GROWING TO THE NEXT LEVEL

ProSiebenSat.1
Media SE

Quarterly Statement for the
Third Quarter and the
first Nine Months of 2016

Content

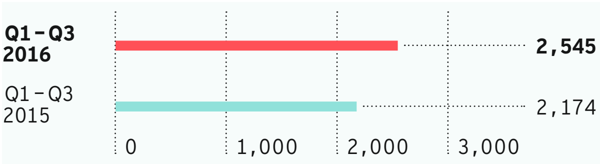
PROSIEBENSAT.1 AT A GLANCE

ProSiebenSat.1 Group is one of the most successful independent media companies in Europe with a strong lead in TV and the digital market. The Group grows dynamically with revenues increasing by 17 % to EUR 2,545 million in the first nine months of 2016. At the same time, recurring EBITDA rose by 10 % to EUR 626 million. The Company employs 5,884 people in average. The most important revenue market is Germany. Here, the ProSiebenSat.1 share has been included into the German equity index DAX since March 2016.

Advertising-financed free TV is the Group's core business. The station family comprising SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX, and kabel eins Doku is the Number 1 in the German audience and TV advertising markets. The Group has tapped into an additional attractive business area through the distribution of its television channels in HD quality. At the same time, the Group successfully networks the wide reach of its TV business with a strong digital unit. Already today, ProSiebenSat.1 is Germany's leading video marketer on the Internet and with maxdome or Studio71 one of the most successful providers of digital entertainment. However, the Internet is not only changing the entertainment industry, digital media also influence consumer behavior. This is why, ProSiebenSat.1 has built up a successful e-commerce business of digital platforms in recent years that is now one of the Group's most important growth drivers. This broadcasting, digital entertainment and ventures & commerce portfolio is supplemented by the international program production and distribution company Red Arrow. Thus, ProSiebenSat.1 has a broadly diversified revenue and earnings base. By 2018, ProSiebenSat.1 intends to increase its revenues by EUR 2.15 billion up to around EUR 4.5 billion, compared to 2012.

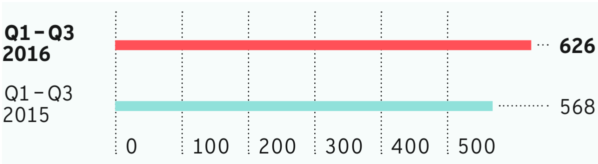
Revenues

EUR m

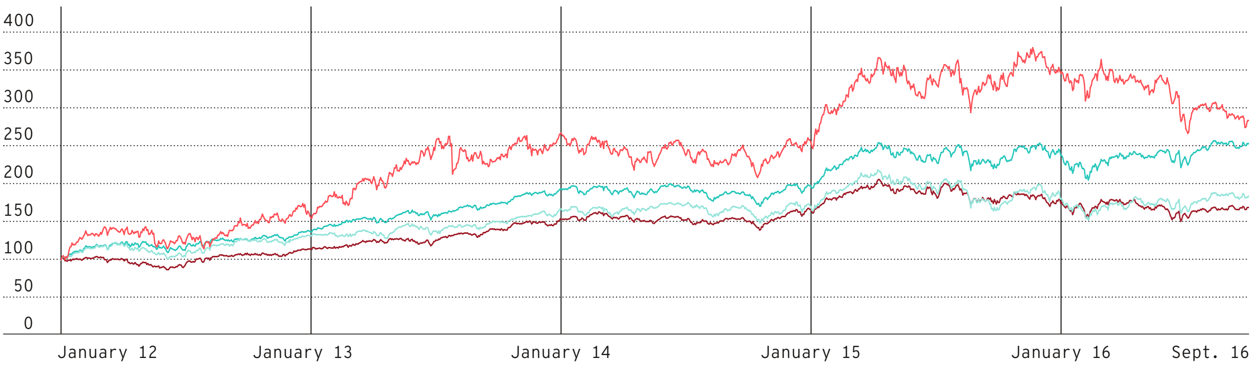


Recurring EBITDA

EUR m



Price performance of the ProSiebenSat.1 share



ProSiebenSat.1 ■ EURO STOXX Media ■ MDAX ■ DAX Basis: Xetra closing quotes, an index of 100 = January 2012; Source: Reuters.

All information relates to continuing operations.

ACTUAL FIGURES 2015		FORECASTS 2016
+13 %	**Revenues** Increase to EUR 3,261 million	Significant increase
+4 %	**Broadcasting German-speaking** Increase to EUR 2,152 million	Slight increase
	Digital Entertainment EUR 371 million	Significant increase
	Digital Ventures & Commerce EUR 465 million	Significant increase
+30 %	**Content Production & Global Sales** Increase to EUR 262 million	Significant increase
+9 %	**Recurring EBITDA** Increase to 926 Mio Euro	Mid to high single-digit increase
+4 %	**Broadcasting German-speaking** Increase to EUR 734 million	Slight increase
	Digital Entertainment EUR 37 million	Significant increase
	Digital Ventures & Commerce EUR 136 million	Significant increase
+32 %	**Content Production & Global Sales** Increase to EUR 25 million	Significant increase
+11 %	**Underlying net income**[1] Increase to EUR 464 million	Mid to high single-digit increase
2.1	**Leverage ratio**[2]	1.5 - 2.5
29.5 %	**German TV audience market**[3] Growth by 0.8 percentage points	Consolidate leading market position at a high level

All information relates to continuing operations and the new segment structure since the third quarter of 2016.

1 Adjustment due to the retroactive adjustment of changes in the fair value of put options and earnout liabilities in the second quarter of 2016.

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

3 Relevant target group of 14- to 49-year-olds.

A

GROUP INTERIM MANAGEMENT REPORT

Content

IMPORTANT EVENTS Q1-Q3 2016

ProSiebenSat.1 Group invests in sustainable growth. It is for this reason that the Group is enlarging its dynamically growing digital business with strategic acquisitions and expanding its production network, especially on the English-speaking entertainment markets. At the same time, ProSiebenSat.1 is strengthening its TV business and has recently launched its seventh free TV channel, kabel eins Doku, in September 2016.

COMPANY

MAY

ProSiebenSat.1 creates new segment structure for digital business. The Ventures & Commerce and the Digital Entertainment segments are growing dynamically. ProSiebenSat.1 Group therefore expanded its segment structure at the start of the third quarter of 2016. The former Digital & Adjacent segment is split into two separate segments: Digital Ventures & Commerce and Digital Entertainment. Christof Wahl has been in charge of the Digital Entertainment executive department since May 1, 2016. Digital Ventures & Commerce is headed by Dr. Christian Wegner. In addition, Jan David Frouman has been a member of the Executive Board since March 2016. He is in charge of Content & Broadcasting, which also includes the German-speaking TV business.

JUNE

Annual General Meeting resolves dividend of EUR 1.80 per share. The Annual General Meeting of ProSiebenSat.1 Media SE took place in Munich on June 30. Shareholders resolved a dividend of EUR 1.80 per share. This represents a total payout of EUR 386 million (previous year: EUR 342 million) and a payout ratio of 82.6% of underlying net income (previous year: 81.6%). ProSiebenSat.1 is a reliable partner for the capital market. This includes an earnings-oriented distribution policy. The dividend per share went up by EUR 0.20 or 12.5% compared to the previous year.

BROADCASTING GERMAN-SPEAKING

SEPTEMBER

kabel eins Doku successfully launched. With kabel eins Doku, (a) ProSiebenSat.1 launched the seventh free TV channel and a documentary-only channel in Germany. In addition to a magazine program produced in-house, the new TV station also has many free TV premieres and first broadcasts in Germany on its agenda. History, real crime, nature and technology are the focus of documentaries and reports. The advertising-financed station is aimed specifically at male viewers aged 40 to 64. The Group is thus pursuing its successful multi-station strategy. The aim is to gain new viewers and additional advertising customers with complementary station profiles.

a

DIGITAL VENTURES & COMMERCE

SEPTEMBER

ProSiebenSat.1 acquires Parship and Elite-Partner. ProSiebenSat.1 Group has expanded its digital portfolio and acquired a majority stake in the PARSHIP ELITE Group, (b) the leading provider of online dating services in the German-speaking region. After Verivox and etraveli, it is the third-largest acquisition by ProSiebenSat.1 since the second quarter of 2015. This acquisition underlines the strategic focus on established and profitable growth companies that are market leaders in their sector but could strongly benefit from TV advertising. At the same time, they complement the existing portfolio by adding value.

PARSHIP ELITE Group

b

DIGITAL ENTERTAINMENT

c

JUNE

maxdome produces its first series with "Jerks". (c) In collaboration with actor and producer Christian Ulmen, the video-on-demand (VoD) service maxdome produces the ten-part series "Jerks" (WT). The production of own content is another milestone in the realignment of the online video library. In June, maxdome already concluded an exclusive partnership with Deutsche Bahn, allowing ICE passengers to watch movies and series on maxdome using on-board WiFi. The offer will be available from 2017 onwards and includes free access to a changing selection of 50 series and films. In addition, maxdome subscribers will even be able to access up to 1,000 programs.

CONTENT PRODUCTION & GLOBAL SALES

44 BLUE PRODUCTIONS

d

JULY

Red Arrow further invests in key US market. The Red Arrow Entertainment Group has acquired a majority stake in the US production company 44 Blue. (d) The company is a leading producer of non-scripted TV programs, such as docu-series, factual entertainment and adventure, lifestyle and celebrity reality shows. Red Arrow is thus expanding the factual entertainment portfolio and strengthening its presence on the key market of the US at the same time. Here, Red Arrow is also expanding in the digital sector and investing in the US production company Band of Outsiders. In addition to the development, production and distribution of content for linear TV, the company also specializes in digital and international platforms and branded entertainment. As a result, Red Arrow has nine investments in the USA.

Concerning the topic sustainability, we refer to the respective chapter in the Annual Report 2015 from page 97 onwards as well as to the Sustainability Report "Our Responsibility 2015/2016", available online at http://our-responsibility.prosiebensat1.com/

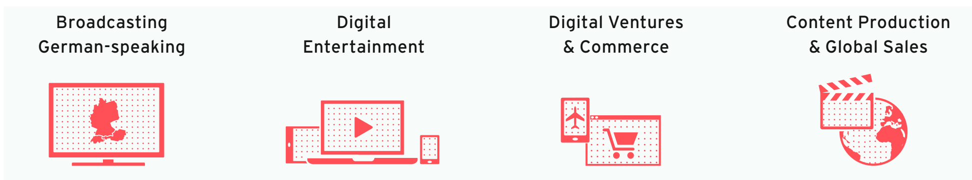
Changes in the Scope of Consolidation, page 14.

Business Development of the Segments, page 24.

Our Group: Basic Principles

Since the third quarter of 2016, ProSiebenSat.1 has been reporting on the Company's development and goals in the digital business based on a new segment structure. As a result of its positive development, the Digital Entertainment and Digital Ventures & Commerce businesses have generated relevant revenue amounts. For the purpose of corporate management, the Group has split the former Digital & Adjacent segment, where ProSiebenSat.1 previously bundled its digital activities, into two separate segments: Digital Entertainment and Digital Ventures & Commerce.

Segments of ProSiebenSat.1 Group



In addition, there were no significant changes in the third quarter and first nine months of 2016 compared to the Group's basic principles described on pages 84 to 109 in the Annual Report 2015.

Where necessary, the prior-year figures have been adjusted accordingly. Due to rounding, it is possible that individual figures in these Quarterly Statement do not add exactly to the totals shown and that the percentage figures presented do not reflect exactly the absolute figures they relate to.

Risk and Opportunity Report, page 28.

Report on the Economic Position: Q3 2016

Business and Industry Environment

Development of Audience Shares and User Figures

ProSiebenSat.1 Group operates advertising-financed free TV stations in Germany, Austria and Switzerland and offers these in both standard (SD) and high-definition (HD) quality. The following tables provide an overview of audience shares by country:

ProSiebenSat.1 Group audience shares by country

in percent	Q3 2016	Q3 2015	Q1–Q3 2016	Q1–Q3 2015
Germany	**27.5**	30.1	**27.8**	29.5
Austria	**22.7**	23.5	**23.0**	22.7
Switzerland	**17.2**	17.9	**17.4**	18.4

Figures are based on 24 hours (Mon–Sun). **Germany:** SAT.1, ProSieben, kabel eins, kabel eins Doku (since September 22, 2016), sixx, SAT.1 Gold, ProSieben MAXX; advertising-relevant target group 14–49 years old; source: AGF in cooperation with GfK/TV Scope 6.1/SevenOne Media Committees Representation. **Austria:** SAT.1 Österreich, ProSieben Austria, kabel eins austria, kabel eins Doku Austria (since September 22, 2016), sixx Austria, SAT.1 Gold Österreich, ProSieben MAXX Austria, PULS 4; advertising-relevant target group 12–49 years old; source: AGTT/GfK Fernsehforschung/Evogenius Reporting. **Switzerland:** SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8 (since October 8, 2015); advertising-relevant target group 15–49 years old; market shares relate to the German-speaking part of Switzerland D-CH; source: Mediapulse TV Panel.

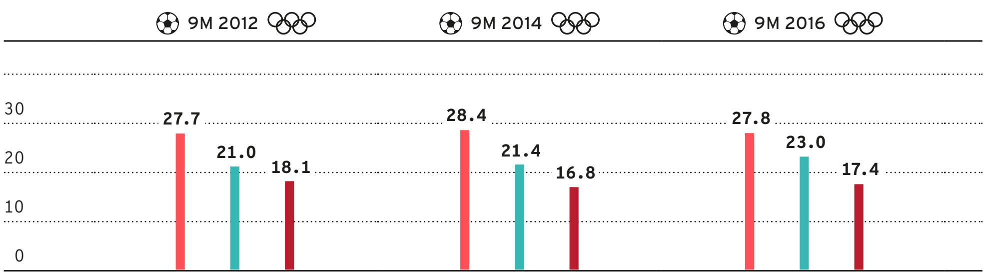
Impact of General Conditions on the Business Performance, page 12.

In Germany, the free TV stations of ProSiebenSat.1 Group achieved a combined market share of 27.5 % among viewers aged 14 to 49 in the third quarter of 2016 (previous year: 30.1 %). In the first nine months, the audience share was 27.8 % (previous year: 29.5 %). This means that ProSiebenSat.1 stations are still leading on the German audience market. In the third quarter, they were 3.2 percentage points in front of the stations marketed by IP Deutschland (RTL, VOX, n-tv, Super RTL, RTL Nitro and RTLplus). These had a combined market share of 24.4 % (previous year: 24.1 %).

As expected, major sports events, such as the European soccer championship and the Summer Olympic Games, influenced the development of market shares. These were broadcast primarily by public stations. Overall, the audience shares of ProSiebenSat.1 Group developed at a level similar to that in previous sports years, as illustrated in the chart below:

Audience shares of ProSiebenSat.1 Group in sports years

in percent, Germany – Austria – Switzerland



Basis for GER: All German TV households (GER+EU/German-speaking), A 14–49; Mon–Sun, 3–3 h; SAT.1 Gold since 17.01.2013; ProSieben MAXX since 03.09.2013; kabel eins Doku since 22.09.2016; RTL Nitro since 01.04.2012; RTLplus since 04.06.2016; source: AGF in cooperation with GfK/TV Scope 6.1/Q1-Q3 2016, 2014, 2012/71m Committees Representation. **Basis for A:** A 12–49; Mon–Sun, 3–3 h, incl. P7 MAXX Austria and SAT.1 Gold Austria (from Jul 15, 2014 onwards); source: AGTT/GfK: Fernsehforschung/Reporting. **Basis for CH:** GER–CH; A 15–49; Mon–Sun, 2–2 h, incl. ProSieben CH, Sat.1 CH and Kabel 1 CH in 2012, additionally incl. sixx CH in 2014 and P7 MAXX CH and SAT.1 Gold CH in 2014, incl. PULS 8 in 2015, change in CH measurement system in 2013; source: Mediapulse TV-Panel.

Deutschland Österreich Schweiz

The high figures in the previous year are another reason for the lower audience shares. Both in the third quarter of 2015 and in the first nine months of 2015, ProSiebenSat.1 stations reported record market shares, marking a fifteen-year and ten-year high at 30.1% and 29.5% respectively.

While the audience ratings of major ProSiebenSat.1 stations remained below the level of the previous year, which was expected in light of the above, the special-interest stations sixx, ProSieben MAXX and SAT.1 Gold showed stable results. These focus on an audience that is less interested in soccer. Another free TV channel has been complementing the station family since September 2016: kabel eins Doku. With a focus on documentaries and reports, it is aimed primarily at men aged 40 to 64. ProSiebenSat.1 has thus launched a total of five new stations over the last six years (sixx, SAT.1 Gold, ProSieben MAXX, Puls 8 and kabel eins Doku). Together, the different station profiles cover a wide demographic and complement each other. This multi-station strategy gives ProSiebenSat.1 multiple advantages. The Group is able to exploit its extensive rights from license packages in a target group-specific and efficient way. At the same time, the Group is approaching new viewer groups with its focused station profile and thus acquiring additional advertising customers for the TV medium from the print sector, for instance. In addition, the short-term fluctuations in the market share of individual stations can be offset because they each address different core target groups.

Important Events Q1–Q3 2016, page 5.

Audience shares of ProSiebenSat.1 stations in Germany

Target group 14- to 49-year-olds

in percent	Q3 2016	Q3 2015
SAT.1	8.6	9.4
ProSieben	9.9	11.1
kabel eins	5.1	5.2
kabel eins Doku[1]	0.2	n/a
sixx	1.4	1.6
SAT.1 Gold	1.5	1.5
ProSieben MAXX	1.1	1.2

Audience shares of ProSiebenSat.1 stations in Germany

Relevant target groups

in percent	Q3 2016	Q3 2015
SAT.1: Adults 14 – 59 year-olds	**8.5**	9.7
ProSieben: Adults 14 – 39-year-olds	**13.5**	15.8
kabel eins: Adults 14 – 49 year-olds	**5.1**	5.2
kabel eins Doku[1]: Men 40 – 64 years old	**0.4**	n/a
sixx: Women 14 – 39 years old	**2.2**	2.8
SAT.1 Gold: Women 40 – 64 years old	**2.8**	2.5
ProSieben MAXX: Men 14 – 39 years old	**2.1**	2.0

1 kabel eins Doku since September 22, 2016; figures are based on average market share from 22.09. – 30.09.2016.
Figures are based on 24 hours (Mon – Sun) and are average market shares of Q3. Germany: SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX. Source: AGF in cooperation with GfK/TV Scope 6.1/SevenOne Media Committees Representation.

In Germany, ProSiebenSat.1 HD stations had 6.9 million users in the third quarter of 2016 (previous year: 6.0 million). The number of users on the satellite digital platform HD+, which is used to broadcast private free TV stations in Germany, is constantly rising. In this context, ProSiebenSat.1 participates in the technical service fees that end customers pay to their respective provider in order to receive programs in HD quality.

Impact of General Conditions on the Business Performance, page 12.

Important Events Q1 – Q3 2016, page 5.

Additional TV offerings increase the possibilities for efficient programming exploitation. At the same time, new broadcasting opportunities with additional revenue potential are arising as a result of digitalization. The Group is thus pursuing a digital entertainment strategy. In August, ProSiebenSat.1 launched own TV apps for its free TV stations. As a result, TV programs can be watched on smartphones and tablets at any time and at no cost. In the first eight weeks after their launch, these apps reported 2.6 million downloads and 10 million video views. With its web offerings, ProSiebenSat.1 is reaching around 33 million unique users in Germany based on the most recently published data from July 2016 (previous month: around 33 million unique users). The multi-channel network (MCN) Studio71 is one of the five largest MCNs in the world with around 5 billion video views a month. In addition to these primarily advertising-financed online platforms, the Group also operates the video-on-demand (VoD) portal maxdome. Based on subscribers, the online video library also ranked among the top-3-providers in the third quarter of 2016. The video service is available on traditional TV sets, PCs and mobile phones. With over 50,000 titles, it offers the most extensive range in Germany. maxdome generates revenues from subscriptions (SVoD) and pay-per-view.

