ProSiebenSat.1
Media SE

CONNECTING THE DOTS

Half-Yearly Financial Report 2017

Content

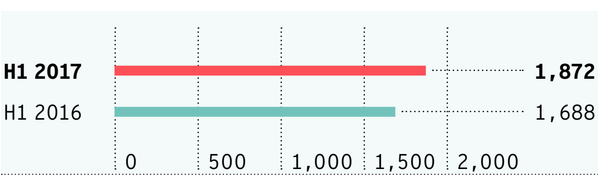
PROSIEBENSAT.1 GROUP AT A GLANCE

ProSiebenSat.1 Group concluded the first half of the year 2017 with a double-digit revenue growth of 11 % to EUR 1,872 million. At the same time, the Group also achieved another rise in relevant earnings figures, with adjusted EBITDA increasing by 8 % to EUR 458 million and adjusted net income growing by 9 % to EUR 233 million (previous year: EUR 213 million). Once again, the Commerce portfolio was the largest growth driver. At the end of the first half of the year, ProSiebenSat.1 generated 50 % of its revenues outside the TV advertising business (previous year: 44 %). The Company employs 6,540 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.

ProSiebenSat.1 Group is one of the most successful independent media companies in Europe with a strong presence in the TV and digital market. Advertising-financed free TV is the Group's core business. Here, the Group is a leading player on the German TV market. At the same time, the Group is pushing ahead with its digital transformation and diversifying its portfolio. To achieve this, the Group is making use of its competitive edge and leveraging synergies by linking the wide reaching TV repertoire to digital entertainment offerings. Already today, ProSiebenSat.1 is Germany's leading video marketer on the Internet and one of the most successful providers of digital entertainment. However, the Internet is changing not only the entertainment industry, but other areas as well. For instance, digital media is also influencing consumer behavior. This is why ProSiebenSat.1 has built up a successful commerce business of digital platforms in recent years that is now the Group's largest growth driver. This broadcasting, digital entertainment and commerce portfolio is supplemented by an international production and distribution network. Thus, ProSiebenSat.1 has a broadly diversified revenue and earnings base and is growing sustainably.

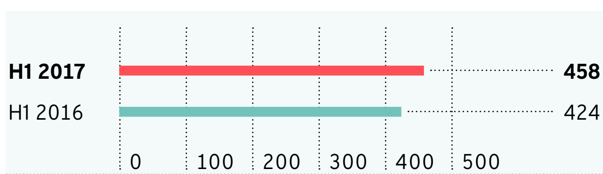
Revenues

EUR m

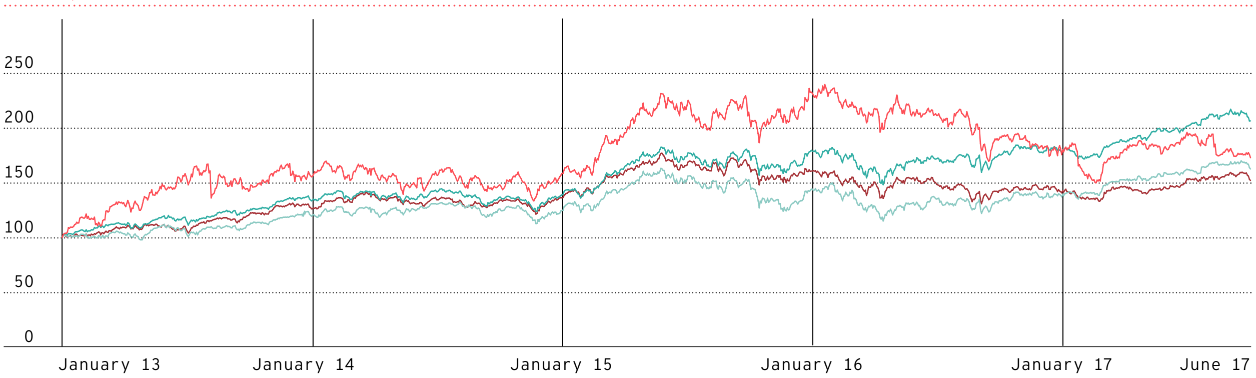


Adjusted EBITDA[1]

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 2013; Source: Reuters.

All information relates to continuing operations.

1 From 01/01/2017 renaming in adjusted EBITDA and adjusted net income respectively.

ACTUAL FIGURES 2016		FORECASTS 2017
+17 %	**Revenues** EUR 3,799 million	**High single-digit increase**
+3 %	**Broadcasting German-speaking** EUR 2,210 million	**Slight increase**
+19 %	**Digital Entertainment** EUR 442 million	**Significant increase**
+65 %	**Digital Ventures & Commerce** EUR 768 million	**Significant increase**
+38 %	**Content Production & Global Sales** EUR 362 million	**Mid single-digit increase**
+10 %	**Recurring EBITDA**[1] EUR 1,018 million	**Mid single-digit increase**
+3 %	**Broadcasting German-speaking** EUR 760 million	**Slight increase**
-1 %	**Digital Entertainment** EUR 37 million	**Stable to slight decrease**
+33 %	**Digital Ventures & Commerce** EUR 180 million	**Significant increase**
+87 %	**Content Production & Global Sales** EUR 47 million	**Stable to slight increase**
+10 %	**Underlying net income**[1] EUR 513 million	**Mid to high single-digit increase**
1.9	**Leverage ratio**	**1.5 - 2.5**
28.0 %	**German TV audience market**[2]	**Consolidate leading market position at a high level**

All information relates to continuing operations.

1 From 01/01/2017 renaming in adjusted EBITDA and adjusted net income respectively. The Annual Report 2016 comprises more detailed information on pages 73 and 74.

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

A. GROUP INTERIM MANAGEMENT REPORT

Report on the Economic Position: Q2 2017

In the second quarter and first half of 2017, there were no significant changes compared to the basic principles of the Group described on pages 75 to 81 of the Annual Report 2016.

Due to rounding, it is possible that individual figures in this Half-Yearly Financial Report do not add exactly to the totals shown and that the percentage figures presented do not reflect exactly the absolute figures they relate to.

Business and Industry Environment

Development of Audience Shares and User Numbers

ProSiebenSat.1 Group operates advertising-financed free TV stations in Germany, Austria and Switzerland and offers these in both SD and HD quality (Fig. 1). In Germany, ProSiebenSat.1 Group and RTL Mediengruppe Deutschland have the greatest reach (Viewers 14 to 49 years).

Audience shares of ProSiebenSat.1 Group by country (Fig. 1)

in percent	Q2 2017	Q2 2016	H1 2017	H1 2016
Germany	27.1	27.8	26.9	28.0
Austria	27.7	22.6	27.0	23.1
Switzerland	17.2	16.7	17.1	17.5

Figures are based on 24 hours (Mon–Sun). **Germany:** SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX, kabel eins Doku (since 09/22/2016); advertising-relevant target group adults 14–49. Source: AGF in cooperation with GfK/TV Scope 6.1/SevenOne Media Committees Representation. **Austria:** Basis: Austria, all levels; period: 01/01–30/06/2017 (final weighting); adults 12–49; SAT.1 Österreich, ProSieben Austria, kabel eins Austria, PULS 4, sixx Austria, ProSieben MAXX Austria, SAT.1 Gold Österreich, kabel eins Doku Österreich (from 09/22/2016), ATV + ATV 2 (from 04/07/2017 at ProSiebenSat.1 PULS 4, previously an independent group) Source: AGTT/GfK: Fernsehforschung/Evogenius Reporting (KR). **Switzerland:** SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8 (since 10/08/2015); advertising-relevant target group adults 15–49; market shares relate to the German-speaking part of Switzerland D–CH; source: Mediapulse TV Panel.

In the core market Germany, ProSiebenSat.1 is the market leader with its seven free TV stations. In the second quarter of 2017, the combined market share of the broadcasting group amounted to 27.1% among viewers aged between 14 and 49 years (previous year: 27.8%). The stations marketed by IP Deutschland (RTL, VOX, n-tv, Super RTL, RTL Nitro and RTLplus) had a market share of 25.1% (previous year: 23.0%).

Risk and Opportunity Report, page 22.

As expected, the competitive environment in the German free TV market has intensified. For instance, RTL Mediengruppe benefited from the launch of the RTLplus station, which achieved a year-on-year market share increase of 0.5% in the period from June 24 to June 30, 2017. In doing so, the set of familiar TV brands has not changed substantially; SAT.1 and ProSieben still count among ProSiebenSat.1 Group's stations with the greatest reach. However, numerous new special-interest stations have emerged in recent years.

Audience shares of ProSiebenSat.1 stations in Germany (Fig. 2)

Target group 14- to 49-year-olds

in percent	Q2 2017	Q2 2016	H1 2017	H1 2016
SAT.1	8.3	8.6	8.4	8.7
ProSieben	9.7	10.2	9.7	10.5
kabel eins	4.8	5.2	4.8	5.1
sixx	1.2	1.4	1.1	1.4
SAT.1 Gold	1.4	1.3	1.4	1.3
ProSieben MAXX	1.3	1.0	1.2	1.0
kabel eins Doku[1]	0.3	-/-	0.3	-/-

Relevant target groups

in percent	Q2 2017	Q2 2016	H1 2017	H1 2016
SAT.1: Adults 14- to 59-year-olds	8.3	8.5	8.4	8.6
ProSieben: Adults 14- to 39-year-olds	12.9	13.8	12.9	14.2
kabel eins: Adults 14- to 49-year-olds	4.8	5.2	4.8	5.1
sixx: Women 14- to 39-year-olds	1.7	2.2	1.7	2.1
SAT.1 Gold: Women 40- to 64-year-olds	2.5	2.7	2.3	2.5
ProSieben MAXX: Men 14- to 39-year-olds	2.8	1.8	2.5	1.8
kabel eins Doku[1]: Men 40- to 64-year-olds	0.4	-/-	0.4	-/-

1 Since September 22, 2016.
Figures are based on 24 hours (Mon–Sun). SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX, kabel eins Doku; source: AGF in cooperation with GfK/TV Scope 6.1/SevenOne Media Committees Representation.

In April 2017, ProSiebenSat.1 Group acquired ATV, an Austrian broadcasting group. Against this backdrop, ProSiebenSat.1 PULS 4 in Austria increased its combined audience share among 12- to 49- year-olds by 5.1 percentage points to 27.7 % (previous year: 22.6 %). The ATV and ATV2 stations accounted for a combined market share of 4.4 %. ProSiebenSat.1's stations in Switzerland increased their combined market share among viewers aged between 15 and 49 years to 17.2 % in the second quarter of 2017 (previous year: 16.7 %).

ProSiebenSat.1 pursues a complementary multi-station strategy. With this multi-channel approach, the Group gains new audiences and at the same time provides the advertising industry additional environments for targeted audiences. Thus, ProSiebenSat.1 also succeeds in addressing young target groups successfully. The Group is benefiting from its early recognition of the digital transformation as an opportunity and from actively promoting this development in its relevant markets. As a result of digitalization, a wide range of digital entertainment offerings are now available. TV content is consumed on various devices, such as smartphones or tablets, and thus can be accessed at any place and time.

Against this backdrop, ProSiebenSat.1 has established a successful portfolio of digital platforms. Based on the most recent data published by Arbeitsgemeinschaft Online Forschung (AGOF) in March 2017, the websites managed by SevenOne Media, a ProSiebenSat.1 advertising sales company, reached around 33 million unique users in Germany (previous month: around 34 million unique users). The multi-channel network (MCN) Studio71 is one of the three largest MCNs in the world with around 21 billion video views in the second quarter of 2017 (previous year: around 15 billion video views).

Business Development of the Segments, page 14.

Due to cross-media marketing models on TV and digital platforms, the Group strengthens audience loyalty and extends its reach. At the same time, digitalization is also enabling additional revenue models. For instance, in the free TV business, ProSiebenSat.1 participates in the technical service fees that end customers pay to the respective providers for programs in HD quality. The number of HD users has been increasing continuously since 2012 and amounted to 7.6 million users in the second quarter of 2017 (previous year: 6.7 million). The pay-video-on-demand (Pay-VoD) portal maxdome also generates revenues from subscriptions (SVoD) and pay-per-view. In the second quarter of 2017, the number of SVoD users saw another year-on-year increase of 23 % to over 1 million users. As a result, maxdome is one of the top three online video libraries in Germany.

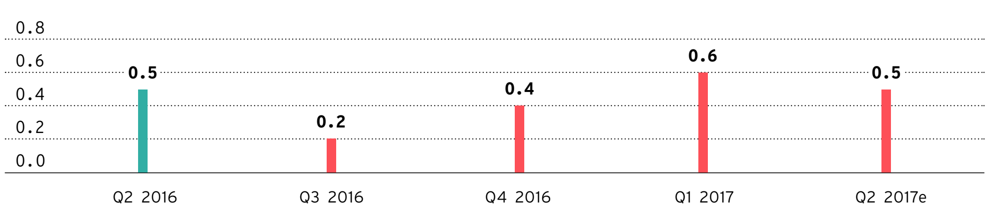
Development of Economy and Advertising Market

In the first quarter of 2017, the German economy grew by 0.6 % compared to the previous quarter in real terms and thus had a rather dynamic start to 2017. The German Institute for Economic Research (DIW) forecasts economic growth of 0.5 % for the second quarter of 2017.

Future Business and Industry Environment, page 24.

Development of gross domestic product in Germany (Fig. 3)

in percent, change vs. previous quarter



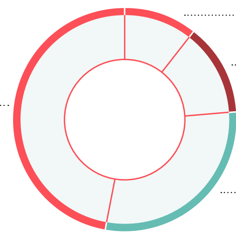
Interlinked, adjusted for price, seasonal and calendar effects. Sources: Destatis, DIW Economic Barometer June 28, 2017; e = estimate.

Significant growth momentum came from private consumption, which is benefiting from favorable labor market and income conditions. Against this backdrop, revenues in retail also grew by 1.7 % in real terms in the first half of the year (January to May 2017); they account for around a quarter of private consumption. The online and mail order business developed dynamically, in particular (+7.2 % in real terms). For the eurozone, the ifo Institute expects growth of 0.5 % compared to the previous quarter and thus a stable continuation of the uptrend.

According to Nielsen Media Research, gross TV advertising investment in Germany rose slightly by 0.5 % to EUR 3.551 billion in the second quarter of 2017 (previous year: EUR 3.534 billion). On a half-year basis, there was a 1.6 % increase to EUR 6.974 billion (previous year: EUR 6.867 billion). In comparison to other media, TV has the greatest relevance. In the second quarter of 2017, 47.2 % of gross advertising investment went on TV advertising (previous year: 47.2 %) (Fig. 4). This figure rose slightly to 47.5 % from January to June (previous year: 47.4 %).

Media mix German gross advertising market (Fig. 4)

in percent, Q2 2016 figures in parentheses



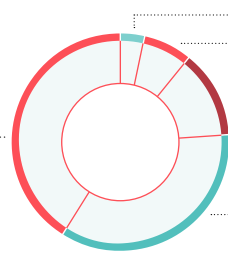
Source: Nielsen Media Research.

