ProSiebenSat.1 Media SE

Quarterly Statement for the Third Quarter of 2018

THE CORE OF OUR STRATEGY

ABOUT PROSIEBENSAT.1 GROUP

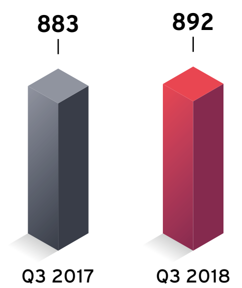
ProSiebenSat.1 is the leading German entertainment company with a strong e-commerce business. Our objective is to offer great entertainment – whenever, wherever and on any device. As of September 30, 2018, ProSiebenSat.1 employed 6,635 employees, who are passionate creators that love to entertain and delight our viewers and consumers each day. We are diversifying the Group's revenue and earnings base and are driving forward the digitalization insistently.

ABOUT THE THIRD QUARTER OF 2018

The revenue development of ProSiebenSat.1 Group is further characterized by consolidation and currency effects. Despite these effects, consolidated revenues in the third quarter of 2018 rose slightly by 1% to EUR 892 million (previous year: EUR 883 million). Adjusted for these factors, the Group achieved revenue growth of 4 percent, driven in particular by the positive organic development in the commerce business. As expected, the key operating earnings figures in this period were impacted by a different seasonality of programming costs, which will however be offset over the full-year. Against this backdrop, the Group has adjusted its revenue target for 2018. The 2018 financial targets for adjusted EBITDA and adjusted net income remain unchanged.

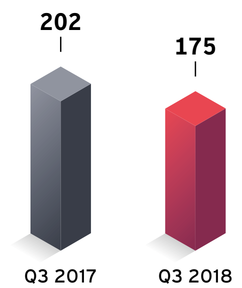
REVENUES

in EUR m

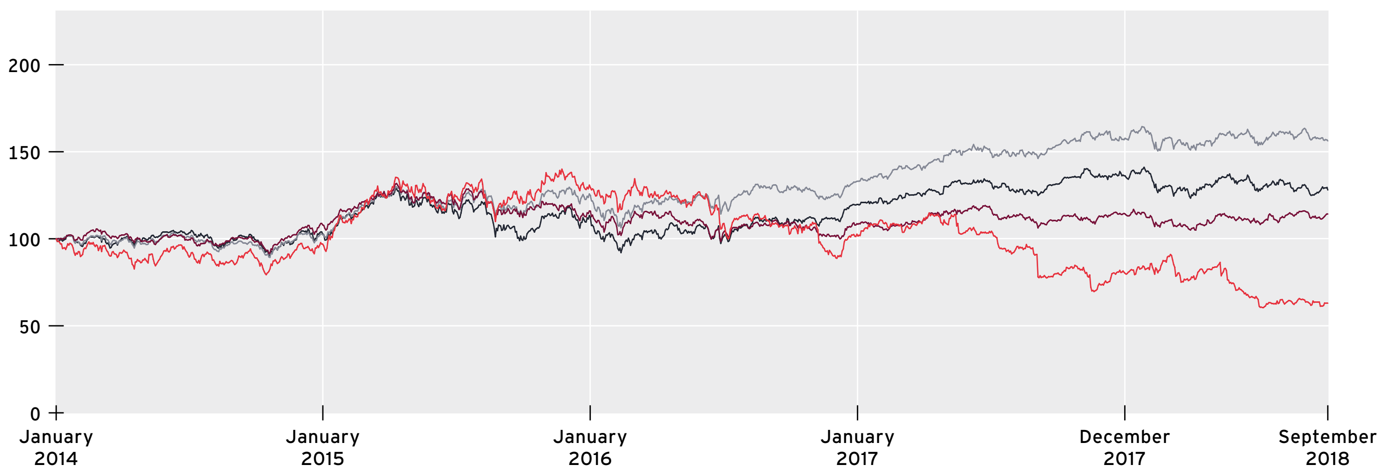


ADJUSTED EBITDA

in EUR m



PRICE PERFORMANCE OF THE PROSIEBENSAT.1 SHARE



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

All information relates to continuing operations.

A / GROUP INTERIM MANAGEMENT REPORT

REPORT ON THE ECONOMIC POSITION: Q3 2018

BUSINESS AND INDUSTRY ENVIRONMENT

Development of Audience Shares and User Numbers

There have been no significant changes compared to the basic principles of the Group described on page 3 of the statement on the first quarter of 2018.

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

01 / AUDIENCE SHARES OF PROSIEBENSAT.1 GROUP in %

	Q3 2018	Q3 2017	Q1–Q3 2018	Q1–Q3 2017
Germany	**28.8**	26.3	**27.5**	26.7
Austria	**28.6**	27.8	**28.3**	27.4
Switzerland	**17.3**	17.8	**17.2**	17.3

Figures are based on 24 hours (Mon–Sun).
Germany: SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX, kabel eins Doku; advertising-relevant target group adults 14–49. Source: AGF in cooperation with GfK/videoSCOPE 1.1/Marktstandard TV/71m/Committees Representation.
Austria: Adults 12–49; SAT.1 Österreich, ProSieben Austria, kabel eins Austria, PULS 4, sixx Austria, ProSieben MAXX Austria, SAT.1 Gold Österreich, kabel eins Doku Austria, ATV + ATV2 (since April 7, 2017 at ProSiebenSat.1 PULS 4, previously an independent group; period of assessment of ATV&ATV2's annual performance in 2017: April 7, 2017–December 31, 2017). Source: AGTT/GfK TELETEST; Evogenius Reporting; January 1, 2017–September 30, 2018; weighted for number of people; including VOSDAL/time-shift; standard.
Switzerland: SAT.1 Schweiz, ProSieben Schweiz, kabel eins Schweiz, sixx Schweiz, SAT.1 Gold Schweiz, ProSieben MAXX Schweiz, Puls 8; advertising-relevant target group adults 15–49; market shares relate to the German-speaking part of Switzerland, D - CH; total signal. Source: Mediapulse TV Panel.

In the third quarter of 2018, the combined audience market share was considerably higher than the previous year's level, amounting to 28.8 % among 14- to 49-year-olds (previous year: 26.3 %). ProSiebenSat.1 Group is thus continuing the year's positive trend.

The stations marketed by IP Deutschland (RTL, VOX, n-tv, Super RTL, NITRO, RTLplus) had a market share of 23.4 % (previous year: 24.7 %).

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

Target group 14–49 years	Q3 2018	Q3 2017	Q1–Q3 2018	Q1–Q3 2017
SAT.1	**8.4**	8.0	**8.1**	8.3
ProSieben	**9.7**	8.9	**9.3**	9.5
kabel eins	**5.1**	4.8	**4.9**	4.8
sixx	**1.5**	1.2	**1.4**	1.1
SAT.1 Gold	**1.6**	1.6	**1.7**	1.4
ProSieben MAXX	**1.8**	1.5	**1.6**	1.3
kabel eins Doku	**0.7**	0.4	**0.6**	0.3

Relevant target groups	Q3 2018	Q3 2017	Q1–Q3 2018	Q1–Q3 2017
SAT.1: Adults 14 to 59 years old	**8.2**	8.0	**8.0**	8.3
ProSieben: Adults 14 to 39 years old	**13.1**	11.9	**12.2**	12.6
kabel eins: Adults 14 to 49 years old	**5.1**	4.8	**4.9**	4.8
sixx: Women 14 to 39 years old	**2.0**	1.7	**1.9**	1.7
SAT.1 Gold: Women 40 to 64 years old	**2.9**	2.6	**2.8**	2.4
ProSieben MAXX: Men 14 to 39 years old	**3.1**	3.0	**2.6**	2.6
kabel eins Doku: Men 40 to 64 years old	**0.6**	0.5	**0.6**	0.4

Figures are based on 24 hours (Mon–Sun). SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold, ProSieben MAXX, kabel eins Doku; source: AGF in cooperation with GfK/videoSCOPE 1.1/Marktstandard TV/71m/Committees Representation.

Starting from the main medium of television, we also offer viewers content on digital platforms, and thus create new advertising environments. Based on the most recent data published by Arbeitsgemeinschaft Online Forschung (AGOF) in September 2018, the websites managed by SevenOne Media, a ProSiebenSat.1 advertising sales company, reached around 34 million unique users in Germany (previous month: around 36 million unique users). The digital studio Studio71 is one of the largest MCNs in the world with around 31 billion video views in the third quarter of 2018 (previous year: around 23 billion video views).