Development of Economy and Advertising Market

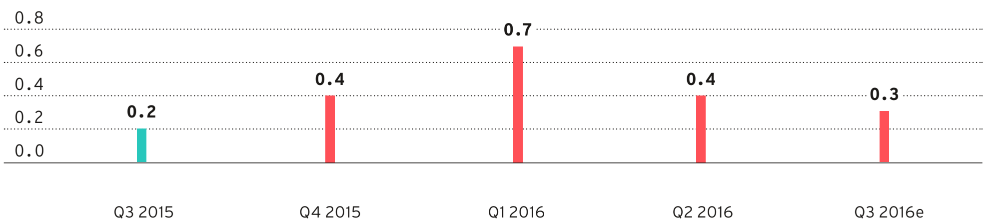
Future Business and Industry Environment, page 29.

In the eurozone, the ifo Institute anticipates real economic growth of 0.3 % for the third quarter of 2016 compared to the previous quarter, after 0.3 % in the second quarter and 0.5 % in the first quarter. This expansion is likely to have been driven primarily by private consumption. At the same time, institutes see considerable forecast risks, especially in the geopolitical environment.

The German economy is still growing moderately. The institutes of the Joint Economic Analysis Group have again forecast an increase in economic growth of 0.3 % in the third quarter of 2016 compared to the previous quarter. Significant growth momentum is likely to have been come from private consumption, which benefited from the ongoing increase in employment, significant growth in wages and low price increases. In this context, revenues in retail grew by 2.2 % in real terms from January to August compared to the same period of the previous year. This accounts for around a quarter of private consumption. In addition, improved export momentum in Europe strengthened the German economy.

Development of gross domestic product in Germany

in percent, change vs. previous quarter



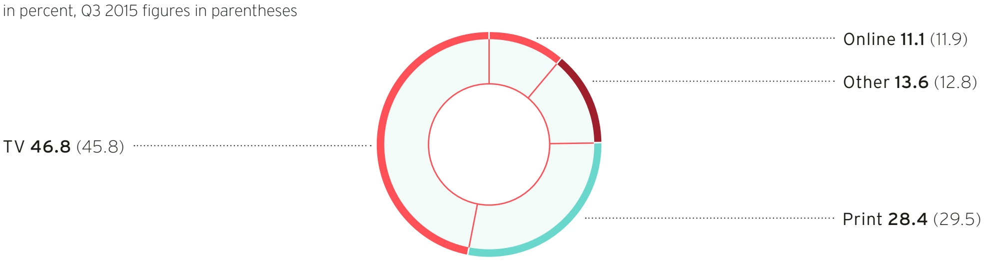
Adjusted for price, seasonal and calendar effects; source: Joint Economic Analysis Group Fall 2016, e = estimate.

Impact of General Conditions on the Business Performance, page 12.

As a result of positive economic data in Germany, the TV advertising market also grew. According to Nielsen Media Research, gross TV advertising investment rose by 6.9% to EUR 3.241 billion in the third quarter of 2016 (previous year: EUR 3.030 billion). On a nine-month basis, there was an 8.6% increase to EUR 10.107 billion (previous year: EUR 9.303 billion). In particular, investments in advertising for body care, services and pharmacy and health increased in both reporting periods. At the same time, TV is promoting structural change and has made further gains compared to other media. In the third quarter, 46.8% of advertising investment in the German market went on TV advertising (previous year: 45.8%). In the first nine months, this figure climbed by 0.9 percentage points to 47.2%.

Media mix German gross advertising market

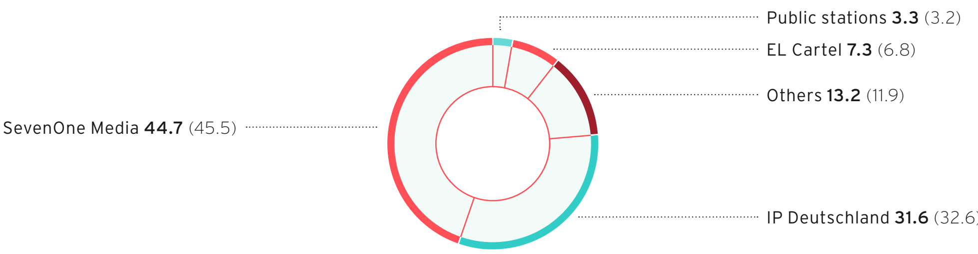
in percent, Q3 2015 figures in parentheses



Source: Nielsen Media Research.

Market shares German gross TV advertising market

In percent, Q3 2015 figures in parentheses



Source: Nielsen Media Research.

Development of Audience Share and User Figures, page 6.

In this market environment, ProSiebenSat.1 Group generated TV advertising revenues of EUR 1.448 billion (gross) compared to EUR 1.379 billion in the previous year. According to Nielsen Media Research, this corresponds to a rise of 5.0% compared to the third quarter of 2015. In the first nine months, revenues increased by 5.2% to EUR 4.359 billion (previous year: EUR 4.142 billion). This resulted in a market share of 44.7 % in the third quarter of 2016 and 43.1% in the first nine months of the year (same periods of the previous year: 45.5 % and 44.5 % respectively). This means that the Group is the market leader on the German TV advertising market. The year-on-year decline in market share is firstly attributable to the broadcast of major sports events on public stations, such as the European soccer championship and the Summer Olympic Games. Secondly, the entry of new market participants has led to a certain fragmentation.

Risk and Opportunity Report, page 28.

TV advertising markets in Germany, Austria and Switzerland on a gross basis

in percent	Development of the TV advertising market in Q3 2016 Change against previous year	Development of the TV advertising market in Q1 – Q3 2016 Change against previous year
Germany	6.9	8.6
Austria	9.9	9.1
Switzerland	-1.1	4.5

in percent	Market share of ProSiebenSat.1 in Q3 2016	Market share of ProSiebenSat.1 in Q3 2015	Market share of ProSiebenSat.1 in Q1 – Q3 2016	Market share of ProSiebenSat.1 in Q1 – Q3 2015
Germany	44.7	45.5	43.1	44.5
Austria	37.9	37.9	36.8	37.1
Switzerland	24.8	28.5	25.7	28.8

Germany: January – September, gross, Nielsen Media. **Austria:** January – August, gross, Media Focus. **Switzerland:** January – September, the advertising market shares relate to the German-speaking part of Switzerland, gross, Media Focus.

Gross advertising market data from Nielsen Media Research deliver important indicators for an objective assessment of advertising market development. However, gross data allow only limited conclusions to be drawn about actual advertising revenues as they do not take into account discounts, self-promotion or agency commission. In addition, the figures from Nielsen Media Research also include TV spots from media-for-revenue-share and media-for-equity transactions. On a net basis, the development of the TV advertising market was also positive according to ProSiebenSat.1. The first nine months developed in line with our expectations.

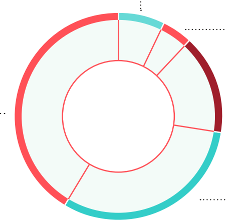
Future Business and Industry Environment, page 29.

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

By contrast, the advertising budgets for in-stream video ads in Germany declined on a high level in the third quarter of 2016. The market, which comprises forms of Internet video advertising shown before, after or during a video stream, declined by 10.3 % to EUR 112.5 million (previous year: EUR 125.4 million). This was mainly due to the high previous year's figures. Last year, the market for in-stream video ads developed very dynamically at around 38 %. The market volume developed dynamically in the first nine months due to a strong first half of the year 2016. It increased by 17.9 % to EUR 379.9 million (previous year: EUR 322.3 million). Developments on the advertising market for in-stream video ads also characterized the gross revenues of ProSiebenSat.1 Group. While revenues from the sale of in-stream video ads fell to EUR 46.4 million in the third quarter of 2016 (previous year: EUR 52.9 million), they grew by 10.8 % to EUR 149.4 million from January to September (previous year: EUR 134.9 million). In addition to in-stream videos, the online advertising market includes display ads such as traditional banners and buttons. In the third quarter, the market volume of online forms of advertising amounted to EUR 771.3 million (previous year: EUR 784.4 million). In the first nine months, advertising expenditure rose by 1.2 % to EUR 2.357 billion (previous year: EUR 3.239 billion). Despite the advancing market fragmentation, ProSiebenSat.1 Group also is the leading marketer for video advertising on the internet.

Shares German gross online advertising market for in-stream ads

In percent, Q3 2015 figures in parentheses



Source: Nielsen Media Research.

Comparison of Actual and Expected Business Performance

Company Outlook, page 30.

In the third quarter of 2016 and in the first nine months of the year, all segments performed in line with expectations. This applies to both financial parameters and the audiance market share, which is our most important non-financial performance indicator. In addition to organic growth, the expansion of the portfolio in the digital business in particular strengthened revenue momentum. Especially the most recent acquisitions accelerated the growth rate. Therefore, the Group increased its revenue target and now anticipates a rise of at least 15% for the year as a whole. In the third quarter of 2016, consolidated revenues went up 15% compared to the previous year. In the nine-month period, the increase was 17%. At the same time, ProSiebenSat.1 Group is growing very profitably. The operating earnings figures for recurring EBITDA and underlying net income again increased significantly. ProSiebenSat.1 does not publish any intra-year forecasts unless significant deviations arise for the individual quarters. For this reason, actual figures are not compared in detail to expected figures for the third quarter and the nine-month period here.

Important Events Q1–Q3 2016, page 5.

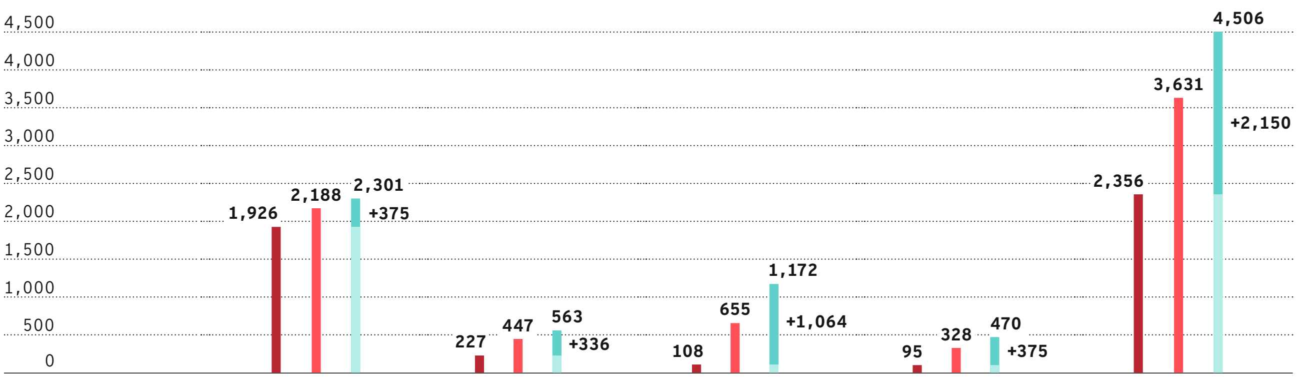
The Company also increased its financial targets for 2018. ProSiebenSat.1 is now aiming to increase consolidated revenues by EUR 2.15 billion compared to 2012. This target was previously EUR 1.85 billion. Revenues are thus expected to amount to EUR 4.5 billion at the end of 2018 (previously EUR 4.2 billion). ProSiebenSat.1 Group is increasing recurring EBITDA grwoth target compared to 2012 by EUR 50 million to EUR 400 million. Thus, the Company is aiming to achieve recurring EBITDA of EUR 1.15 billion in 2018. These increases reflect growth contributions from acquisitions. E-commerce investments made over the last five years increased their revenue level by around 80% on average after their integration into the Group. At the same time, the earnings contribution of the acquired entities to the Group's recurring EBITDA increased by approximately 120%. After Verivox and etraveli, the majority interest acquisition of PARSHIP ELITE Group in September 2016 was the third-largest acquisition in the e-commerce sector since the second quarter of 2015. Parship and ElitePartner are the leading providers of online dating services in the German-speaking region. These brands complement the ProSiebenSat.1 portfolio: The Group is successful with a business model that offers consumers a range of services and is perfectly suitable for marketing purposes via TV advertising. PARSHIP ELITE Group will be consolidated from the fourth quarter onwards. This provides a strong basis for our continued organic growth.

Business Development of the Segments, page 24.

The participations in the past months have further strengthened ProSiebenSat.1's profitability. Although the individual segments differ with regard to their earnings structure, they will all drive growth in earnings in the medium term. The target achieved for recurring EBITDA was 60% as at the end of the third quarter of 2016. At the same time, the Group achieved 59% of its new revenue target for 2018. In the nine-month period, it generated 46% of its revenues outside the advertising-financed TV business (previous year: 38). This figure is expected to increase to more than 50% by the end of 2018.

Revenue growth targets 2018 and degree of achievement Q3 2016[1]

EUR m



Degree of achievement Q3 2016	Broadcasting German-speaking[2]	Digital Entertainment[3]	Digital Ventures & Commerce	Content Production & Global Sales	ProSiebenSat.1 Group
EUR m	262	220	547	233	**1,275**
in percent	70	65	51	62	**59**

= 2012
= Q3 2016 (LTM)
= 2018e

Growth of external revenues vs. 2012 from continuing operations.
1 On its Capital Markets Day on October 13, 2016, the Group increased its growth targets.
2 External revenues including pay TV.
3 External revenues excluding pay TV.
LTM = last twelve months; e = estimate.

Major Influencing Factors on Earnings, Financial Position, and Performance

Impact of General Conditions on the Business Performance

Development of Economy and Advertising Market, page 8.

ProSiebenSat.1's growth is influenced by various factors and external underlying data. A key indicator in this context is the domestic economy and especially private consumption in Germany. This is because its development closely correlates with investments for TV advertising. A second important criterion for the pricing of advertising is the relevance of TV as an advertising medium. TV is benefiting from a structural shift on our main revenue market. With the growing number of digital platforms, its reach is even more valuable. As a result, television, as the most important mass medium, is increasing its share in the advertising market as a whole and continuously expanding its position, especially in comparison to print media. The growing significance of video advertising is also apparent in the online sector. As a video marketer, ProSiebenSat.1 is leading for both media types and has again capitalized this growth. At the same time, the TV portfolio provided the highest reach.

Development of Audience Share and User Figures, page 6.

In the third quarter of 2016, ProSiebenSat.1 generated 50% or EUR 424 million of its consolidated revenues from video advertising on TV (previous year: 57% or EUR 423 million). In the nine-months period, the Company generated 54% or EUR 1,374 million (previous year: 62% or EUR 1,352 million). The TV advertising market is growing solidly and is supporting our profitable revenue growth. At the same time, the Group is diversifying its business with the aim to develop new revenue models and grow dynamically in the digital business in particular. In the free TV sector, the distribution of stations in HD quality is an important factor for expanding the value chain. The number of HD users further increased during the year. As a result, our distribution revenues have again developed dynamically. At the same time, the market for digital entertainment offerings is growing significantly. We are benefiting from this and have further increased the number of maxdome and Studio71 users in the third quarter. This development is being driven by broadband Internet access with fast data transfer rates.

The growing importance of the Internet is not only influencing the entertainment industry, but also driving growth in digital commerce. This is reflected in the fact that nearly 50% of all Germans have purchased a product on the Internet stimulated by TV advertising. The momentum of TV towards search requests online is significant, particularly for brands which have their own online store. This is why ProSiebenSat.1 is investing in e-commerce portals which address a broad mass market and whose product areas are particularly suited for video advertising. The aim is to develop thematically related portfolios – known as verticals – since bundling leads to additional revenue and cost saving potential. An example for this strategy is the investment in online travel offers, which ProSiebenSat.1 manages under the umbrella brand 7Travel. Both in the third quarter and in the first nine months, the travel vertical substantially increased its revenues and made a significant contribution to profitable growth. This is mainly attributable to the first-time consolidation of etraveli since December 2015. However, revenues relating to other 7Travel portals, such as Tropo, the travel agency for package holidays, remained below the high figure of the previous year due to current developments in the travel industry. The Digital Ventures & Commerce-Segment is expected to contribute EUR 1.172 billion to consolidated revenue growth by the end of 2018. The digital business as a whole is expected to contribute EUR 1.735 billion.

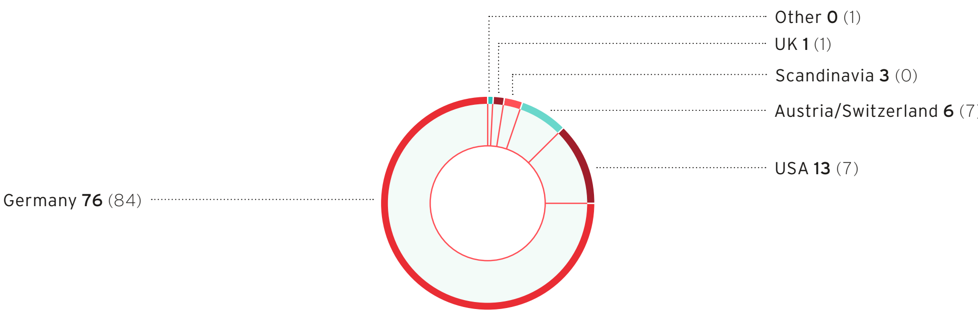
Company Outlook, page 30.

While macroeconomic conditions and industry-specific and structural effects can significantly influence our business performance, currency effects have no material impact on the Group's financial situation. Although the Group is international, it generates the majority of its revenues in Germany and thus in the eurozone. In the third quarter of 2016, this was 76% (previous year: 84%). The Group also limits risks resulting from exchange rate fluctuations using derivative financial instruments. Financial implications may arise here from license agreements since they were predominantly concluded with US studios. The Group also uses hedging instruments to limit potential interest rate risks. This ensured that the variable interest loans and borrowings were entirely covered by different hedging instruments as at the end of the third quarter of 2016.

Borrowings and Financing Structure, page 19.

Revenues by region

in percent, Q3 2015 figures in parentheses



Notes, note 2 "Scope of consolidation," page 40.

Business Development of the Segments, page 24.

Important Events Q1–Q3 2016, page 5.

Changes in the Scope of Consolidation

In July 2016, ProSiebenSat.1 Group increased its share in Stylight GmbH to 100% via its investment branch 7Commerce. The company is the most successful fashion aggregator in Europe and operates worldwide in 15 countries. In December 2012, ProSiebenSat.1 acquired a 22% stake in the digital marketplace in a first financing round. It was fully consolidated in the third quarter. Stylight complements the Beauty & Accessories vertical strategically.

In the Content Production & Global Sales segment, ProSiebenSat.1 Group is also expanding its portfolio with strategic acquisitions. The key focus is on the English-speaking region. This is why Red Arrow acquired a 65% stake in the US production company 44 Blue in the third quarter of 2016. The company is a leading producer of non-scripted TV programs, such as docu-series, factual entertainment and adventure, lifestyle and celebrity reality shows. With this strategic investment, the Red Arrow Entertainment Group is developing its factual entertainment profile. This is its ninth investment in the US, the most significant TV market worldwide. The company has been fully consolidated since the third quarter.

Group Earnings

Revenue and Earnings Performance in the Third Quarter

Selected key figures of ProSiebenSat.1 Group in the third quarter of 2016

	ProSiebenSat.1 continuing operations	
EUR m	**Q3 2016**	**Q3 2015**
Consolidated revenues	**857**	747
Operating costs[1]	**658**	575
Total costs	**727**	621
Cost of sales	**477**	422
Selling expenses	**132**	95
Administrative expenses	**116**	103
Other operating expenses	**3**	1
EBIT	**137**	131
Recurring EBITDA[2]	**202**	178
Non-recurring items (net)[3]	**-13**	-11
EBITDA	**188**	166
Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media SE	**68**	73
Underlying net income[4]	**87**	79

1 Total costs excl. non-recurring expenses and depreciation and amortization.
2 EBITDA adjusted for non-recurring items.
3 Non-recurring expenses netted against non-recurring income.
4 Consolidated net profit (after non-controlling interests) from continuing activities before the effects of purchase price allocations and additional non-recurring items.

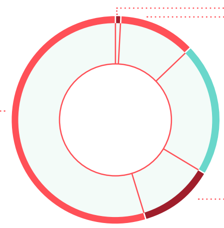
Reporting on the Basis of Continuing Operations. Unless otherwise indicated, the analysis of the earnings, financial position and performance of the Group is based on continuing operations. This means that the earnings contributions and cash flows that arise in connection with disposals are not included in the individual items of the income statement or statement of cash flows, but are shown separately as the "Result from discontinued operations" and "Cash flow from discontinued operations" respectively in accordance with the provisions of IFRS 5.