On the basis of net revenues, from ProSiebenSat.1's perspective the overall advertising market had a slightly weaker performance in the first half of 2017 compared to the previous year; this is likely to have been driven primarily by the development of print. In the first six months, we estimate that the net TV advertising market also remained below the previous year. In addition to the high figures achieved in the previous year, this was mainly due to the shift of TV advertising budgets into the second half of 2017. Against this backdrop, the TV advertising revenues of ProSiebenSat.1 Group also declined on a net basis. Here, in addition to the above mentioned reasons, the acquisition related internalization of TV advertising revenues of Parship Elite, which were previously recognized as external revenues, had an impact. For the full year of 2017, the research institute Magna Global expects the TV advertising market to achieve net growth of 1.5 %.

Future Business and Industry Environment, page 24.

Market shares German gross TV advertising market (Fig. 5)

in percent, Q2 2016 figures in parentheses



Source: Nielsen Media Research.

Business Development of the Segments, page 14.

According to Nielsen Media Research, ProSiebenSat.1 is market leader in the German TV advertising market (Fig. 5 and Fig. 6) and generated gross TV advertising revenues of EUR 1.452 billion in the second quarter of 2017 (previous year: EUR 1.497 billion). On a half-year basis, the Company generated revenues of EUR 2.868 billion (previous year: EUR 2.911 billion). This resulted in a market share of 40.9 % for the second quarter of 2017 (previous year: 42.4 %). In the first half of the year, the advertising market share was 41.1 % (previous year: 42.4 %).

TV advertising markets in Germany, Austria and Switzerland on a gross basis (Fig. 6)

in percent	Development of the TV advertising market in Q2 2017 Change against previous year	Market shares ProSiebenSat.1 Q2 2017	Market shares ProSiebenSat.1 Q2 2016
Germany	**+0.5**	**40.9**	42.4
Austria	**+2.7**	**36.9**	36.3
Switzerland	**+0.2**	**29.3**	25.3

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

in percent	Development of the TV advertising market in H1 2017 Change against previous year	Market shares ProSiebenSat.1 H1 2017	Market shares ProSiebenSat.1 H1 2016
Germany	+1.6	41.1	42.4
Austria	+4.2	36.5	36.2
Switzerland	-4.0	28.5	27.2

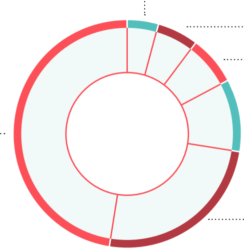
Germany: Gross, Nielsen Media. **Austria:** Gross, Media Focus.
Switzerland: The market shares relate to the German-speaking part of Switzerland, gross, Media Focus.

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

After a relatively weak first quarter, the advertising market for in-stream video ads saw a slight increase of 0.5 percentage points to EUR 151.4 million (gross) in the second quarter of 2017 according to Nielsen Media Research (previous year: EUR 150.6 million). The market volume amounted to EUR 280.3 million (gross) in the first half of the year (previous year: EUR 282.5 million). In-stream video ads are forms of Internet video advertising shown before, after or during a video stream. By selling them, ProSiebenSat.1 generated gross revenues of EUR 71.7 million in the second quarter of 2017 (previous year: EUR 64.7 million). This corresponds to a year-on-year increase of 10.8% and a leading market share of 47.4% (previous year: 43.0%) (Fig. 7). Over the six-month period, the gross revenues of the ProSiebenSat.1 Group rose by 11.3% to EUR 128.5 million (previous year: EUR 115.4 million). This resulted in a market share of 45.8% (previous year: 40.9%). Overall, in Germany investments in online forms of advertising decreased by 4.2% to EUR 798.1 million (previous year: EUR 833.0 million). In the six-month period, the investments amounted to EUR 1.583 billion (previous year: EUR 1.581 billion). In addition to in-stream videos, the online advertising market also includes display ads such as traditional banners and buttons.

Shares German gross online advertising market for in-stream video ads (Fig. 7)

in percent, Q2 2016 figures in parentheses



Source: Nielsen Media Research.

Advertising market data from Nielsen Media Research are important indicators for an objective assessment of the advertising market's 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 also include TV spots from media-for-revenue-share and media-for-equity transactions. Furthermore, major digital players are not reflected in the Nielsen figures.

Major Influencing Factors on Earnings, Financial Position and Performance

Impact of General Conditions on the Business Performance

We continued our profitable growth despite the weaker development of the advertising market in the second quarter of 2017. ProSiebenSat.1 Group concluded the second quarter of 2017 with revenues of EUR 962 million (previous year: EUR 886 million). This corresponds to growth of 9%. At the same time, the Group further increased its relevant earnings figures. Adjusted EBITDA

Group Earnings, page 10.

increased by 6% to EUR 270 million (previous year: EUR 254 million) while adjusted net income rose by 9% to EUR 144 million (previous year: EUR 133 million). In the first half of 2017, ProSiebenSat.1 increased its revenues by 11% to EUR 1,872 million (previous year: EUR 1,688 million).

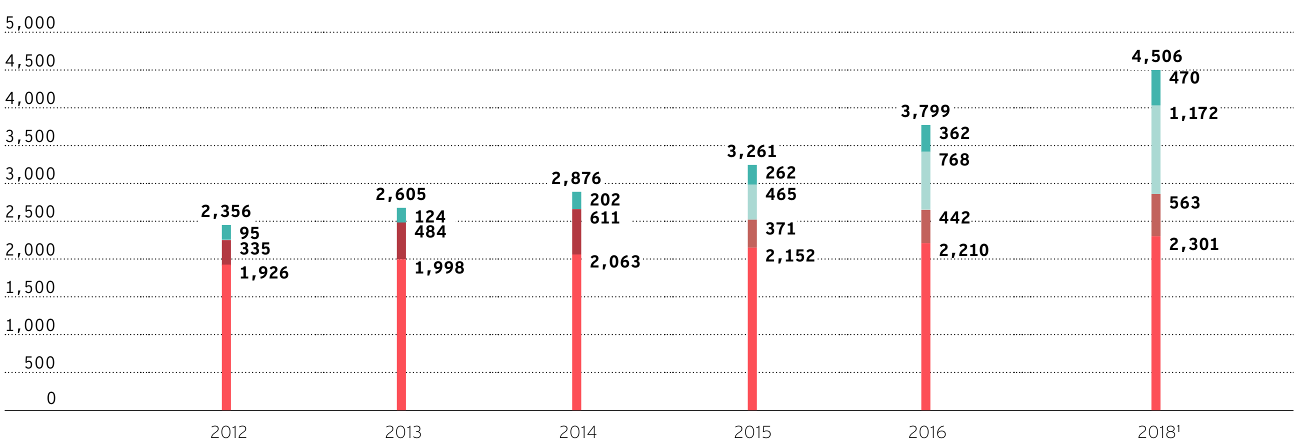
The commerce portfolio was again the most important growth driver. The net TV advertising market saw a weaker performance year-on-year, resulting in a decrease of the Group's TV advertising revenues. We again anticipate a positive environment in the TV advertising market for the second half of the year. In the second quarter of 2017, ProSiebenSat.1 generated 49% or EUR 474 million of its consolidated revenues from video advertising on TV (previous year: 56% or EUR 497 million). The German market accounted for 85% of this figure (previous year: 87%). In the first half of the year, the Group generated 50% of its revenues from the sale of advertising time on TV (previous year: 56%).

Business Development of the Segments, page 14.

ProSiebenSat.1 Group is consistently pushing ahead with its transformation from a traditional TV company into a digital group with a diversified business portfolio. The increasing importance of digital transmission is offering us new refinancing models and growth opportunities. This is why ProSiebenSat.1 is pursuing a digital entertainment strategy and covering modern forms of media usage in this way: In addition to advertising revenues, ProSiebenSat.1 is generating subscription- and transaction-based revenues in the Digital Entertainment segment, for instance, with maxdome's video-on-demand (VoD) offerings. By providing channels in HD quality, the Group has developed an additional business model in the free TV segment with dynamic revenue growth that is independent from economic conditions. However, our media usage behavior is not only changing as a result of digitalization but the considerable relevance of the Internet is influencing consumer behavior as a whole as well. This is reflected in the fact that nearly 50% of all Germans have purchased a product on the Internet as a result of TV advertising. This is why ProSiebenSat.1 is investing in commerce portals which address a broad mass market and whose product areas are particularly suited to video advertising. The Company measures the success of this strategy on the basis of revenue and earnings increases in its segments. The Group is on track to reach its 2018 targets (Fig. 8). At the end of the quarter, the Company has already generated 76% of its mid-term revenue target.

Revenues growth targets 2018 (Fig. 8)

EUR m



Degree of achievement Q2 2017	Broadcasting German-speaking	Digital Entertainment	Digital Ventures & Commerce	Content Production & Global Sales	**ProSiebenSat.1 Group**
EUR m	281	215	815	293	**1,627**
in percent	75	64	77	78	**76**

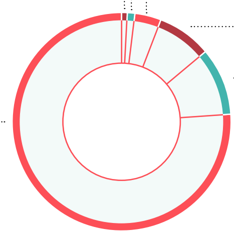
= Content Production & Global Sales
= Digital Ventures & Commerce
= Digital Entertainment
= Broadcasting German-speaking
= Digital & Adjacent

External segment revenues and Group revenues from continuing activities.
1 Growth targets

While macroeconomic conditions and industry-specific and structural effects may significantly influence our business performance, currency effects have no material impact on the Group's financial situation. Although ProSiebenSat.1 is international, the Company generates the majority of its revenues in Germany and thus in the eurozone (Fig. 9). Further details, in particular on using derivative financial instruments, can be found in the Annual Report 2016 on page 159.

Revenues by region (Fig. 9)

in percent, Q2 2016 figures in parentheses



Changes in the Scope of Consolidation

The Austrian broadcasting group ATV is being fully consolidated since the second quarter of 2017. In the first quarter, ProSiebenSat.1 signed a purchase agreement to acquire ATV from Tele München Fernseh GmbH & Co. via its subsidiary ProSiebenSat.1 PULS 4. The transaction was closed in early April.

Notes, Note 3 "Acquisitions, disposals and other transactions with subsidiaries," page 34.

In June 2017, the Group also took further portfolio measures. This includes the acquisition of a majority interest in Jochen Schweizer GmbH, a leading provider of experience gifts in Germany, Austria and Switzerland, and the sale of shares in eTRAVELi Holding AB to the international financial investor CVC Capital Partners. Etraveli has significantly increased its revenues and earnings since it was acquired by ProSiebenSat.1 in November 2015; the company's value has more than doubled in this period. Both transactions are subject to the approval of the competent cartel authorities. The transactions are expected to be closed and included in the scope of consolidation in the third (etraveli) and fourth quarters of 2017 (Jochen Schweizer).

In addition, the Group sold most of its media-for-equity portfolio to Lexington Partners, a US private equity fund, in June 2017. A selection of minority interests belonging to SevenVentures and other Group companies were transferred to Crosslantic Capital, a newly established fund, within this context. The transaction was completed in early July and will be included in the scope of consolidation in the third quarter.

Group Earnings

Revenue and Earnings Performance in the Second Quarter of 2017

Reconciliation of the income statement (Fig. 10)

EUR m	Q2 2017 IFRS	Adjust-ments	Q2 2017 Adjusted
Revenues	962	-/-	962
Total costs	-762	-30	-732
thereof operating costs	-696	-/-	-696
thereof depreciation and amortization[1]	-53	-17	-36
Other operating income (EBIT)	4	0	4
Operating profit	205	-29	234
Financial result	-26	-7	-19
Earnings before taxes	179	-37	215
Income taxes	-57	8	-65
Consolidated net profit from continuing operations	121	-29	150
Earnings from discontinued operations after taxes	-/-	-/-	-/-
CONSOLIDATED NET PROFIT	**121**	**-29**	**150**
Attributable to shareholders of ProSiebenSat.1 Media SE	117	-27	144[2]
Non-controlling interests	4	-2	6
Earnings before taxes	179	-37	215
Financial result	-26	-7	-19
Operating profit	**205**	**-29**	**234**
Depreciation, amortization and impairments	-53	-17	-36
thereof PPA	-13	-13	-/-
EBITDA	**258**	**-12**	**270[3]**

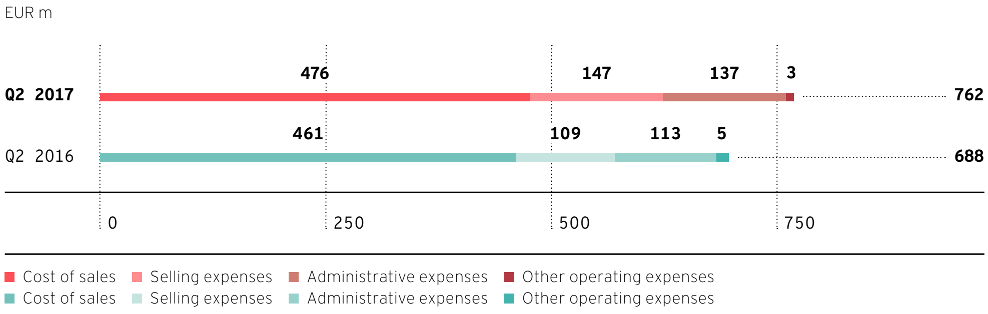
1 Depreciation/amortization and impairment of other intangible assets and property, plant and equipment.
ProSiebenSat.1 Group also uses non-IFRS figures in the form of the adjusted net income (**2**) and adjusted EBITDA (**3**). At the beginning of financial year 2017, ProSiebenSat.1 publishes a full income statement adjusted for certain influencing factors. This publication takes into account the development of reporting practices for non-IFRS figures and more stringent regulatory transparency requirements in this area. The Annual Report 2016 comprises more detailed information on pages 73 and 74.

In the second quarter of 2017, ProSiebenSat.1 Group increased its consolidated revenues to EUR 962 million. This corresponds to growth of 9% or EUR 76 million compared to the previous year. The Group generated 51% (previous year: 44%) of its external revenues outside the TV advertising business. The Digital Ventures & Commerce segment was once again the largest driver of growth, contributing EUR 227 million to consolidated revenues. However, revenues in the Broadcasting German-speaking segment decreased by 2% to EUR 529 million.

Business Development of the Segments, page 14.

Total costs increased by 11% or EUR 74 million to EUR 762 million (Fig. 10). The development reflects the initial consolidation of various commerce platforms and of PARSHIP ELITE Group since October 2016 in particular. The Group has invested in new areas of growth and has expanded its portfolio in recent months, particularly as a result of acquisitions in the digital business. As a result, personnel costs, which are included in total costs, increased and amounted to EUR 168 million (previous year: EUR 137 million). Total consumption of programming assets declined by 11% to EUR 190 million as a result of program planning (previous year: EUR 212 million). Amortization of intangible assets increased by 5% or EUR 2 million to EUR 38 million. Amortization due to purchase price allocations decreased by EUR 2 million to EUR 13 million; this was due to impairments on brands in the previous year. In total, depreciation and amortization recognized as part of total costs grew by EUR 7 million to EUR 53 million.