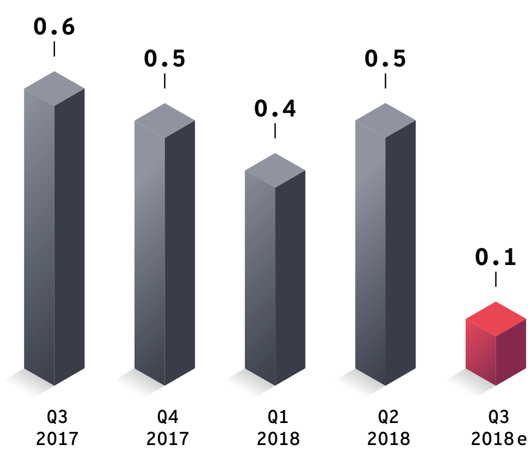
At the same time, digitalization is also enabling additional revenue models. For instance, in the free TV business, ProSiebenSat.1 participates in the technical service fees that end customers pay to the respective providers for programs in HD quality. The number of HD users has been increasing since 2012 and amounted to 9.2 million users in the third quarter of 2018 (previous year: 8.4 million).

The Group is continuously expanding its portfolio and presented a shared OTT platform with Discovery in summer 2018. Users can access programs from ProSieben, SAT.1, kabel eins, DMAX, sixx, ProSieben MAXX, SAT.1 Gold, kabel eins Doku and TLC via an app. The service includes a Eurosport zone with highlights and content from SPORT1, WELT, and N24 Doku. In addition, the VoD portal maxdome and the Eurosport Player will be integrated in this service.

Development of Economy and Advertising Market

The German economy has lost momentum in the course of the year so far. For the third quarter of 2018, the economic research institutes of the Joint Economic Analysis Group anticipate low growth of 0.1% in real terms compared to the previous quarter due to fluctuations in the automotive sector. However, this is expected to be largely compensated in the fourth quarter. Economic growth will be mainly driven by the domestic economy and in particular by private consumption, which will benefit from a strong increase in employment and substantial wage increases. According to Destatis, retail revenues grew by 1.4% in real terms from January to August; they account for nearly a third of private consumption. The online and mail order business developed particularly dynamically (+5.3% in real terms). → Future Business and Industry Environment, page 17

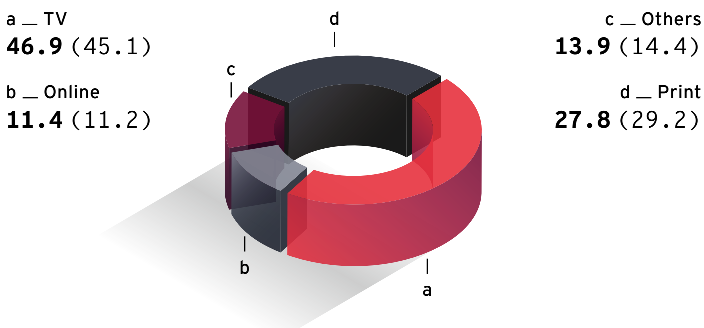
03 / DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN GERMANY in %, change vs. previous quarter



Interlinked, adjusted for price, seasonal and calendar effects.
Source: Destatis, Joint Economic Analysis Group from September 29, 2018. / **e:** estimate

According to Nielsen Media Research, gross TV advertising investment in Germany rose by 4.4% to EUR 3.308 billion in the third quarter of 2018 (previous year: EUR 3.170 billion). In the first nine months of the year, there was a 3.7% increase to EUR 10.531 billion (previous year: EUR 10.155 billion). TV has the greatest relevance in comparison to other media. In the third quarter, 46.9% of gross advertising investment went on TV advertising (previous year: 45.1%). This figure came to 47.4% from January to September (previous year: 46.6%).

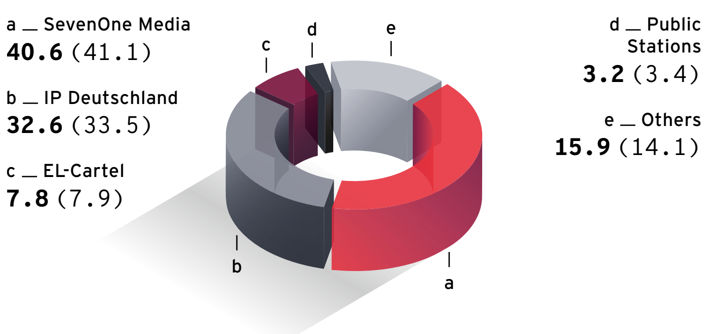
04 / MEDIA MIX GERMAN GROSS ADVERTISING MARKET in %, Q3 2017 figures in parentheses



Source: Nielsen Media Research.

Data from Nielsen Media Research are important indicators for assessing the advertising market's development. However, they are collected on a gross revenue basis, meaning that they do not take account of discounts, self-promotion or agency commission. In addition, the figures also include TV spots from media-for-revenue-share and media-for-equity transactions. Furthermore, major digital players from the US (such as Google and Facebook) are not reflected in the Nielsen figures and therefore they do not represent the entire market. On a net basis, the TV advertising market fell slightly short of the previous year's level in the first nine months of 2018. → Future Business and Industry Environment, page 17

05 / MARKET SHARES GERMAN GROSS TV ADVERTISING MARKET in %, Q3 2017 figures in parentheses



Source: Nielsen Media Research.

According to Nielsen, ProSiebenSat.1 is the market leader in the German TV advertising market and increased its TV advertising

revenues to EUR 1.344 billion (gross) in the third quarter of 2018 (previous year: EUR 1.303 billion). Gross advertising revenues developed stably at EUR 4.170 billion on a nine-month basis (previous year: EUR 4.171 billion). This resulted in a market share of 40.6% for the third quarter of 2018 (previous year: 41.1%). In the first nine months of the year, the advertising market share was 39.6% (previous year: 41.1%). The development of the market share is partly due to the emergence of new market participants. As of the beginning of 2018, Nielsen Media Research added numerous channels of the pay TV broadcaster Sky to its analysis, as well as kabel eins Doku, RTLplus, MTV, and Servus TV. In addition, the development of market shares in the first nine months of the year was influenced by the broadcasting of the FIFA World Cup and the Winter Olympic Games. → Development of Audience Shares and User Numbers, page 3
→ Business Development of the Segments, page 9

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

	Development of the TV advertising market in Q3 2018 (Change against previous year)	Market shares ProSiebenSat.1 Q3 2018	Market shares ProSiebenSat.1 Q3 2017
Germany	+4.4	40.6	41.1
Austria	+3.7	36.2	36.2
Switzerland	-0.9	24.3	27.9

	Development of the TV advertising market in Q1-Q3 2018 (Change against previous year)	Market shares ProSiebenSat.1 Q1-Q3 2018	Market shares ProSiebenSat.1 Q1-Q3 2017
Germany	+3.7	39.6	41.1
Austria	+3.0	36.6	36.4
Switzerland	+0.1	26.3	28.3

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

According to Nielsen, advertising budgets for in-stream video ads in Germany amounted to EUR 148.5 million (gross) in the third quarter of 2018 (previous year: EUR 144.7 million). In the first nine months of the year, the market volume came to EUR 419.9 million (previous year: EUR 439.8 million). In-stream video ads are forms of Internet video advertising shown before, after or during a video stream. By selling them, ProSiebenSat.1 generated gross revenues of EUR 75.6 million in the third quarter of 2018 (previous year: EUR 61.8 million). This corresponds to a year-on-year increase of 22.4% and a market share of 50.9% (previous year: 42.7%). Over the nine-month period, ProSiebenSat.1 Group's gross revenues rose by 12.7% to EUR 209.1 million (previous year: EUR 185.6 million). This resulted in a market share of 49.8% (previous year: 42.2%).

Overall, investments in online forms of advertising in Germany increased by 2.1% to EUR 800.7 million in the third quarter (previous year: EUR 784.5 million). In the nine-month period, the investments amounted to EUR 2.484 billion (previous year: EUR 2.353 billion). With these investments, ProSiebenSat.1 generated revenues of EUR 95.6 million in the third quarter (+18.9%) and of EUR 275.2 million in the first nine months of the year (+10.7%). In addition to in-stream videos, the online advertising market also includes display ads such as traditional banners and buttons.

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

MAJOR INFLUENCING FACTORS ON EARNINGS, FINANCIAL POSITION & PERFORMANCE

Changes in the Scope of Consolidation

ProSiebenSat.1 Group practices active portfolio management aimed at leveraging synergies by connecting the business areas and continuing to strategically bundle and focus the portfolio. Against this background, 7NXT was deconsolidated at the end of July 2018. The provider of online sports programs operates both the fitness platform Gymondo and 7NXT Health. ProSiebenSat.1 Group remains indirectly invested in 7NXT as a fund investor. The majority owner of the fund is Lexington Partners, a leading US private equity firm.

In connection with the realignment of 7TV, ProSiebenSat.1 Group founded the joint venture 7TV JV GmbH, Munich, together with Discovery. The aim is to build a joint-industry streaming platform together with Discovery. Against this backdrop, the video-on-demand portal maxdome was deconsolidated at the end of July 2018; via 7TV JV GmbH, ProSiebenSat.1 continues to hold a 50% stake in maxdome.