Business Development of the Segments, page 24.

In the third quarter of 2016, ProSiebenSat.1 Group increased its **consolidated revenues** to EUR 857 million. This is an increase of 15% or EUR 110 million compared to the previous year's figure. All four segments contributed to this increase, with Digital Ventures & Commerce and Content Production & Global Sales developing particularly dynamically (+44% and +34% respectively). Both segments benefit from acquisitions in recent months and made the highest contributions to growth (EUR 56 million and EUR 25 million respectively). In the Broadcasting German-speaking TV segment, external revenues rose by 2 % or EUR 7 million to EUR 472 million. This equates to a 55 % share in consolidated revenues (previous year: 62 %). The Group's target is to generate additional revenue potential, particularly in the digital industry, and to become more independent overall from the highly profitable yet economically sensitive free TV business.

Group revenue share by segment

in percent, Q3 2015 figures in parantheses



Total costs comprise the cost of sales, selling expenses, administrative expenses, and other operating expenses, totaling EUR 727 million in the third quarter of 2016. This 17 % or EUR 106 million increase is primarily the result of the following developments:

- The majority of the cost increase was due to a rise in the **cost of sales** by 13 % or EUR 54 million to EUR 477 million. Firstly, this was the result of the expansion of the digital portfolio, in which the first-time consolidation of various digital platforms in particular had an impact on the cost level. Costs resulting from the expansion of the VoD offering and existing commerce verticals also increased as a result of higher revenues. Secondly, acquisitions in the Content Production & Global Sales segment influenced the cost development. By contrast, the consumption of programming assets – the Group's largest cost item – was at the level of the previous year and amounted to EUR 203 million (previous year: EUR 203 million).

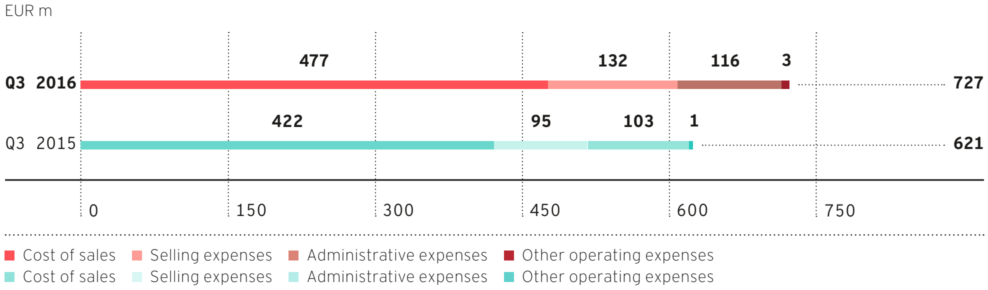
- Due to the expansion of the portfolio in the digital sector, **selling expenses** also increased by 39 % or EUR 37 million to EUR 132 million.

- **Administrative expenses** amounted to EUR 116 million, corresponding to an increase of 13 % or EUR 13 million. One reason for the increase in administrative expenses was the development of personnel expenses. The number of employees increased mainly as a result of acquisitions. In addition, higher consulting costs and the amortization of purchase price allocations occurred due to portfolio measures. Depreciation of property, plant and equipment also increased.

Employees, page 27.

Total costs

EUR m



Amortization from purchase price allocations increased by a total of EUR 7 million to EUR 14 million due to acquisitions. As a result, amortization and depreciation went up by EUR 17 million to EUR 52 million. **Operating costs** amounted to EUR 658 million (+15% or EUR 84 million). The following table shows a reconciliation of operating costs from total costs with cost items relevant for recurring EBITDA:

Reconciliation of operating costs

EUR m	Q3 2016	Q3 2015
Total costs	727	621
Non-recurring expenses	17	11
Depreciation and amortization[1]	52	35
Operating costs	**658**	**575**

1 Amortization/depreciation and impairment of intangible assets and property, plant and equipment.

For ProSiebenSat.1 Group, **recurring EBITDA** adjusted for non-recurring items is the central key performance indicator for managing profitability. It rose to EUR 202 million as a result of revenue momentum (previous year: EUR 178 million), an increase of 13% year-on-year. The corresponding **recurring EBITDA margin** was 23.5% (previous year: 23.8%). Group EBITDA also climbed by 13% and amounted to EUR 188 million (previous year: EUR 166 million). It includes non-recurring items of minus EUR 13 million (previous year: EUR –11 million) which comprise various income and expenses. In the third quarter of 2016, this also included effects from portfolio measures of minus EUR 8 million.

Notes, note 2 "Scope of consolidation," page 40.

Reconciliation of recurring EBITDA from continuing operations

EUR m	Q3 2016	Q3 2015
Earnings before taxes	102	130
Financial result	-35	-1
EBIT	**137**	**131**
Depreciation and amortization[1]	52	35
thereof from purchase price allocations	14	7
EBITDA	**188**	**166**
Non-recurring items (net)[2]	-13	-11
Recurring EBITDA	**202**	**178**

1 Amortization/depreciation and impairment of intangible assets and property, plant and equipment.

2 Non-recurring expenses of EUR 17 million (previous year: EUR 11 million) less non-recurring income of EUR 3 million (previous year: EUR 0 million).

The **financial result** amounted to minus EUR 35 million after minus EUR 1 million in the third quarter of 2015. This was characterized by contrasting developments:

The other financial result amounted to minus EUR 14 million after EUR 21 million in the previous year. Impairments on financial investments of minus EUR 18 million (previous year: EUR -2 million) are one reason for this decline. These primarily resulted from an impairment of shares in Aliph Com Inc. (Jawbone). In addition, the previous year's figure includes comparatively high income from stakes previously accounted for using the equity method. Here, the acquisition of control over SMARTSTREAM.TV and Collective Digital Studio (CDS; now Studio71) resulted in income totaling EUR 29 million in the third quarter of 2015. This was offset by a positive valuation effect on shares in Stylight GmbH of EUR 9 million in the third quarter of 2016. In July 2016, ProSiebenSat.1 Group increased its share in Stylight to 100%. In addition to this comparative effect, the Group reported valuation adjustments of earn-out and put option liabilities totaling minus EUR 5 million (previous year: EUR 0 million) for the third quarter of 2016.

Notes, note 7 "Contingent liabilities and other financial obligations," page 52.

By contrast, the interest result, which is also reported in the financial result, improved as interest expenses decreased by EUR 3 million to EUR 20 million. It amounted to minus EUR 19 million (previous year: EUR 23 million).

The developments described above resulted in **earnings before taxes** of EUR 102 million, corresponding to a decline of 22 % or EUR 28 million. The income tax expense amounted to EUR 32 million (previous year: EUR 55 million) at a tax rate of 31.5 % (previous year: 42.6 %). After tax, this resulted in net profit for the period of EUR 70 million. That means that net income fell by 7 % or EUR 5 million year-on-year. By contrast, **underlying net income** significantly increased by 11% and amounted to EUR 87 million (previous year: EUR 79 million). This earnings figure is adjusted for various non-recurring items, including amortization from purchase price allocations and impairments on financial investments. These factors offset operating profitability and are not cash-effective for the most part.

Reconciliation of underlying net income from continuing operations

EUR m	Q3 2016	Q3 2015
Consolidated net profit (after non-controlling interests)	68	73
Amortization from purchase price allocations (after tax)[1]	9	5
Impairments on other financial investments	18	2
Remeasurement of interests accounted for using the equity method in connection with first-time consolidations (after tax)[2]	-9	-21
Reassessment of tax risks	5	20
Inefficiencies from financial derivatives (after tax)[3]	0	-/-
Valuation effects put options and earn-out liabilities (after tax)[4]	-3	0
Valuation effects Group Share Plans (after tax)[5]	0	-/-
Other effects	-1	-/-
Underlying net income	**87**	**79**

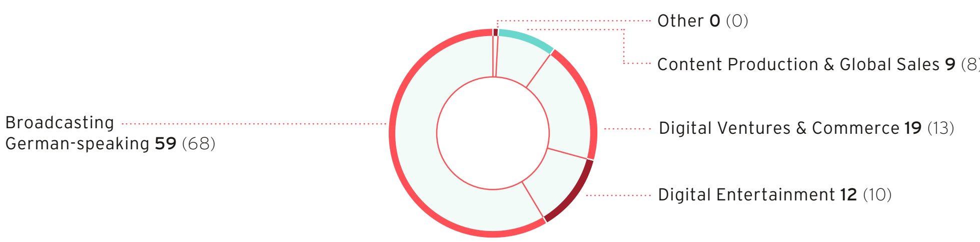
1 Amortization of purchase price allocations before tax: EUR 14 million (previous year: EUR 7 million).
2 Remeasurement effects before tax: EUR -9 million (pervious year: EUR -29 million).
3 Inefficiencies from financial derivatives before tax: EUR 0 million (previous year: EUR -/- million).
4 Valuation effects for put options and earn-out liabilities before tax: EUR 5 million (previous year: EUR 1 million).
5 Valuation effects for Group Share Plans before tax: EUR 0 million (previous year: EUR -/- million).

Revenue and Earnings Performance in the First Nine Months of 2016

In the first nine months of the year, too, all segments contributed to the Group's dynamic revenue growth. ProSiebenSat.1 increased its **total revenues** by 17 % or EUR 370 million to EUR 2,545 million year-on-year. The shares of the two new segments – Digital Commerce & Ventures and Digital Entertainment – and the Content Production & Global Sales segment increased as planned. Altogether, they contributed 40 % or EUR 1,027 million to consolidated revenues (previous year: 32 % or EUR 695 million).

Group revenue share by segment

in percent, Q1–Q3 2015 figures in parantheses



Total costs increased by 20 % or EUR 351 million to EUR 2,098 million. **Operating costs** amounted to EUR 1,932 million (+ EUR 313 million or 19 %). They are adjusted for depreciation and amortization of EUR 138 million (previous year: EUR 97 million) and non-recurring expenses of EUR 28 million (previous year: EUR 31 million).

In recent months, the Group enlarged its portfolio and expanded as a result of strategic acquisitions. The development of revenues and costs in the nine-month period reflects this. At the same time, relevant operating earnings figures grew significantly as a result of dynamic revenue development. **EBITDA** increased by 13 % and amounted to EUR 608 million (previous year: EUR 538 million) while **EBITDA adjusted for non-recurring items** rose by 10 % to EUR 626 million (previous year: EUR 568 million). Non-recurring items of minus EUR 18 million (previous year: EUR -30 million) include in particular a non-recurring income of EUR 6 million from the disposal of the Games business. Divestments are part of our M&A strategy. The Group regularly analyzes its portfolio and assesses the growth potential resulting from the networking of the digital portfolio with the TV business. In this context, ProSiebenSat.1 sold its Games activities in the second quarter of 2016. This was largely offset by expenses including consulting services relating to M&A projects and reorganizations in the amount of minus EUR 21 million.

Notes, Note 2 "Scope of consolidation," page 40.

After tax, underlying net income was EUR 275 million. This means that net income grew by 7 % or EUR 18 million year-on-year. The result after taxes from discontinued operations amounted to minus EUR 42 million (previous year: EUR –3 million). It contains tax expenses of EUR 40 million. In the second quarter 2016, ProSiebenSat.1 Media SE settled an additional tax claim including interest and penalties for former companies in Sweden.

Notes, note 7 "Contingent liabilities and other financial obligations," page 52.

In the first three quarters of 2016, **underlying net income** increased by 8 % and amounted to EUR 294 million (previous year: EUR 271 million). Underlying net income, which is the key earnings figure for the measurement of dividends, is calculated as follows:

Reconciliation of underlying net income from continuing operations

EUR m	Q1 – Q3 2016	Q1 – Q3 2015
Consolidated net profit (after non-controlling interests)	271	252
Amortization from purchase price allocations (after tax)[1]	26	12
Impairments on other financial investments	26	6
Remeasurement of interests accounted for using the equity method in connection with first-time consolidations (after tax)[2]	-9	-26
Reassessment of tax risks	5	20
Inefficiencies from financial derivatives (after tax)[3]	4	-/-
Valuation adjustments shares in ZeniMax Media Inc.	-30	3
Valuation effects put options and earn-out liabilities (after tax)[4]	7	5
Valuation effects Group Share Plans (after tax)[5]	-3	-/-
Other effects	-2	0
Underlying net income	**294**	**271**

1 Amortization of purchase price allocations before tax: EUR 39 million (previous year: EUR 17 million).
2 Remeasurement effects before tax: EUR -9 million (pervious year: EUR -35 million).
3 Inefficiencies from financial derivatives before tax: EUR 5 million (previous year: EUR -/- million).
4 Valuation effects for put options and earn-out liabilities before tax: EUR 9 million (previous year: EUR 6 million).
5 Valuation effects for Group Share Plans before tax: minus EUR 5 million (previous year: EUR -/- million).

Group Financial Position and Performance

Borrowings and Financing Structure

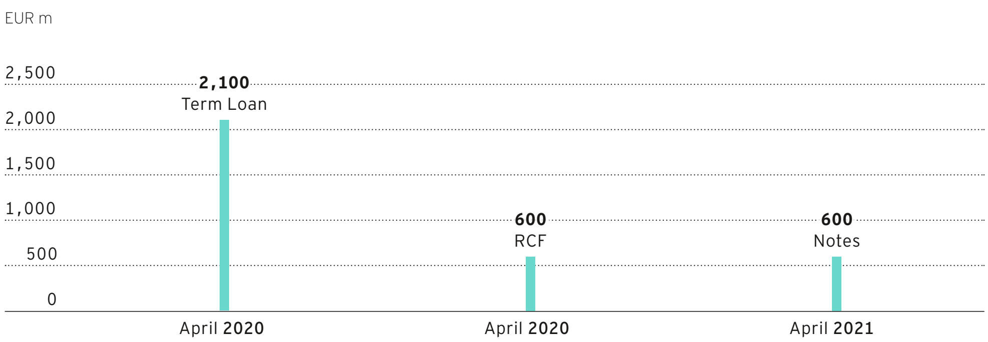
ProSiebenSat.1 Group uses various financing instruments. As of September 30, 2016, the Group's financing comprised an unsecured facilities agreement consisting of a term loan of EUR 2,100 million as well as a revolving credit facility (RCF) of EUR 600 million. In addition, the Group has unsecured notes in the amount of EUR 600 million, which are listed on the regulated market of the Luxembourg stock exchange (ISIN DE000A11QFA7). ProSiebenSat.1 Group practices active financial management and benefited from the favorable environment on the financial markets last year with financing measures.

Notes, Note 6
"Financial instruments,"
page 49.

Amounts drawn under the RCF and interest payable on the term loan are variable. ProSiebenSat.1 Group hedges potential risks from changes in variable interest rates with derivative financial instruments in the form of interest rate swaps and interest rate options. The Group is constantly observing the development of financial markets and adjusting its derivatives to the interest rate environment if required. The proportion of fixed interest was approximately 100 % of the entire long-term financing portfolio as of September 30, 2016 (December 31, 2015: approx. 78 %; September 30, 2015: approx. 95 %). The average fixed-interest swap rate is around 1.88 % per annum. The fixed-rate coupon of the notes is 2.625 % per annum. The chart below provides an overview of debt financing instruments according to maturity and amount:

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

Debt financial instruments and maturities as of September 30, 2016



Analysis of Assets and Capital Structure, page 23.

Notes, note 11
"Events after the interim
reporting period," page 57.

As of September 30, 2016, ProSiebenSat.1 Group's **debt capital** had a share of 87 % in total assets (December 31, 2015: 82 %; September 30, 2015: 84 %). At 61 % or EUR 2,728 million, the majority of debt capital was attributable to non-current and current financial liabilities (December 31, 2015: 61 % or EUR 2,675 million; September 30, 2015: 57 % or EUR 2,176 million). The amounts of the instruments have not changed compared to the reporting dates of the previous year. The RCF was utilized in the amount of EUR 50 million as of September 30, 2016 (December 31, 2015: EUR 0 million; September 30, 2015: EUR 200 million).

Financing Analysis

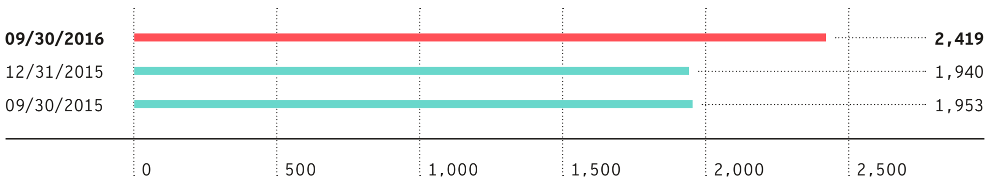
The **leverage ratio** is still within the target range. Net financial debt amounted to EUR 2,419 million as of September 30, 2016. As a result, the ratio of net financial debt to recurring EBITDA in the last twelve months resulted in a leverage ratio of 2.5. The leverage ratio is a key indicator for Group-wide financial and investment planning. The target is a value between 1.5 and 2.5.

The increase in **net financial debt** by 24% or EUR 466 million compared to the reporting date of the previous year in September reflects the seasonality of operational cash flow as well as the Group's investment activities. Net financial debt also increased compared to December 31, 2015. The change is 25% or EUR 479 million. This reflects the development of cash and cash equivalents. Within the Group's financial year, the fourth quarter is usually the period with the highest cash flow.

Analysis of Liquidity and Capital Expenditure, page 20.

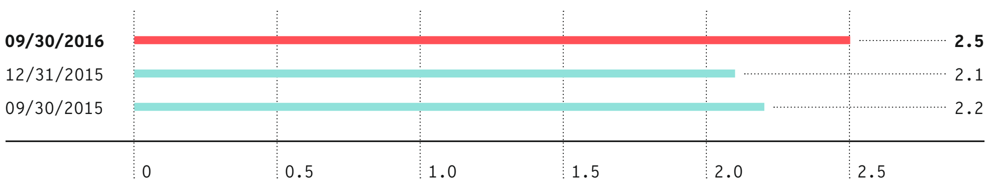
Group net financial debt

EUR m



Ratio net financial debt to LTM recurring EBITDA (leverage ratio)

EUR m



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 recurring EBITDA of the last twelve months (LTM recurring EBITDA).

Analysis of Liquidity and Capital Expenditure

ProSiebenSat.1 Group's statement of cash flows shows the generation and use of cash flows. A distinction is made between cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. Cash and cash equivalents shown in the statement of cash flows correspond to the cash and cash equivalents reported in the statement of financial position as of September 30. Significant changes in the cash flow items of continuing operations are described below:

Statement of Cash Flows

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
Result from continuing operations	**70**	**75**	**275**	**256**
Result from discontinued operations	**-/-**	**-4**	**-42**	**-3**
Cash flow from continuing operations	396	366	1,257	1,167
Cash flow from discontinued operations	-/-	0	-2	0
Change in working capital	-7	30	-32	35
Dividends received	0	1	6	6
Taxes paid	-52	-42	-162	-120
Interest paid	-12	-14	-70	-63
Interest received	1	0	3	0
Cash flow from operating activities of continuing operations	**326**	**340**	**1,001**	**1,025**
Cash flow from operating activities of discontinued operations	**-/-**	**0**	**-42**	**-2**
Cash flow from investing activities of continuing operations	**-344**	**-494**	**-1,022**	**-1,103**
Cash flow from investing activities of discontinued operations	**-/-**	**-/-**	**-/-**	**-/-**
Free cash flow of continuing operations	**-18**	**-154**	**-21**	**-78**
Free cash flow of discontinued operations	**-/-**	**0**	**-42**	**-2**
Free cash flow (total)	**-18**	**-154**	**-63**	**-80**
Cash flow from financing activities of continuing operations	**-343**	**186**	**-359**	**-175**
Cash flow from financing activities of discontinued operations	**-/-**	**-/-**	**-/-**	**-/-**
Effect of foreign exchange rate changes on cash and cash equivalents of continuing operations	-1	0	-4	8
Change in cash and cash equivalents	-362	31	-425	-247
Cash and cash equivalents at beginning of reporting period	672	193	734	471
Cash and cash equivalents at end of reporting period	**309**	**224**	**309**	**224**

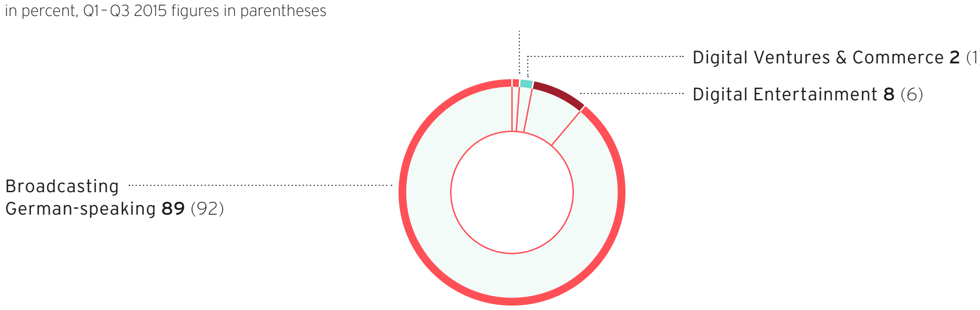
Cash flow from operating activities decreased by 4 % or EUR 14 million in the third quarter of 2016 despite a positive earnings performance. This amounted to EUR 326 million. The decline mainly reflects the development of working capital and an increase in taxes paid. In the first nine months of the year, operating cash flow amounted to EUR 1,001 million (previous year: EUR 1,025 million). The cash outflow from discontinued operations takes into account the payment of tax arrears of EUR 40 million in the second quarter of 2016.