Total costs (Fig. 11)



Operating costs amounted to EUR 696 million (previous year: EUR 638 million). This equates to an increase of 9% compared to the second quarter of 2016. The relevant cost item for calculating adjusted EBITDA is operating costs (Fig. 12).

Reconciliation of operating costs (Fig. 12)

EUR m	Q2 2017	Q2 2016
Total costs	762	688
Expense adjustmens	-12	-3
Depreciation, amortization and impairments[1]	-53	-47
Operating costs	**696**	**638**

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

Business Development of the Segments, page 14.

EBITDA adjusted for reconciling items (adjusted EBITDA) increased by 6% to EUR 270 million (previous year: EUR 254 million). The adjusted EBITDA margin was 28.1% (previous year: 28.7%) and reflects the development of the distribution of revenues by segment. Group EBITDA was at the level of the previous year and amounted to EUR 258 million (previous year: EUR 258 million). This includes reconciling items totaling minus EUR 12 million (previous year: EUR +4 million) (Fig. 13). This also comprises expenses of EUR 4 million in connection with reorganizations (previous year: EUR 2 million) in the segments Broadcasting German-speaking and Digital Ventures & Commerce in particular. Costs in the amount of EUR 5 million also resulted from M&A projects (previous year: EUR 5 million) that were mainly attributable to the Digital Ventures & Commerce segment. Other EBITDA effects amounted to minus EUR 4 million (previous year: EUR +5 million) and also include valuation effects related to the sale of eTRAVELi Holding AB and in particular positive valuation effects on cash-settled share-based payments (Group Share Plan) in the previous year. By contrast, reconciling income of EUR 6 million was attributable to the sale of the Games business in the previous year (Q2 2017: EUR 0 million).

Further information can be found in the Annual Report 2016.

Reconciliation of adjusted EBITDA (Fig. 13)

EUR m	Q2 2017	Q2 2016
Earnings before taxes	179	201
Financial result	-26	-10
Operating profit (EBIT)	**205**	**211**
Depreciation, amortization and impairments[1]	53	47
thereof from purchase price allocations	13	15
EBITDA	**258**	**258**
Reconciling items (net)[2]	12	-4
Adjusted EBITDA	**270**	**254**

1 Depreciation/amortization and impairment of other intangible assets and property, plant and equipment.
2 Expense adjustments of EUR 12 million (previous year: EUR 3 million) less income adjustments of EUR 0 million (previous year: EUR 6 million).

The financial result amounted to minus EUR 26 million (previous year: EUR -10 million) and is characterized by opposite developments. This was mainly due to the other financial result's development. This amounted to minus EUR 11 million compared to plus EUR 12 million in the previous year. The high figure achieved in the previous year was characterized by a positive valuation adjustment to the shares in ZeniMax in the amount of EUR 30 million. In the context of the reorganization of the Games portfolio, the Group sold its investment in ZeniMax, a video game publisher, in 2016.

In the second quarter of 2017, the Group reported impairments and value recoveries on financial investments of minus EUR 10 million (net) (previous year: EUR 18 million). This included positive valuation adjustments to the recently sold media-for-equity investments of ProSiebenSat.1 Group in the amount of EUR 6 million (net) and valuation adjustments to put option liabilities of minus EUR 7 million (net) (previous year: EUR –4 million). By contrast, there are impairments of financial investments of EUR 9 million (previous year: EUR 7 million), with PlutoTV accounting for EUR 7 million of this amount.

While the other financial result decreased for the reasons mentioned above, the interest result improved significantly to minus EUR 14 million (previous year: EUR –23 million). Firstly, this was due to lower interest rates resulting from the payment of income tax arrears. Secondly, interest rate swap expenses decreased.

The developments described above resulted in pre-tax profit of EUR 179 million compared to EUR 201 million in the previous year (–11% year-on-year). Income tax expenses amounted to EUR 57 million (previous year: EUR 63 million); the tax rate was 32.0% (previous year: 31.5%). Consolidated net profit from continuing operations therefore decreased to EUR 121 million (–12% or EUR –16 million year-on-year). Consolidated net profit (after non-controlling interests) amounted to EUR 117 million (previous year: EUR 136 million). Adjusted net income increased (Fig. 14). It rose by 9% to EUR 144 million (previous year: EUR 133 million). Basic underlying earnings per share rose by 2% accordingly to EUR 0.63 (previous year: EUR 0.62).

Reconciliation of adjusted net income from continuing operations (Fig. 14)

EUR m	Q2 2017	Q2 2016
Consolidated net profit (after non-controlling interests)	117	136
EBITDA adjustments	12	–4
Amortization from purchase price allocations[1]	15	15
Impairments on other financial investments	15	8
Valuation adjustment to shares in ZeniMax Media Inc.	–/–	–30
Put options/earn-outs	4	6
Valuation effects from financial derivatives	1	3
Reassessment of tax risks	–2	0
Other effects[2]	–9	–1
Tax effects	–8	1
Minority interests	–2	–1
Adjusted net income	**144**	**133**

1 Incl. effects on associates consolidated using the equity method.
2 Other effects comprises valuation effects relating to strategic investments in the Digital Ventures & Commerce segment amounting to minus EUR 14 million (previous year: EUR –1 million) and impairments on leasehold improvements and other intangible assets in the amount of EUR 4 million (previous year: EUR 0 million).

Revenue and Earnings Performance in the First Half of 2017

Reconciliation of the income statement (Fig. 15)

EUR m	H1 2017 IFRS	Adjust-ments	H1 2017 Adjusted
Revenues	1,872	-/-	1,872
Total costs	-1,568	-76	-1,492
thereof operating costs	-1,423	-/-	-1,423
thereof depreciation and amortization[1]	-107	-38	-69
Other operating income (EBIT)	10	0	9
Operating profit	314	-76	389
Financial result	-37	4	-41
Earnings before taxes	276	-72	348
Income taxes	-88	17	-105
Consolidated net profit from continuing operations	188	-55	243
Earnings from discontinued operations after taxes	-/-	-/-	-/-
CONSOLIDATED NET PROFIT	**188**	**-55**	**243**
Attributable to shareholders of ProSiebenSat.1 Media SE	181	-51	**233**[2]
Non-controlling interests	7	-4	10
Earnings before taxes	276	-72	348
Financial result	-37	4	-41
Operating profit	**314**	**-76**	**389**
Depreciation, amortization and impairments	-107	-38	-69
thereof PPA	-27	-27	-/-
EBITDA	**421**	**-37**	**458**[3]

1 Depreciation/amortization and impairment of other intangible assets and property, plant and equipment.
ProSiebenSat.1 Group also uses non-IFRS figures in the form of the adjusted net income (**2**) and adjusted EBITDA (**3**). At the beginning of financial year 2017, ProSiebenSat.1 publishes a full income statement adjusted for certain influencing factors. This publication takes into account the development of reporting practices for non-IFRS figures and more stringent regulatory transparency requirements in this area. The Annual Report 2016 comprises more detailed information on pages 73 and 74.

Business Development of the Segments, page 14.

The revenue and earnings performance in the first half of 2017 reflected the developments in the second quarter of this year. On a half-year basis, the Group increased its total revenues by 11% or EUR 184 million to EUR 1,872 million. Operating costs rose by 12% and amounted to EUR 1,423 million (previous year: EUR 1,274 million). In this context, EBITDA adjusted for reconciling items increased by 8% to EUR 458 million (previous year: EUR 424 million). Adjusted net income amounted to EUR 233 million (previous year: EUR 213 million). By contrast, EBITDA developed stably and amounted to EUR 421 million (previous year: EUR 420 million); this includes reconciling items of EUR 37 million (previous year: EUR 5 million). This largely comprises expenses of EUR 20 million in connection with reorganizations (previous year: EUR 3 million). These are primarily attributable to the Broadcasting German-speaking segment and relate in particular to the impairment of programming assets in the context of the acquisition and reorganization of the Austrian broadcasting group ATV. M&A projects also resulted in costs of EUR 9 million (previous year: EUR 8 million), particularly in the Digital Ventures & Commerce segment. Other EBITDA effects amounted to minus EUR 8 million (previous year: EUR -1 million) and also include valuation effects related to the sale of eTRAVELi Holding AB and positive valuation effects on cash-settled share-based payments. By contrast, reconciling income of EUR 6 million was attributable to the sale of the Games business in the previous year (H1 2017: EUR 0 million).

Reconciliation of adjusted EBITDA (Fig. 16)

EUR m	H1 2017	H1 2016
Earnings before taxes	276	299
Financial result	−37	−34
Operating profit (EBIT)	**314**	**333**
Depreciation, amortization and impairments[1]	107	86
thereof from purchase price allocations	27	25
EBITDA	**421**	**420**
Reconciling items (net)[2]	37	5
Adjusted EBITDA	**458**	**424**

1 Depreciation/amortization and impairment of other intangible assets and property, plant and equipment.
2 Expense adjustments of EUR 38 million (previous year: EUR 11 million) less income adjustments of EUR 0 million (previous year: EUR 6 million).

Reconciliation of adjusted net income from continuing operations (Fig. 17)

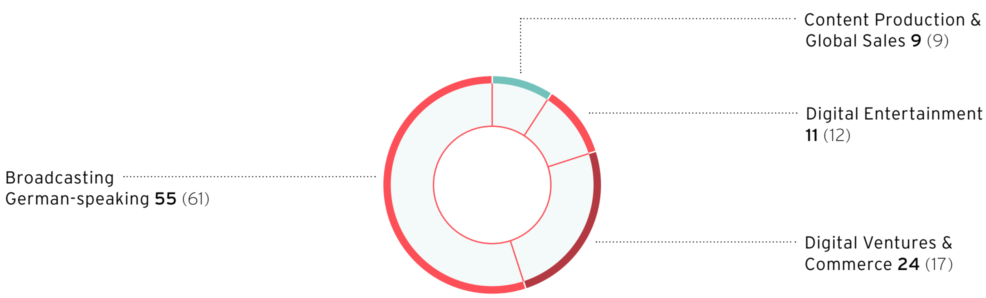
EUR m	H1 2017	H1 2016
Consolidated net profit (after non-controlling interests)	181	203
EBITDA adjustments	37	5
Amortization from purchase price allocations[1]	30	25
Impairments on other financial investments	17	8
Valuation adjustment to shares in ZeniMax Media Inc.	−/−	−30
Put options/earn-outs	−3	4
Valuation effects from financial derivatives	0	7
Reassessment of tax risks	1	0
Other effects[2]	−11	−1
Tax effects	−17	−5
Minority interests	−4	−1
Adjusted net income	**233**	**213**

1 Incl. effects on associates consolidated using the equity method.
2 Other effects comprises valuation effects relating to strategic investments in the Digital Ventures & Commerce segment amounting to minus EUR 23 million (previous year: EUR −1 million) and impairments on leasehold improvements and other intangible assets in the amount of EUR 11 million (previous year: EUR 0 million).

Business Development of the Segments

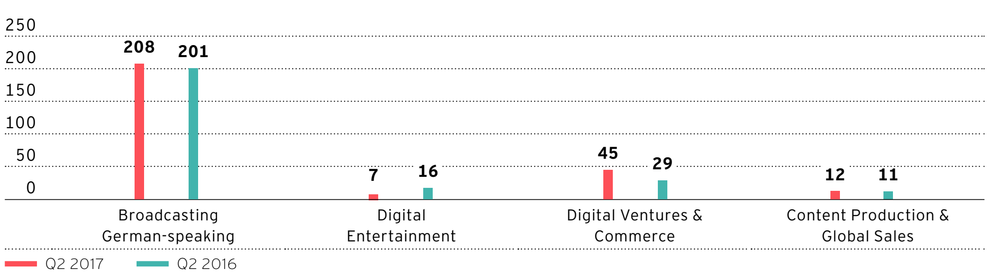
Revenue share by segments (Fig. 18)

in percent, Q2 2016 figures in parentheses



Adjusted EBITDA by segments (Fig. 19)

EUR m



Notes, Note 2 "Segment reporting," page 33.

Future Business and Industry Environment, page 24.

Development of Economy and Advertising Market, page 5.

Broadcasting German-speaking Segment

Revenue and Earnings Performance in the Second Quarter of 2017

In the second quarter of 2017, **external revenues** in the Broadcasting German-speaking segment amounted to EUR 529 million. This equates to a decrease of 2% or EUR 12 million compared to the previous year. The development of revenues reflects the decline in TV advertising revenues in Germany and Switzerland. However, TV advertising revenues in Austria grew as a result of acquisitions. In April, ProSiebenSat.1 Group acquired ATV, an Austrian broadcasting group. At the same time, distribution revenues continued to develop positively in the second quarter of 2017. Internal revenues resulting from the commercial relationship between the TV and digital business rose by 42% to EUR 34 million in the Broadcasting German-speaking segment (previous year: EUR 24 million).

Despite the slight decline in revenues, **adjusted EBITDA** increased by 4% or EUR 7 million to EUR 208 million. In addition, the corresponding **adjusted EBITDA margin** rose to 37.0% (previous year: 35.6%). **EBITDA** amounted to EUR 205 million (previous year: EUR 206 million). In the second quarter, ProSiebenSat.1 Group benefited from lower program costs in particular.

Revenue and Earnings Performance in the First Half of 2017

In the first half of the year, **external segment revenues** amounted to EUR 1,031 million, which was almost on a par with the previous year (previous year: EUR 1,034 million). **EBITDA** decreased by 3% to EUR 321 million (previous year: EUR 332 million). This includes reconciling items which were particularly due to reorganizations in connection with the acquisition of ATV in the first quarter of 2017. **EBITDA adjusted** for reconciling items grew by 4% or EUR 13 million to EUR 345 million. The **adjusted EBITDA margin** amounted to 31.3% (previous year: 30.8%).

Key figures Broadcasting German-speaking segment (Fig. 20)

EUR m	Q2 2017	Q2 2016	H1 2017	H1 2016
Segment revenues	**562**	564	**1,102**	1,079
External revenues	**529**	541	**1,031**	1,034
Internal revenues	**34**	24	**71**	45
EBITDA	**205**	206	**321**	332
Adjusted EBITDA	**208**	201	**345**	332
Adjusted EBITDA margin[1] (in %)	**37.0**	35.6	**31.3**	30.8

1 Based on segment revenues.

Digital Entertainment Segment

Revenue and Earnings Performance in the Second Quarter of 2017

Notes, Note 2 "Segment reporting," page 33.

The Digital Entertainment segment saw a decline in revenues by 2% to EUR 108 million in the second quarter of 2017 (previous year: EUR 110 million). This is particularly due to the deconsolidation of the Games business at the end of the second quarter of 2016. Declining revenues in the music and event business (Adjacent) also had an impact due to a persistently challenging market environment. By contrast, revenues in the online video business developed dynamically; the multi-channel network (MCN) Studio71 was the significant growth driver. Adjusted for the impact of Games, segment revenues would have risen by 8%.