The Group also concluded the strategic review of the travel segment in the third quarter and sold all shares in the tour operator Tropo to dnata, an Emirates Group company. It was deconsolidated at the end of September 2018. → Notes, Note 4 "Acquisitions, disposals and other transactions in connection with subsidiaries," page 31 → Future Business and Industry Environment, page 17

GROUP EARNINGS

Revenue and Earnings Performance in the Third Quarter of 2018

07 / RECONCILIATION OF THE INCOME STATEMENT

in EUR m

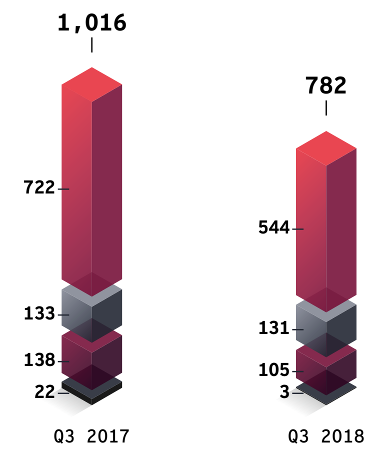
	Q3 2018 IFRS	Adjust-ments	Q3 2018 Adjusted
Revenues	892	-/-	892
Total costs	-782	-21	-761
thereof operating costs	-722	0	-721
thereof depreciation and amortization	-54	-14	-40
Other operating income	23	18	5
Operating profit (EBIT)	**133**	**-2**	**135**
Financial result	44	65	-21
Result before income taxes	177	62	114
Income taxes	-49	-13	-37
CONSOLIDATED NET PROFIT	**127**	**50**	**78**
Attributable to shareholders of ProSiebenSat.1 Media SE	126	51	75[1]
Non-controlling interests	1	-2	3
Result before income taxes	177	62	114
Financial result	44	65	-21
Operating profit (EBIT)	**133**	**-2**	**135**
Depreciation and amortization	-54	-14	-40
thereof from purchase price allocations	-12	-12	-/-
EBITDA	**187**	**12**	**175[2]**

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

ProSiebenSat.1 Group's revenue development is characterized by portfolio changes and currency effects, so consolidated revenues amounted to EUR 892 million in the third quarter of 2018 (+1% or EUR 9 million year-on-year). The deconsolidation of large parts of the travel portfolio, including Etraveli in the third quarter of 2017, had a significant impact. Adjusted for consolidation and currency effects, the Group realized a solid revenue growth of 4%. → Business Development of the Segments, page 9

ProSiebenSat.1 generates the majority of its revenues in Germany and thus in the eurozone. The remaining share of revenues is mainly attributable to the US and the Red Arrow Studio's production business. This is why currency effects could impact on the business performance. Exchange rate fluctuations in the reporting period resulted primarily from the translation of USD into Euro. Further information are available in the Annual Report from page 153 onwards.

08 / TOTAL COSTS in EUR m



Despite higher program costs, the Group's total costs declined by 23% to EUR 782 million (previous year: EUR 1,016 million). The decline in total costs was attributable to consolidation effects and efficient cost management. The prior-year figure was also impacted by a devaluation of program assets as a result of a strategic realignment of business units. → Business Development of the Segments, page 9

Operating costs → Fig. 09 increased by 5 percent or EUR 36 million to EUR 721 million. As expected, program costs rose more sharply in the third quarter of 2018 due to a different seasonality. In this context, consumption of programming assets recorded an increase of EUR 10 million or 5% to EUR 209 million.

09 / RECONCILIATION OF OPERATING COSTS

in EUR m

	Q3 2018	Q3 2017
Total costs	782	1,016
Expense adjustments	-7	-223
Thereof valuation effects from Group strategic realignments of business units	-/-	-170
Depreciation and amortization[1]	-54	-108
Operating costs	**721**	**685**

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

Adjusted EBITDA decreased by 13% or EUR 27 million to EUR 175 million. The corresponding adjusted EBITDA margin was 19.7% (previous year: 22.9%). This development reflects, among other things, the deviating seasonality of program costs and the different cost and earnings structures of the individual segments.

EBITDA declined by 33% or EUR 94 million to EUR 187 million. It was characterized by positive reconciling items totaling EUR 12 million (previous year: EUR 79 million), which comprised the following: M&A measures resulted in costs of EUR 7 million (previous year:

EUR 12 million), particularly in the Commerce segment. Other EBITDA effects amounted to EUR 18 million (previous year: EUR – 21 million). This particularly includes positive effects from the deconsolidation of maxdome, among others. In addition, this item includes material one-time items of minus EUR 2 million (previous year: EUR –18 million), which are mainly attributable to the Entertainment segment. Valuation effects on cash-settled share-based payments (Group Share Plan) of EUR 2 million (previous year: EUR 5 million) had an opposite effect. → Changes in the Scope of Consolidation, page 5 → Notes, Note 3 "Segment reporting," page 28

10 / RECONCILIATION OF ADJUSTED EBITDA

in EUR m

	Q3 2018	Q3 2017
Result before income taxes	177	132
Financial result	44	– 41
Operating profit (EBIT)	**133**	**174**
Depreciation and amortization[1]	– 54	– 108
thereof from purchase price allocations	– 12	– 45
EBITDA	**187**	**281**
Reconciling items[2]	12	79
Adjusted EBITDA	**175**	**202**

[1] Depreciation, amortization and impairment of other intangible assets and property, plant and equipment.
[2] Expense adjustments of EUR 7 million (previous year: EUR 223 million) less income adjustments of EUR 18 million (previous year: EUR 302 million).

The financial result amounted to EUR 44 million (previous year: EUR – 41 million). This improvement was mainly due to the development of the other financial result, which amounted to EUR 62 million (previous year: EUR –9 million). For the third quarter of 2018, it included impairments and reversals of impairment on financial assets of EUR 64 million (net) (previous year: EUR –9 million). EUR 54 million of this (previous year: EUR –9 million) related to the remeasurement of put options; the largest individual item in the third quarter of 2018 was the remeasurement of shares in Studio71. This was offset by remeasurement effects from earn-out liabilities of minus EUR 11 million (previous year: EUR 0 million). The impairment of financial investments amounted to minus EUR 3 million (previous year: EUR – 4 million). At the same time, the interest result improved to minus EUR 15 million (previous year: EUR – 30 million); the previous year's figure was primarily influenced by the addition of provisions for interest on taxes.

Due to the significantly improved financial result and lower total costs, pre-tax profit increased by 34 % or EUR 45 million to EUR 177 million. Income tax expenses amounted to EUR 49 million (previous year: EUR 5 million) with a tax rate of 28 % (previous year: 4 %). The change compared to the previous year reflects the predominantly tax-free gain on the disposal of Etraveli.

Consolidated net profit amounted to EUR 127 million (previous year: EUR 127 million), consolidated net profit after non-controlling interests grew by 3 % to EUR 126 million (previous year: EUR 122 million). Basic underlying earnings per share amounted to EUR 0.33 (previous year: EUR 0.43).

Contrary to the consolidated net profit after non-controlling interests, adjusted net income decreased by 24 % to EUR 75 million (previous year: EUR 99 million). In the third quarter of 2018, adjusted net income is adjusted for positive reconciling items, which are recognized in the other financial result. The reconciliation breaks down as follows: → Notes, Note 6 "Earnings per share," page 43

11 / RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	Q3 2018	Q3 2017
Consolidated net profit after non-controlling interests	126	122
Deconsolidation of etraveli	–/–	– 302
Valuation effects from the Company's strategic realignments of Business Units	–/–	170
Other EBITDA adjustments	– 12	53
Amortization from purchase price allocations[1]	13	46
Impairments on other financial investments	3	4
Put options/earn-outs	– 42	8
Valuation effects from financial derivatives	– 1	0
Reassessment of tax risks	–/–	12
Other effects[2]	– 23	21
Tax effects	13	– 35
Minority interests	– 2	– 2
Adjusted net income	**75**	**99**

[1] Including effects on associates consolidated using the equity method.
[2] Other effects comprise valuation effects relating to financial investments of minus EUR 22 million (previous year: EUR –5 million).