Group Earnings, page 14.

In the third quarter of 2016, **cash flows from investing activities** resulted in a cash outflow of EUR 344 million, which corresponds to a decrease of 30 % or EUR 149 million year-on-year. In the first nine months of the year, investment cash flow amounted to minus EUR 1,022 million (previous year: minus EUR 1,103 million).

Investments by segment[1]

in percent, Q1-Q3 2015 figures in parentheses



1 Investments by segments before M & A activities.

The chart above provides a breakdown of investments by segment in the first nine months of the year. Key investments were:

- **Investments in programming assets:** Cash outflow for the acquisition of programming rights amounted to EUR 239 million. This corresponds to an increase of 7 % or EUR 16 million compared to the previous year. Programming investments broke down as follows: 59 % or EUR 141 million was used for the acquisition of licensed programs and 40 % or EUR 96 million was used for commissioned productions. In the first nine months of the year, cash outflows increased by 3 % or EUR 24 million to EUR 757 million. In both periods, programming investments were made almost exclusively in the Broadcasting German-speaking segment.

Explanatory note on the programming supply: Programming investments are a focal point in investing activities. In addition to the purchasing of licensed formats and commissioned productions, in-house formats secure the Group's programming supply. They are based on the development and implementation of own ideas and, unlike commissioned productions, are produced primarily for broadcasting in the near future. For this reason, they are recognized immediately as an expense in the cost of sales and are not considered as an investment.

- **Other intangible assets and property, plant and equipment:** EUR 30 million were spent on other intangible assets in the third quarter of 2016. This equates to an increase of 68 % or EUR 12 million year-on-year. In the first nine months, investments increased to EUR 84 million (+57 % or EUR 30 million year-on-year). In this context, the Group primarily invested in the Digital Entertainment and Broadcasting German-speaking segments (81 % in the third quarter of 2016 and 84 % in the first nine months of 2016 respectively). Investing activities focused on internally generated intangible assets, advance payments for intangible assets and software licenses. In the third quarter, investments in property, plant and equipment were slightly below the level of the previous year and amounted to EUR 8 million (previous year: EUR 10 million). Most of this amount was attributable to the Broadcasting German-speaking segment and the two digital segments (58 % and 24 % respectively). In the nine-month period, cash flow for property, plant and equipment totaled EUR 19 million (previous year: EUR 22 million).

Explanatory note on the additions to the scope of consolidation: Assets resulting from initial consolidations are not reported as segment-specific investments. Funds used for the acquisition of the first-time consolidated entities are shown as "cash outflow from additions to the scope of consolidation."

- **Cash outflow from additions to the scope of consolidation:** Cash outflow from additions to the scope of consolidation amounted to EUR 83 million in the third quarter (previous year: EUR 233 million). In the nine-month period, expenses fell to EUR 157 million (previous year: EUR 267 million). The comparatively high figures for the previous year reflect the acquisition of Verivox and Collective Digital Studio (CDS; now Studio71) in the third quarter of 2015. The position for the third quarter of 2016 mainly includes the purchase price payments for Stylight and 44 Blue.

The developments described above resulted in a **free cash flow** of minus EUR 18 million (previous year: EUR –154 million) and minus EUR 21 million (previous year: minus EUR 78 million) in the first nine months of 2016.

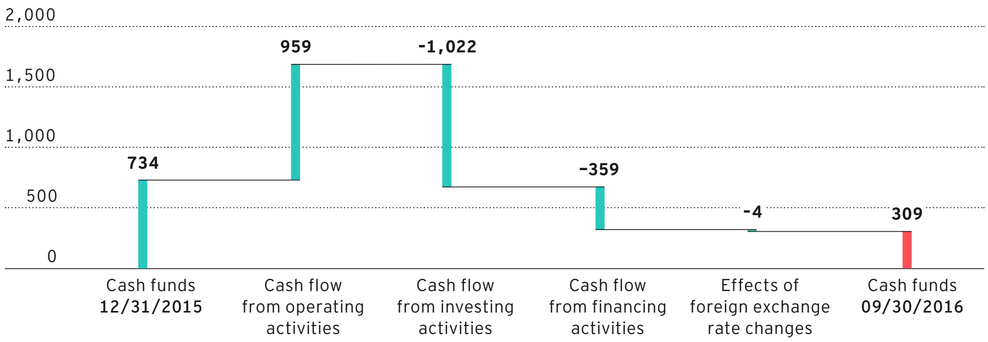
In the third quarter of 2016, **cash flow from financing activities** was minus EUR 343 million (previous year: EUR 186 million). Dividend payments for 2015 amounting to EUR 386 million are reflected in cash outflows. In 2015, the dividend payment of EUR 342 million was made in the second quarter. In the first nine months of the year, cash flow from financing activities amounted to minus EUR 359 million (previous year: minus EUR 175 million). Main reason for the deviation are higher dividend payments for the financial year 2015 as well as the higher drawing of the RCF as of September 30, 2015.

Analysis of Asset and Capital Structure, page 23.

Against the backdrop of these cash flows, **cash and cash equivalents** amounted to EUR 309 million.

Change in cash and cash equivalents

EUR m



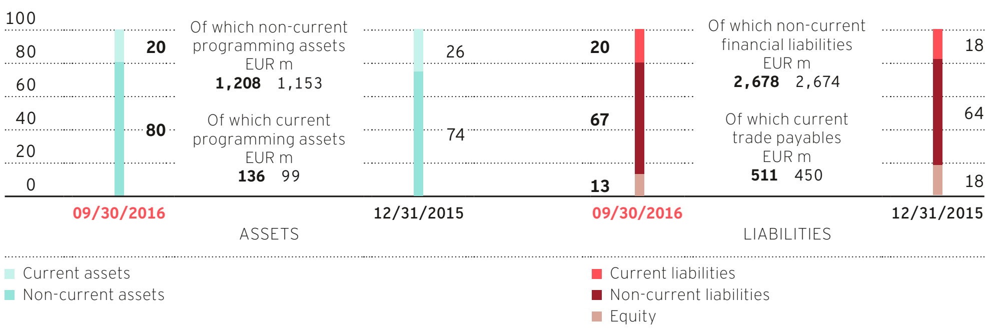
Analysis of Assets and Capital Structure

Total assets changed only insignificant and amounted to EUR 5,112 million as of September 30, 2016 (December 31, 2015: EUR 5,310 million). There were no material structural or quantitative changes in the statement of financial position compared to December 31, 2015. The asset and capital structure is solid and the Group has a comfortable level of liquidity. Individual value changes to key items in the statement of financial position are described below:

Analysis of Liquidity and Capital Expenditure, page 20.

Structure of the Statement of Financial Position

in percent



- **Current and non-current assets:** Goodwill amounted to EUR 1,689 million (December 31, 2015: EUR 1,649 million). As a result, its share in total assets was virtually unchanged at 33 % as of September 30, 2016 (December 31, 2015: 31 %). Other intangible assets amounted to EUR 612 million (December 31, 2015: EUR 553 million). However, other non-current financial and non-financial assets fell by 13 % to EUR 268 million (December 31, 2015: EUR 307 million). This development is primarily attributable to currency hedge effects. At EUR 135 million, other current financial and non-financial assets were close to the level of the previous year (December 31, 2015: EUR 137 million).

  In addition to goodwill, programming assets are among ProSiebenSat.1's most important assets and, similar to the reporting date as of December 31, 2015, made up 26 % of total assets (December 31, 2015: 24 %). They comprise non-current and current programming assets, which increased by 7 % to EUR 1,343 million (December 31, 2015: EUR 1,252 million). Trade receivables also increased by 12 % and amounted to EUR 430 million (December 31, 2015: EUR 383 million). Compared to December 31, 2015, cash and cash equivalents decreased by 58 % or EUR 425 million to EUR 309 million. This development is based primarily on the dividend payment of EUR 386 million in the third quarter of 2016 (previous year: EUR 342 million). Shareholders received EUR 1.80 per dividend-entitled share for 2015 (previous year: EUR 1.60). This reflects the earnings-oriented distribution policy of ProSiebenSat.1 between 80 % and 90 % of underlying net income.

Company Outlook, page 30.

- **Equity:** Against this background, equity fell to EUR 658 million despite a higher level of profitability (–30 % or EUR –285 million compared to December 31, 2015). The corresponding equity ratio was 13 % (December 31, 2015: 18 %). This development notably reflects the dividend payout of EUR 386 million as well as the reclassification of share-based compensation components in the first quarter of 2016.

Notes, Note 8 "Share-based payments," page 53.

- **Current and non-current liabilities:** Other current and non-current liabilities and provisions increased by 2 % to EUR 4,454 million (December 31, 2015: EUR 4,367 million) as a result of reclassification of share-based compensation components. Non-current and current financial liabilities reported in debt capital slightly increased by 2 % and amounted to EUR 2,728 million, compared to EUR 2,675 million as of December 31, 2015. This was caused by the utilization of the revolving credit facility of EUR 50 million.

Borrowings and Financing Structure, page 19.

Business Development of the Segments

Broadcasting German-speaking Segment

Revenue and Earnings Performance in the Third Quarter of 2016

In the third quarter of 2016, **external revenues** in the Broadcasting German-speaking segment increased to EUR 472 million. This equates to an increase of 2 % or EUR 7 million compared to the previous year. Among others, this positive revenue performance is attributable to TV advertising revenues which have been increased slightly compared to the high previous year's figure. In addition, distribution revenues further rose dynamically.

Development of Economy and Advertising Market, page 8.

Revenue growth with efficient cost management led to a significant rise in the earnings figures: **EBITDA** recorded an increase by 6 % or EUR 9 million to EUR 140 million. **Recurring EBITDA** adjusted for non-recurring items increased by 7% and amounted to EUR 147 million (previous year: EUR 137 million). The **recurring EBITDA margin** improved to 29.5 % (previous year: 28.3 %) and reflects the high level of profitability of the TV business.

Development of Audience Share and User Figures, page 6.

Revenue and Earnings Performance in the First Nine Months of 2016

In the first nine months of the year, the Broadcasting German-speaking segment also developed very profitably. As a result of higher TV advertising revenues and distribution revenues, external **revenues** rose by 2 % to EUR 1,506 million (previous year: EUR 1,470 million). **EBITDA** including non-recurring items increased by 6 % or EUR 26 million to EUR 473 million. **Recurring EBITDA** grew by 4 % or EUR 479 million (previous year: EUR 460 million). The corresponding **recurring EBITDA margin** was 30.4 % (previous year: 30.2 %).

Group Earnings, page 14.

Key figures Broadcasting German-speaking segment

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
Segment revenues	**496**	484	**1,575**	1,524
External revenues	**472**	465	**1,506**	1,470
Internal revenues	**24**	19	**69**	54
EBITDA	**140**	132	**473**	447
Recurring EBITDA	**147**	137	**479**	460
Recurring EBITDA margin[1] (in %)	**29.5**	28.3	**30.4**	30.2

1 Based on segment revenues.

Digital Entertaiment Segment

Revenue and Earnings Performance in the Third Quarter of 2016

Our Group: Basic Principles, page 6.

In the Digital Entertainment segment, **external revenues** increased by 23% to EUR 99 million (previous year: EUR 80 million). In particular, the ad video-on-demand (AdVoD) business developed dynamically, while the advertising-financed multi-channel network (MCN) Studio71 contributed the highest amount to revenue growth in the third quarter. Moreover, the Group developed its expertise in the area of digital advertising technology. In the second half of 2015, it acquired majority interests in SMARTSTREAM.TV and Virtual Minds. Both companies are growing significantly. In addition, the revenues of the VoD offer maxdome are rising. In contrast, revenues from the Adjacent business developed below the previous year's level as expected. At the same time, revenue performance was negatively affected by the deconsolidation of the Games business in the second quarter of 2016.

Group Earnings, page 14.

The acquisitions also affected cost development. Furthermore, the individual business areas have different margin structures and growth momentum, resulting in **recurring EBITDA** of EUR 4 million, at the level of the previous year (previous year: EUR 4 million). The corresponding **recurring EBITDA margin** dropped to 3.9% (previous year: 5.0%). By contrast, **EBITDA** increased by 72% or EUR 2 million to EUR 6 million as a result of positive non-recurring items. This occurred within the context of portfolio measures.

Revenue and Earnings Performance in the First Nine Months of 2016

Group Earnings, page 14.

The developments in the third quarter of 2016 also characterized the nine-month period. Over the first nine months, **external revenues** in the Digital Entertainment segment increased by 33% or EUR 76 million to EUR 304 million. The **recurring EBITDA margin** was 6.1% (previous year: 9.8%). **Recurring EBITDA** declined by 15% to EUR 19 million year-on-year (previous year: EUR 23 million). At the same time, **EBITDA** improved by 35% to EUR 24 million (previous year: EUR 17 million).

Key figures Digital Entertainment segment

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
Segment revenues	**104**	82	**319**	234
External revenues	**99**	80	**304**	228
Internal revenues	**5**	2	**15**	6
EBITDA	**6**	3	**24**	17
Recurring EBITDA	**4**	4	**19**	23
Recurring EBITDA margin[1] (in %)	**3.9**	5.0	**6.1**	9.8

1 Based on segment revenues.

Digital Ventures & Commerce Segment

Revenue and Earnings Performance in the Third Quarter of 2016

Our Group: Basis Principles, page 6.

In the third quarter of 2016, **external revenues** in the Digital Ventures & Commerce segment increased to EUR 181 million. This equates to an increase of 44% or EUR 56 million compared to the previous year. The strongest revenue driver was the commerce and travel business. Here, the online travel portal etraveli and the e-commerce portal Verivox made the highest contributions to

Changes in the Scope of Consolidation, page 14.

growth. In addition, the fashion portal Stylight developed dynamically. The portal has been fully consolidated since July 2016. With Beauty & Accessories, ProSiebenSat.1 Group established another successful commerce vertical last year. In the reporting period, the online perfume shop Flaconi primarily contributed to revenue growth here.

Despite higher costs, **recurring EBITDA** adjusted for non-recurring items increased by 14 % to EUR 40 million (previous year: EUR 35 million). As the individual business areas have different cost and revenue structures, the **recurring EBITDA margin** dropped to 21.9 % (previous year: 27.7 %). **EBITDA** increased by 22 % or EUR 7 million to EUR 36 million.

Revenue and Earnings Performance in the First Nine Months of 2016

In the first nine months of the year, **external revenues** in the Digital Ventures & Commerce segment increased by 65 % or EUR 189 million to EUR 483 million. **Recurring EBITDA** adjusted for non-recurring items grew by 30 % to EUR 105 million (previous year: EUR 81 million). The **recurring EBITDA margin** was 21.3 % (previous year: 27.4 %). **EBITDA** improved by 37 % to EUR 97 million (previous year: EUR 70 million). The revenue and earnings performance was characterized by the effects in the third quarter, which are described above.

Key figures Digital Ventures & Commerce segment

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
Segment revenues	**181**	126	**494**	297
External revenues	**181**	125	**483**	293
Internal revenues	**0**	1	**12**	4
EBITDA	**36**	30	**97**	70
Recurring EBITDA	**40**	35	**105**	81
Recurring EBITDA margin[1] (in %)	**21.9**	27.7	**21.3**	27.4

1 Based on segment revenues.

Content Production & Global Sales Segment

Revenue and Earnings Performance in the Third Quarter of 2016

Important Events Q1-Q3 2016, page 5.

In the Content Production & Global Sales segment, **external revenues** increased by 34 % to EUR 100 million (previous year: EUR 74 million). Compared to the third quarter of 2015, revenue growth was mainly due to acquisitions. In addition to the first-time consolidation of 44 Blue in July 2016, Karga Seven Pictures and Dorsey Pictures contributed to revenue growth. Revenues also increased organically. In particular, the production business in the US developed positively. The US production company Kinetic made the largest contribution to growth here.

The segment's costs also rose as a result of acquisitions. However, due to the significant increase in revenues, operating key earnings figures grew at high rates. **EBITDA** and **recurring EBITDA** each grew to EUR 11 million (previous year: EUR 5 million respectively). As a result, the **recurring EBITDA margin** improved to 10.1% (previous year: 5.8 %).

Revenue and Earnings Performance in the First Nine Months of 2016

The first nine months of the year reflect the development of the third quarter of 2016. **External revenues** in the Content Production & Global Sales segment grew both as a result of acquisitions and organically, and amounted to EUR 240 million. This corresponds to an increase of 38 % or EUR 66 million compared to the first nine months of 2015. This resulted in an **EBITDA** increase to EUR 25 million (previous year: EUR 9 million). At the same time, **recurring EBITDA** increased to EUR 27 million (previous year: EUR 10 million). The **recurring EBITDA margin** doubled and amounted to 9.4 % (previous year: 4.7 %).

On October 21, 2016, Red Arrow licensed the exploitation rights in the field of subscription video-on-demand (SVOD) for seasons 1 to 3 of the crime series "Bosch" to companies of Amazon Group.

ProSiebenSat.1 Group expects this agreement to deliver significant revenue and earnings contributions by the end of financial year 2016 and beyond.

Key figures Content Production & Global Sales segment

EUR m	Q3 2016	Q3 2015	Q1–Q3 2016	Q1–Q3 2015
Segment revenues	**111**	92	**284**	216
External revenues	**100**	74	**240**	174
Internal revenues	**11**	18	**44**	42
EBITDA	**11**	5	**25**	9
Recurring EBITDA	**11**	5	**27**	10
Recurring EBITDA margin[1] (in %)	**10.1**	5.8	**9.4**	4.7

1 Based on segment revenues.

Employees

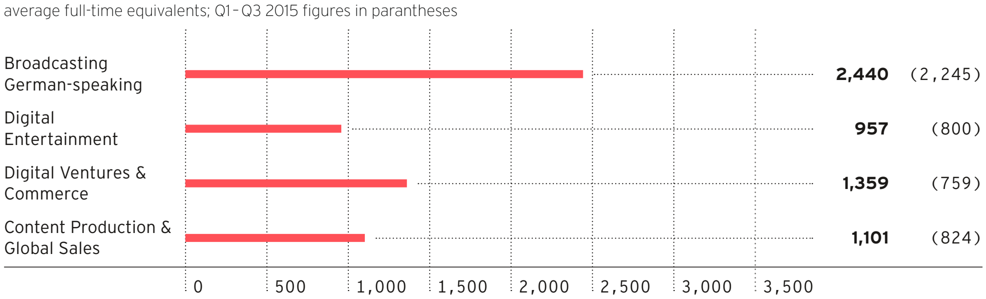
As of September 30, 2016, the Group had 5,954 employees calculated on the basis of full-time equivalents (previous year: 5,094). In the first nine months, the number of employees averaged 5,884 and also represented a significant increase year-on-year (4,646). As a result, personnel expenses reported in the cost of sales, selling expenses and administrative expenses also went up. In this nine-month period, these increased by 29 % or EUR 98 million to EUR 431 million, of which EUR 145 million was attributable to the third quarter of 2016 (previous year: EUR 121 million).

