**
Financial liabilities										
Measured at fair value										
Liabilities from put options and earn-outs	Other financial liabilities	**291**	291	-/-	-/-	-/-	-/-	-/-	291	**291**
Derivatives for which hedge accounting is not applied	Other financial liabilities	**13**	13	-/-	-/-	-/-	-/-	13	-/-	**13**
Hedge derivatives	Other financial liabilities	**32**	-/-	32	-/-	-/-	-/-	32	-/-	**32**
Not measured at fair value										
Term Loan and other borrowings	Financial debt	**2,093**	-/-	-/-	-/-	2,093	-/-	2,093	-/-	**2,093**
Notes	Financial debt	**597**	-/-	-/-	-/-	597	625	-/-	-/-	**625**
Promissory note	Financial debt	**498**	-/-	-/-	-/-	498	-/-	498	-/-	**498**
Lease liabilities	Other financial liabilities	**165**	-/-	-/-	-/-	165	-/-	167	-/-	**167**
Other Financial liabilities at (amortised) cost[1]	Other financial liabilities and trade payables	**538**	-/-	-/-	-/-	538				
Total		**4,229**	**305**	**32**	**-/-**	**3,892**	**625**	**2,804**	**291**	**3,721**

[1] The carrying amount is an appropriate proxy for fair value.

71 / CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS AS OF DECEMBER 31, 2017 in EUR m

			Category under IAS 39					Fair Value			
	Presented in the Statement of Financial Position as	Carrying amount	At fair value through profit and loss	Hedging instruments	Loans and receivables	Available for sale	Other financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets											
Measured as fair value											
Financial assets designated at fair value	Non-current financial assets	**23**	23	-/-	-/-	-/-	-/-	23	-/-	-/-	**23**
Other equity instruments	Non-current financial assets	**88**	88	-/-	-/-	-/-	-/-	-/-	-/-	88	**88**
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	**11**	11	-/-	-/-	-/-	-/-	-/-	0	11	**11**
Hedge derivatives	Current and non-current financial assets	**68**	-/-	68	-/-	-/-	-/-	-/-	68	-/-	**68**
Not measured at fair value											
Cash and cash equivalents[1]	Cash and cash equivalents	**1,552**	-/-	-/-	1,552	-/-	-/-				
Loans and receivables[1]	Current and non-current financial assets	**532**	-/-	-/-	532	-/-	-/-				
Other Financial assets at cost[1]	Current and non-current financial assets	**7**	-/-	-/-	7	-/-	-/-				
Total		**2,280**	**121**	**68**	**2,091**	**-/-**	**-/-**	**23**	**68**	**98**	**189**
Financial liabilities											
Measured at fair value											
Liabilities from put options and earn-outs	Other financial liabilities	**448**	448	-/-	-/-	-/-	-/-	-/-	-/-	448	**448**
Derivatives for which hedge accounting is not applied	Other financial liabilities	**19**	19	-/-	-/-	-/-	-/-	-/-	19	-/-	**19**
Hedge derivatives	Other financial liabilities	**53**	-/-	53	-/-	-/-	-/-	-/-	53	-/-	**53**
Not measured at fair value											
Term Loan and other borrowings	Financial debt	**2,090**	-/-	-/-	-/-	-/-	2,090	-/-	2,104	-/-	**2,104**
Notes	Financial debt	**597**	-/-	-/-	-/-	-/-	597	630	-/-	-/-	**630**
Promissory note	Financial debt	**498**	-/-	-/-	-/-	-/-	498	-/-	498	-/-	**498**
Lease liabilities	Other financial liabilities	**65**	-/-	-/-	-/-	-/-	65	-/-	68	-/-	**68**
Other Financial liabilities at (amortised) cost[1]	Other financial liabilities and trade payables	**624**	-/-	-/-	-/-	-/-	624				
Total		**4,394**	**467**	**53**	**-/-**	**-/-**	**3,874**	**630**	**2,742**	**448**	**3,820**

[1] The carrying amount is an appropriate proxy for fair value.

The following table shows the reconciliation of the items regularly measured at fair value and assigned to Level 3 as of the reporting date:

72 / RECONCILIATION OF LEVEL 3 FAIR VALUES in EUR m

	Other equity instruments	Derivatives, for which hedge accounting is not applied	Liabilities from put options and earn-outs
January 1, 2018	**88**	**11**	**448**
Results included in income statement as well as in other comprehensive income (unrealized)[1]	7	-/-	- 18
Additions from acquisitions	20	-/-	45
Disposals/Payments	- 7	-/-	- 182
Other changes	7	0	- 2
June 30, 2018	**115**	**11**	**291**

[1] This item includes compounding effects and further valuation adjustments.

The additions from acquisitions in the area of other equity instruments mainly comprise capital calls on the investment fund shares held by SevenOne Capital Holding GmbH. The liabilities from put options and earn-outs are mainly characterized by payments in connection with the company acquisitions of Verivox GmbH and Virtual Minds AG from previous years. In contrast, liabilities from put options and earn-out liabilities were recognized in connection with the acquisition of esome advertising technologies GmbH → see Note 4 "Acquisitions, sales and other transactions in connection with subsidiaries".