Revenue and Earnings Performance in the Nine-month Period 2018

12 / RECONCILIATION OF THE INCOME STATEMENT

in EUR m

	Q1-Q3 2018 IFRS	Adjust-ments	Q1-Q3 2018 Adjusted
Revenues	2,685	-/-	2,685
Total costs	-2,332	-146	-2,186
thereof operating costs	-2,071	-/-	-2,071
thereof depreciation and amortization	-157	-43	-115
Other operating income	39	19	20
Operating profit (EBIT)	**393**	**-127**	**520**
Financial result	14	79	-65
Result before income taxes	407	-48	454
Income taxes	-124	15	-139
CONSOLIDATED NET PROFIT	**283**	**-33**	**316**
Attributable to shareholders of ProSiebenSat.1 Media SE	279	-26	305[1]
Non-controlling interests	4	-8	11
Result before income taxes	407	-48	454
Financial result	14	79	-65
Operating profit (EBIT)	**393**	**-127**	**520**
Depreciation and amortization	-157	-43	-115
thereof from purchase price allocations	-36	-36	-/-
EBITDA	**550**	**-84**	**634[2]**

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

As a result of consolidation and currency effects, consolidated revenues decreased by 3% or EUR 69 million to EUR 2,685 million in the first nine months of the year. Adjusted for these factors, consolidated revenues were slightly above previous year's level (+1%). The Group's total costs declined by 10% or EUR 251 million to EUR 2,332 million. → Business Development of the Segments, page 9

Operating costs fell to EUR 2,071 million, partly due to consolidation effects. This is a decline of 2% or EUR 37 million.

The revenue development led to an adjusted EBITDA of EUR 634 million (-4% or EUR 26 million year-on-year). The corresponding adjusted EBITDA margin was 23.6% (previous year: 24%). At the same time, EBITDA decreased by 22% or EUR 152 million and amounted to EUR 550 million in the first nine months of 2018. EBITDA included reconciling items of minus EUR 84 million (previous year: EUR 41 million), which at minus EUR 63 million were primarily attributable to reorganizations (previous year: EUR -40 million). At the beginning of the year, the Group restructured its portfolio on the basis of a three-pillar strategy. This new structure is intended to strengthen growth and efficiency in the Entertainment, Content Production & Global Sales, and Commerce segments. M&A projects resulted in costs of EUR 30 million (previous year: EUR 21 million), especially in the Commerce and Entertainment segments. Other EBITDA effects amounted to EUR 9 million (previous year: EUR -29 million). This includes other material one-time items of minus EUR 13 million (previous year: EUR -24 million), particularly related to expenses of other accounting periods in the Entertainment and Commerce segments. → Notes, Note 3 "Segment reporting," page 28

13 / RECONCILIATION OF ADJUSTED EBITDA

in EUR m

	Q1-Q3 2018	Q1-Q3 2017
Result before income taxes	407	408
Financial result	14	-79
Operating profit (EBIT)	**393**	**487**
Depreciation and amortization[1]	-157	-215
thereof from purchase price allocations	-36	-72
EBITDA	**550**	**702**
Reconciling items 2	-84	41
Adjusted EBITDA	**634**	**661**

[1] Depreciation, amortization and impairment of other intangible assets and property, plant and equipment.
[2] Expense adjustments of EUR 104 million (previous year: EUR 261 million) less income adjustments of EUR 19 million (previous year: EUR 302 million).

The financial result amounted to EUR 14 million, compared to minus EUR 79 million in the previous year. Valuation adjustments to financial investments resulted in an improvement in the financial result both for the third quarter and for the first nine months of the year.

The developments described resulted in a slight decrease of pre-tax profit to EUR 407 million (previous year: EUR 408 million). After taxes and non-controlling interests, consolidated net profit declined by 8% to EUR 279 million (previous year: EUR 304 million). Adjusted net income likewise decreased by 8% and amounted to EUR 305 million (previous year: EUR 331 million).

14 / RECONCILIATION OF ADJUSTED NET INCOME

in EUR m

	Q1-Q3 2018	Q1-Q3 2017
Consolidated net profit after non-controlling interests	279	304
Deconsolidation of etraveli	–/–	– 302
Valuation effects from the Company's strategic realignments of Business Units	–/–	170
Other EBITDA adjustments	84	90
Amortization from purchase price allocations[1]	37	76
Impairments on other financial investments	13	22
Put options/earn-outs	– 64	5
Valuation effects from financial derivatives	– 1	0
Reassessment of tax risks	5	13
Other effects[2]	– 27	11
Tax effects	– 15	– 52
Minority interests	– 8	– 5
Adjusted net income	**305**	**331**

[1] Including effects on associates consolidated using the equity method.
[2] Other effects comprise valuation effects relating to financial investments of minus EUR 22 million (previous year: EUR –27 million).

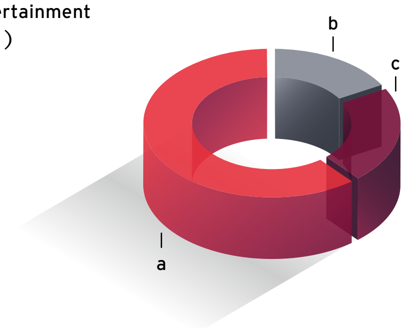
15 / CHANGES IN REPORTING STANDARDS

IFRS 16 is mandatorily applicable initially for financial years commencing on or after January 1, 2019. ProSiebenSat.1 Group has exercised the option to early-adopt the standard and has initially applied IFRS 16 at January 1, 2018, using the modified retrospective transition approach. At ProSiebenSat.1 Group, the initial application primarily affects those leases classified as operating leases to this date. Further information is available in the → Annual Report 2017 starting on page 258 and in the → Notes, Note 2 "Changes in reporting standards," page 26.

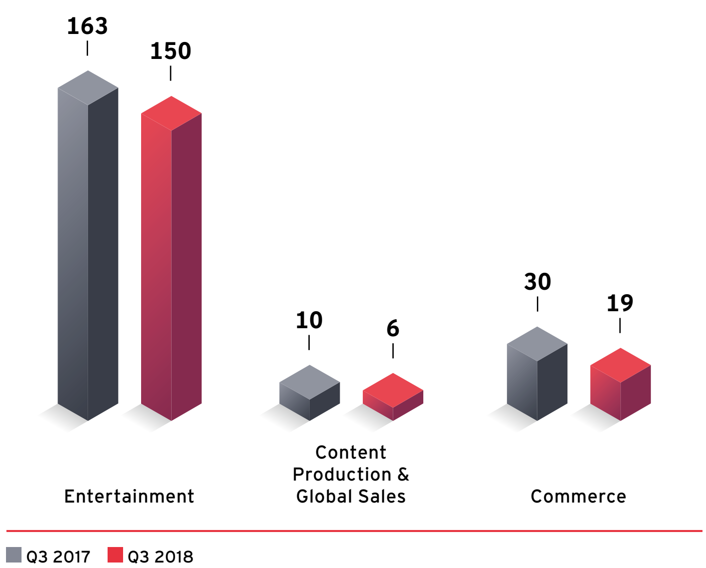
BUSINESS DEVELOPMENT OF THE SEGMENTS

16 / GROUP REVENUE SHARE BY SEGMENT

in %; 2017 figures in parentheses



17 / ADJUSTED EBITDA BY SEGMENT in EUR m



Segment Entertainment

REVENUE AND EARNINGS PERFORMANCE IN THE THIRD QUARTER OF 2018

External revenues in the Entertainment segment fell by 3% and amounted to EUR 547 million in the third quarter of 2018 (previous year: EUR 565 million). The revenue development particularly reflects the deconsolidation of the video-on-demand portal maxdome and the disposal of the online sport provider 7NXT at the end of July. At the same time, revenues from advertising business were below the previous year in the third quarter of 2018. The main reason for this is the development of the online advertising business. TV advertising revenues were almost stable. → Development of Economy and Advertising Market, page 4 → Notes, Note 3 "Segment reporting," page 28

The revenue decline and the deviating seasonality of program costs resulted in a decrease in **adjusted EBITDA** of 8 % or EUR 13 million to EUR 150 million. The corresponding **adjusted EBITDA margin** was thus 26.7 % (previous year: 28.4 %). In contrast, **EBITDA** increased by EUR 215 million to EUR 165 million (previous year: EUR –50 million). The deviation compared to the previous year results in particular from a remeasurement of programming assets and a resulting deviation of EUR 170 million in the third quarter of 2017. → Group Earnings, page 6

REVENUE AND EARNINGS PERFORMANCE IN THE NINE-MONTH PERIOD 2018

Over the nine-month period, **external segment revenues** remained almost stable at EUR 1,799 million (–1 % or EUR 25 million year-on-year). In contrast, **adjusted EBITDA** grew slightly by EUR 3 million to EUR 567 million due to efficient cost management and a positive effect from the initial application of IFRS 16. The **adjusted EBITDA margin** amounted to 30.7 % (previous year: 30.3 %), reflecting the high profitability of the TV advertising business. **EBITDA** posted a significant increase of 53 % to EUR 497 million (previous year: EUR 324 million). The increase compared to the previous year is due in particular to the prior year effect in connection with the remeasurement of programming assets described above. → Group Earnings, page 6

18 / KEY FIGURES ENTERTAINMENT SEGMENT in EUR m

	Q3 2018	Q3 2017	Q1–Q3 2018	Q1–Q3 2017
Segment revenues	**562**	575	**1,850**	1,862
External revenues	**547**	565	**1,799**	1,824
Internal revenues	**16**	10	**52**	38
EBITDA	**165**	–50	**497**	324
Adjusted EBITDA	**150**	163	**567**	565
Adjusted EBITDA margin[1] (in %)	**26.7**	28.4	**30.7**	30.3

[1]Based on segment revenues.