Group Earnings, page 14.

The increase in the average number of employees by 27 % or 1,238 is primarily attributable to the expansion of digital activities. In the first nine months of 2016, the increase in the Digital Ventures & Commerce segment was 79 % or 600 employees. This development is mainly due to acquisitions. In particular, the first-time consolidation of etraveli, Verivox and Collective Digital Studio (CDS; now: Studio71) resulted in an increase in staff. The tables below provide an overview of employee distribution by segment and region:

Employees by segments[1]

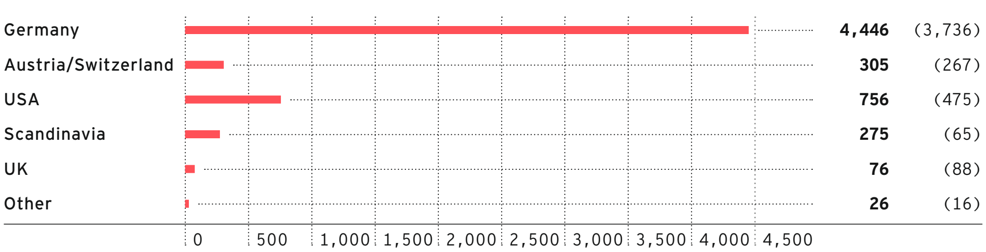
average full-time equivalents; Q1–Q3 2015 figures in parantheses



1 The total number of 5,884 average full-time equivalents includes 27 employees who are not allocated to a segment (previous year: 18 employees).

Employees by region

average full-time equivalents; Q1–Q3 2015 figures in parantheses



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 Executive Board still considers the overall risk situation as at the date this Quarterly Statement was prepared as limited and manageable for this reason. We still rate the majority of the issues presented in the latest Annual Report as a slight risk. The opportunity situation has not changed either. However, acquisitions have accelerated the growth rate. Against this background, the Group has concretized its revenue target for 2016 and at the same time raised its medium-term targets. The risks and opportunities identified as significant are described in the 2015 Annual Report from page 157. The organizational requirements for risk and opportunity management are also explained here. The Annual Report was published on March 15, 2016 and is available at: www.ProSiebensat1.com/en/page/geschaeftsbericht.

Company Outlook, page 30.

Current Development of Individual Risks

We have an effective risk management system. The assessment of the overall risk situation is the result of an aggregate analysis of the Group's main risk clusters: "operating risks," "financial risks," "compliance risks," and "other risks." The internal Risk Managers assess both their probability of occurrence and potential financial implications on a quarterly basis. As at the end of the third quarter of 2016, there were no fundamental changes in the overall risk situation although individual risk items decreased in the area of compliance risks compared to the 2015 Annual Report. In this context, we provide information on changes in contingent liabilities and other financial obligations under note 7 in the Notes to this report.

Development of Audience Shares and User Figures, page 6.

The risk of declines in the audience shares of our free TV stations has slightly increased year-on-year as new stations on the German free TV market are intensifying competition. Under certain circumstances, we assess the implications of a decline in audience shares as significant and the probability of occurrence as possible for this reason. Nonetheless, our risk classification has not changed overall and we continue to assess this category as a medium risk as at the end of the third quarter of 2016. ProSiebenSat.1 is leading the German free TV market and has been actively involved in characterizing the fragmentation of the market for many years. In September 2016, the Group launched another free TV channel: kabel eins Doku. After sixx, ProSieben MAXX and SAT.1 Gold, this is the fourth special-interest station that ProSiebenSat.1 is offering on the German market. It complements the existing free TV portfolio with new target groups and is aimed specifically at a male audience aged 40 to 64. This multi-station strategy offers advantages for marketing. The aim is to acquire new viewers and thus new advertising customers at the same time. In addition, a broad station portfolio allows us to efficiently exploit our programming rights. Overall, we have therefore identified no new effects on the ProSiebenSat.1 stations' sale of advertising from the modified risk assessment.

Notes, notes 6 "Financial Instruments," page 49.

At the same time, the significance of financial risks slightly decreased year-on-year as we took further hedging measures in 2016. ProSiebenSat.1 Group uses interest rate swaps and interest rate options to hedge its variable-interest term loans against changes in the interest rate caused by the market. The hedge ratio increased to 100 % as at the reporting date compared to 78 % as at the end of 2015. As a result, the entire long-term financing portfolio is covered by interest rate derivatives. Against this backdrop, we classify the financial implications resulting from the change in interest rates as low with regard to their potential extent, with a possible probability of occurrence. This is why we have now classified the impact of interest rate risks as minor overall. As at the end of 2015, their impact was still categorized as "medium."

Outlook

Future Business and Industry Environment

Development of Economy and Advertising Market, page 8.

The German economy is experiencing a moderate upturn. As a result, the institutes of the Joint Economic Analysis Group slightly increased their growth forecasts for Germany. Gross domestic product (GDP) is expected to grow by 1.4 % next year and 1.6 % in 2018. Economic research institutes anticipate growth of 1.9 % for the current year. The expansion is likely to be driven mainly by private and government consumption. The labor market should continue to develop favorably, although the rise in net wages may lose momentum due to tax effects and increased social security contributions. In the area of government consumption expenditure, expenses for the integration of refugees are likely to continue having a positive effect. By contrast, a decline in growth momentum is expected in external trade.

There are uncertainties, in the foreign economic area, both in the US and within Europe. On June 23, 2016, the majority of people in the United Kingdom voted to leave the European Union in a referendum (Brexit). The political and economic consequences of the vote cannot be foreseen as yet. Growing disintegrative movements in Europe could still lead to developments similar to Brexit in other countries and curb economic growth. Furthermore, the institutes continue to see economic risks in the weakness of key emerging countries, such as China. Volatile financial markets and numerous instances of geopolitical turmoil are also diminishing growth prospect. In its forecast for 2017, the International Monetary Fund (IMF) anticipates global economic growth of 3.4 % (2016: 3.1 %). In addition, the IMF anticipates growth of 1.5 % for the eurozone (2016: 1.7 %).

The German TV advertising market is closely related to the current and expected economic situation. With a share in GDP of around 54 %, private consumption is the most significant macroeconomic expenditure component and also a key indicator for the development of the TV advertising market. Since private consumer spending is benefiting from persistently robust labor market and income data, prospects for the TV advertising market are also optimistic. In addition, the sector-specific underlying data paint a positive picture overall. TV is the medium with the furthest reach and is continuously gaining market shares as a result of structural shifts. In the third quarter of 2016, TV increased its market share to 46.8 %, while print media lost 1.0 % in the advertising market. However, TV has not fully capitalized on its reach so far. 34 % of advertising budgets were allocated to print in 2015, although only 6 % of the total media usage time accounts to print. In contrast, TV advertising's investment volume — on the basis of data from Magna Global — amounted to 23 %. Against this backdrop, ProSiebenSat.1 Group sees TV to still have a lot of catching up to do as an advertising medium

Impact of General Conditions on the Business Performance, page 12.

The net TV advertising market grew by 3 % last year according to the German Advertising Federation (Zentralverband der deutschen Werbewirtschaft — ZAW). For 2016, the institutes likewise anticipate net growth by a low to medium single-digit percentage (WARC: +3.7 %, ZenithOptimedia: +3.0 %, Magna Global: +4.6 %). For 2017, slightly lower growth rates are expected for the net TV advertising market (WARC: +2.9 %, ZenithOptimedia: +2.5 %, Magna Global: +1.7 %). ProSiebenSat.1 Group still anticipates net market growth in Germany in the low single-digit percentage range. With slightly above 2 %, the expected net TV market growth in 2016 however is now within the lower end of the range of 2 % to 3 %. The increase in the TV advertising revenues of ProSiebenSat.1 is expected to be slightly below market growth. For the years to come, the Group still anticipates stable growth rates averaging 2 % to 3 % on the net TV advertising market. At the same time, the online advertising market is expected to grow significantly: For the German online advertising

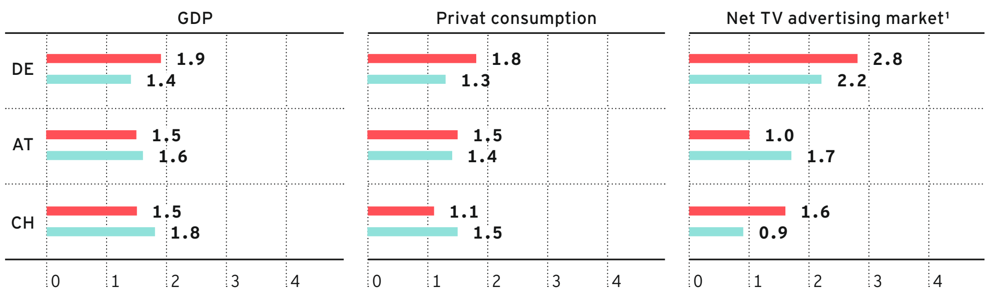
Development of Economy and Advertising Market, page 8.

market, forecasts are at about 7 % to 8 % in 2016 (WARC: +7.9 %, ZenithOptimedia: +7.0 %, Magna Global: +8.4 %). The advertising market as a whole is likely to grow by a low single-digit percentage (WARC: +2.3 %, ZenithOptimedia: +2.8 %, Magna Global: +2.3 %).

The figure below provides an overview of the material economic and sector-specific indicators; further information on growth prospects on the digital markets can be found in the Annual Report 2015 from page 179.

Forecasts for real gross domestic product, private consumption and net TV advertising market in countries important for ProSiebenSat.1

in percent, change vs. previous year



2016 **2017** **Source:**
DE: Joint Economic Analysis Group (Gemeinschaftsdiagnose), Fall 2016.
AT: European Commission, European Economic Forecast Spring 2016.
CH: Secretary of State for Economy (SECO), from 09/19/2016.
1 ZenithOptimedia, Advertising Expenditure Forecasts September 2016, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

Company Outlook

The Company outlined the principles of its planning in detail on pages 182 to 185 of the Annual Report 2015, which has been available since March 15, 2016, on the Group's website at www.ProSiebenSat1.com. Another overview of the targets for all relevant financial and non-financial performance indicators is shown on page 3 of this Quarterly Statement.

On the basis of the dynamic revenue growth in the first nine months of 2016 and considering the most recent acquisitions, the Group expects stronger revenue growth over the year as a whole. As announced on Capital Markets Day in mid-October 2016, the Group is targeting a revenue increase of at least 15 % over the year as a whole; previously, the Company had anticipated at least 10 %. In addition, ProSiebenSat.1 confirms its growth expectations for the earnings figures EBITDA and recurring EBITDA as well as underlying net income.

For the German net TV advertising market, the Group expects growth of slightly more than 2 % (previously 2 % to 3 %) here in 2016 as a whole. The growth of ProSiebenSat.1's TV advertising revenues is expected to be slightly below market growth in 2016. This adjustment has no negative effect on the positive revenue and earnings outlook for the year as a whole. ProSiebenSat.1 will continue growing its revenues and earnings in the fourth quarter of 2016. The individual segments, according to the new structure, will develop as follows:

Expected segment key figures 2016[1]

	External revenues	Recurring EBITDA
Broadcasting German-speaking	Slight increase	Slight increase
Digital Entertainment	Significant increase	Significant increase
Digital Ventures & Commerce	Significant increase	Significant increase
Content Production & Global Sales	Significant increase	Significant increase

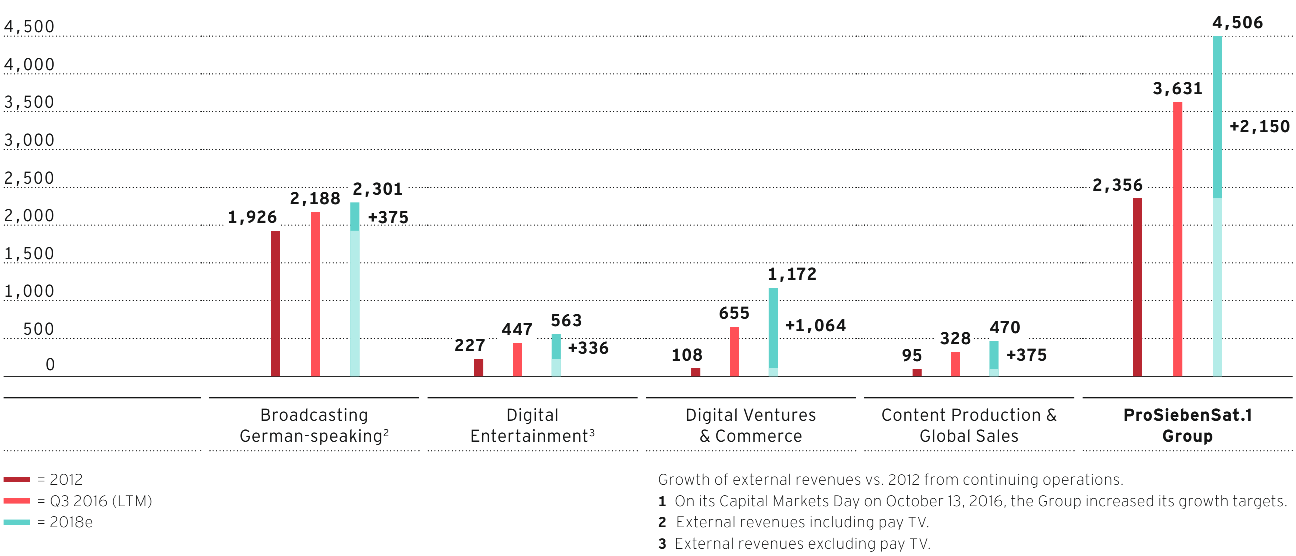
1 Percentage change vs. previous year.

Comparison of Actual and Expected Business Performance, page 11.

The acquisitions in recent months have accelerated the revenue growth. Therefore, the Group has also increased its medium-term growth targets for revenues and recurring EBITDA: Consolidated revenues at the end of 2018 are expected to amount to EUR 4.5 billion (previously EUR 4.2 billion). ProSiebenSat.1 Group has raised the recurring EBITDA growth target compared to 2012 by EUR 50 million to EUR 400 million; the Company is thus aiming for recurring EBITDA of EUR 1.15 billion by 2018. All segments will contribute to profitable growth in the medium term. The chart below provides an overview.

Revenue growth targets 2018[1]

EUR m



Growth of external revenues vs. 2012 from continuing operations.
1 On its Capital Markets Day on October 13, 2016, the Group increased its growth targets.
2 External revenues including pay TV.
3 External revenues excluding pay TV.
LTM = last twelve months; e = estimate.

The TV segment Broadcasting German-speaking is growing solidly, as expected. The new business areas are developing dynamically at the same time, so the digital business as a whole is expected to contribute revenues of over EUR 1.735 billion by 2018. This target reflects the strategic objective of growing more independently of the TV advertising sector while sharing in the momentum of digital markets. Our vision is to develop ProSiebenSat.1 into a leading international Omnichannel entertainment & commerce brand powerhouse.

On the basis of the dynamic revenue growth, ProSiebenSat.1 is also aiming for a continuous improvement of its operating profit and underlying net income in the future. The Group will use the resulting free cash flow to give its shareholders an appropriate share in the Company's success and to make further strategic investments in growth. The Group is thus continuing its investor-oriented dividend policy and plans to continue distributing 80 % to 90 % of underlying net income to its shareholders. At the same time, ProSiebenSat.1 is adhering to a target leverage ratio, i.e. the ratio of net financial debt to LTM recurring EBITDA, of 1.5 to 2.5.

Predictive statements on future earnings, financial position and performance

Our forecasts are based on current assessments of future developments. In this context, we draw on our budget and comprehensive market and competitive analyses. However, forecasts naturally entail certain insecurities, which could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the forward-looking statements are made do not apply, actual results may deviate materially from the statements made or the results implicitly expressed. Developments that could negatively impact this forecast include, for example, lower economic momentum than expected at the time the statement was prepared. These and other factors are explained in detail in the Risk and Opportunity Report of the 2015 Annual Report and in this Quarterly Statement. 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. Significant events after the end of the period are explained in the Notes, Note 11. The publication date of the Quarterly Statement for the third quarter of 2016 is November 3, 2016.

B

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Content

Income Statement

Income Statement of ProSiebenSat.1 Group

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
CONTINUING OPERATIONS				
1. Revenues	857	747	2,545	2,174
2. Cost of sales	-477	-422	-1,392	-1,219
3. Gross profit	**380**	**325**	**1,152**	**956**
4. Selling expenses	-132	-95	-354	-247
5. Administrative expenses	-116	-103	-344	-277
6. Other operating expenses	-3	-1	-8	-3
7. Other operating income	7	5	23	13
8. Operating profit	**137**	**131**	**470**	**441**
9. Interest and similar income	1	0	3	1
10. Interest and similar expenses	-20	-23	-68	-64
11. Interest result	-19	-23	-65	-63
12. Income from investments accounted for using the equity method	-1	0	1	3
13. Other financial result	-14	21	-5	10
14. Financial result	**-35**	**-1**	**-69**	**-50**
15. Profit before income taxes	**102**	**130**	**401**	**392**
16. Income taxes	-32	-55	-126	-135
17. Profit for the period from continuing operations	**70**	**75**	**275**	**256**
DISCONTINUED OPERATIONS				
18. Result from discontinued operations (net of income taxes)	0	-4	-42	-3
PROFIT FOR THE PERIOD	**70**	**71**	**232**	**254**
Attributable to shareholders of ProSiebenSat.1 Media SE	68	70	228	249
Non-controlling interests	2	2	4	4
EUR				
Earnings per share				
Basic earnings per share	0.32	0.33	1.06	1.17
Diluted earnings per share	0.32	0.32	1.05	1.16
Earnings per share from continuing operations				
Basic earnings per share	0.32	0.34	1.26	1.18
Diluted earnings per share	0.32	0.34	1.24	1.17
Earnings per share from discontinued operations				
Basic earnings per share	0.00	-0.02	-0.20	-0.01
Diluted earnings per share	0.00	-0.02	-0.20	-0.01

Statement of Comprehensive Income

Statement of Comprehensive Income of ProSiebenSat.1 Group

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
Profit for the period	**70**	**71**	**232**	**254**
Items subsequently reclassified to profit or loss				
Change in foreign currency translation adjustment	-8	-3	-22	9
Changes in fair value of cash flow hedges	-33	17	-52	128
Deferred tax on other comprehensive income	9	-5	15	-36
Items subsequently not reclassified to profit or loss				
Effects from valuation of pension obligations	-2	-/-	-2	-/-
Deferred tax on effects from valuation of pension obligations	1	-/-	1	-/-
Other comprehensive income for the period	**-34**	**10**	**-61**	**101**
Total comprehensive income for the period	**36**	**81**	**172**	**355**
Attributable to Shareholders of ProSiebenSat.1 Media SE	34	79	168	350
Non-controlling interests	2	1	4	5

Statement of Financial Position

Statement of Financial Position of ProSiebenSat.1 Group

EUR m		09/30/2016	12/31/2015[1]	09/30/2015[1]
A.	**Non-current assets**			
I.	Goodwill	1,689	1,649	1,423
II.	Other intangible assets	612	553	495
III.	Property, plant and equipment	214	226	218
IV.	Investments accounted for using the equity method	71	25	21
V.	Non-current financial assets	257	291	337
VI.	Programming assets	1,208	1,153	1,166
VII.	Other receivables and non-current assets	11	15	11
VIII.	Deferred tax assets	9	13	10
		4,070	**3,926**	**3,682**
B.	**Current assets**			
I.	Programming assets	136	99	134
II.	Inventories	16	8	5
III.	Current financial assets	59	72	66
IV.	Trade receivables	430	383	363
V.	Current tax assets	17	22	20
VI.	Other receivables and current assets	75	65	57
VII.	Cash and cash equivalents	309	734	224
		1,042	**1,384**	**868**
	Total assets	**5,112**	**5,310**	**4,550**

EUR m		09/30/2016	12/31/2015[1]	09/30/2015[1]
A.	**Equity**			
I.	Subscribed capital	219	219	219
II.	Capital reserves	545	600	597
III.	Consolidated equity generated	-132	26	-115
IV.	Treasury shares	-14	-20	-29
V.	Accumulated other comprehensive income	89	150	110
VI.	Other equity	-70	-54	-51
	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	637	922	730
VII.	Non-controlling interests	21	21	21
		658	**943**	**750**
B.	**Non-current liabilities**			
I.	Non-current financial debt	2,678	2,674	1,975
II.	Other non-current financial liabilities	371	353	340
III.	Trade payables	62	67	57
IV.	Other non-current liabilities	25	34	38
V.	Provisions for pensions	26	23	23
VI.	Other non-current provisions	38	17	13
VII.	Deferred tax liabilities	228	245	215
		3,428	**3,412**	**2,661**
C.	**Current liabilities**			
I.	Current financial debt	50	1	201
II.	Other current financial liabilities	94	147	124
III.	Trade payables	511	450	467
IV.	Other current liabilities	272	243	238
V.	Provisions for taxes	34	62	45
VI.	Other current provisions	64	53	64
		1,026	**955**	**1,139**
	Total equity and liabilities	**5,112**	**5,310**	**4,550**

1 The comparative figures as of December 31, 2015 and September 30, 2015 are restated due to the retrospective adjustment of the first-time consolidation of Studio71 LP (Note 2 „Scope of consolidation").