Higher costs as a result of growth of Studio71, among others, led to a decline in **adjusted EBITDA** to EUR 7 million (previous year: EUR 16 million). The corresponding **adjusted EBITDA margin** was 6.2% (previous year: 13.4%). **EBITDA** also decreased and amounted to EUR 8 million (previous year: EUR 19 million).

Revenue and Earnings Performance in the First Half of 2017

In the first half of the year, the strategically important online video business only partially compensated for the deconsolidation of Games and the development of the Adjacent business. At EUR 205 million, **external revenues** in the Digital Entertainment segment were at the level of the previous year (previous year: EUR 205 million). Earnings figures declined at the same time: In the six-month period, **EBITDA** amounted to EUR 4 million (previous year: EUR 18 million) while **adjusted EBITDA** amounted to EUR 5 million after EUR 15 million in the previous year. This decline in earnings is also due to the development of the Adjacent business. As a result, the corresponding **adjusted EBITDA margin** of the segment decreased to 2.4 % (previous year: 7.1 %).

Key figures Digital Entertainment segment (Fig. 21)

EUR m	Q2 2017	Q2 2016	H1 2017	H1 2016
Segment revenues	**114**	116	**217**	215
External revenues	**108**	110	**205**	205
Internal revenues	**6**	6	**12**	10
EBITDA	**8**	19	**4**	18
Adjusted EBITDA	**7**	16	**5**	15
Adjusted EBITDA margin[1] (in %)	**6.2**	13.4	**2.4**	7.1

1 Based on segment revenues.

Digital Ventures & Commerce Segment

Revenue and Earnings Performance in the Second Quarter of 2017

Notes, Note 2 "Segment reporting," page 33.

External revenues in the Digital Ventures & Commerce segment continued to grow significantly and amounted to EUR 227 million in the second quarter of 2017 (previous year: EUR 152 million). All four commerce verticals (Online Dating, Online Price Comparison, Online Travel, and Lifestyle Commerce) contributed to this revenue growth of 50%. The Online Dating vertical with Parship and ElitePartner made the largest contribution to growth. PARSHIP ELITE Group has been fully consolidated since October 2016. The Lifestyle Commerce vertical also recorded higher revenues; this was due in particular to the initial consolidation of WindStar in 2016, a leading provider of health products, and to the fashion platform Stylight. Flaconi and Amorelie also contributed to the Group's organic growth.

This dynamic revenue growth led to a 58% increase in **adjusted EBITDA** to EUR 45 million compared to the second quarter of 2016 (previous year: EUR 29 million). The **adjusted EBITDA margin** grew to 19.7 % (previous year: 18.1%). **EBITDA** increased by 40% or EUR 10 million to EUR 35 million. Costs rose as a result of growth.

Revenue and Earnings Performance in the First Half of 2017

In the first half of the year, the segment's revenues and earnings grew by double digits, which reflects the development of the second quarter of the year. **External revenues** rose by 52% to EUR 457 million (previous year: EUR 302 million). **Adjusted EBITDA** increased by 40% to EUR 92 million (previous year: EUR 66 million) while the **adjusted EBITDA margin** amounted to 20.0% (previous year: 20.9%). **EBITDA** grew by 33% or EUR 20 million to EUR 80 million.

Key figures Digital Ventures & Commerce segment (Fig. 22)

EUR m	Q2 2017	Q2 2016	H1 2017	H1 2016
Segment revenues	**229**	158	**459**	313
External revenues	**227**	152	**457**	302
Internal revenues	**1**	6	**2**	12
EBITDA	**35**	25	**80**	60
Adjusted EBITDA	**45**	29	**92**	66
Adjusted EBITDA margin[1] (in %)	**19.7**	18.1	**20.0**	20.9

1 Based on segment revenues.

Changes in the Scope of Consolidation, page 9.

The deconsolidation of etraveli is set to take place in the third quarter of 2017 and is expected to result in an adjustment of ProSiebenSat.1 Group's medium-term financial targets for 2018. The Group will provide more details – while taking into account the progress of the strategic review for the rest of the online travel business in addition to acquisitions that may be made until then – at the Capital Markets Day (CMD) on December 6, 2017.

Content Production & Global Sales Segment

Revenue and Earnings Performance in the Second Quarter of 2017

Notes, Note 2 "Segment reporting," page 33.

In the Content Production & Global Sales segment, **external revenues** increased by 15% to EUR 89 million (previous year: EUR 77 million). Revenues in the second quarter grew both organically and as a result of acquisitions. On the one hand, this was due to revenue growth from various Red Arrow production subsidiaries, e.g. Kinetic Content, Endor Productions and Left/Right. On the other hand, revenues increased due to acquisitions, with the initial consolidation of the US production company 44 Blue Studios in July 2016 contributing to this.

The segment's costs rose proportionally to revenues due to the larger business volume, resulting in a rise in **adjusted EBITDA** by 10 % or EUR 1 million to EUR 12 million. The **adjusted EBITDA margin** was on a par with the previous year and amounted to 10.9 % (previous year: 11.0 %). **EBITDA** grew by 20 % to EUR 12 million compared to the second quarter of 2016 (previous year: EUR 10 million).

Revenue and Earnings Performance in the First Half of 2017

In the first half of the year, **external revenues** rose by 19 % to EUR 168 million (previous year: EUR 141 million). Both the production business in English-speaking markets and the global sales business contributed to revenue growth. The reason for this included the start of licenses for new productions. Key operating earnings figures grew as a result of the significant increase in revenues. **Adjusted EBITDA** improved by 34 % or EUR 5 million to EUR 21 million while the corresponding **adjusted EBITDA margin** rose to 10.0 % (previous year: 8.9 %). **EBITDA** increased by 51 % or EUR 7 million to EUR 21 million.

Key figures Content Production & Global Sales segment (Fig. 23)

EUR m	Q2 2017	Q2 2016	H1 2017	H1 2016
Segment revenues	**107**	97	**207**	173
External revenues	**89**	77	**168**	141
Internal revenues	**18**	20	**40**	33
EBITDA	**12**	10	**21**	14
Adjusted EBITDA	**12**	11	**21**	15
Adjusted EBITDA margin[1] (in %)	**10.9**	11.0	**10.0**	8.9

1 Based on segment revenues.

Group Financial Position and Performance

Borrowings and Financing Analysis

Ratings represent an independent assessment of an entity's credit quality. However, rating agencies do not take ProSiebenSat.1 Group's loan agreement or notes into account in their credit ratings.

As of June 30, 2017, ProSiebenSat.1 Group's **debt capital** had a share of 83 % in total equity and liabilities (December 31, 2016: 78 %; June 30, 2016: 88 %). At 63 % or EUR 3,183 million, the majority of debt capital was attributable to non-current and current financial liabilities (December 31, 2016: 62 %; June 30, 2016: 57 %).

Further information on the different financing instruments can be found on pages 126 and 127 of the Annual Report 2016.

ProSiebenSat.1 uses various financing instruments and practices active financial management. The Group extended the duration of its loan (term loan) and the revolving credit facility (RCF) by two years in April 2017 and increased the nominal volume of the RCF by EUR 150 million to EUR 750 million. In addition, ProSiebenSat.1 Group adjusted other contract terms. In the context of these refinancing measures, the previous financial covenant was also eliminated.

Interest payable on the term loan and the RCF is variable and based on Euribor money market rates plus an additional credit margin. 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 proportion of fixed interest was approximately 98 % of the entire long-term financing portfolio as of June 30, 2017 (December 31, 2016: approx. 98 %; June 30, 2016: 100 %). The average fixed rate of the interest rate swaps was 1.88 % per annum as of June 30, 2017. The average interest rate ceiling of the interest rate caps was 0.0 % per annum.

The target range may be exceeded for a short period of time as a result of fluctuations during the year.

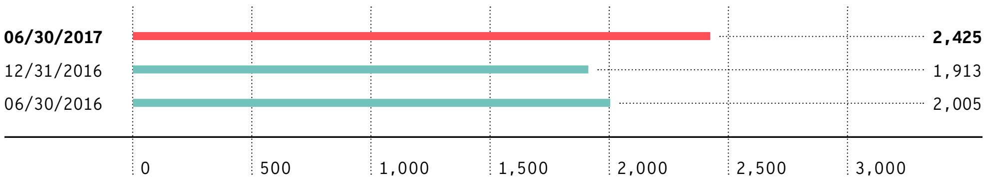
The **leverage ratio** is a key indicator for Group-wide financial and investment planning. The target is a value between 1.5 and 2.5 at the end of the relevant year. Net financial debt amounted to EUR 2,425 million (December 31, 2016: EUR 1,913 million; June 30, 2016: EUR 2,005 million). As a result, the leverage ratio, which is the ratio of net debt to adjusted EBITDA over the last twelve months (LTM adjusted

Analysis of Liquidity and Capital Expenditure, page 18.

EBITDA), was 2.3 and thus within the target range (December 31, 2016: 1.9; June 30, 2016: 2.1). This development primarily reflects the dividend payment of EUR 435 million in May 2017 (previous year: EUR 386 million). In the previous year, the dividend was paid out in the third quarter. The payout ratio was 84.7 % (previous year: 82.6 %). The Group pursues an earnings-oriented dividend policy with a payout ratio of 80 % to 90 % based on adjusted net income.

Group net financial debt[1] (Fig. 24)

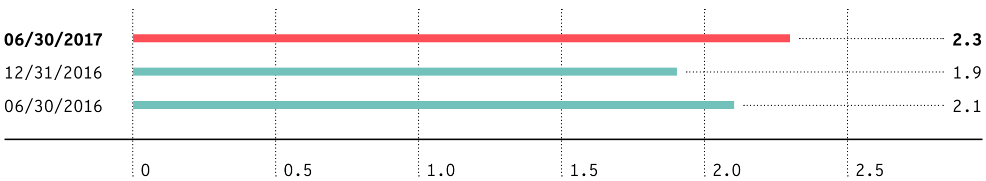
EUR m



1 After reclassification of cash and cash equivalents of eTRAVELi Holding AB.

Ratio net financial debt to LTM adjusted EBITDA[1] (Fig. 25)

EUR m



1 After reclassification of cash and cash equivalents of eTRAVELi Holding AB.
Net financial debt is defined as total borrowings minus cash and cash equivalents and certain current financial assets. The leverage ratio is derived by calculating the ratio of net financial debt to adjusted EBITDA of the last twelve months (LTM adjusted EBITDA).

Analysis of Liquidity and Capital Expenditure

Statement of cash flows (Fig. 26)

EUR m	Q2 2017	Q2 2016	H1 2017	H1 2016
Profit from continuing operations	**121**	**137**	**188**	**205**
Result from discontinued operations	**-/-**	**-42**	**-/-**	**-42**
Cash flow from operating activities of continuing operations	**346**	**310**	**649**	**675**
Cash flow from operating activities of discontinued operations	**-/-**	**-40**	**-/-**	**-42**
Cash flow from investing activities of continuing operations	**-366**	**-310**	**-685**	**-677**
Free cash flow of continuing operations	**-20**	**0**	**-37**	**-2**
Free cash flow of discontinued operations	**-/-**	**-40**	**-/-**	**-42**
Free cash flow (total)	**-20**	**-40**	**-37**	**-45**
Cash flow from financing activities of continuing operations	**-448**	**-11**	**-404**	**-16**
Effect of foreign exchange rate changes on cash and cash equivalents	-5	0	-6	-3
Change in cash and cash equivalents total	-472	-51	-448	-63
Cash and cash equivalents at beginning of reporting period	1,296	723	1,271	734
Cash and cash equivalents available for sale at the end of the reporting period	65	-/-	65	-/-
Cash and cash equivalents at end of reporting period[1]	**758**	**672**	**758**	**672**

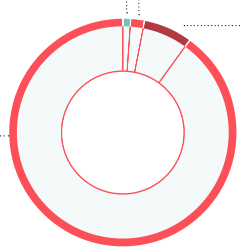
1 Cash and cash equivalents shown in the statement of cash flows correspond to the cash and cash equivalents reported on the statement of financial position as of the respective closing date.

Group Earnings, page 10.

Cash flow from operating activities amounted to EUR 346 million in the second quarter of 2017 (previous year: EUR 310 million). This 12 % increase mainly reflects the development of working capital and the decrease in interest payments. In the first half of 2017, however, operating cash flow decreased by 4 % and amounted to EUR 649 million (previous year: EUR 675 million). This development is primarily due to changes in working capital totaling minus EUR 83 million (previous year: EUR –26 million). This was mainly due to increases in receivable portfolios and changes in program liabilities. This was offset by a decline in interest payments of EUR 37 million (previous year: EUR 58 million).

Investments by segments[1] (Fig. 27)

in percent, Q2 2016 figures in parentheses



1 Investments by segments before M&A activities.

In the second quarter, **cash flow from investing activities** resulted in cash flows of minus EUR 366 million (previous year: EUR –310 million) and minus EUR 685 million in the first six months of 2017 (previous year: EUR –677 million). Cash flows were as follows:

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 cost of sales and are not considered as an investment.

- The cash outflow for the acquisition of programming rights amounted to EUR 273 million in the second quarter of the year (previous year: EUR 242 million). This corresponds to an increase of 13 % or EUR 31 million compared to the second quarter of 2016. Programming investments were mostly attributable to the Broadcasting German-speaking segment (Q2 2017: 97 %; H1 2017: 96 %). Licensed programs accounted for around two thirds (Q2 2017: 65%; H1 2017: 61 %) while commissioned productions accounted for approximately a third of these investments (Q2 2017: 35 %; H1 2017: 37 %). In the first half of the year, cash outflows increased to EUR 523 million (previous year: EUR 519 million).

- In the second quarter, EUR 27 million flowed into other intangible assets (previous year: EUR 31 million). In the first half of the year, cash outflows amounted to EUR 50 million (previous year: EUR 54 million); this reflects developments on a quarterly basis. The Group invested in the Digital Entertainment segment above all (Q2 2017: 38 %; H1 2017: 43 %). In the second quarter, investments in property, plant and equipment amounted to EUR 10 million (previous year: EUR 7 million) and EUR 18 million in the first half of the year (previous year: EUR 12 million). Most of this was attributable to the Broadcasting German-speaking segment (Q2 2017: 69 %; H1 2017: 64 %) and was related to technical facilities and leasehold improvements at the Unterföhring site.

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

- Cash outflow from additions to the scope of consolidation amounted to EUR 54 million in the second quarter of 2017 (previous year: EUR 19 million). In the first six months, the corresponding cash outflow amounted to EUR 90 million (previous year: EUR 74 million). The rise in cash outflows primarily reflects deferred purchase price payments for the production companies Kinetic Content and Left/Right and the purchase price payment for the acquisition of the ATV broadcasting group in the amount of EUR 28 million.