Segment Content Production & Global Sales

REVENUE AND EARNINGS PERFORMANCE IN THE THIRD QUARTER OF 2018

After a weaker first half of the year, the Content Production & Global Sales segment again recorded growth as expected and increased its **external revenues** in the third quarter of 2018 by 12 % to EUR 148 million (previous year: EUR 131 million). The digital studio Studio71 made the largest contribution to revenue growth. The global sales business also contributed to the positive revenue performance. The initial consolidation of the US film distributor Gravitas Ventures from November 2017 had an impact here. In addition, the production business contributed to growth even though the market environment remains challenging. → Notes, Note 3 "Segment reporting," page 28

Despite higher revenues, **adjusted EBITDA** fell by EUR 4 million to EUR 6 million. The corresponding **adjusted EBITDA margin** declined to 3.8 % (previous year: 6.7 %). **EBITDA** amounted to EUR 5 million (previous year: EUR 8 million). This reflects the different margin structures of the individual business models.

REVENUE AND EARNINGS PERFORMANCE IN THE NINE-MONTH PERIOD 2018

As a result of currency effects and the competitive situation on the US production market, **external revenues** decreased by 4 % to EUR 361 million in the first nine months of the year (previous year: EUR 375 million). The revenue performance is reflected in the earnings figures: **Adjusted EBITDA** fell by 4 % to EUR 19 million (previous year: EUR 20 million) while the **adjusted EBITDA margin** amounted to 4.9 % (previous year: 4.7 %). **EBITDA** was stable and amounted to EUR 17 million (previous year: EUR 17 million).

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

	Q3 2018	Q3 2017	Q1–Q3 2018	Q1–Q3 2017
Segment revenues	**155**	143	**394**	425
External revenues	**148**	131	**361**	375
Internal revenues	**7**	12	**33**	50
EBITDA	**5**	8	**17**	17
Adjusted EBITDA	**6**	10	**19**	20
Adjusted EBITDA margin[1] (in %)	**3.8**	6.7	**4.9**	4.7

[1]Based on segment revenues.

Segment Commerce

REVENUE AND EARNINGS PERFORMANCE IN THE THIRD QUARTER OF 2018

External revenues in the Commerce segment increased by 6 % to EUR 197 million in the third quarter of 2018 (previous year: EUR 186 million). The revenue development is characterized by consolidation effects: Growth momentum was influenced by the deconsolidation of the online travel agency Etraveli in the third quarter of 2017 and the sale of COMVEL in the fourth quarter of 2017. By contrast, the initial consolidation of Jochen Schweizer in October 2017 had a particularly positive impact. Adjusted for the portfolio measures mentioned, the segment recorded a revenue growth of 14 % in the third quarter of 2018. The online perfume store Flaconi, the online comparison portal Verivox, the OTC provider Windstar, SilverTours and the online dating platforms Parship and ElitePartner made substantial contributions to organic growth. → Notes, Note 3 "Segment reporting," page 28

Adjusted EBITDA decreased by 36 % to EUR 19 million (previous year: EUR 30 million) while the **adjusted EBITDA margin** amounted to 9.8 %

(previous year: 16.2 %). **EBITDA** decreased to EUR 17 million (previous year: EUR 324 million). A significant reason for the earnings development was the deconsolidation of large parts of the travel business.

REVENUE AND EARNINGS PERFORMANCE IN THE NINE-MONTH PERIOD 2018

External revenues fell by 6 % to EUR 525 million in the first quarters of 2018 (previous year: EUR 556 million). Adjusted for the portfolio measures mentioned, however, the segment's revenues grew by 13 % in the first nine months of the year. Due to the deconsolidations mentioned above, **adjusted EBITDA** declined by 37 % to EUR 48 million (previous year: EUR 77 million) while the **adjusted EBITDA margin** amounted to 9.2 % (previous year: 13.9 %). **EBITDA** decreased to EUR 37 million (previous year: EUR 362 million).

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

	Q3 2018	Q3 2017	Q1–Q3 2018	Q1–Q3 2017
Segment revenues	**197**	186	**525**	557
External revenues	**197**	186	**525**	556
Internal revenues	**0**	0	**0**	1
EBITDA	**17**	324	**37**	362
Adjusted EBITDA	**19**	30	**48**	77
Adjusted EBITDA margin[1] (in %)	**9.8**	16.2	**9.2**	13.9

[1] Based on segment revenues.

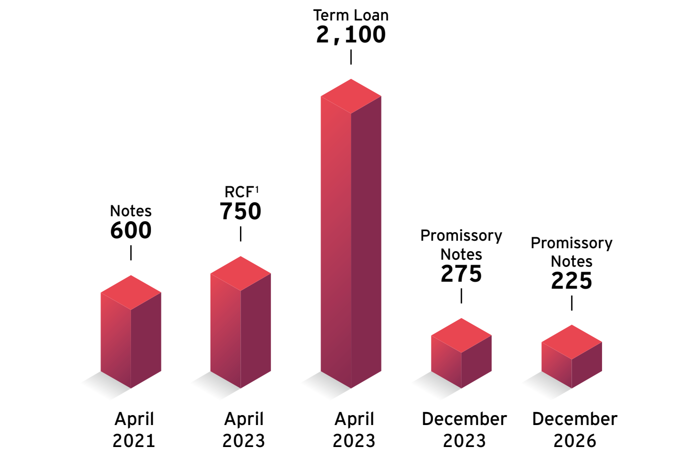
GROUP FINANCIAL POSITION AND PERFORMANCE

Borrowings and Financing Structure

ProSiebenSat.1 Group uses various financing instruments. As of September 30, 2018, debt accounted for an 82 % share of total equity and liabilities (December 31, 2017: 81 %; September 30, 2017: 82 %). The majority of this was attributable to current and non-current financial liabilities, which amounted to EUR 3,190 million or 63 % as of September 30, 2018 (December 31, 2017: 60 %; September 30, 2017: 63 %).

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

21 / **DEBT FINANCING INSTRUMENTS AND MATURITIES AS OF SEPTEMBER 30, 2018** in EUR m



[1] Not drawn.

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

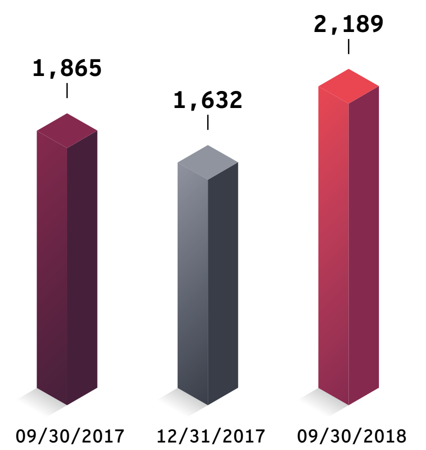
Interest payable on the term loan and the RCF is variable and based on Euribor money market rates plus an additional credit margin. The Group uses derivative financial instruments in the form of interest rate swaps and interest rate options to hedge against interest rate changes caused by the market. As of September 30, 2018, the proportion of fixed interest was still approximately 98 % of the entire long-term financing portfolio (December 31, 2017, and September 30, 2017: approx. 98 %). The average fixed rate of the interest rate swaps was 0.5 % per annum; the average interest rate cap was 1 %. In the first half of 2018, the Group entered into interest hedges in the amount of EUR 500 million to hedge against interest rate risks in the period from 2020 to 2023. → Analysis of Assets and Capital Structure, page 14

Financing Analysis

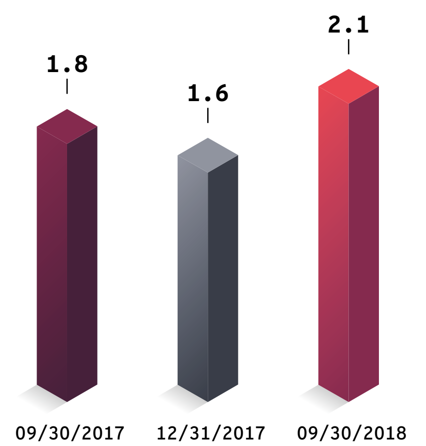
The leverage ratio is a key indicator for Group-wide financial and investment planning. It reflects the ratio of net debt to adjusted EBITDA over the last twelve months (LTM adjusted EBITDA). The target is a ratio between 1.5 and 2.5 at the end of the relevant year. The target range may be exceeded for a short period of time as a result of fluctuations during the year. As of September 30, the leverage ratio was 2.1 (December 31, 2017: 1.6; September 30, 2017: 1.8) with net financial debt of EUR 2,189 million (December 31, 2017: EUR 1,632 million; September 30, 2017: EUR 1,865 million). This higher net financial debt reflects the development of cash flows. → Analysis of Liquidity and Capital Expenditure, page 12

As of September 30, 2018, the definition of ProSiebenSat.1's net financial debt does not include lease liabilities according to IFRS 16. They amounted to EUR 142 million. Also not included are real estate liabilities of EUR 22 million.