ProSiebenSat.1 Group pursues an active financial management and exploited the attractive environment on the financial markets. For example in March 2018, the Group extended the maturity of the syndicated credit agreement – consisting of a term loan of EUR 2.1 billion and a revolving credit facility – by one year until April 2023. Under IFRS 9.B5.4.5 ff., the effects of such transactions are recognized in profit or loss. Hence, non-current financial debt decreased by EUR 4 million with the respective income being recognized in other financial result.

9 / Share-based payments

The Group Share Plan 2014, which expired at the end of the financial year 2017, was fully paid out in the second quarter of 2018 in the amount of EUR 10.1 million. The plan conditions for the Group Share Plans remain unchanged and continue to be in line with the information presented in the Consolidated Notes and in the Combined Group Management Report as of December 31, 2017.

Of the performance share units issued under the other Group Share Plans, 21,397 units of the Group Share Plan 2015, 35,267 units of the Group Share Plan 2016 and 4.502 units of the Group Share Plan 2017 expired in the first six months of the financial year 2018.

10 / Related Parties

Thomas Ebeling, the Chief Executive Officer (CEO) of ProSiebenSat.1 Media SE, left the Executive Board of ProSiebenSat.1 Media SE as of February 22, 2018. His service contract, which would have originally ended on June 30, 2019, also terminated on February 22, 2018. A severance payment of EUR 7.1 million was agreed in the termination agreement, which was paid after the termination date or in the case of contractual pension contributions, continues to be provided.

Christof Wahl, Chief Operating Officer of ProSiebenSat.1 Media SE, will leave the Group by mutual agreement on July 31, 2018. A termination agreement with a severance payment of EUR 2.6 million was agreed, of which EUR 2.0 million will be paid out as of July 31, 2018.

During the first six months of the financial year 2018, deliveries and services in a total amount of EUR 69 million (previous year: EUR 66 million) were rendered to related entities. As of June 30, 2018, the receivables due from the respective entities amounted to EUR 20 million (previous year: EUR 24 million).

In the first six months of the financial year 2018, the Group received deliveries and services from its related entities, for which it recognized expenses in the amount of EUR 13 million (previous year: EUR 15 million). The amounts payable to said entities as of June 30, 2018 totaled EUR 6 million (previous year: EUR 4 million).

In the first six months of financial year 2018, the members of the Supervisory Board acquired 16,258 shares and the members of the Executive Board 70,475 shares.

In the context of the master agreement with Heilpflanzenwohl AG, Pfaffikon, Switzerland → see Note 33 "Related parties" in the Notes to the Consolidated Financial Statements as of December 31, 2017, advertising services with a gross media volume of EUR 6 million (previous year: EUR 7 million) were rendered in the first half of the year.

There have been no other major changes or transactions in the second quarter of financial year 2018 compared to the facts regarding related parties as reported in the Notes to the Consolidated Financial Statements for the financial year 2017.

11 / Events after the interim reporting period

SALE OF 100% OF THE SHARES IN 7NXT GMBH

ProSiebenSat.1 sold 7NXT GmbH to Crosslantic Fund I under an agreement dated July 6, 2018, subject to the approval of the Federal Cartel Office. 7NXT was founded in 2015. Since the economic completion of the transaction has not yet taken place, 7NXT remains categorized as held for disposal and its assets and liabilities are reclassified as held for sale in accordance with IFRS 5.

OTHER EVENTS AFTER THE REPORTING DATE

Between the end of the second quarter of 2018 and July 25, 2018 – the release date of this Half-Yearly Financial Report for publication and submission to the Supervisory Board – no other reportable events occurred which are of material significance for the earnings, financial position and performance of ProSiebenSat.1 Group or of ProSiebenSat.1 Media SE.

July 25, 2018

The Executive Board

RESPONSIBILITY STATEMENT BY MANAGEMENT

To the best of our knowledge, we certify that, in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the Group's earnings, financial position and performance, and the combined management report of the Group gives a fair view 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, July 25, 2018

Max Conze
Group CEO

Conrad Albert
Deputy Chairman of the Executive Board
and Group General Counsel

Dr. Jan Kemper
Group CFO and Executive Board Member
Commerce

Sabine Eckhardt
Executive Board Member
Sales & Marketing

Jan David Frouman
Executive Board Member Content
Production & Global Sales,
Chairman & CEO Red Arrow Studios

Christof Wahl
Chief Operating Officer (COO)

REVIEW REPORT

TO PROSIEBENSAT.1 MEDIA SE, UNTERFÖHRING

We have reviewed the condensed interim consolidated financial statements of the ProSiebenSat.1 Media SE – comprising income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in Equity and notes to the interim financial statement – together with the interim group management report of the ProSiebenSat.1 Media SE, for the period from January 1 to June 30 2018 that are part of the Half-Yearly Financial Report according to § 115 WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Munich, August 1, 2018

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Sailer
Wirtschaftsprüfer
[German Public Auditor]

Schmidt
Wirtschaftsprüfer
[German Public Auditor]

FINANCIAL CALENDAR

Date	Event
08/02/2018	**Publication of the Half-Yearly Financial Report of 2018** Press Release, Conference Call with analysts and investors, Conference Call with journalists
11/08/2018	**Publication of the Quarterly Statement for the Third Quarter of 2018** Press Release, Conference Call with analysts and investors, Conference Call with journalists

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