Cash Flow Statement

Cash Flow Statement of ProSiebenSat.1 Group

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
Result from continuing operations	70	75	275	256
Result from discontinued operations (net of income taxes)	-/-	-4	-42	-3
Result for the period	**70**	**71**	**232**	**254**
Income taxes	32	55	126	135
Financial result	35	1	69	50
Depreciation/amortization and impairment of other intangible and tangible assets	52	35	138	97
Consumption/reversal of impairment of programming assets	204	203	650	639
Change in provisions for pensions and other provisions	1	7	5	16
Gain/loss on the sale of assets	1	-4	-5	-5
Other non-cash income/expenses	3	-6	-2	-21
Cash flow from continuing operations	396	366	1,257	1,167
Cash flow from discontinued operations	-/-	0	-2	0
Cash flow total	**396**	**365**	**1,255**	**1,167**
Change in working capital	-7	30	-32	35
Dividends received	0	1	6	6
Income tax paid	-52	-42	-162	-120
Interest paid	-12	-14	-70	-63
Interest received	1	0	3	0
Cash flow from operating activities of continuing operations	326	340	1,001	1,025
Cash flow from operating activities of discontinued operations	-/-	0	-42	-2
Cash flow from operating activities total	**326**	**339**	**959**	**1,023**
Proceeds from disposal of non-current assets	30	0	31	1
Payments for the acquisition of other intangible and tangible assets	-38	-27	-104	-76
Payments for the acquisition of financial assets	-18	-15	-35	-31
Proceeds from disposal of programming assets	7	5	11	12
Payments for the acquisition of programming assets	-239	-223	-757	-734
Payments for the issuance of loan receivables to external parties	-/-	-/-	-/-	-3
Cash flows from obtaining control of subsidiaries or other business (net of cash and cash equivalents acquired)	-83	-233	-157	-267
Cash flows from losing control of subsidiaries or other business (net of cash and cash equivalents disposed of)	-4	-/-	-10	-5
Cash flow from investing activities of continuing operations	-344	-494	-1,022	-1,103
Cash flow from investing activities of discontinued operations	-/-	-/-	-/-	-/-
Cash flow from investing activities total	**-344**	**-494**	**-1,022**	**-1,103**
Free cash flow of continuing operations	-18	-154	-21	-78
Free cash flow of discontinued operations	-/-	-0	-42	-2
Free cash flow	**-18**	**-154**	**-63**	**-80**

Cash Flow Statement Continued

Cash Flow Statement of ProSiebenSat.1 Group

EUR m	Q3 2016	Q3 2015	Q1–Q3 2016	Q1–Q3 2015
Free cash flow (amount carried over from page 37)	**-18**	**-154**	**-63**	**-80**
Dividends paid	-386	–/–	-386	-342
Repayment of interest-bearing liabilities	-100	-51	-101	-51
Proceeds from issuance of interest-bearing liabilities	150	250	150	250
Repayment of finance lease liabilities	-4	-3	-11	-9
Proceeds from the sale of treasury shares	0	0	6	2
Payments for shares in other entities without change in control	0	-8	-2	-14
Proceeds from non-controlling interests	0	–/–	1	–/–
Payments in connection with refinancing measures	–/–	–/–	–/–	-2
Dividend payments to non-controlling interests	-3	-3	-16	-10
Cash flow from financing activities of continuing operations	-343	186	-359	-175
Cash flow from financing activities of discontinued operations	–/–	–/–	–/–	–/–
Cash flow from financing activities total	**-343**	**186**	**-359**	**-175**
Effect of foreign exchange rate changes on cash and cash equivalents	-1	0	-4	8
Change in cash and cash equivalents total	**-362**	**31**	**-425**	**-247**
Cash and cash equivalents at beginning of reporting period	672	193	734	471
Cash and cash equivalents of continuing operations at end of reporting period	**309**	**224**	**309**	**224**

Statement of Changes in Equity

Statement of Changes in Equity of ProSiebenSat.1 Group

EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
December 31, 2014	219	592	-23	-30	5	13	-8	-1	-28	738	16	754
Profit for the period	-/-	-/-	249	-/-	-/-	-/-	-/-	-/-	-/-	249	4	254
Other comprehensive income	-/-	-/-	-/-	-/-	9	128	-/-	-36	-/-	101	0	101
Total comprehensive income	**-/-**	**-/-**	**249**	**-/-**	**9**	**128**	**-/-**	**-36**	**-/-**	**350**	**5**	**355**
Dividends	-/-	-/-	-342	-/-	-/-	-/-	-/-	-/-	-/-	-342	-10	-352
Share-based payments	-/-	4	-/-	2	-/-	-/-	-/-	-/-	-8	-3	-/-	-3
Other changes	-/-	0	0	-/-	-/-	-/-	-/-	-/-	-14	-14	10	-4
September 30, 2015	**219**	**597**	**-115**	**-29**	**14**	**141**	**-8**	**-37**	**-51**	**730**	**21**	**750**

Statement of Changes in Equity of ProSiebenSat.1 Group

EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Accumulated other comprehensive income: 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, 2015	219	600	26	-20	22	185	-8	-50	-54	922	21	943
Profit for the period	-/-	-/-	228	-/-	-/-	-/-	-/-	-/-	-/-	228	4	232
Other comprehensive income	-/-	-/-	-/-	-/-	-22	-52	-2	15	-/-	-61	0	-61
Total comprehensive income	**-/-**	**-/-**	**228**	**-/-**	**-22**	**-52**	**-2**	**15**	**-/-**	**168**	**4**	**172**
Dividends	-/-	-/-	-386	-/-	-/-	-/-	-/-	-/-	-/-	-386	-16	-402
Share-based payments	-/-	-57	-/-	6	-/-	-/-	-/-	-/-	-/-	-51	-/-	-51
Other changes	-/-	2	0	0	-/-	-/-	-/-	-/-	-16	-14	11	-3
September 30, 2016	**219**	**545**	**-132**	**-14**	**1**	**133**	**-10**	**-34**	**-70**	**637**	**21**	**658**

Notes to the Interim Financial Statement of ProSiebenSat.1 Group at September 30, 2016

1 General Principles

The interim consolidated financial statements of ProSiebenSat.1 Media SE (together with its subsidiaries "the Company," "Group", or "ProSiebenSat.1 Group") as of and for the period ended September 30, 2016 were prepared in accordance with IAS 34 "Interim Financial Reporting."

ProSiebenSat.1 Media SE compiles and publishes its interim consolidated financial statements in euros, in accordance with IFRS as endorsed by the EU. Unless specifically indicated otherwise, all amounts are presented in millions of euro (EUR m). The figures reflect the continuing operations of ProSiebenSat.1 Group unless specifically stated otherwise.

The prior-year figures are presented on a comparable basis and, where necessary, have been adjusted accordingly. Due to rounding, it is possible that individual figures and percentages do not add up exactly to the totals shown.

For information on the adjustment of the segment structure from July 1, 2016, please refer to Note 3 "Segment reporting."

The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements under IFRS as of and for the financial year ended December 31, 2015, and the associated explanatory notes contained therein, as published by ProSiebenSat.1 Media SE on March 15, 2016.

The Group's core business is subject to strong seasonal fluctuations. ProSiebenSat.1 Group generally generates a disproportionately high share of its annual revenues in the fourth quarter because both propensity to spend and television use tend to rise significantly during the Christmas season. The results for the first nine months of financial year 2016 therefore do not necessarily permit predictions as to future business performance.

The accounting policies applied in the interim consolidated financial statements as of and for the period ended September 30, 2016 are the same as for the consolidated financial statements for financial year 2015. For further information on the accounting policies applied, please refer to the consolidated financial statements as of and for the financial year ended December 31, 2015, which form the basis for these interim consolidated financial statements.

ProSiebenSat.1 Group has applied all the amendments to IFRS that were required to be applied for the first time starting financial year 2016. The initial application had no impact on the earnings, financial position and performance of ProSiebenSat.1 Group.

The Annual General Meeting of ProSiebenSat.1 Media SE on June 30, 2016 resolved the distribution of a dividend of EUR 1.80 per common share for the financial year 2015. In total, the dividend amounted to EUR 386 million. The dividend was paid out on July 1, 2016.

2 Scope of consolidation

The number of subsidiaries included in the interim consolidated financial statements changed as follows in the first nine months of the financial year 2016:

Consolidated subsidiaries

	Germany	Other countries	Total
Included at December 31, 2015	94	106	200
Additions	9	16	25
Disposals	−5	−2	−7
Included at September 30, 2016	**98**	**120**	**218**

In addition to the fully consolidated entities, 20 associates (December 31, 2015: 15) and three joint ventures (December 31, 2015: 3) were accounted for using the equity method in the interim consolidated financial statements as of and for the period ended September 30, 2016. Three (December 31, 2015: 5) subsidiaries with suspended or only minor business activities are not included in consolidation.

Acquisitions

In the second quarter 2016, the provisional initial consolidation of Studio 71 LP, Los Angeles, USA (formerly Collective Digital Studio LLC) as of the acquisition date was retroactively adjusted within the 12-month valuation period. The fair value of the put option for the acquisition of another 25.0% of shares was reduced by USD 7 million (EUR 6 million) to USD 89 million (EUR 80 million) as of the acquisition date (July 27, 2015) in accordance with IFRS 3 and simultaneously resulted in an adjusted goodwill of USD 177 million (EUR 160 million) at this date.

The following key entities were acquired in the first nine months of the financial year 2016:

Significant Acquisitions

Company	Purpose of the company	Acquired voting rights	Percentage of consolidation	Contract date	Acquisition of control
Dorsey Pictures LLC (formerly: Orion Entertainment LLC)	US producer of non-scripted TV programs and branded entertainment offerings in the "outdoor adventure" genre.	60.0%	100.0%	01/15/2016	01/15/2016
Stylight GmbH	Online portal relating to Fashion and Home & Living	100.0%	100.0%	05/18/2016	07/01/2016
44 Blue Studios LLC	US producer of non-scripted production focused on docu-series, factual entertainment and studio-based concepts	65.0%	100.0%	07/15/2016	07/15/2016

Acquisition of a share of 60% in Dorsey Pictures LLC (formerly known as Orion Entertainment LLC)

As of January 15, 2016, ProSiebenSat.1 Group acquired a share of 60% in Dorsey Pictures LLC, Denver, USA and therefore gained control over this entity. The entity and its subsidiaries are allocated to the Content Production & Global Sales segment (see Note 3 "Segment reporting"). Acquisition related costs of EUR 1 million were incurred in connection with the acquisition of this entity.

The purchase price in accordance with IFRS 3 is made up of the following elements:

Dorsey Pictures LLC – Purchase Price per IFRS 3

	USD m	EUR m
Cash purchase price	28	26
Variable consideration	2	2
Contingent consideration - put option	20	18
Purchase price per IFRS 3	**51**	**46**

The contingent purchase price component consists of a put option agreed with the existing shareholders for the purchase of another 40% of shares due not earlier than 2021 and is measured on the basis of a contractually defined multiplier. Its fair value was USD 21 million (EUR 19 million) as of the closing date. On the basis of sensitivity analyses performed, ProSiebenSat.1 Group expects the pro rata enterprise value to range from USD 26 million to USD 28 million (EUR 24 million to EUR 25 million) as of the acquisition date.

The table below shows the fair values of the identified assets acquired and liabilities assumed in connection with the acquisition as of the acquisition date. The following amounts were measured provisionally until a fully independent valuation by an audit company will be completed:

Acquisition Dorsey Pictures LLC

EUR m	Fair value at acquisition
Other intangible assets	22
Thereof identified in the purchase price allocation	22
Property, plant and equipment	1
Non-current assets	**23**
Programming assets	1
Trade receivables	5
Current assets	**6**
Other liabilities	3
Current liabilities and provisions	**3**
Total net assets	**26**
Purchase price per IFRS 3	46
Goodwill	**20**

The identified goodwill is tax deductible over 15 years in the amount of the acquired share of 60 % and is recorded in the functional currency, the US dollar. It is particularly attributable to the following areas in relation to the acquisition:

- Expansion of the business in non-scripted and branded entertainment;
- Expected synergies resulting from the connection to the existing distribution network.

In the context of the purchase price allocation, the following other intangible assets identified separately from goodwill were recognized:

Provisional purchase price Dorsey Pictures LLC

Asset	Fair Value at acquisition in EUR m	Expected useful life in years
Customer relationship	20	10-15
Shows in production	2	1

Including the entity from the beginning of the financial year until the initial consolidation date in January 2016 would not have had a significant impact on the earnings, financial position and performance of ProSiebenSat.1 Group. From the first-time consolidation to September 30, 2016, the entity contributed revenues of USD 18 million (EUR 16 million) and earnings after taxes of USD 1 million (EUR 1 million) to consolidated net profit. Expenses relating to the scheduled amortization of the other intangible assets of USD 3 million (EUR 2 million) identified within the context of the purchase price allocation are included in earnings after taxes.

Acquisition of another 77.92 % of shares in Stylight GmbH

By agreement dated May 18, 2016 and effective as of July 1, 2016, ProSiebenSat.1 Group increased its share in Stylight GmbH, Munich, by 77.92 % to 100.0 % and thus gained control over this entity. The entity and its subsidiary are allocated to the Digital Ventures & Commerce segment (see Note 3 "Segment reporting"). Acquisition related costs of less than EUR 1 million were incurred in connection with the acquisition of this entity.

The purchase price per IFRS 3 is made up of the following elements:

Stylight GmbH – Purchase price according to IFRS 3

	EUR m
Cash purchase price	62
variable purchase price	1
Carrying amount held shares (22.08 %)	6
Valuation effect carrying amount	9
Purchase price per IFRS 3	**78**

The remeasurement of the 22.08 % share already held at a carrying amount of EUR 6 million as of the acquisition date resulted in a profit of EUR 9 million recognized in the other financial result. The fair value of the investment previously measured using the equity method as of the acquisition date (EUR 16 million) represents a purchase price component in accordance with IFRS 3.

The table below shows the fair values of the identified assets acquired and liabilities assumed in connection with the acquisition as of the acquisition date. The following amounts were measured provisionally until a fully independent valuation by an audit company will be completed:

Acquisition Stylight GmbH

EUR m	Fair value at acquisition
Other intangible assets	50
Thereof identified in the purchase price allocation	50
Non-current assets	**50**
Trade receivables	7
Other current receivables and other assets	1
Cash and cash equivalents	2
Current assets	**9**
Deferred tax liabilities	16
Non-current liabilities and provisions	**16**
Trade payables	1
Other provisions	2
Other liabilities	1
Current liabilities and provisions	**4**
Total net assets	**39**
Purchase price per IFRS 3	78
Goodwill	**40**

The identified goodwill results from the positive difference between the purchase price paid and the fair values of the acquired assets and assumed liabilities, including deferred taxes. It primarily represents strategic synergy and development potential in the Digital Ventures & Commerce segment and is accordingly assigned to the Digital Ventures & Commerce cash-generating unit. The goodwill is not tax deductible and is recorded in the functional currency, the euro.

In the context of the preliminary purchase price allocation, the following other intangible assets identified separately from goodwill were recognized:

Provisional purchase price allocation Stylight GmbH

Asset	Fair Value at acquisition in EUR m	Expected useful life in years
Brand	42	10
Software	3	5
Customer relationship	5	7

The purchase price allocation has not been completed yet, mainly because the date of completion is close to the publication date of this quarterly report.

Including the entity from the beginning of the financial year until the initial consolidation date in July 2016 would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: Additional revenues of EUR 19 million and earnings after taxes of EUR 0 million. From the initial consolidation to September 30, 2016, the entity contributed revenues of EUR 8 million and earnings after taxes of minus EUR 1 million to consolidated net profit. Expenses relating to the scheduled amortization of the other intangible assets of EUR 1 million identified within the context of the purchase price allocation are included in earnings after taxes.

Acquisition of 65 % of shares in 44 Blue Studios LLC

As of July 15, 2016, ProSiebenSat.1 Group acquired a share of 65 % in 44 Blue Studios LLC, Burbank, USA, and therefore gained control over this entity. The entity and its subsidiaries are allocated to the Content Production & Global Sales segment (see Note 3 "Segment reporting"). Acquisition related costs of EUR 1 million were incurred in connection with the acquisition of this entity.

The purchase price per IFRS 3 is made up of the following elements:

44 Blue Studios LLC – purchase price according to IFRS 3

	USD m	EUR m
Cash purchase price	21	19
Contingent consideration - put option	16	14
Purchase price per IFRS 3	**37**	**33**

The contingent purchase price component consists of a put option agreed with the existing shareholders for the purchase of another 35 % of shares due not earlier than 2022 and is measured on the basis of a contractually defined multiplier. Its fair value was USD 16 million (EUR 14 million) as of the closing date. On the basis of sensitivity analyses performed, ProSiebenSat.1 Group expects the pro rata enterprise value to range from USD 20 million to USD 21 million (EUR 18 million to EUR 19 million) as of the acquisition date.

The table below shows the fair values of the identified assets acquired and liabilities assumed in connection with the acquisition as of the acquisition date. The following amounts were measured provisionally until a fully independent valuation by an audit company will be completed:

Acquisition 44 Blue Studios LLC

EUR m	Fair value at acquisition
Other intangible assets	22
Thereof identified in the purchase price allocation	22
Property, plant and equipment	2
Non-current assets	**24**
Trade receivables	2
Other current receivables and other assets	1
Cash and cash equivalents	4
Current assets	**7**
Trade payables	1
Other liabilities	5
Current liabilities and provisions	**6**
Total net assets	**25**
Purchase price per IFRS 3	33
Goodwill	**8**

The identified goodwill is tax deductible over 15 years in the amount of the acquired share of 65 % and is recorded in the functional currency, the US dollar. It represents specific strategic potential from the expansion of business activities in the area of factual entertainment and synergy effects from the company's inclusion in the international distribution network.

In the context of the preliminary purchase price allocation, the following other intangible assets identified separately from goodwill were recognized:

Provisional purchase price allocation 44 Blue Studios LLC

Asset	Fair Value at acquisition in EUR m	Expected useful life in years
Customer relationship	20	10 – 15
Shows in production	2	1
IP Rights	0	3

The purchase price allocation has not been completed yet, mainly because the date of completion is close to the publication date of this quarterly report.

Including the entity from the beginning of the financial year until the initial consolidation date in July 2016 would have had the following impact on the earnings, financial position and performance of ProSiebenSat.1 Group: Additional revenues of USD 20 million (EUR 18 million) and earnings after taxes of USD 1 million (EUR 1 million). From the first-time consolidation to September 30, 2016, the entity contributed revenues of USD 10 million (EUR 9 million) and earnings after taxes of USD 1 million (EUR 1 million) to consolidated net profit. Expenses relating to the scheduled amortization of the other intangible assets of USD 1 million (EUR 1 million) identified within the context of the purchase price allocation are included in earnings after taxes.