Free cash flow: Total cash and cash equivalents generated in operating business less the balance of cash used and generated in the context of investing activities. Free cash flow before M&A: Free cash flow adjusted for cash used and generated by M&A transactions (excl. transaction costs) related to majority acquisitions that are carried out and planned and the purchase and sale of investments accounted for using the equity method.

The effects described above resulted in **free cash flow** of minus EUR 20 million in the second quarter of 2017 (previous year: EUR 0 million) and free cash flow before M&A measures of EUR 40 million in the period under review (previous year: EUR 31 million). In the first half of the year, free cash flow amounted to minus EUR 37 million (previous year: EUR –2 million) and free cash flow before M&A measures of EUR 70 million (previous year: EUR 94 million). The main reason for this is the decline in cash flow from operating activities described above.

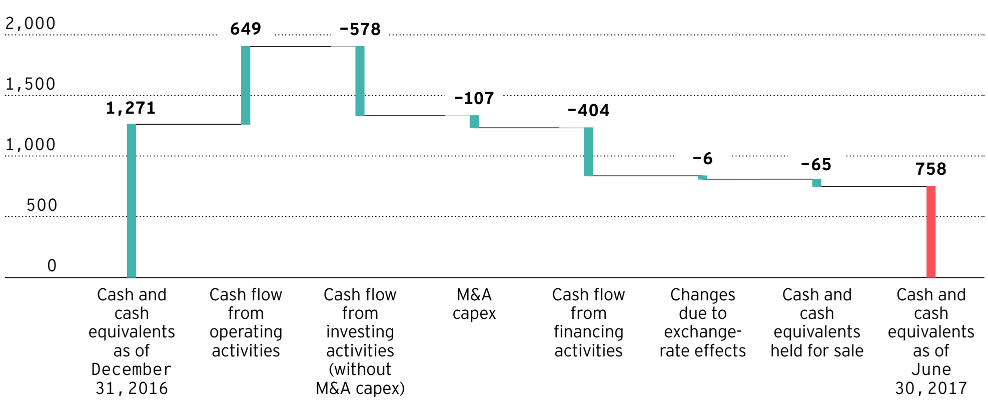
Cash flow from financing activities decreased by EUR 437 million to minus EUR 448 million in the second quarter of 2017. In the first half of the year, cash outflows amounted to EUR 404 million (previous year: EUR -16 million). The dividend payout in May 2017 had a significant impact on cash outflows; by contrast, last year's dividend was paid in the third quarter due to the later date of the Annual General Meeting. This was offset by a capital increase at Studio71. At the beginning of the year, the Group added a further two partners, TF1 Group and Mediaset, to its MCN.

Analysis of Assets and Capital Structure, page 20.

The Group has a comfortable level of liquidity. Based on the cash flows described above, cash and cash equivalents increased to EUR 758 million as of June 30, 2017, compared to EUR 672 million as of June 30, 2016. As of December 31, 2016, **cash and cash equivalents** amounted to EUR 1,271 million. The fourth quarter is usually the period with the highest cash flows in the Group's financial year.

Change in cash and cash equivalents (Fig. 28)

EUR m



Analysis of Assets and Capital Structure

Notes, Note 3 "Acquisitions and other transactions relating to subsidiaries", page 34.

Changes in the Scope of Consolidation, page 9.

Total assets amounted to EUR 6,128 million as of June 30, 2017 (December 31, 2016: EUR 6,603 million). The Group has signed a sales contract for all shares in eTRAVELi Holding AB as of the reporting date. Additionally, the sale of most of the media-for-equity portfolio was concluded in the second quarter of 2017. This is why the corresponding assets and liabilities are reported separately as assets held for sale and related liabilities in the consolidated statement of financial position for the period ended June 30, 2017.

- **Current and non-current assets:** Goodwill amounted to EUR 1,868 million (December 31, 2016: EUR 1,860 million) and accounted for 30 % of total assets (December 31, 2016: 28 %). Other intangible assets decreased by 7 % to EUR 762 million (December 31, 2016: EUR 817 million). This was mainly attributable to the sale of etraveli mentioned above.

  Other non-current financial and non-financial assets amounted to EUR 220 million as of June 30, 2017 (December 31, 2016: EUR 342 million). This 36 % decline is primarily attributable to valuation effects from currency hedging instruments. Other current financial and non-financial assets also fell within this context and amounted to EUR 138 million (December 31, 2016: EUR 148 million).

  Programming assets amounted to EUR 1,371 million (December 31, 2016: EUR 1,312 million). Along with goodwill, programming assets are among the Group's most important assets; its share of total assets remained almost unchanged at 22 % compared to the end of 2016 (December 31, 2016: 20 %).

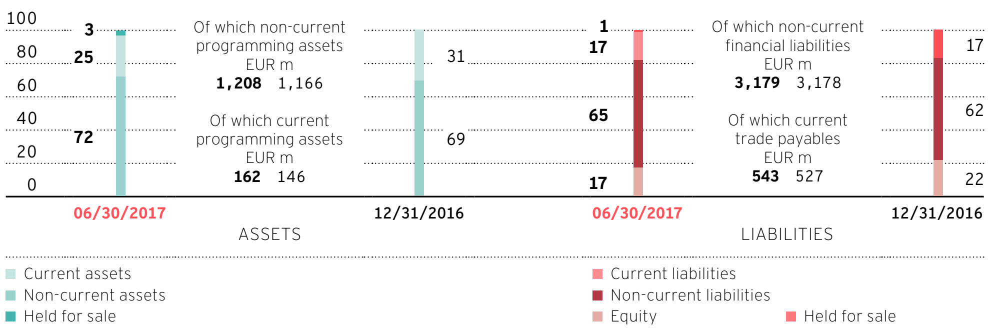
Compared to December 31, 2016, cash and cash equivalents decreased by 40 % to EUR 758 million (December 31, 2016: EUR 1,271 million). This particularly reflects the dividend payment in May 2017 and payments for acquisitions.

- **Equity:** Dropped by 25 % to EUR 1,068 million (December 31, 2016: EUR 1,432 million). This was mainly due to the dividend paid in the reporting period. The decreasing effects of currency hedging recognized outside profit or loss had an impact as well. This resulted in an equity ratio of 17 % (December 31, 2016: 22 %). Thus, ProSiebenSat.1 Group still has a solid asset and capital structure.

- **Current and non-current liabilities:** Debt capital did not change significantly compared to the reporting date in 2016. Liabilities and provisions totaled EUR 5,061 million as of June 30, 2017 (December 31, 2016: EUR 5,172 million), including in particular non-current and current financial liabilities totaling EUR 3,183 million (December 31, 2016: EUR 3,185 million).

Structure of the Statements of Financial Position (Fig. 29)

in percent



The ProSiebenSat.1 Share

ProSiebenSat.1 on the Capital Market

Price Development of the ProSiebenSat.1 Share, page 2.

Development of Economy and Advertising Market, page 5.

The ProSiebenSat.1 share concluded the first half of 2017 at EUR 36.64 and was thus at the level achieved on the last day of trading in 2016. It achieved its highest closing price of EUR 41.50 on March 31, 2017. The DAX closed the first six months of trading in 2017 with an increase of 7.4 %. The EURO STOXX Media, the relevant sector index for European media stocks, increased by 4.7 %. Although the ProSiebenSat.1 share outperformed the market in the first few months of 2017, it was characterized by increased volatility in the second quarter. In particular, the publication of the figures for the first quarter of 2017 led to price decreases after the Group had slightly adjusted its guidance for the TV advertising market for 2017 as a whole. Moreover, the share was quoted ex-dividend (EUR 1.90) on May 15, 2017. At the end of the second quarter, the ProSiebenSat.1 share reflected the generally weaker performance of the stock markets.

The majority of analysts (78 %) recommended the ProSiebenSat.1 share as a buy at the end of the first half of 2017, while 18 % were in favor of holding the share and 4 % issued a sell recommendation. The analysts' median price target was EUR 44.40 (previous year: EUR 49). At the end of the half-year period, a total of 27 brokerage firms and financial institutions actively analyzed the ProSiebenSat.1 share and published research reports.

Annual General Meeting for the Financial Year 2016

The Annual General Meeting of ProSiebenSat.1 Media SE for the financial year 2016 took place on May 12, 2017. Around 900 participants attended the Annual General Meeting. Attendance was around 63 % of share capital. The Annual General Meeting also granted discharge to the Executive Board and Supervisory Board for the financial year 2016. The shareholders agreed with these agenda items as well as with the other resolutions that were subject to approval by a large majority. Only the presented remuneration system for Executive Board members was not endorsed by a majority. The shareholders also approved the distribution of a dividend of EUR 1.90 per share for the financial year 2016. This equates to a total payout of around EUR 435 million and a payout ratio of 84.7 % of Group adjusted net income. Based on the closing price for 2016, the dividend yield amounted to 5.2 % (previous year: 3.8 %). The dividend was paid out on May 17, 2017.

Analysis of Liquidity and Capital Expenditure, page 18.

Shareholder Structure of ProSiebenSat.1 Media SE

The shareholder structure is virtually unchanged in comparison to December 31, 2016. The shares are mostly held by institutional investors in the US, the UK and Germany. In total, 98.2 % were held in free float as of June 30, 2017 (December 31, 2016: 98.2 %). The remaining 1.8 % are held by the Group (December 31, 2016: 1.8 %).

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. As of the date this Half-Yearly Financial Report was prepared, the Executive Board still considers the overall risk situation as limited and manageable for this reason. There were no fundamental changes in the overall risk situation. We still rate the majority of the issues presented in the latest Annual Report as a slight risk. However, in the second quarter of 2017, we have noted a slight increase of the risks in the categories "sales risks", "content risks" and "compliance risks" combined with a decline in the "external risks" category and now assess the overall risk for the Group as slightly increased. These changes (Fig. 30) in the second quarter of 2017 are described below and in the Notes.

Notes, Note 6 "Contingent liabilities and other financial obligations," page 37.

The opportunity situation has not changed. The risks and opportunities identified as significant are described in the Annual Report 2016 from page 148. The organizational requirements for risk and opportunity management are also explained here. The Annual Report was published on March 16, 2017, and is available at: annual-report2016.prosiebensat1.com. We also refer to the remarks on the predictive statements in this Half-Yearly Financial Report on page 25.

Development of risk clusters and the overall risk situation of the Group as of June 30, 2017 (Fig. 30)

Change Q2 2017 vs. 2016

External Risks	Sales Risks	Content Risks	Technological Risks	Personnel Risks	Investment Risks	Financial Risks	Compliance Risks	Other Risks	Overall risk situation
↘	↗	↗	→	→	→	→	↗	→	↗

→ unchanged ↗ slightly increased ↘ slightly decreased

External risks/macroeconomic risks. Germany's economic upturn accelerated at the beginning of the year. In the first quarter, gross domestic product increased significantly by 0.6% in real terms compared to the previous quarter. The German Institute for Economic Research (DIW) still anticipates a solid rise of 0.5% for the second quarter. In June, indicators of business (ifo) and consumer (GfK) sentiment reached a high that had not been seen in years. The prospects for 2017 as a whole are more positive than at the beginning of the year, even though a mild slowdown is anticipated for the second half of the year due to the slightly lackluster development of orders and rising inflation. Nearly all leading economic research institutes have now revised their economic forecasts upwards, with the average expectation for real growth being around 1.6%. As a result, ProSiebenSat.1 Group believes that the external risks resulting from economic conditions have slightly decreased, and we consider high negative effects to be unlikely (previously: possible). However, we still consider this category to be a medium risk due to its potentially high impact.

Development of Economy and Advertising Market, page 5.

Sales risks/selling advertising time. Following the TV advertising market's restraint performance in the first half of the year, ProSiebenSat.1 expects a stimulation of this environment in the second half of the year. As a result, ProSiebenSat.1 still expects the TV advertising market to achieve net growth of between 1.5% and 2.5% for the full year, while growth at the lower end of this range is perceived more likely from ProSiebenSat.1's point of view. In the context of the necessary revival of the market environment in the second half of the year, we now consider the probability of occurrence of the risk of selling advertising times for ProSiebenSat.1 as possible. We continue to classify the risk impact as very high. Overall, the assessment of the risk has increased from medium to high.

Sales risks/audience shares. The risk of a decrease in the audience shares of our free TV stations has slightly increased, as new stations in the German free TV market are intensifying the competition. However, the risk assessment did not result in any new effects on the sale of advertising time on ProSiebenSat.1 stations. Under certain circumstances, we still consider the implications of a decline in audience shares to be high and their occurrence to be possible. As a result, our risk classification has not changed overall, and we continue to consider this category as a medium risk. ProSiebenSat.1 has been actively involved in shaping the fragmentation of the market for many years. Thanks to a multi-station strategy, we are able to acquire new viewers and advertising customers. At the same time, the broad station portfolio is resulting in efficiency advantages for using programming rights. In the second quarter of 2017, ProSiebenSat.1 had a consolidated market share of 27.1% in the relevant target group of 14- to 49-year-olds in the advertising market and is still leading in the German free TV market.

Content risks/license purchases. For us, the US is the most important market for licensed programs worldwide. This is why ProSiebenSat.1 has signed long-term agreements with film studios and production companies with an appropriate reputation and successful track record. However, successful formats from the US do not necessarily receive the same positive response among German viewers. Viewer interests can also develop in various ways in different countries. We follow a standard procedure to take this uncertainty into account when purchasing licenses. We have thus slightly increased the probability of occurrence and now consider this risk to be unlikely (previously: very unlikely). In this event, a moderate impact on the Group's earnings performance would be conceivable. This is why we still rate the risk arising from license purchases as a low risk overall.

For changes in compliance risks, please refer to Note 6 "Contingent liabilities and other financial liabilities," page 37.

Outlook

Future Business and Industry Environment

Development of Economy and Advertising Market, page 5.

Market research institutions expect the German economy to continue its robust upward trend over the rest of 2017 – albeit at a slightly lower momentum. However, the prospects for 2017 as a whole are better than at the beginning of the year. Nearly all leading German economic research institutes adjusted their economic forecasts after the first half of the year and now expect growth to be between 1.5 % (German Institute for Economic Research – DIW) and 1.8 % (ifo Institute). According to the ifo Institute, private consumption is expected to grow by 1.2 % in 2017. The growth rate that has been forecast for 2018 is similarly high. Economic conditions abroad have also improved. For the eurozone, the International Monetary Fund (IMF) anticipates stable growth of 1.9 % for 2017 (previous year: 1.7 %); the global economy is also likely to expand by 3.5 % (2016: 3.2 %). However, significant forecast risks remain, especially because of the unclear course of the US administration and ongoing Brexit negotiations.