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



23 / **LEVERAGE RATIO**[1] in EUR m



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

Analysis of Liquidity and Capital Expenditure

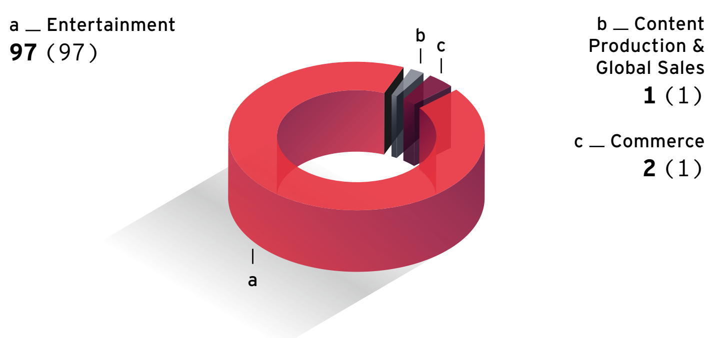
24 / **CASH FLOW STATEMENT** in EUR m

	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
Result for the period	**127**	**127**	**283**	**315**
Cash flow from operating activities	**301**	**308**	**909**	**957**
Cash flow from investing activities	**-299**	**213**	**-1,049**	**-472**
Free cash flow	**3**	**521**	**-140**	**484**
Cash flow from financing activities	**-14**	**-9**	**-427**	**-414**
Effect of foreign exchange rate changes on cash and cash equivalents	-3	-3	9	-9
Change in cash and cash equivalents	-14	510	-559	62
Cash and cash equivalents at beginning of reporting period	1,014[1]	824[1]	1,559[1]	1,271
Cash and cash equivalents available for sale at the end of the reporting period	-/-	13	-/-	13
Cash and cash equivalents at end of reporting period[2]	**1,000**	1,320	**1,000**	1,320

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

In the third quarter of 2018, ProSiebenSat.1 Group generated **cash flow from operating activities** of EUR 301 million (previous year: EUR 308 million). The slight decline resulted primarily from the earnings performance. Lower tax payments and the development of working capital had an opposite effect. Cash flow from operating activities amounted to EUR 909 million in the first nine months of 2018 (previous year: EUR 957 million). The decline was likewise mainly attributable to the Group's earnings performance. In addition, lower tax payments had a positive effect in the nine-month period. → Group Earnings, page 6

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



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

Investing activities resulted in a cash outflow of EUR 299 million for the third quarter of 2018 (previous year: EUR +213 million). The cash outflow in the first nine months of 2018 amounted to EUR 1,049 million (previous year: EUR 472 million). **Cash flow from investing activities** was mainly influenced by the following developments:

- The change in cash inflow from the sale of consolidated subsidiaries is characterized by a net cash inflow of EUR 469 million from the disposal of Etraveli in the previous year. maxdome, 7NXT and Tropo were deconsolidated in the third quarter of 2018. Against this backdrop, cash inflow from the sale of consolidated subsidiaries amounted to EUR 3 million in the third quarter of 2018 (previous year: EUR 470 million).

- Cash outflow from additions to the scope of consolidation amounted to EUR 3 million in the third quarter (previous year: EUR 0 million). Among other things, cash outflow resulted from a deferred purchase price payment for the film distributor Gravitas. In the nine-month period, EUR 233 million (previous year: EUR 91 million) was spent on additions to the scope of consolidation. This includes purchase price payments for various entities (Kairion, Aboalarm, Zirkulin, esome) and deferred purchase price payments for Verivox, Virtual Minds and the US production companies Fabrik Entertainment and Kinetic Content.

- The cash outflow for the acquisition of programming investments amounted to EUR 248 million in the third quarter (previous year: EUR 250 million). The programming investments were allocated to licensed programming (Q3 2018: 53 %; 9M 2018: 56 %) and commissioned productions (Q3 2018: 45 %; 9M 2018: 43 %) in the Entertainment segment. Cash outflow decreased by 8 % to EUR 711 million in the first nine months of the year (previous year: EUR 774 million); this is attributable in particular to lower investments in US licensed programming.

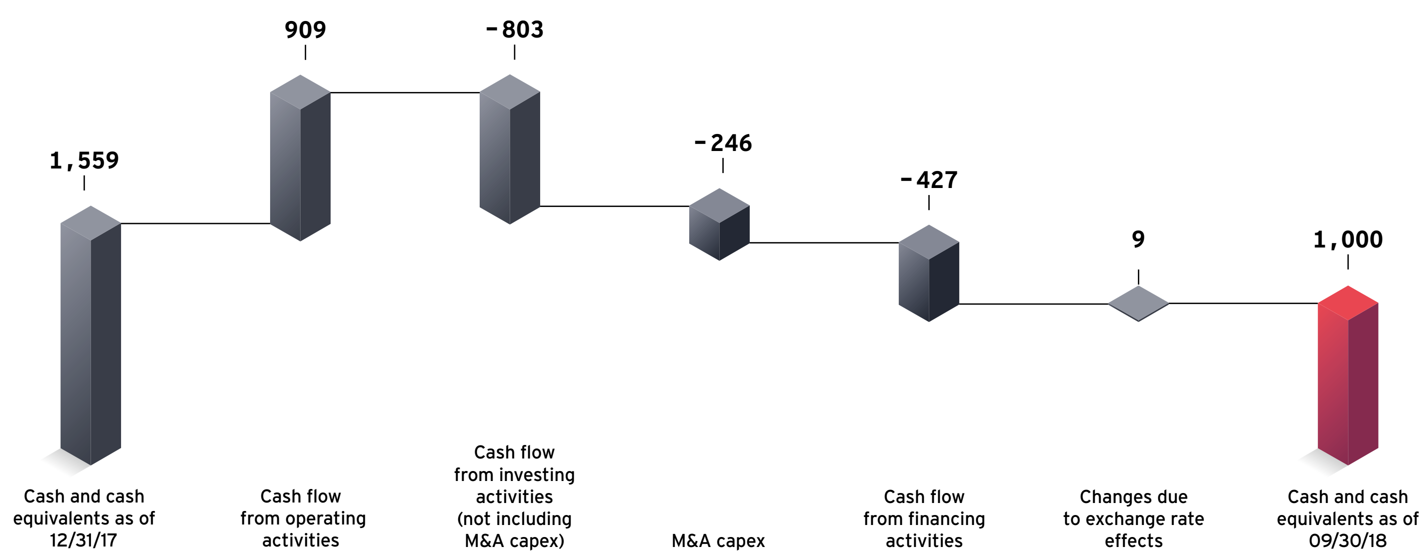
- Investments in property, plant and equipment increased to EUR 14 million in the third quarter (previous year: EUR 10 million) and to EUR 33 million in the first nine months of the year (previous year: EUR 27 million). Most of this was attributable to the Entertainment segment (Q3 2018: 80 %; 9M 2018: 83 %) and was related to technical facilities and leasehold improvements at the Unterföhring site. In the third quarter of 2018, a total of EUR 22 million went on other intangible assets (previous year: EUR 34 million). In the first nine months of the year, cash outflows amounted to EUR 70 million (previous year: EUR 83 million). The Group invested in other intangible assets primarily in the Entertainment segment, which accounted for shares of 67 % and 72 %.

The developments described resulted in **free cash flow** of EUR 3 million in the third quarter of 2018 (previous year: EUR 521 million); in the first nine months of 2018, the free cash flow amounted to minus EUR 140 million (previous year: EUR 484 million). The comparatively high figure for the previous year predominantly contains the cash inflow from the sale of Etraveli.

At EUR 22 million, free cash flow before M&A measures in the third quarter of 2018 was below the previous year's level (previous year: EUR 47 million). In the first nine months of the year, free cash flow before M&A measures amounted to EUR 105 million. This equates to a decrease of 10 % or EUR 12 million.

Cash flow from financing activities amounted to minus EUR 14 million in the third quarter (previous year: EUR –9 million), with payments for lease liabilities increasing by EUR 6 million to EUR 10 million.