Disposals of subsidiaries in the first nine month of the financial year 2016

Disposal of Games activities

With the contract dated May 19, 2016 and effective as of June 30, 2016, ProSiebenSat.1 Group sold all Games activities. These activities were allocated to the Digital & Adjacent segment until the second quarter 2016 (see Note 3 "Segment reporting"). 100.0 % of the shares in ProSiebenSat.1 Games GmbH, Unterföhring, with its 100.0 % shares in the subsidiaries Aeria Games GmbH, Berlin, Aeria Games, Inc., Wilmington, USA, and SevenGamesNetwork GmbH, Berlin, were transferred to gamigo AG, Hamburg, as part of this transaction.

In return, the Group obtained a share of 33.0 % in the share capital of gamigo AG. This investment was capitalized as an associate accounted for using the equity method with a fair value of EUR 32 million at the transaction date and was allocated to the Digital Entertainment segment. In addition, ProSiebenSat.1 Group became entitled to a cash payment totaling EUR 5 million to be paid in two equal amounts with an interest of 4.0 % per annum no later than 12 or 18 months after the transfer date. As a contingent purchase price component, ProSiebenSat.1 Group is also entitled to a profit share of individual mobile games in the calendar years of 2016 and 2017.

Overall, the transaction resulted in a deconsolidation gain of EUR 6 million, reported in other operating income.

Disposal of Magic Internet GmbH

By agreement dated September 30, 2016 and effective as of the same day, 100.0 % of the shares in Magic Internet GmbH were transferred to Pluto Inc., Delaware, USA.

As part of this transaction, ProSiebenSat.1 Group participated in a capital increase for cash of USD 10 million (EUR 9 million) in addition to the contribution of Magic Internet GmbH. In return, the Group obtained a 16.1 % share in the capital of Pluto Inc. Due to the significant influence of ProSiebenSat.1 Group over the company, the investment is recognized as an associate accounted for using the equity method. The initial book value of the entity amounting to USD 21 million (EUR 19 million) is comprised of the fair value of the acquired shares which was derived from the financing round, a variable purchase price component and acquisition related costs.

Overall, the transaction resulted in a deconsolidation gain of EUR 3 million, reported in other operating income.

3 Segment reporting

ProSiebenSat.1 Media SE adjusted its segment structure in the digital business as of July 1, 2016. Since responsibilities were redefined due to a consistent focus on digital growth drivers, the Group replaced the former "Digital & Adjacent" segment, in which ProSiebenSat.1 had bundled its digital activities, with two separate segments: "Digital Ventures & Commerce" and "Digital Entertainment". Based on this adjustment, the Group is divided into four reporting segments: "Broadcasting German-speaking," "Digital Entertainment", "Digital Ventures & Commerce" and "Content Production & Global Sales".

The new "Digital Entertainment" segment includes the online video business with the Pay-Video-on-Demand portal maxdome, the multi-channel network Studio71, as well as Ad-Video-on-Demand, ad tech, data and Adjacent. The "Digital Ventures & Commerce" segment includes among others e-commerce verticals in travel, online price comparison and online dating. The following table contains the segment information relating of ProSiebenSat.1 Group:

Segment information of ProSiebenSat.1 Group Q3

EUR m	Segment Broadcasting German-speaking Q3 2016	Segment Digital Entertainment Q3 2016	Segment Digital Ventures & Commerce Q3 2016	Segment Content Production & Global Sales Q3 2016	Total Segments Q3 2016	Other / Eliminations Q3 2016	**Total consolidated financial statements Q3 2016**
Revenues	496	104	181	111	892	-35	**857**
External revenues	472	99	181	100	851	5	**857**
Internal revenues	24	5	0	11	41	-41	**-/-**
EBITDA[1]	140	6	36	11	194	-5	**188**
Recurring EBITDA	147	4	40	11	202	0	**202**

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

EUR m	Segment Broadcasting German-speaking Q3 2015	Segment Digital Entertainment Q3 2015	Segment Digital Ventures & Commerce Q3 2015	Segment Content Production & Global Sales Q3 2015	Total Segments Q3 2015	Other / Eliminations Q3 2015	**Total consolidated financial statements Q3 2015**
Revenues	484	82	126	92	785	-37	**747**
External revenues	465	80	125	74	745	2	**747**
Internal revenues	19	2	1	18	40	-40	**-/-**
EBITDA[1]	132	3	30	5	170	-4	**166**
Recurring EBITDA	137	4	35	5	181	-4	**178**

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

Segment information of ProSiebenSat.1 Group Q1-Q3

EUR m	Segment Broadcasting German-speaking Q1-Q3 2016	Segment Digital Entertainment Q1-Q3 2016	Segment Digital Ventures & Commerce Q1-Q3 2016	Segment Content Production & Global Sales Q1-Q3 2016	Total Segments Q1-Q3 2016	Other / Eliminations Q1-Q3 2016	**Total consolidated financial statements Q1-Q3 2016**
Revenues	1,575	319	494	284	2,672	-128	**2,545**
External revenues	1,506	304	483	240	2,533	12	**2,545**
Internal revenues	69	15	12	44	140	-140	**-/-**
EBITDA[1]	473	24	97	25	618	-10	**608**
Recurring EBITDA	479	19	105	27	630	-4	**626**

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

EUR m	Segment Broadcasting German-speaking Q1-Q3 2015	Segment Digital Entertainment Q1-Q3 2015	Segment Digital Ventures & Commerce Q1-Q3 2015	Segment Content Production & Global Sales Q1-Q3 2015	Total Segments Q1-Q3 2015	Other / Eliminations Q1-Q3 2015	**Total consolidated financial statements Q1-Q3 2015**
Revenues	1,524	234	297	216	2,271	-97	**2,174**
External revenues	1,470	228	293	174	2,166	8	**2,174**
Internal revenues	54	6	4	42	105	-105	**-/-**
EBITDA[1]	447	17	70	9	544	-6	**538**
Recurring EBITDA	460	23	81	10	574	-6	**568**

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

The reconciliation between the segment values and the consolidated values is shown below:

Reconciliation of segment information

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
RECURRING EBITDA				
Recurring EBITDA of reportable segments	202	181	630	574
Other / Eliminations	-/-	-4	-4	-6
Recurring EBITDA of the Group	**202**	**178**	**626**	**568**
Non-recurring result	-13	-11	-18	-30
Financial result	-35	-2	-69	-50
Depreciation and amortization	-46	-32	-125	-89
Impairment	-6	-3	-13	-7
Consolidated profit before taxes	**102**	**130**	**401**	**392**

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

Entity-wide disclosures

Geographical breakdown	GER		AT/CH		US		Skandinavia		UK		Other		Total consolidated financial statements	
EUR m	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015
External Revenues	652	625	55	51	110	54	29	3	9	9	2	5	**857**	**747**
EUR m	Q1-Q3 2016	Q1-Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Q1-Q3 2016	Q1-Q3 2015	Q1-Q3 2016	Q1-Q3 2015
External Revenues	1,966	1,836	182	172	255	121	111	7	25	26	6	12	**2,545**	**2,174**

4 Income taxes

The nominal tax rate that is relevant for the Group remained unchanged at 28.0%. For the calculation of the Group's tax expenses for the first nine months of 2016, the effective Group tax rate expected for the full financial year of 31.5% (previous year: 34.5%) was used. The difference from the nominal tax rate is largely attributable to non-deductible operating expenses and changes in the feasibility of deferred taxes. For further tax issues refer to Note 7 "Contingent liabilities and other financial obligations".

5 Programming assets

In the first nine months, ProSiebenSat.1 Group acquired programming assets of EUR 757 million (previous year: EUR 734 million). The additions include free-TV rights of EUR 669 million (previous year: EUR 649 million), other TV rights such as pay TV, video-on-demand and mobile TV rights of EUR 31 million (previous year: EUR 27 million) in addition to advance payments made in the amount of EUR 57 million (previous year: EUR 58 million).

6 Financial instruments

ProSiebenSat.1 Group is exposed to a variety of financial risks in its operating business, such as foreign currency risk, interest rate risk, credit risk, and liquidity risk. The Group's financial risk management strategy and the methods to determine the fair value of certain financial instruments have not changed materially since the end of the financial year 2015. The 2015 Annual Report contains the financial instrument disclosures in Note 35 "Further notes on financial risk management and financial instruments in accordance with IFRS 7." In the first nine months of financial year 2016, the Group also concluded interest rate options of EUR 2,850 million to hedge the interest rate risk in the period from 2016 to 2020. Thereof, EUR 1,250 million relate to the period from 2016 to 2018 and EUR 1,600 million relate to the period from 2018 to 2020. In addition, interest rate options of EUR 1,350 million were concluded to limit the risk arising from the current negative interest rate level. Thereof, EUR 850 million relate to the period from 2016 to 2018 and EUR 500 million relate to the period from 2018 to 2020.

In the second half quarter of 2016, the ongoing development of negative interest rates and the associated higher hedging ineffectiveness meant that the accounting of the existent interest rate swaps in accordance with IAS 39 regulations (hedge accounting), with a total volume of EUR 2,650 million, was ceased and resulted in the termination of the hedge. At this date, an expense of EUR 2 million resulting from hedging ineffectiveness (previous year: EUR 0 million) was recognized. The changes in the market value of the interest rate swaps recognized in accumulated other comprehensive income in relation to the effective part of the hedge amounted to minus EUR 37 million with the termination of hedge accounting and will be reversed through profit and loss over the original duration of the hedges. The expense resulting from this release amounted to EUR 9 million and is shown in the other financial result in the reporting period. With the termination of hedge accounting, the valuation of interest rate swaps is recognized through profit and loss. This resulted in income of EUR 6 million, which is shown in the other financial result. The market value of the interest rate swaps was minus EUR 39 million as at September 30, 2016.

As at September 30, 2016, the Group used EUR 50 million of its revolving credit facility (RCF) with a volume of EUR 600 million. As at December 31, 2015, no drawing had been made.

The table below shows the carrying amounts and fair values of all categories of financial assets and liabilities of ProSiebenSat.1 Group. The fair value hierarchy reflects the significance of the input data used for measurement and is organized as follows:

- (Unadjusted) quoted prices on active markets for identical assets or liabilities (Level 1),
- Input data for the asset or liability that are observable either directly (as prices) or indirectly (derived from prices) but that are not quoted prices as in Level 1 (Level 2),
- Input data used for the asset or liability that are not based on observable market data (non-observable input data) (Level 3).

Carrying amounts and fair values of financial instruments as per September 30, 2016

EUR m	Presented in the Statement of Financial Position as	Carrying amount	Category: At fair value through profit and loss	Category: Hedging instru-ments	Category: Loans and receiv-ables	Category: Available-for-sale	Category: Other financial liabilities	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: Total
Financial assets											
Measured at fair value											
Financial assets designated at fair value[1]	Non-current financial assets	21	21	-/-	-/-	-/-	-/-	21	-/-	-/-	21
Other equity instruments	Non-current financial assets	97	97	-/-	-/-	-/-	-/-	-/-	-/-	97	97
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	13	13	-/-	-/-	-/-	-/-	-/-	3	10	13
Hedge derivatives	Current and non-current financial assets	167	-/-	167	-/-	-/-	-/-	-/-	167	-/-	167
Not measured at fair value											
Cash and cash equivalents[2]	Cash and cash equivalents	309	-/-	-/-	309	-/-	-/-				
Loans and receivables[2]	Current and non-current financial assets	448	-/-	-/-	448	-/-	-/-				
Total		**1,054**	**130**	**167**	**757**	**-/-**	**-/-**	**21**	**170**	**107**	**297**
Financial liabilities											
Measured at fair value											
Liabilities from put options and earn-outs	Other financial liabilities	308	308	-/-	-/-	-/-	-/-	-/-	-/-	308	308
Derivatives for which hedge accounting is not applied	Other financial liabilities	40	40	-/-	-/-	-/-	-/-	-/-	40	-/-	40
Hedge derivatives	Other financial liabilities	5	-/-	5	-/-	-/-	-/-	-/-	5	-/-	5
Not measured at fair value											
Bank loans	Financial Debt	2,133	-/-	-/-	-/-	-/-	2,133	-/-	2,163	-/-	2,163
Notes	Financial Debt	596	-/-	-/-	-/-	-/-	596	644	-/-	-/-	644
Liabilities from finance leases	Other financial liabilities	75	-/-	-/-	-/-	-/-	75	-/-	80	-/-	80
Financial liabilities at (amortised) cost[2]	Other financial liabilities and trade payables	610	-/-	-/-	-/-	-/-	610				
Summe		**3,766**	**349**	**5**	**-/-**	**-/-**	**3,413**	**644**	**2,287**	**308**	**3,239**

1 Position solely includes shares in investment funds, that serve to cover pension obligations, but are not plan assets within the meaning of IAS 19.

2 The carrying amount is an appropriate approximator for fair value.

Carrying amounts and fair values of financial instruments as per December 31, 2015

EUR m	Presented in the Statement of Financial Position as	Carrying amount	Category: At fair value through profit and loss	Category: Hedging instru-ments	Category: Loans and receiv-ables	Category: Available-for-sale	Category: Other financial liabilities	Fair Value: Level 1	Fair Value: Level 2	Fair Value: Level 3	Fair Value: Total
Financial assets											
Measured at fair value											
Financial assets designated at fair value[1]	Non-current financial assets	20	20	-/-	-/-	-/-	-/-	20	-/-	-/-	20
Other equity instruments	Non-current financial assets	79	79	-/-	-/-	-/-	-/-	-/-	-/-	79	79
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	18	18	-/-	-/-	-/-	-/-	-/-	7	11	18
Hedge derivatives	Current and non-current financial assets	234	-/-	234	-/-	-/-	-/-	-/-	234	-/-	234
Not measured at fair value											
Cash and cash equivalents[2]	Cash and cash equivalents	734	-/-	-/-	734	-/-	-/-				
Loans and receivables[2]	Current and non-current financial assets	397	-/-	-/-	397	-/-	-/-				
Total		**1,482**	**116**	**234**	**1,131**	**-/-**	**-/-**	**20**	**241**	**89**	**350**
Financial liabilities											
Measured at fair value											
Liabilities from put options and earn-outs[3]	Other financial liabilities	283	283	-/-	-/-	-/-	-/-	-/-	-/-	283	283
Hedge derivatives	Other financial liabilities	52	-/-	52	-/-	-/-	-/-	-/-	52	-/-	52
Not measured at fair value											
Bank loans	Financial Debt	2,080	-/-	-/-	-/-	-/-	2,080	-/-	2,055	-/-	2,055
Notes	Financial Debt	595	-/-	-/-	-/-	-/-	595	616	-/-	-/-	616
Liabilities from finance leases	Other financial liabilities	82	-/-	-/-	-/-	-/-	82	-/-	87	-/-	87
Financial liabilities at (amortised) cost[2]	Other financial liabilities and trade payables	599	-/-	-/-	-/-	-/-	599				
Total		**3,692**	**283**	**52**	**-/-**	**-/-**	**3,356**	**616**	**2,195**	**283**	**3,093**

1 Position solely includes shares in investment funds, that serve to cover pension obligations, but are not plan assets within the meaning of IAS 19.
2 The carrying amount is an appropriate approximator for fair value.
3 Comparative figures per December 31, 2015, were corrected due to the retrospective adjustment of first time consolidation of Studio 71 LP at acquisition date (see Note 2 “Scope of consolidation”).

The minority stakes in other companies that the Group acquires as part of its “media-for-equity” strategy are reported primarily in other equity instruments. These investments and options to shares in companies are measured at fair value in profit or loss. When measuring fair value, the valuations used are obtained on the basis of observable prices achieved as part of the most recently implemented financing rounds or on the basis of present value methods using risk-adjusted discount rates. In the first nine month, there were impairments of EUR 14 million (previous year: EUR 25 million) on media-for-equity investments, which were fully (previous year: EUR 19 million) attributable to AliphCom Inc., San Francisco, USA.

In the third quarter of 2016, the Group also acquired a minority stake in ABOUT YOU GmbH, Hamburg, as part of its "media-for-equity" strategy, with a fair value of EUR 11 million as at the acquisition date. A put/call agreement on the transferred shares was reached with the seller at the same time. In the event that the put option is exercised by ProSiebenSat.1 Group, the adherence to the exercise price by the indirect majority shareholder of ABOUT YOU GmbH is collateralized by a guarantee letter in favor of ProSiebenSat.1 Group.

In the third quarter of 2016, the investment in ZeniMax Media Inc., Rockville, USA, which was written down in full in financial year 2015, was sold entirely for a purchase price of USD 34 million (EUR 30 million). The resulting reversal of impairment, which were of the same amount, were already recognized in the other financial result in the second quarter of 2016.

Incidentally, the measurement method and input factors to determine the fair values of the financial instruments measured at fair value in the statement of financial position are essentially unchanged and can be found in the notes to the consolidated financial statements for financial year 2015.

The following table shows the reconciliation of the respective fair values to the end of the reporting period for the items listed, which are regularly measured at fair value and assigned to Level 3:

Reconciliation of level 3 fair values

EUR m	Derivatives, for which hedge accounting is not applied, at fair value through profit and loss	Liabilities from put options and earn outs at fair value through profit and loss
January 1, 2016	**11**	**283**[2]
Results included in income statement as well as in other comprehensive income (unrealized)[1]	-1	15
Additions from acquisitions	-/-	32
Disposals/Payments	-/-	-24
Other changes	0	2
September 30, 2016	**10**	**308**

1 This item includes compounding effects and further valuation adjustments.

2 Comparative figures per December 31, 2015, were restated due to the retrospective adjustment of first time consolidation of Studio 71 LP at acquisition date (see Note 2 "Scope of consolidation").

7 Contingent liabilities and other financial obligations

With the exception of the items described below, there were no material changes as of September 30, 2016 regarding the contingent liabilities reported in the consolidated financial statements under IFRS as at December 31, 2015.

Tax risks in connection with the disposal of subsidiaries in Sweden

After the SBS Group was acquired, the investment structure was adjusted in January 2008. This meant that the Swedish business was transferred with all assets and liabilities, functions, and employees to a Swedish branch of the Dutch parent company SBS Broadcasting Europe B.V. The structure was reviewed by the tax authorities in Sweden and the Netherlands.

An agreement could not be reached with the Swedish Tax Agency. As a result, legal action was taken on behalf of ProSiebenSat.1 Group. Two stages of the proceedings have been completed to date. In May 2016, the court of appeal confirmed the first instance verdict of the Swedish fiscal court, in the second instance. The additional tax claims of SEK 374 million (EUR 40 million) were settled in the second quarter of 2016 and reported in the result from discontinued operations after taxes.

On August 19, 2016, ProSiebenSat.1 Media SE filed an application for approval to appeal against the decision of the court. If this appeal is granted, the case will be tried before the Supreme Court of Sweden in the final instance.

In the Netherlands, an agreement was reached with the tax authorities in June 2016, resulting in no additional tax charge for ProSiebenSat.1 Group. As a result, the risk reported in the consolidated financial statements as at December 31, 2015 no longer exists.

Other financial obligations

As of September 30, 2016, other financial obligations totaled EUR 3,666 million (December 31, 2015: EUR 3,951 million). These obligations result from contractual agreements entered into before the closing date and relate to payment obligations due after the closing date.

Other financial obligations

EUR m	September 30, 2016	December 31, 2015
Purchase commitments for programming assets	3,220	3,451
Distribution	195	238
Leasing and long-term rental commitments	101	99
Other financial obligations	149	163
Total	**3,666**	**3,951**

8 Share-based payments

By resolution of March 11, 2016, the Supervisory Board of ProSiebenSat.1 Media SE exercised its option and resolved to settle the Group Share Plans from 2012 to 2015 in cash exclusively. The Group has taken this resolution into account and changed its accounting for share-based payments from the Group Share Plans in the first quarter of 2016 from equity settlement to cash settlement. Following this change, the amounts recognized in capital reserves for the Group Share Plans from 2012 to 2015 were reclassified to other non-current provisions or other current liabilities. The expired Group Share Plan from 2012 was paid out in full in the amount of EUR 27 million in the second quarter of 2016. Otherwise, the plan conditions for the Group Share Plans are unchanged and still comply with the information presented in the notes to the consolidated financial statements and condensed management report as at December 31, 2015.