The German TV advertising market is typically closely related to the economic situation. With a share in GDP of more than 50 %, private consumption is the most significant macroeconomic expenditure component and also a key indicator for the development of the TV advertising market. However, the net TV advertising market did not benefit from positive macroeconomic data in the first half of 2017. This was due to temporary effects: In addition to high figures in the previous year, key industries like the automotive sector have shifted their advertising budgets to the second half of the year. Agency groups expect the German TV advertising market to achieve net growth of between 1.5 % and 2.9 % in 2017 (WARC: +2.9 %, ZenithOptimedia: +2.1 %, Magna Global: +1.5 %).

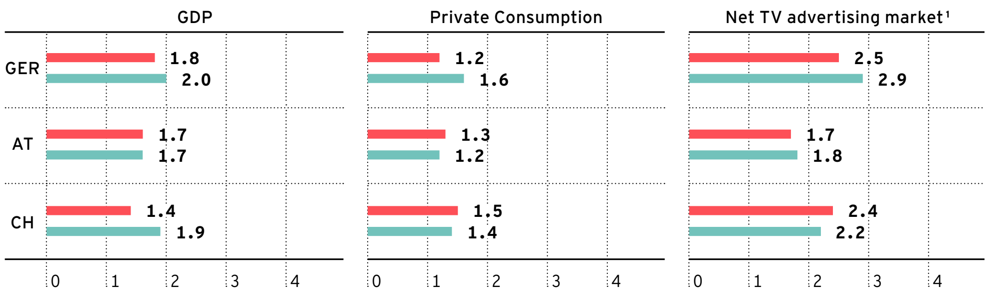
Company Outlook, page 25.

In addition, the wide and bundled reach of TV advertising is becoming even more valuable due to digital development and the resulting change in usage habits. However, TV has not fully capitalized on its reach in Germany. In 2016, an estimated 34 % of net advertising budgets were invested in print media, although only 6 % of total media usage time is attributable to print. In contrast, TV advertising's investment volume – on the basis of net data from Magna Global – amounted to 23 %. TV is the medium with the highest reach. On average, in 2016 46 % of the Germans used a TV set on a daily basis (target group 14- to 29-years-old). In many other countries, the budget allocation is the other way round; in the US, for example, the majority of advertising investment is already attributable to TV. Against this backdrop, ProSiebenSat.1 Group believes that TV still has a lot of catching up to do as an advertising medium.

The prospects for digital media are also positive. For 2017, the agency groups expect the online advertising market in Germany to record net growth of nearly 8 % (WARC: 6.8 %, ZenithOptimedia: 10.4 %, Magna Global: 8.5 %). The advertising market as a whole is likely to grow by a low single-digit percentage (WARC: 2.2 %, ZenithOptimedia: +2.5 %, Magna Global: 2.1 %).

Forecasts for real gross domestic product, private consumption and net TV advertising market in countries important for ProSiebenSat.1 (Fig. 31)

in percent, change vs. previous year



■ **2017** ■ **2018** Source:
GER: ifo Economic Forecast 2017/2018 June 2017. **AT:** European Commission, European Economic Forecast Spring 2017.
CH: Secretary of State for Economy (SECO), June 2017.
1 ZenithOptimedia, Advertising Expenditure Forecasts March 2017, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

Company Outlook

We published the Company Outlook for 2017 at the Annual Press Conference on February 23, 2017, and in the Annual Report 2016 on March 16, 2017. The Company outlined its individual targets and planning assumptions in detail on pages 172 to 175 of the Annual Report 2016. Further information can be found on page 3 of this report, where the current forecasts for all relevant financial and non-financial performance indicators are presented.

Following the TV advertising market's restraint performance in the first half of the year, ProSiebenSat.1 expects a more dynamic development in the second half of the year. As a result, ProSiebenSat.1 still expects the TV advertising market to achieve net growth of between 1.5 % and 2.5 % for the full year, while growth at the lower end of this range is perceived more likely from ProSiebenSat.1's point of view.

The Group further confirms its positive outlook: ProSiebenSat.1 continues to aim to increase its consolidated revenues by at least a high single-digit percentage for the full year. ProSiebenSat.1 expects all segments to contribute to this, while revenue growth in the Broadcasting German-speaking segment in the second half of 2017 should benefit from the increasing momentum in the TV advertising business. ProSiebenSat.1 also expects adjusted EBITDA and adjusted net income to again exceed the previous year's levels in 2017. Based on the Group's earnings performance in the first half of the year, the Group has adjusted its earnings outlook from a significant increase to a stable to slight decrease in the Digital Entertainment segment. At the same time, ProSiebenSat.1 Group also considers itself to be on track to achieve its medium-term financial targets for 2018.

Predictive Statements on Future Earnings, Financial Position and Performance (Fig. 32)

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 Annual Report 2016 and in this Half-Yearly Financial Report. 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 10. The publication date of the Half-Yearly Financial Report is August 3, 2017.

B. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

Income Statement of ProSiebenSat.1 Group (Fig. 33)

EUR m		Q2 2017	Q2 2016[1]	H1 2017	H1 2016
CONTINUING OPERATIONS					
1.	Revenues	962	886	1,872	1,688
2.	Cost of sales	-476	-461	-998	-916
3.	**Gross profit**	**486**	**425**	**874**	**772**
4.	Selling expenses	-147	-109	-289	-222
5.	Administrative expenses	-137	-113	-277	-229
6.	Other operating expenses	-3	-5	-4	-5
7.	Other operating income	4	12	10	17
8.	**Operating result**	**205**	**211**	**314**	**333**
9.	Interest and similar income	1	2	1	2
10.	Interest and similar expenses	-15	-25	-37	-48
11.	Interest result	-14	-23	-36	-46
12.	Result from investments accounted for using the equity method	-2	1	-4	3
13.	Other financial result	-11	12	2	9
14.	**Financial result**	**-26**	**-10**	**-37**	**-34**
15.	**Profit before income taxes**	**179**	**201**	**276**	**299**
16.	Income taxes	-57	-63	-88	-94
17.	**Profit for the period from continuing operations**	**121**	**137**	**188**	**205**
DISCONTINUED OPERATIONS					
18.	Result from discontinued operations (net of income taxes)	-/-	-42	-/-	-42
PROFIT FOR THE PERIOD		121	95	188	163
	Attributable to shareholders of ProSiebenSat.1 Media SE	117	94	181	160
	Non-controlling interests	4	1	7	2
EUR					
	Earnings per share				
	Basic earnings per share	0.51	0.44	0.79	0.75
	Diluted earnings per share	0.51	0.42	0.79	0.73
	Earnings per share from continuing operations				
	Basic earnings per share	0.51	0.64	0.79	0.95
	Diluted earnings per share	0.51	0.62	0.79	0.93
	Earnings per share from discontinued operations				
	Basic earnings per share	-/-	-0.20	-/-	-0.20
	Diluted earnings per share	-/-	-0.20	-/-	-0.20

1 The comperative figures were adjusted to reflect a change in the presentation of hedge ineffectiveness (see Note 11 "Interest result" in the Notes to the Consolidated Financial Statements as of December 31, 2016).

Statement of Comprehensive Income

Statement of Comprehensive Income of ProSiebenSat.1 Group (Fig. 34)

EUR m	Q2 2017	Q2 2016	H1 2017	H1 2016
Result for the period	**121**	**95**	**188**	**163**
Items subsequently reclassified to profit or loss				
Change in foreign currency translation adjustment[1]	−23	−2	−28	−13
Changes in fair value of cash flow hedges	−84	33	−122	−19
Deferred tax on other comprehensive income	23	−9	34	5
Other comprehensive income for the period	**−83**	**22**	**−116**	**−27**
Total comprehensive income for the period	**38**	**117**	**72**	**136**
Attributable to Shareholders of ProSiebenSat.1 Media SE	34	116	66	133
Non-controlling interests	4	1	6	2

1 Includes amounts associated with assets and liabilities held for sale of minus 4 EUR m for H1 2017 (H1 2016: 0 EUR m) and minus 4 EUR m for the second quarter 2017 (Q2 2016: 0 EUR m).

Statement of Financial Position

Statement of Financial Position of ProSiebenSat.1 Group (Fig. 35)

EUR m		06/30/2017	12/31/2016
A.	**Non-current assets**		
I.	Goodwill	1,868	1,860
II.	Other intangible assets	762	817
III.	Property, plant and equipment	201	216
IV.	Investments accounted for using the equity method	100	109
V.	Non-current financial assets	209	331
VI.	Programming assets	1,208	1,166
VII.	Other receivables and non-current assets	11	11
VIII.	Deferred tax assets	26	30
		4,386	**4,540**
B.	**Current assets**		
I.	Programming assets	162	146
II.	Inventories	37	29
III.	Current financial assets	65	91
IV.	Trade receivables	413	446
V.	Current tax assets	27	23
VI.	Other receivables and current assets	74	57
VII.	Cash and cash equivalents	758	1,271
VIII.	Assets held for sale	207	-/-
		1,743	**2,064**
	Total assets	**6,128**	**6,603**

EUR m		06/30/2017	12/31/2016
A.	**Equity**		
I.	Subscribed capital	233	233
II.	Capital reserves	1,055	1,054
III.	Consolidated equity generated	-211	42
IV.	Treasury shares	-14	-14
V.	Accumulated other comprehensive income	59	171
VI.	Accumulated other comprehensive income associated with assets and liabilities held for sale	-4	-/-
VII.	Other equity	-80	-79
	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	1,039	1,408
VIII.	Non-controlling interests	29	24
		1,068	**1,432**
B.	**Non-current liabilities**		
I.	Non-current financial debt	3,179	3,178
II.	Other non-current financial liabilities	400	406
III.	Trade payables	34	70
IV.	Other non-current liabilities	8	16
V.	Provisions for pensions	27	26
VI.	Other non-current provisions	38	42
VII.	Deferred tax liabilities	278	335
		3,965	**4,073**
C.	**Current liabilities**		
I.	Current financial debt	4	7
II.	Other current financial liabilities	97	102
III.	Trade payables	543	527
IV.	Other current liabilities	234	303
V.	Provisions for taxes	65	76
VI.	Other current provisions	90	83
VII.	Liabilities associated with assets held for sale	64	-/-
		1,096	**1,099**
	Total equity and liabilities	**6,128**	**6,603**

Cash Flow Statement

Cash Flow Statement of ProSiebenSat.1 Group (Fig. 36)

EUR m	Q2 2017	Q2 2016	H1 2017	H1 2016
Result from continuing operations	121	137	188	205
Result from discontinued operations (net of income taxes)	-/-	-42	-/-	-42
Result for the period	**121**	**95**	**188**	**163**
Income taxes	57	63	88	94
Financial result	26	10	37	34
Depreciation/amortization and impairment of other intangible and tangible assets	53	47	107	86
Consumption/reversal of impairment of programming assets	190	212	452	447
Change in provisions for pensions and other provisions	-12	-10	-9	4
Gain/loss on the sale of assets	5	-6	3	-5
Other non-cash income/expenses	2	-6	3	-4
Change in working capital	-15	-43	-83	-26
Dividends received	0	0	7	6
Income tax paid	-56	-60	-108	-110
Interest paid	-26	-36	-37	-58
Interest received	1	2	1	2
Cash flow from operating activities of continuing operations	346	310	649	675
Cash flow from operating activities of discontinued operations	-/-	-40	-/-	-42
Cash flow from operating activities total	**346**	**270**	**649**	**633**
Proceeds from disposal of non-current assets	1	1	1	1
Payments for the acquisition of other intangible and tangible assets	-37	-39	-67	-66
Payments for the acquisition of financial assets	-7	-6	-18	-17
Proceeds from disposal of programming assets	4	2	12	4
Payments for the acquisition of programming assets	-273	-242	-523	-519
Cash flows from obtaining control of subsidiaries or other business (net of cash and cash equivalents acquired)	-54	-19	-90	-74
Cash flows from losing control of subsidiaries or other business (net of cash and cash equivalents disposed of)	-/-	-7	-/-	-7
Cash flow from investing activities total	**-366**	**-310**	**-685**	**-677**
Free cash flow of continuing operations	-20	0	-37	-2
Free cash flow of discontinued operations	-/-	-40	-/-	-42
Free cash flow	**-20**	**-40**	**-37**	**-45**
Dividends paid	-435	-/-	-435	-/-
Repayment of interest-bearing liabilities	0	-1	-7	-1
Proceeds from issuance of interest-bearing liabilities	0	-/-	5	-/-
Repayment of finance lease liabilities	-4	-4	-7	-7
Proceeds from the sale of treasury shares	0	1	1	6
Proceeds from the sale of shares in other entities without change in control	-2	-2	52	-2
Proceeds from non-controlling interests	-/-	1	-/-	1
Payments in connection with refinancing measures	-4	-/-	-4	-/-
Dividend payments to non-controlling interests	-4	-6	-9	-13
Cash flow from financing activities total	**-448**	**-11**	**-404**	**-16**
Effect of foreign exchange rate changes on cash and cash equivalents	-5	0	-6	-3
Change in cash and cash equivalents total	**-472**	**-51**	**-448**	**-63**
Cash and cash equivalents at beginning of reporting period	1,296	723	1,271	734
Cash and cash equivalents at end of reporting period	**824**	**672**	**824**	**672**
Cash and cash equivalents classified under assets held for sale at end of reporting period	65	-/-	65	-/-
Cash and cash equivalents of continuing operations at end of reporting period (statement of financial position)	**758**	**672**	**758**	**672**

Statement of Changes in Equity

Statement of Changes in Equity of ProSiebenSat.1 Group H1 2016 (Fig. 37)

					Accumulated other comprehensive income							
EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
December 31, 2015	219	600	26	-20	22	185	-8	-50	-54	922	21	943
Result for the period	-/-	-/-	160	-/-	-/-	-/-	-/-	-/-	-/-	160	2	163
Other comprehensive income	-/-	-/-	-/-	-/-	-13	-19	-/-	5	-/-	-27	0	-27
Total comprehensive income	**-/-**	**-/-**	**160**	**-/-**	**-13**	**-19**	**-/-**	**5**	**-/-**	**133**	**2**	**136**
Dividends	-/-	-/-	-386	-/-	-/-	-/-	-/-	-/-	-/-	-386	-13	-399
Share-based payments	-/-	-57	-/-	6	-/-	-/-	-/-	-/-	-/-	-51	-/-	-51
Other changes	-/-	-/-	0	-/-	-/-	-/-	-/-	-/-	-9	-9	9	0
June 30, 2016	**219**	**543**	**-199**	**-14**	**9**	**165**	**-8**	**-44**	**-63**	**608**	**20**	**628**

Statement of Changes in Equity of ProSiebenSat.1 Group H1 2017 (Fig. 38)

					Accumulated other comprehensive income							
EUR m	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
December 31, 2016	233	1,054	42	-14	18	221	-9	-59	-79	1,408	24	1,432
Result for the period	-/-	-/-	181	-/-	-/-	-/-	-/-	-/-	-/-	181	7	188
Other comprehensive income[1]	-/-	-/-	-/-	-/-	-28	-122	-/-	34	-/-	-116	0	-116
Total comprehensive income	**-/-**	**-/-**	**181**	**-/-**	**-28**	**-122**	**-/-**	**34**	**-/-**	**66**	**6**	**72**
Dividends	-/-	-/-	-435	-/-	-/-	-/-	-/-	-/-	-/-	-435	-9	-444
Share-based payments	-/-	1	-/-	0	-/-	-/-	-/-	-/-	-/-	1	-/-	1
Other changes	-/-	0	0	-/-	-/-	-/-	-/-	-/-	-1	-1	8	7
June 30, 2017	**233**	**1,055**	**-211**	**-14**	**-10**	**100**	**-9**	**-25**	**-80**	**1,039**	**29**	**1,068**

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

Notes to the Interim Consolidated Financial Statements of ProSiebenSat.1 Group at June 30, 2016

1 General Disclosures

The Interim Consolidated Financial Statements of ProSiebenSat.1 Media SE and its subsidiaries (together "the Company", "the Group" or "ProSiebenSat.1 Group") as of June 30, 2017, have been prepared in compliance with the IFRS applicable to interim financial reporting, as published by IASB and adopted by the EU, and should be read in conjunction with the Consolidated Financial Statements as of December 31, 2016.