26 / CHANGE IN CASH AND CASH EQUIVALENTS in EUR m



This development is attributable to the initial application of IFRS 16 and the associated change in the classification of lease payments. In the first nine months of the year, cash flow from financing activities amounted to minus EUR 427 million (previous year: EUR –414 million). This figure is characterized by various contrary developments: The sale of shares in the NuCom Group to General Atlantic resulted in an inflow of EUR 286 million in the reporting period. A cash outflow of EUR 222 million resulted from purchase price payments for additional shares in the subsidiary PARSHIP ELITE Group and the acquisition of additional shares in SilverTours and Sonoma Internet GmbH, operator of the platform Amorelie. There was also a cash outflow due to the dividend payment in May 2018 in the amount of EUR 442 million (previous year: EUR 435 million). At the same time, payments for lease liabilities increased by EUR 19 million to EUR 30 million as a result of the initial application of IFRS 16. → Notes, Note 2 "Changes in reporting standards," page 26 → Notes, Note 4 "Acquisitions, disposals and other transactions in connection with subsidiaries," page 31

The cash flows described, especially the development of cash flows from investing activities, resulted in a decline in cash and cash equivalents of 36 % or EUR 559 million compared to December 31, 2017, to EUR 1,000 million. The Group thus continues to have a comfortable level of liquidity.

Analysis of Assets and Capital Structure

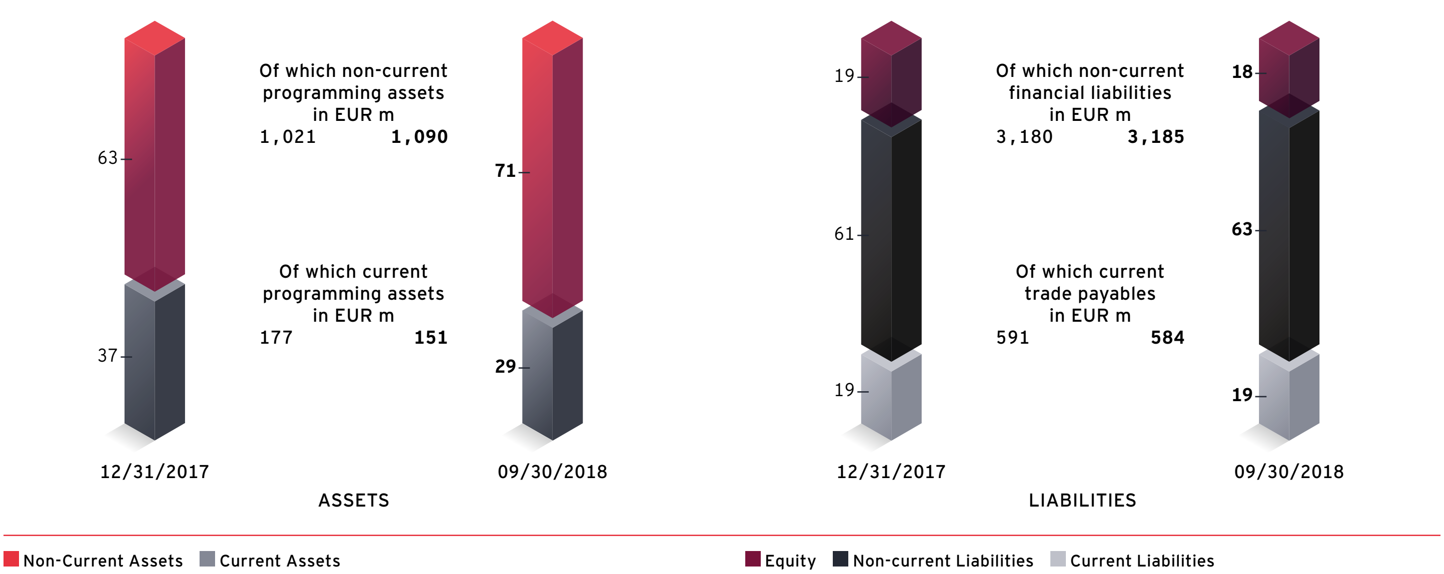
With an equity ratio of 18 %, ProSiebenSat.1 Group has a solid asset and capital structure (December 31, 2017: 19 %). Total assets amounted to EUR 6,236 million as of September 30, 2018 (–5 % or EUR –333 million). The key items in the statement of financial position are described below:

- **Current and non-current assets:** Goodwill increased by 5 % and amounted to EUR 1,914 million (December 31, 2017: EUR 1,831 million). Its share in total assets was 31 % (December 31, 2017: 28 %). Other intangible assets also recorded an increase, amounting to EUR 766 million as of September 30, 2018 (December 31, 2017: EUR 745 million). This development was driven by the initial consolidation of esome advertising technologies and Kairion as well as Zirkulin. Property, plant and equipment rose significantly by 50 % or EUR 102 million to EUR 307 million. This was due to the capitalization of leased property, plant and equipment as a result of applying the new reporting standard IFRS 16 for the first time as of January 2018.

  Other non-current financial and non-financial assets grew by 19 % amounting to EUR 213 million (December 31, 2017: EUR 179 million). This increase was primarily due to new media-for-equity and fund investments and positive valuation effects on these investments. Other current financial and non-financial assets increased to EUR 135 million (December 31, 2017: EUR 105 million). This was partly attributable to the positive development of currency hedging instruments.

  While other financial and non-financial assets increased, current trade receivables declined by 9 % or EUR 44 million to EUR 458 million as of September 30, 2018. In addition to goodwill, programming assets are among ProSiebenSat.1's most important assets and comprise non-current and current programming assets. They amounted to EUR 1,242 million (December 31, 2017: EUR 1,198 million), corresponding to a share of total assets of 20 % as of September 30, 2018 (December 31, 2017: 18 %).

27 / **STRUCTURE OF THE STATEMENT OF FINANCIAL POSITION** in %



Compared to the end of the year, cash and cash equivalents fell to EUR 1,000 million (previous year: EUR 1,552 million). This reflects the development of cash flows. → Analysis of Liquidity and Capital Expenditure, page 12

- **Equity:** As of September 30, 2018, the equity ratio amounted to 18 % (December 31, 2017: 19 %), with equity of EUR 1,151 million (previous year: EUR 1,252 million). The main reason for this slight decrease was the distribution of the dividend in May 2018 in the amount of EUR 442 million (previous year: EUR 435 million), although this was partly offset by the positive consolidated net profit.

- **Current and non-current liabilities:** Debt decreased by 4 % to EUR 5,085 million compared to the closing date in 2017 (December 31, 2017: EUR 5,317 million). This was mainly due to the decline in other non-current and current financial liabilities by EUR 128 million to EUR 491 million (December 31, 2017: EUR 618 million). This decrease was attributable to payments and positive valuation effects of the put options, which led to a reduction in liabilities. This was offset by increased lease liabilities, which rose as a result of the first-time application of IFRS 16. Non-current and current financial liabilities reported in debt totaled EUR 3,190 million (December 31, 2017: EUR 3,185 million).

RISK AND OPPORTUNITY REPORT

We estimate that there are currently no risks that, individually or in combination with other risks, could have a material or lasting adverse effect on the earnings, financial position and performance. The identified risks pose no threat to the Company as a going concern, even looking into the future. The overall risk situation remains limited, although individual risks have changed and the risk situation as a whole has increased compared to the end of 2017.

External Risks: The German economy's growth has lost momentum over the course of the year. We therefore consider economic risks to be slightly increased compared to the end of 2017. We now classify high negative effects as possible (previously: unlikely). However, economic forecasts naturally entail some uncertainties. In particular, it remains to be seen whether and to what extent macroeconomic development will have implications for the advertising market. This is why we continue to consider external risks a medium . → Future Business and Industry Environment, page 17

Ad sales: We classify the probability of occurrence of ad sales risks as likely (previously: possible) and, in total, increased. We assess the potentially negative impact on revenue development in the Entertainment segment as very high. Thus, ad sales risks are still rated as high. → Business Development of the Segments, page 9

The development of advertising revenues is influenced by a number of factors. In addition to the macroeconomic data described above, the general development of the advertising market and the distribution of advertising budgets among the media mix are relevant. In this context, there is considerable risk potential in reallocating budgets to online media, possibly going hand-in-hand with a declining TV share in the media mix or a negative trend in the overall revenue volume of the net TV advertising market. TV has benefited from digitalization in recent years and gained in relevance over print media in particular. However, competition with global digital providers has since also become more intensive. The same is true of TV reach among viewers as well. The transition from traditional linear viewing to streaming and catch-up video offerings is accelerating.