Of the performance share units granted under the other Group Share Plans, 2,361 from Group Share Plan 2013, 2,725 from Group Share Plan 2014 and 4,614 from Group Share Plan 2015 expired in the first nine months of financial year 2016.

341,070 stock options issued under the LTIP 2010 (cycle 2010 and 2011) were exercised in the first nine months of financial year 2016. As part of the "myShares" employee share program, 47,029 treasury shares were issued in the third quarter of 2016. As a result of these two procedures, the number of treasury shares declined from 4,579,400 as of December 31, 2015 to 4,191,301 as of September 30, 2016.

9 Earnings per share

In accordance with IAS 33.4A, basic and diluted earnings per share are presented below the income statement (see page 34).

The tables below show the parameters for calculating earnings per share for the third quarter and the first nine months of the reporting year and of the comparative year.

Group Share Plans (see Note 8 "Share-based payments") contain ProSiebenSat.1 Media SE's option to determine the type of settlement using equity or cash. Due to the dilution effect, these plans are treated as if they were settled in common shares in the third quarter and first nine months of 2016 for the calculation of earnings per share in accordance with IAS 33.58 in comparison to IFRS 2.

Profit measures included in calculating earnings per share

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
Result attributable to the shareholders of ProSiebenSat.1 Media SE (basic)	68	70	228	249
Thereof from continuing operations (basic)	68	73	271	252
Thereof from discontinued operations (basic)	0	-4	-42	-3
Valuation effects of share-based payments after taxes	0	-/-	-3	-/-
Result attributable to the shareholders of ProSiebenSat.1 Media SE (diluted)	68	70	225	249
Thereof from continuing operations (diluted)	68	73	268	252
Thereof from discontinued operations (diluted)	0	-4	-42	-3

Numbers of shares included in calculating earnings per share

Shares	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
Weighted average number of shares outstanding (basic)	214,573,846	213,714,107	214,469,856	213,688,497
Dilution effect based on stock options and rights to shares	607,705	1,873,589	607,705	1,873,589
Weighted average number of shares outstanding (diluted)	**215,181,550**	**215,587,696**	**215,077,561**	**215,562,086**

10 Related party transactions

The Executive Board of ProSiebenSat.1 Media SE expanded by two members within the first half of 2016. On March 1, 2016, Jan David Frouman was appointed to the Executive Board of ProSiebenSat.1 Media SE. He is in charge of the newly created Executive Board department Content & Broadcasting, which comprises TV activities with all station brands and the Group's content strategy in Germany, Austria, and Switzerland. He also remains as CEO and Chairman in charge of the Red Arrow Entertainment Group's global production business. Christof Wahl was appointed to the Executive Board of ProSiebenSat.1 Media SE as of May 1, 2016. Christof Wahl is in charge of Digital Entertainment and also acts as Chief Operating Officer (COO) for ProSiebenSat.1 Group.

In its press release as of October 4, 2016, the Company announced that CFO Dr. Gunnar Wiedenfels will leave the Executive Board of ProSiebenSat.1 Media SE at his own request as of March 31, 2017. The employment contract of this Executive Board member ends on March 31, 2017. No termination benefits were agreed. Due to the cancellation of expiring shares in the long-term share-based compensation plan (Group Share Plan) and in the Mid-Term Incentive Plan, the obligations previously recognized for this purpose were proportionately derecognized in the amount of EUR 0.9 million. In addition, pension commitments of immaterial amounts expired.

During the first nine months of financial year 2016, revenues from the sale of goods and rendering of services as well as other income from transactions with related entities amounted to EUR 90 million (previous year: EUR 91 million). As of September 30, 2016, receivables from the respective entities amounted to EUR 28 million (December 31, 2015: EUR 16 million).

In the first nine months of financial year 2016, the Group received goods and services from its related entities and recognized expenses in this regard amounting to EUR 19 million (previous year: EUR 17 million). Liabilities to these entities amounted to EUR 7 million as at September 30, 2016 (December 31, 2015: EUR 9 million).

In the context of the business activities mentioned above, the ProSiebenSat.1 Group buys and sells products and services on prevailing market terms.

The Executive Board of ProSiebenSat.1 Media SE exercised 82,000 stock options issued under the LTIP 2010 in the first nine months of financial year 2016, which had been granted to the respective Board members before their accession to the Executive Board. In addition, the members of the Executive Board acquired 27,200 shares within the first nine months of financial year 2016. The relevant transactions were published on ProSiebenSat.1 Group's website (www.prosiebensat1.com) in accordance with section 15a of the German Securities Trading Act (WpHG).

Seven Ventures GmbH, a subsidiary of ProSiebenSat.1 Media SE, entered into a general agreement for compensated advertising services with Heilpflanzenwohl AG, Pfäffikon, Switzerland, as of July 7, 2016. Heilpflanzenwohl AG is a subsidiary of BetterLife Healthcare AG, Schwyz, Switzerland, in which the Chairman of the Executive Board of ProSiebenSat.1 Media SE, Thomas Ebeling, and his family members hold collectively an interest of 50 %. The share of BetterLife Healthcare AG in Heilpflanzenwohl AG amounts to 80 %.

As part of this general agreement Heilpflanzenwohl AG acquires for a monetary consideration TV advertising slots from Seven Ventures GmbH. The general agreement ends as of December 31, 2019. The delivery of compensated advertising services is subject to separate agreements to be concluded until December 31, 2019. These separate agreements can have a duration of up to three years. Until September 30, 2016, no separate agreements were closed and no advertising services were delivered.

The revenue potential from the general agreement amounts up to EUR 40 million for ProSiebenSat.1 Group, depending on the used TV advertising time. In addition, there is a potential revenue participation for Seven Ventures GmbH for utilization of material rights for advertised products.

The delivery of TV advertising services takes place on prevailing market terms. The prevailing market terms were confirmed by a third party opinion. The agreement is in line with the defined requirements by the Supervisory Board of ProSiebenSat.1 Group for private investments of Executive Board Members. Thomas Ebeling was not involved in the negotiation of the general agreement and the respective approval by the Executive Board.

Christof Wahl, who has been a member of the Executive Board of ProSiebenSat.1 Media SE since May 1, 2016, held an indirect interest of 50 % in Executive Interim Partners GmbH, Grünwald, in the first half of the year. In this period, ProSiebenSat.1 Group received interim management services from Executive Interim Partners GmbH based on a contractual agreement. Christof Wahl significantly reduced his interest in the first half of the year, with the result that the related-party relationship no longer existed as of June 30, 2016. ProSiebenSat.1 Group received services amounting to EUR 42 thousand from Executive Interim Partners GmbH from the date Christof Wahl joined the Executive Board on May 1, 2016 until the end of the first half of 2016.

In the first nine months of financial year 2016, the members of the Supervisory Board acquired 7,244 shares in the Company.

There have been no other material changes or transactions in the first nine months of financial year 2016 in comparison with those described in the notes to the consolidated financial statements for financial year 2015.

11 Events after the interim reporting period

Acquisition of 92 % of the shares in the WindStar Medical Group

By agreement dated August 11, 2016 and effective as of October 4, 2016, ProSiebenSat.1 Group acquired a 92 % share in WindStar Medical GmbH, Bad Homburg, and gained control over this entity. The entity and its subsidiaries are allocated to the Digital Ventures & Commerce segment (see Note 3 "Segment reporting"). WindStar Medical Group specializes in the development and distribution of innovative health items. The purchase price in accordance with IFRS 3 is made up of a cash purchase price of EUR 64 million and a put option for the acquisition of another 8 % of shares due no earlier than 2022. The exercise price of the put option is measured on the basis of a contractually defined multiplier to determine the estimated enterprise value in 2020. As ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise, the consolidation percentage used on the basis of the present ownership was 100.0 % as of October 4, 2016.

Acquisition of a majority stake in the PARSHIP ELITE Group

By agreement dated September 2, 2016 and effective as of October 12, 2016, ProSiebenSat.1 Group acquired a majority stake (50.001 % of shares) in the PARSHIP ELITE Group, Hamburg, and thus gained control over the group. PARSHIP ELITE Group operates online dating services in the German-speaking region. In the context of this acquisition, financing operations of PARSHIP ELITE Group were replaced via the contribution of preferred shares. The consideration transferred according to IFRS 3 will be based on an equity value of EUR 188 million of PARSHIP ELITE Group.

Acquisition of another 28.9 % of shares in Vitafy GmbH

By agreement dated September 30, 2016, ProSiebenSat.1 Group increased its share in Vitafy GmbH, Munich, by 28.9 % to 49.9 %. The share increase is subject to the approval of the responsible cartel authorities. Due to the significant influence of ProSiebenSat.1 Group, the investment is still recognized as an associate accounted for using the equity method. Vitafy is an online shop for fitness, wellness, and health. The purchase price is made up of a cash purchase price of EUR 7 million and a media agreement with a gross media volume of EUR 20 million. In addition, multiple call options for the staggered acquisition of up to 100 % of the shares within the next three years were acquired.

Acquisition of 42 % of the shares in the Käuferportal Group

By agreement dated October 11, 2016, ProSiebenSat.1 Group acquired a 42 % share in the Käuferportal Group, Berlin. The acquisition is subject to the approval of the responsible cartel authorities. Due to the significant influence of ProSiebenSat.1 Group over the entity, the investment is recognized as an associate accounted for using the equity method. Käuferportal is a leading online portal in Germany for the provision of complex products and services. A cash capital increase of EUR 39 million will be performed by ProSiebenSat.1 Group as part of the transaction.

Further events after the closing date

No further reportable events of material effect on the earnings, financial position and performance of ProSiebenSat.1 Group or ProSiebenSat.1 Media SE occurred between the end of the third quarter of 2016 and October 25, 2016, the date of authorization of this quarterly report for publication and forwarding to the Supervisory Board.

October 26, 2016
The Executive Board

C ADDITIONAL INFORMATION

Content

Group Key Figures: Multi-Year Overview

EUR m	Q3 2016	Q3 2015	Q3 2014	Q3 2013	Q3 2012	Q3 2011	Q3 2010	Q3 2009	Q3 2008	Q3 2007
Revenues	**857**	747	638	577	506	595	546	560	647	668
Revenue margin before income taxes (in percent)	**11.9**	17.4	16.1	15.7	14.6	3.1	5.1	-3.3	-3.1	-15.5
Total costs	**727**	621	520	457	394	496	452	534	595	730
Operating costs[1]	**658**	575	479	429	368	433	412	469	547	548
Consumption of programming assets	**203**	203	184	181	173	221	217	238	247	271
Recurring EBITDA[2]	**202**	178	163	151	141	164	137	94	103	125
Recurring EBITDA margin (in percent)	**23.5**	23.8	25.6	26.2	27.8	27.5	25.1	16.9	15.9	18.7
EBITDA	**188**	166	157	148	133	134	127	62	93	0
Non-recurring items[3]	**-13**	-11	-6	-3	-8	-30	-10	-32	-11	-124
EBIT	**137**	131	125	126	115	101	97	30	59	-57
Financial result	**-35**	-1	-23	-35	-41	-82	-69[9]	-49	-79	-47
Profit before income taxes	**102**	130	103	90	74	19	28[9]	-19	-20	-104
Consolidated net profit (after non-controlling interests)[4]	**68**	70	65	61	61	340	33[9]	-13	-11	-78
Profit from discontinued operations (net of income taxes)	**0**	-4	-3	-3	11	329	13	-/-	-/-	-/-
Underlying net income[5]	**87**	79[13]	75	66	51	23	29	-17	1	68
Basic earnings per share (underlying)[6]	**0.41**	0.37	0.35	0.31	-/-	-/-	-/-	-/-	-/-	-/-
Investments in programming assets	**239**	223	238	189	202	303	284	301	389	328
Free cash flow	**-18**	-154	26	36	-27	-1	2	-114	-127	-310
Cash flow from investing activities	**-344**	-494	-274	-212	-242	-311	-298	-347	-407	-2,360

EUR m	Q1-Q3 2016	Q1-Q3 2015	Q1-Q3 2014	Q1-Q3 2013	Q1-Q3 2012	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2009	Q1-Q3 2008	Q1-Q3 2007
Revenues	**2,545**	2,174	1,910	1,764	1,567	1,883	1,772	1,880	2,177	1,721
Revenue margin before income taxes (in percent)	**15.8**	18.0	16.1	16.8	15.4	9.9	7.4	3.1	2.7	6.2
Total costs	**2,098**	1,746	1,515	1,374	1,215	1,526	1,473	1,659	1,935	1,570
Operating costs[1]	**1,932**	1,619	1,401	1,289	1,115	1,355	1,300	1,501	1,792	1,368
Consumption of programming assets	**652**	646	613	612	594	756	678	779	920	750
Recurring EBITDA[2]	**626**	568	522	488	459	532	479	389	395	366
Recurring EBITDA margin (in percent)	**24.6**	26.1	27.3	27.7	29.3	28.3	27.0	20.7	18.2	21.3
EBITDA	**608**	538	502	469	411	472	401	330	367	241
Non-recurring items[3]	**-18**	-30	-21	-19	-48	-61	-78	-59	-29	-125
EBIT	**470**	441	413	407	360	363	306	236	260	163
Financial result	**-69**	-50	-105	-110	-118	-177	-175[9]	-177	-202	-56
Profit before income taxes	**401**	392	307	297	241	186	131[9]	59	60	107
Consolidated net profit (after non-controlling interests)[4]	**228**	249	197	253	196	508	131[9]	31	41	50
Profit from discontinued operations (net of income taxes)	**-42**	-3	-9	48	34	381	44	-/-	-/-	-/-
Underlying net income[5]	**294**	271[13]	239	221	192	152	116	48	80	198
Basic earnings per share (underlying)[6]	**1.37**	1.27[13]	1.12	1.04	-/-	-/-	-/-	-/-	-/-	-/-
Investments in programming assets	**757**	734	707	678	660	884	859	959	1,068	810
Free cash flow	**-21**	-78	-21	24	-7	5	-25	-121	-207	-1,889
Cash flow from investing activities	**-1,022**	-1,103	-920	-795	-738	-931	-901	-1,027	-1,126	-2,840

EUR m	09/30/2016	09/30/2015	09/30/2014	09/30/2013	09/30/2012	09/30/2011	09/30/2010	09/30/2009	09/30/2008	09/30/2007
Programming assets	**1,343**	1,301	1,286	1,331	1,627	1,573	1,683	1,535	1,361	1,319
Equity	**658**	750	552	528	1,417	1,269	790	467[9]	872[9]	1,074
Equity ratio (in percent)	**12.9**	16.5	15.3	15.2	26.8	26.5	12.5	7.8[9]	14.2[9]	18.2
Cash and cash equivalents	**309**	224	177	205	506	257	743	508	222	164
Financial liabilities	**2,728**	2,176	1,972	1,942	2,572	2,332	4,027	4,032	4,067	3,706
Leverage[7]	**2.5**	2.2	2.2[10]	2.2[11]	2.4	2.5	3.8	5.3	5.5	-/-
Net financial debt	**2,419**	1,953	1,795	1,738[12]	2,066	2,075	3,284	3,534	3,817	3,542
Employees[8]	**5,954**	5,094	4,418	3,524	3,061	4,375	4,086	4,916	6,075	5,996

1 Total costs excl. depreciation and amortization and non-recurring expenses.
2 EBITDA before non-recurring (exceptional) items.
3 Non-recurring expenses netted against non-recurring income.
4 Consolidated net profit attributable to shareholders of ProSiebenSat.1 Media SE including discontinued operations.
5 Consolidated profit for the period attributable to shareholders of ProSiebenSat.1 Media SE before the effects of purchase price allocations and additional special items.
6 Due to the merger of share classes in 2013, from this year on basic earnings per share (underlying) are shown. Prior year figures were not determined.
7 Ratio net financial debt to recurring EBITDA in the last twelve months.
8 Full-time equivalent positions as of reporting date from continuing operations.
9 After changes in accounting policies according to IAS 8 and corresponding adjustment of previous-year figures. For information regarding the change in accounting policy, please refer to the Annual Report 2010, page 123.
10 Adjusted for the LTM recurring EBITDA contribution of Eastern European operations.
11 After reclassification of cash and cash equivalents of Eastern European operations. Adjusted for the LTM recurring EBITDA contribution of Northern and Eastern European operations.
12 After reclassification of cash and cash equivalents of Eastern European operations.
13 Adjustment due to retrospective adjustment of changes in the fair value of put options and earn-out liabilities in the second quarter of 2016.

Segment Key Figures: Multi-Year Overview[1]

EUR m	Q3 2016	Q3 2015	Q1-Q3 2016	Q1-Q3 2015
Broadcasting German-speaking				
External revenues	**472**	465	**1,506**	1,470
Recurring EBITDA[2]	**147**	137	**479**	460
Recurring EBITDA margin (in %)[3]	**29.5**	28.3	**30.4**	30.2
EBITDA	**140**	132	**473**	447
Digital Entertainment				
External revenues	**99**	80	**304**	228
Recurring EBITDA[2]	**4**	4	**19**	23
Recurring EBITDA margin (in %)[3]	**3.9**	5.0	**6.1**	9.8
EBITDA	**6**	3	**24**	17
Digital Ventures & Commerce				
External revenues	**181**	125	**483**	293
Recurring EBITDA[2]	**40**	35	**105**	81
Recurring EBITDA margin (in %)[3]	**21.9**	27.7	**21.3**	27.4
EBITDA	**36**	30	**97**	70
Content Production & Global Sales				
External revenues	**100**	74	**240**	174
Recurring EBITDA[2]	**11**	5	**27**	10
Recurring EBITDA margin (in %)[3]	**10.1**	5.8	**9.4**	4.7
EBITDA	**11**	5	**25**	9

1 Due to the new segmentation, the Group replaced the former "Digital & Adjacent" segment with two separate segments: "Digital Ventures & Commerce" and "Digital Entertainment" in this quarterly financial statement as well as for the financial years 2016 and 2015. For previous years no values were evaluated.
2 EBITDA before non-recurring (exceptional) items.
3 Based on total segment revenues, see Note 3 "Segment reporting".

Explanatory Notes on Reporting Principles:
The values shown relate to key figures from continuing operations reported in line with IFRS 5. In connection with the strategic focusing on German-speaking television, the international program production and distribution business, and digital and adjacent business activities, the operations named below were deconsolidated as follows: Operations in Belgium and the Netherlands: Classification as discontinued operations since the second quarter of 2011, deconsolidation on June 8, 2011, and July 29, 2011, respectively.
Operations in Denmark, Sweden, Norway and Finland: Classification as discontinued operations since the fourth quarter of 2012, deconsolidation on April 9, 2013.
Operations in Hungary and Romania: Classification as discontinued operations since the fourth quarter of 2012, deconsolidation on February 25, 2014 (Hungary), April 2, 2014 (Romanian TV) and August 4, 2014 (Romanian radio).
The income statement items of the operations in question were grouped together as a single line item, result from discontinued operations, and reported separately until their deconsolidation. In addition to the operating earnings generated until the time of the respective deconsolidations, the result from discontinued operations shown after taxes also includes the corresponding results of deconsolidation. For the income statement and cash flow statement, the respective figures for the previous year were presented on a comparable basis in line with IFRS 5. No further adjustment of figures from earlier previous years was made. The figures in the respective previous years' statements of financial position were not adjusted.

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Forward-looking statements

FINANCIAL CALENDAR

11/03/2016	**Publication of the Quarterly Statement for the Third Quarter of 2016** Press Release, Conference Call with analysts and investors, Conference Call with journalists
02/23/2017	**Press Conference/IR Conference on figures 2016** Press Release, Conference Call with analysts and investors, Conference Call with journalists
03/16/2017	**Publication of the Annual Report 2016**
05/11/2017	**Publication of the Quarterly Statement for the First Quarter of 2017** Press Release, Conference Call with analysts and investors, Conference Call with journalists
05/12/2017	**Annual General Meeting**
08/03/2017	**Publication of the Half-Yearly Financial Report of 2017** Press Release, Conference Call with analysts and investors, Conference Call with journalists
11/09/2017	**Publication of the Quarterly Statement for the Third Quarter of 2017** Press Release, Conference Call with analysts and investors, Conference Call with journalists

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