The accounting and valuation principles applied to the Interim Consolidated Financial Statements as of June 30, 2017, are identical with those underlying the Consolidated Financial Statements for the financial year 2016.

The Group's core business is subject to significant seasonal fluctuations. The results generated in the first six months of the financial year 2017 therefore do not necessarily allow for predictions on the further development of business.

The way in which hedge ineffectiveness is reported in the Income Statement has been changed. These are now presented in other financial result (see note 11 "Interest Result" in the Notes to the Consolidated Financial Statements as of December 31, 2016). Likewise, the Group adjusted its segment structure in July 2016 (see note 2 "Segment Reporting" in the Notes to the Consolidated Financial Statements as of December 31, 2016). The financial information for the first half-year 2016 was adjusted accordingly. Due to rounding, some of the figures in this Interim Consolidated Financial Statements may not add up exactly to the stated sum or indicated percentage values may not exactly reflect the corresponding absolute figures.

The Annual General Meeting of ProSiebenSat.1 Media SE on May 12, 2017 resolved the allocation to retained earnings in the amount of EUR 800 million and the distribution of a dividend for the financial year 2016 in the amount of EUR 1.90 per share. The total dividend payment amounted to EUR 435 million and was disbursed on May 17, 2017.

Effects of the change to the reporting standards

ProSiebenSat.1 Group is currently in the process of implementing new reporting standards, which have been adopted by the IASB (cf. Annual Report 2016, pp. 265-267). In detail, these are the standards IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Contracts with Customers" and IFRS 16 "Leases". With the exception of IFRS 16, the standards have already been implemented in European Law by the European Commission.

The Group is currently analyzing the effects of the initial application of **IFRS 9** on the Consolidated Financial Statements as of December 31, 2018 or respectively on the intra-year quarterly reporting in a group-wide project. To date, the following decisions have been made regarding the transition:

- **Classification and measurement of financial instruments as well as impairment of financial assets**

  According to the most recent project status the relevant provisions of IFRS 9 will be applied for the first time from January 1, 2018. The Group will record any resulting effects as of said reporting date in the consolidated equity generated according to the actual project status. The corresponding figures for financial year 2017 are not expected to be adjusted. ProSiebenSat.1 Group is currently analyzing the quantitative effects, which – according to current knowledge – are expected due to the earlier recognition of impairments on receivables and positive contract balances pursuant to IFRS 15 in the context of the so-called "expected loss model". Reliable quantitative data are not yet available at this time; currently, one-off adjustment effects are expected in the mid-single-digit million range.

- **Hedge accounting**
  The Group does not expect to apply the requirements of IFRS 9 on hedge accounting from January 1, 2018 but instead to apply the option of continuing to account for financial hedges under IAS 39.

ProSiebenSat.1 Group will probably fully apply the revenue recognition provisions of **IFRS 15** with retrospective effect. Any quantitative effects resulting from the transition will be recognized as of January 1, 2017 in the consolidated equity generated. The transformation of the clarifications of IFRS 15, published by the IASB in April 2016, into European law, has not occurred as of the present reporting date. It is, however, expected for the third quarter of 2017. Based on the current contract portfolio, the implementation is not expected to have any major effects on the Group's earnings, financial position and performance.

Subject to the timely transformation of **IFRS 16** into European law, the Group plans to implement its provisions early, i.e. from the financial year 2018. Pursuant to IFRS 16.C5(b), the transition will take place by recognizing the cumulative quantitative transition effects as of January 1, 2018 in the consolidated equity generated. The financial information for the financial year 2017 is not expected to be adjusted in the Consolidated Financial Statements 2018 pursuant to IFRS 16.C7.

As things stand, the Group is expected to apply the relief provisions of IFRS 16.C3(b) when transitioning to IFRS 16, and will not review contracts, which pursuant to IAS 17 "Leases" in conjunction with IFRIC 4 "Determining whether an Arrangement contains a Lease" are not classified as leases, based on the definition of a lease in IFRS 16. This primarily affects the current Group's satellite, transponder and cable feed agreements, which under the provisions were classified as service agreements. The accounting for current contracts hence will not change under IFRS 16.

The Group is currently analyzing the possible effects of applying IFRS 16 for the first time. However, reliable results are not yet available at this time. ProSiebenSat.1 Group will publish them in the further course of financial year 2017.

2 Segment reporting

Since July 1, 2016, the Group has been divided into four reporting segments: "Broadcasting German-speaking", "Digital Entertainment", "Digital Ventures & Commerce" and "Content Production & Global Sales".

The following table contains the segment information of ProSiebenSat.1 Group:

Segment information of ProSiebenSat.1 Group Q2 2017/2016 (Fig. 39)

EUR m	Segment Broadcasting German-speaking Q2 2017	Segment Digital Entertainment Q2 2017	Segment Digital Ventures & Commerce Q2 2017	Segment Content Production & Global Sales Q2 2017	Total Segments Q2 2017	Other/ Eliminations Q2 2017	Total consolidated financial statements Q2 2017
Revenues	562	114	229	107	1,013	-51	**962**
External revenues	529	108	227	89	953	9	**962**
Internal revenues	34	6	1	18	60	-60	**-/-**
EBITDA[1]	205	8	35	12	260	-1	**258**
Adjusted EBITDA	208	7	45	12	272	-1	**270**

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

in Mio Euro	Segment Broadcasting German-speaking Q2 2016	Segment Digital Entertainment Q2 2016	Segment Digital Ventures & Commerce Q2 2016	Segment Content Production & Global Sales Q2 2016	Total Segments Q2 2016	Other/ Eliminations Q2 2016	Total consolidated financial statements Q2 2016
Revenues	564	116	158	97	936	-50	**886**
External revenues	541	110	152	77	880	6	**886**
Internal revenues	24	6	6	20	56	-56	**-/-**
EBITDA[1]	206	19	25	10	259	-2	**258**
Adjusted EBITDA	201	16	29	11	256	-2	**254**

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

Segmentinformationen der ProSiebenSat.1 Group H1 2017/2016 (Fig. 40)

EUR m	Segment Broadcasting German-speaking H1 2017	Segment Digital Entertainment H1 2017	Segment Digital Ventures & Commerce H1 2017	Segment Content Production & Global Sales H1 2017	Total Segments H1 2017	Other/ Eliminations H1 2017	Total consolidated financial statements H1 2017
Revenues	1,102	217	459	207	1,985	-114	**1,872**
External revenues	1,031	205	457	168	1,860	11	**1,872**
Internal revenues	71	12	2	40	125	-125	**-/-**
EBITDA[1]	321	4	80	21	426	-5	**421**
Adjusted EBITDA	345	5	92	21	463	-5	**458**

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

in Mio Euro	Segment Broadcasting German-speaking H1 2016	Segment Digital Entertainment H1 2016	Segment Digital Ventures & Commerce H1 2016	Segment Content Production & Global Sales H1 2016	Total Segments H1 2016	Other/ Eliminations H1 2016	Total consolidated financial statements H1 2016
Revenues	1,079	215	313	173	1,780	-92	**1,688**
External revenues	1,034	205	302	141	1,681	7	**1,688**
Internal revenues	45	10	12	33	99	-99	**-/-**
EBITDA[1]	332	18	60	14	424	-4	**420**
Adjusted EBITDA	332	15	66	15	429	-4	**424**

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

The Executive Board, as the chief operating decision-maker, measures the success of the segments by means of a segment profit figure referred to as "adjusted EBITDA" in internal management and reporting since January 1, 2017.

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

Reconciliation of segment information (Fig. 41)

EUR m	Q2 2017	Q2 2016	H1 2017	H1 2016
Adjusted EBITDA of reportable segments	272	256	463	429
Other / Eliminations	-1	-2	-5	-4
Adjusted EBITDA of the Group	**270**	**254**	**458**	**424**
Reconciling Items	-12	4	-37	-5
Financial result	-26	-10	-37	-34
Depreciation and amortization	-51	-40	-102	-79
Impairment	-2	-7	-5	-7
Consolidated profit before taxes	**179**	**201**	**276**	**299**

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

Entity-wide disclosures (Fig. 42)

Geographical breakdown	GER		US		AT/CH		Scandinavia		UK		Other		Total consolidated financial statements	
EUR m	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016	Q2 2017	Q2 2016
External Revenues	728	683	99	79	78	71	43	42	10	9	4	2	**962**	**886**

Geographical breakdown	GER		US		AT/CH		Scandinavia		UK		Other		Total consolidated financial statements	
EUR m	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016
External Revenues	1,445	1,314	181	146	137	127	89	82	13	15	7	4	**1,872**	**1,688**

3 Acquisitions and other transactions relating to subsidiaries

Acquisition of 100 percent of shares in ATV broadcasting group

With effect as of April 6, 2017, ProSiebenSat.1 Group has acquired a 100.0 percent share in ATV Privat TV GmbH & Co KG, Vienna, Austria, and of ATV Privat TV GmbH, Vienna Austria, thus gaining control. ATV is an Austrian broadcasting group, operating the Austrian TV channels ATV and ATV2. The Companies are allocated to the "Broadcasting German-speaking" segment (see note 2 "Segment reporting"). In the context of the companies' acquisition, incidental acquisition costs of EUR 1 million were recognized in the Income Statement.

The purchase price pursuant to IFRS 3 amounts to EUR 24 million and consists of a base purchase price of EUR 28 million and standard adjustment to the assumed net financial resources and net current assets in the amount of EUR minus 4 million.

The following table shows the fair values of the identified acquired assets and of the assumed liabilities in connection with the acquisition, each as of the time of acquisition. Due to the proximity to the reporting date, the following amounts have been measured provisionally, pending the finalization of a full independent purchase price allocation by an audit firm.

Akquisition ATV Group (Fig. 43)

EUR m	Fair value at the time of acquisition
Other intangible assets	12
thereof assets identified in the context of the purchase price allocation	12
Property, plant and equipment	1
Non-current assets	**13**
Trade receivables	3
Other current receivables and assets	6
Cash and cash equivalents	1
Current assets	**10**
Trade payables	7
Other provisions	10
Other liabilities	4
Current liabilities and provisions	**21**
Net assets	**2**
Purchase price pursuant to IFRS 3	24
Goodwill	**22**

The identified goodwill is tax-deductible over 15 years and is recognized in Euro as the functional currency. It represents special synergy potentials from the expansion of business activities on the Austrian TV market. It is therefore allocated to the cash-generating unit "Broadcasting German-speaking".

In the context of the provisional purchase price allocation, a trademark with an indefinite useful life and a fair value of EUR 12 million was recognized separately from goodwill.

Including the Companies from the start of the financial year until initial consolidation in April 2017, would have had the following effect on the earnings, financial & asset position of ProSiebenSat.1 Group: Additional revenues of EUR 7 million and earnings after taxes in the amount of minus EUR 13 million. Between the initial consolidation and June 30, 2017, the Companies have contributed revenues of EUR 7 million and earnings after taxes in the amount of minus EUR 2 million to the consolidated net profit.

Assets and liabilities held for sale

Non-current assets held for sale (or groups of assets or debt held for sale) are assets, which can be sold in their current state, and where a sale is highly probable. They are valued at the lower of carrying amount or fair value less costs of disposal, unless the measurement provisions of IFRS 5 are not applicable. In line with IFRS 5.40, the previous year's figures in the statement of financial position are not adjusted.

In accordance with IFRS 5, assets amounting to EUR 207 million and associated liabilities of EUR 64 milllion, belonging to the subsidiary eTRAVELi Holding AB (which was sold as of the reporting date), and the minority investments were presented separately in the statement of financial position. The sale of the online travel agency etraveli is related to the strategic review of the online travel business of ProSiebenSat.1 Group. The disposal of the minority investments, predominantly accounted for at fair value through profit or loss in accordance with IAS 39 stands in the context of the active portfolio management of ProSiebenSat.1 Group. In this context, remeasurement effects were recognized for the minority investments held for sale in the amount of EUR 6 million.

The sale of etraveli is expected to close in the third quarter of 2017. The finalizing of the sale of the minority investments was on July 5, 2017 (see note 10 "Events after the closing date"). All assets held for sale have been allocated to the segment Digital Ventures & Commerce (see note 2 "Segment reporting"). As of the reporting date, the assets held for sale/the associated liabilities are distributed among the following main items:

Assets and liabilities held for sale (Fig. 44)

EUR m	June 30, 2017
Other intangible assets	46
Property, plant and equipment	1
Non-current financial assets	50
Other assets, incl. deferred taxes	44
Cash and cash equivalents	65
Total assets held for sale	**207**
Trade payables	15
Other assets and provisions, incl. deferred taxes	48
Total liabilities associated with assets held for sale	**64**
Net assets	**143**

This presentation of the net assets does not include the goodwill of the Digital Ventures & Commerce segment allocated to the operation etraveli in accordance with IAS 36.86, as this will only be determinable at the closing date of the transaction, based on the relative values at that point in time. The value expected amounts to a low three-digit million Euro figure.

Capital increase at Studio71

With economic effect as of January 11, 2017, the media groups TF1 SA, Boulogne-Billancourt, France (TF1) and Reti Televisive Italiane S.p.A., Milan, Italy (Mediaset) each took out a minority interest in ProSiebenSat.1 Digital Content LP (Studio71) in the context of a capital increase. With economic effect as of February 17, 2017, TF1 increased its minority interest in Studio71 via another capital increase. Following said capital increases, 69 percent of the shares in Studio71 remain with ProSiebenSat.1 Group. Put options have been stipulated with both TF1 and Mediaset regarding the buyback of said shares. Since ProSiebenSat.1 Group is under the unconditional obligation to satisfy such put options when exercised, the consolidation ratio remains at 100.0 percent.

4 Income taxes

The Group's relevant nominal tax rate remains unchanged at 28.0 percent. The effective Group tax rate of 32.0 percent anticipated for the entire financial year (previous year: 31.5 %) was used as the basis for determining the Group's tax expenditures for the first six months of 2017. The resulting difference to the nominal tax rate is primarily due to the fact that taxes for previous assessment periods, as well as on non-deductible operating expenses, have been taken into account.

5 Earnings per share

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

Profit measures included in calculating earnings per share (Fig. 45)

EUR m	Q2 2017	Q2 2016	H1 2017	H1 2016
Result attributable to the shareholders of ProSiebenSat.1 Media SE (basic)	117	94	181	160
Thereof from continuing operations (basic)	117	136	181	203
Thereof from discontinued operations (basic)	-/-	-42	-/-	-42
Valuation effects of share-based payments after taxes	-1	-3	-/-	-3
Result attributable to the shareholders of ProSiebenSat.1 Media SE (diluted)	116	91	181	157
Thereof from continuing operations (diluted)	116	133	181	200
Thereof from discontinued operations (diluted)	-/-	-42	-/-	-42

Numbers of shares included in calculating earnings per share (Fig. 46)

Shares	Q2 2017	Q2 2016	H1 2017	H1 2016
Weighted average number of shares outstanding (basic)	228,834,430	214,530,284	228,824,430	214,418,143
Dilution effect based on stock options and rights to shares	530,800	559,392	65,221	559,392
Weighted average number of shares outstanding (diluted)	**229,365,230**	**215,089,676**	**228,889,651**	**214,977,535**

The Group Share Plans (refer to Note 8 „Share-based payment") contain an option for ProSiebenSat.1 Media SE to perform settlement either in shares or cash. For purposes of calculating earnings per share, the plans are treated as if they were settled in shares, in line with IAS 33.58 but contrary to IFRS 2, due to the dilutive effect in the second quarter of 2016, the second quarter of 2017 and the first six months of the financial year 2016. There were no dilutive effects in the first six months of 2017.

6 Contingent liabilities and other financial obligations

Tax risks regarding the assessment of the programming assets:

In June 2017, the German tax authorities have, in the context of the tax audit for the years 2004 to 2012, which has been ongoing since 2010 and 2013 respectively, called into question the accuracy of ProSiebenSat.1 Group's accounting for programming assets for tax purposes for the first time. This relates in particular to the presentation of programming assets as current assets and the determination of consumption. Technical discussions with the fiscal administration are still under way. In particular, the fiscal administration has not yet issued any written statement as to how specifically it believes the accounting of the programming assets should be changed. It therefore remains unclear if and to what extent the accounting would have to be changed in principle and in terms of the valuation method. ProSiebenSat.1 Group considers its accounting practice – which previously had indeed been accepted by the tax authorities – lawful. ProSiebenSat.1 Group therefore reserves the right to appeal any potential tax assessments. Nonetheless, for said reasons it cannot be ruled out that due to the tax audit additional tax payments may have a major impact on our earnings performance. No provisions have been made for this risk as of the closing date.

As of June 30, 2017, there have been no other major changes to the contingent liabilities recognized in the Consolidated Financial Statements as of December 31, 2016.

The other financial obligations are comprised as follows:

Other financial obligations (Fig. 47)

EUR m	June 30, 2017	December 31, 2016
Procurement commitments for programming assets	3,022	3,244
Distribution	215	187
Leasing and rental obligations	97	111
Other financial liabilities	163	162
Total	**3,497**	**3,704**

7 Financial instruments

The following table shows the carrying amounts and the fair values of all categories of financial assets and financial liabilities of ProSiebenSat.1 Group and allocates the financial assets and financial liabilities, which have been valued at their fair value, to the fair value hierarchy levels.

Carrying amounts and fair values of financial instruments as of June 30, 2017 (Fig. 48)

			Category					Fair Value			
EUR m	Presented in the Statement of Financial Position as	Carrying amount	At fair value through profit and loss	Hedging instruments	Loans and receivables	Available-for-sale	Other financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets											
Measured at fair value											
Financial assets designated at fair value	Non-current financial assets	22	22	-/-	-/-	-/-	-/-	22	-/-	-/-	22
Other equity instruments	Non-current financial assets	78	78	-/-	-/-	-/-	-/-	-/-	-/-	78	78
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	8	8	-/-	-/-	-/-	-/-	-/-	1	7	8
Hedge derivatives	Current and non-current financial assets	127	-/-	127	-/-	-/-	-/-	-/-	127	-/-	127
Not measured at fair value											
Cash and cash equivalents[1]	Cash and cash equivalents	758	-/-	-/-	758	-/-	-/-				
Loans and receivables[1]	Current and non-current financial assets	452	-/-	-/-	452	-/-	-/-				
Total		**1,445**	**108**	**127**	**1,210**	**-/-**	**-/-**	**22**	**128**	**85**	**235**
Financial liabilities											
Measured at fair value											
Liabilities from put options and earn-outs	Other financial liabilities	354	354	-/-	-/-	-/-	-/-	-/-	-/-	354	354
Derivatives for which hedge accounting is not applied	Other financial liabilities	34	34	-/-	-/-	-/-	-/-	-/-	34	-/-	34
Hedge derivatives	Other financial liabilities	11	-/-	11	-/-	-/-	-/-	-/-	11	-/-	11
Not measured at fair value											
Loans and borrowings	Financial Debt	2,089	-/-	-/-	-/-	-/-	2,089	-/-	2,088	-/-	2,088
Notes	Financial Debt	596	-/-	-/-	-/-	-/-	596	633	-/-	-/-	633
Promissory notes	Financial Debt	498	-/-	-/-	-/-	-/-	498	-/-	495	-/-	495
Liabilities from finance leases	Other financial liabilities	65	-/-	-/-	-/-	-/-	65	-/-	69	-/-	69
Other Financial liabilities at (amortised) cost[1]	Other financial liabilities and trade payables	610	-/-	-/-	-/-	-/-	610				
Total		**4,257**	**388**	**11**	**-/-**	**-/-**	**3,858**	**633**	**2,697**	**354**	**3,683**

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

Carrying amounts and fair values of financial instruments as of December 31, 2016 (Fig. 49)

			Category					Fair Value			
EUR m	Presented in the Statement of Financial Position as	Carrying amount	At fair value through profit and loss	Hedging instruments	Loans and receivables	Available-for-sale	Other financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets											
Measured at fair value											
Financial assets designated at fair value	Non-current financial assets	21	21	-/-	-/-	-/-	-/-	21	-/-	-/-	21
Other equity instruments	Non-current financial assets	99	99	-/-	-/-	-/-	-/-	-/-	-/-	99	99
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	18	18	-/-	-/-	-/-	-/-	-/-	11	7	18
Hedge derivatives	Current and non-current financial assets	246	-/-	246	-/-	-/-	-/-	-/-	246	-/-	246
Not measured at fair value											
Cash and cash equivalents[1]	Cash and cash equivalents	1,271	-/-	-/-	1,271	-/-	-/-				
Loans and receivables[1]	Current and non-current financial assets	484	-/-	-/-	484	-/-	-/-				
Total		**2,140**	**138**	**246**	**1,755**	**-/-**	**-/-**	**21**	**257**	**106**	**384**
Financial liabilities											
Measured at fair value											
Liabilities from put options and earn-outs	Other financial liabilities	363	363	-/-	-/-	-/-	-/-	-/-	-/-	363	363
Derivatives for which hedge accounting is not applied	Other financial liabilities	32	32	-/-	-/-	-/-	-/-	-/-	32	-/-	32
Not measured at fair value											
Loans and borrowings	Financial Debt	2,091	-/-	-/-	-/-	-/-	2,091	-/-	2,118	-/-	2,118
Notes	Financial Debt	596	-/-	-/-	-/-	-/-	596	637	-/-	-/-	637
Promissory notes	Financial Debt	498	-/-	-/-	-/-	-/-	498	-/-	488	-/-	488
Liabilities from finance leases	Other financial liabilities	72	-/-	-/-	-/-	-/-	72	-/-	77	-/-	77
Other Financial liabilities at (amortised) cost[1]	Other financial liabilities and trade payables	640	-/-	-/-	-/-	-/-	640				
Total		**4,291**	**395**	**-/-**	**-/-**	**-/-**	**3,896**	**637**	**2,715**	**363**	**3,715**

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

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

Reconciliation of level 3 fair values (Fig. 50)

EUR m	Derivatives, for which hedge accounting is not applied	Liabilities from put options and earn-outs
January 1, 2017	**7**	**363**
Results included in income statement as well as in other comprehensive income (unrealized)[1]	-/-	-12
Additions from acquisitions	-/-	1
Disposals/Payments	-/-	-54
Other changes	-/-	56
June 30, 2017	**7**	**354**

1 This item includes compounding effects and further valuation adjustments.

ProSiebenSat.1 Group pursues an active financial management and exploited the attractive environment on the financial markets. For example in April 2017, the Group extended the maturity of the syndicated credit agreement – consisting of a term loan of EUR 2.1 billion and a revolving credit facility – by two years until April 2022. In this context, the revolving credit facility was increased by EUR 150 million to EUR 750 million, but was not utilized in the first six months of 2017. The financial covenants ceased to apply under the refinancing measures.

8 Share-based payments

The Group Share Plan 2013, which expired at the end of the financial year 2016, was fully paid out in the second quarter of 2017 in the amount of EUR 13.6 million. Beyond that, the plan conditions for the Group Share Plans remain unchanged and continue to be in line with the information shown in the Consolidated Notes and in the summarized Management Report as of December 31, 2016.

Of the performance share units issued under the other Group Share Plans, 7,047 units of the Group Share Plan 2014, 11,636 units of the Group Share Plan 2015 and 19,696 units of the Group Share Plan 2016 expired in the first six months of the financial year 2017.

In the first six months of the financial year 2017, 31,030 share options from the LTIP 2010 (cycle 2011) were exercised.

9 Related parties

As of January 1, 2017, Sabine Eckhardt was appointed to the ProSiebenSat.1 Media SE Executive Board as Chief Commercial Officer (CCO). Dr. Gunnar Wiedenfels resigned at his own request from the Executive Board as of March 31, 2017. Dr. Jan Kemper was appointed to the Executive Board as Chief Financial Officer (CFO) as of June 1, 2017.

Dr. Ralf Schremper (Chief Investment Officer) will leave the Executive Board of ProSiebenSat.1 Media SE as of July 31, 2017. As of August 1, 2017, Dr. Jan Kemper will also assume the Group's M&A department.

During the first six months of the financial year 2017, revenues from the sale of goods and rendering of services from transactions with related entities amounted to EUR 66 million (previous year: EUR 65 million). As of June 30, 2017, receivables from the respective entities amounted to EUR 24 million (December 31, 2016: EUR 23 million).

In the first six months of the financial year 2017, the Group received goods and services from its related parties and accordingly recognized expenses amounting to EUR 15 million (previous year: EUR 16 million). Liabilities to these entities amounted to EUR 4 million as of June 30, 2017 (December 31, 2016: EUR 10 million).

In the first six months of financial year 2017, the members of the Supervisory Board acquired 586 shares of the Company. In the first three months of the financial year 2017, Dr. Gunnar Wiedenfels sold 5,000 shares of the Company.

In the context of the master agreement with Heilpflanzenwohl AG, Pfaffikon, Switzerland (see note 32 "Related parties" in the Notes to the Consolidated Financial Statements as of December 31, 2016), advertising services with a gross media volume of EUR 7 million (previous year: none) were rendered in the reporting period.

There have been no other major changes or transactions in the second quarter of financial year 2017 compared to the facts regarding related parties as reported in the Notes to the Consolidated Financial Statements for financial year 2016.

10 Events after the interim reporting period

Disposal of a minority investments portfolio

With economic effect as of July 5, 2017, ProSiebenSat.1 Group has sold a minority investments portfolio to LCP (Overseas) Financial Holdings DAC, Dublin, Ireland (acquirer). In the context of the sale, the holdings were contributed to a GmbH & Co. KG established by ProSiebenSat.1 Group, and 75.1% of said GmbH & Co. KG were sold to the acquirer. The purchase price in the amount of EUR 35 million was supposed to be paid on July 5, 2017. Due to ProSiebenSat.1 Group having significant influence, the 24.9% share in Crosslantic Fund I GmbH & Co. KG held by the Group is accounted for using the equity method as a material associated entity.

Other events after the closing date

Between the end of the second quarter 2017 and July 27, 2017 – the release date of this Half-Yearly Financial Report for publication and submission to the Supervisory Board – no other reportable events occurred, which are of material significance for the earnings, financial position and performance of ProSiebenSat.1 Group or of ProSiebenSat.1 Media SE.

July 27, 2017
The Executive Board

Responsibility Statement by Management

To the best of our knowledge, we certify that, in accordance with the applicable reporting principles, the consolidated interim financial statements give a true and fair view of the Group's earnings, financial position and performance, and the combined management report of the Group gives a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Unterföhring, July 27, 2017

Thomas Ebeling (Chief Executive Officer – CEO)

Dr. Jan Kemper (Chief Financial Officer – CFO)

Conrad Albert (External Affairs & Industry Relations, General Counsel)

Sabine Eckhardt (Chief Commercial Officer – CCO)

Jan David Frouman (Content & Broadcasting)

Dr. Ralf Schremper (Chief Investment Officer – CIO)

Christof Wahl (Digital Entertainment)

Review Report

To ProSiebenSat.1 Media SE, Unterföhring

We have reviewed the condensed interim consolidated financial statements of the ProSiebenSat.1 Media SE – comprising income statement, statement of comprehensive income, statement of financial position, cash flow statement, statement of changes in Equity and notes to the interim financial statement – together with the interim group management report of the ProSiebenSat.1 Media SE, for the period from January 1 to June 30, 2017 that are part of the semi annual according to § 37 w WpHG [„Wertpapierhandelsgesetz“: „German Securities Trading Act“]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU, and in accordance with International Accounting Standards IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB), and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

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

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

Munich, August 2, 2017

KPMG AG
Wirtschaftsprüfungsgesellschaft

Sailer
Wirtschaftsprüfer
[German Public Auditor]

Schmidt
Wirtschaftsprüfer
[German Public Auditor]

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FINANCIAL CALENDAR (Fig. 51)

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
12/06/2017	**Capital Markets Day**
02/22/2018	**Press Conference/IR Conference on Figures 2017** Press Release, Press Conference in Munich, Conference Call with analysts and investors
03/15/2018	**Publication of the Annual Report 2017**
05/09/2018	**Publication of the Quarterly Statement for the First Quarter of 2018** Press Release, Conference Call with analysts and investors, Conference Call with journalists
08/02/2018	**Publication of the Half-Yearly Financial Report of 2018** Press Release, Conference Call with analysts and investors, Conference Call with journalists
11/08/2018	**Publication of the Quarterly Statement for the Third Quarter of 2018** Press Release, Conference Call with analysts and investors, Conference Call with journalists

ProSiebenSat.1 Group on the Internet

This and other publications are available on the Internet, along with information about ProSiebenSat.1 Group, at www.ProSiebenSat1.com

Forward-looking statements