ProSiebenSat.1 Group itself is actively advancing the digital development in the media industry and thus diversifying its portfolio. This includes launching new stations to tap further target groups, boosting its own digital platforms or investing in programming to generate additional reach. Our objective is to offer entertainment – whenever, wherever and on any device. Independently of this, the Group has implemented an early warning system to keep a close eye on short, medium and long-term trends in reach. The central leading indicator is audience share and thus, in turn, the reach of the commercials during a TV show. By comparing forecasts and actual figures, the goal is to develop and implement countermeasures such as changes in program planning and price policy early on. → Annual Report 2017, page 106

Program productions for the US market: In the US, cable television providers in particular are increasingly competing with subscription video-on-demand (SVOD) services. For Red Arrow Studios, the market consolidation still anticipates means not just opportunities – such as new customer groups – but risks as well. Classic cable TV especially is one of our key commissioners in the US. We consider the probability of occurrence of risks in connection with productions for the US market to be possible, and the financial impact on revenue development in the Content Production & Global Sales segment to be high (previously: low). The overall risk has therefore increased and is now rated by ProSiebenSat.1 as a medium risk category (previously: low).

i While detailed descriptions and action plans to manage these risks exist, for the purpose of this report focus is laid on all risks which are rated overall as medium or high. Consequently, detailed descriptions of only such risks are included in this Risk and Opportunity Report. If any risks which are currently rated as low change to either medium or high in the future, such risks will then be described in detail as necessary. Conversely, if risks which are currently rated as medium or high diminish to a "low risk", such risks will not be described in detail in this report except for the change itself.

Content risks: In the light of the growing market presence of global streaming services, competitive pressure on European media companies has increased. This is also true with regard to exploiting rights. Here, ProSiebenSat.1 Group cannot maintain its past successes in licensed US TV programming. In addition, viewer interests can develop differently from country to country. Formats that are a hit on the other side of the Atlantic are not necessarily met with the same response in Germany. Programs that viewers can connect with at a local level are increasingly becoming a competitive edge. Moving ahead, the Group will therefore focus its content strategy more heavily on local programming, and is currently reviewing the contracts it already has with US studios.

Against this background, content risks in connection with licensed programming have increased. The Group now classifies this risk category as high (previously: medium) while the probability of occurrence remains possible. If such risks materialize, this would have a very high impact on the Group's earnings performance (previously: moderate) due to impairments or allocations to provisions for onerous contracts.→ Company Outlook, page 18

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

Tax risks: The tax risks published in the Annual Report 2017 relating to the measurement of programming assets no longer exist, because an agreement has since been reached with the tax authorities. For further information, please refer to the Notes → Note 7 "Provisions, contingent liabilities and other financial obligations," page 43.

We have implemented an effective risk management system that integrates all relevant business units. This also applies to opportunity management. The risks and opportunities identified as significant are described in the Annual Report 2017 from page 162. The organizational requirements for risk and opportunity management are also explained here. The Annual Report was published on March 15, 2018, and is available at → http://www.prosiebensat1.com/en/investor-relations/publications/results. The opportunity situation has not changed significantly.

OUTLOOK

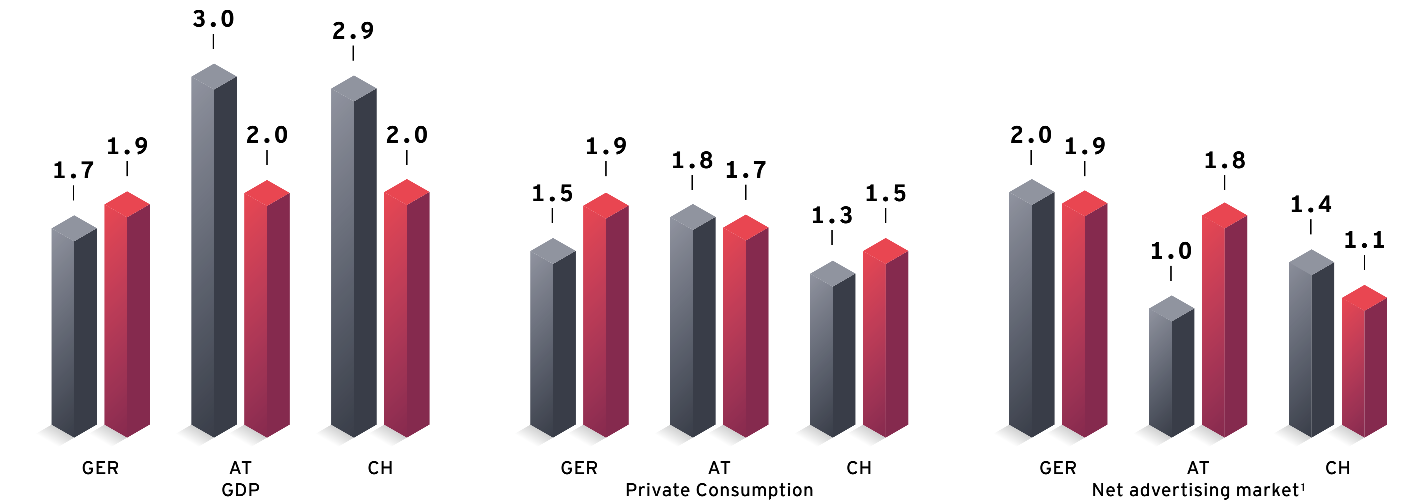
FUTURE BUSINESS AND INDUSTRY ENVIRONMENT

The International Monetary Fund (IMF) anticipates growth of 2.0 % for the euro zone in 2018 (previously: 2.2 %); the global economy is likely to expand by 3.7 % (previously: 3.9 %). The leading market research institutes expect the robust upward trend in Germany to continue, albeit with lower momentum. The economic research institutes of the Joint Economic Analysis Group anticipate growth in German gross domestic product (GDP) of 1.7 % (previously 2.2 %); growth expectations for private consumption are 1.5 %. The German economy is also expected to grow solidly in 2019. The forecast growth rates are 1.9 % for both GDP and private consumption. Nonetheless, there are significant forecast risks, due in particular to the growing number of trade conflicts around the world, a possible UK's disorderly exit from the EU, and a threatening debt crisis in Italy. → Development of Economy and Advertising Market, page 4 → Risk Report, page 16

After the German net TV advertising market grew only slightly and was characterized by increased volatility in 2017, the market has also drawn less benefit from the macroeconomic data so far this year. This was attributable to sector-specific effects, such as increasing consolidation of important sectors for the TV advertising market, which represent developments whose duration and impact cannot yet be conclusively assessed. The slowdown affected not only the German TV market, but the entire European advertising industry. Against this backdrop, research institutes' forecasts for 2018 vary considerably, with ZenithOptimedia recently lowering its expectations for the advertising market.

The forecasts for the German TV advertising market range between – 0.2 % (Magna Global) and + 1.9 % (ZenithOptimedia; previously: + 3.0 %) in net terms. For the German advertising market as a whole, Magna Global anticipates net growth of + 2.5 %; ZenithOptimedia forecasts growth of 2.0 % (previously: + 2.5 %). In-stream video advertising is likely to continue its dynamic development and drive growth on the online advertising market. Here, the research institutes anticipate a plus of 8.2 % (ZenithOptimedia; previously: + 8.8 %) or 9.9 % (Magna Global) respectively. → Development of Economy and Advertising Market, page 4 → Risk Report, page 16

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



Source: **GER:** Joint Economic Analysis Group, autumn 2018. / **AT:** Austrian Institute for Economic Research from October 10, 2018.
CH: SECO, economic forecast by Federal Government's Expert Group, September 2018.
[1] ZenithOptimedia, advertising expenditure forecast September 2018, figures adjusted on a net basis, nonetheless methodological differences between different countries and sources.

COMPANY OUTLOOK

Revenue and earnings development 2018. The revenue development of ProSiebenSat.1 Group continues to be impacted by consolidation effects. Until the end of the third quarter of 2018, maxdome, 7NXT and tour operator Tropo were deconsolidated, which, as announced, had an impact on the Group's revenue growth for the full-year. There will also be a more moderate increase of organic revenues in total. ProSiebenSat.1 is adjusting its Group revenue target for 2018 accordingly: The Group now expects a revenue decrease in the low-single-digit percentage range to around EUR 4 billion (2017: EUR 4.1 billion). Adjusted for consolidation and currency effects, Group revenues are however expected to grow in a low-single-digit percentage range. Previously, ProSiebenSat.1 had targeted an unadjusted revenue increase of the Group in a low- to mid-single-digit percentage range and an adjusted revenue increase in a mid-single-digit percentage range compared to the previous year. The 2018 financial targets for the adjusted EBITDA margin and adjusted net income remain unchanged, irrespective of the adjustment of the revenue outlook and the potential earnings impact from the US studio contracts. The leverage ratio is expected to remain within the target range of 1.5 and 2.5 at the end of 2018.

Investment focus and financial outlook: In order to set up a modern and future-ready Entertainment business, ProSiebenSat.1 will invest additionally in local content, the expansion of digital platforms and an improved monetization of reach from 2019 onwards. In consideration of offsetting cost efficiency measures as well as an expected moderate segment revenue increase, this will lead to an adjusted EBITDA decrease in the Entertainment segment in 2019.

In parallel to the increased local focus in its Entertainment content strategy, the Group is currently reviewing its existing US studio contracts. In this regard, ProSiebenSat.1 has approached the respective licensors in order to achieve relevant improvements in the scope of rights and/or volume inflow for license volumes both from existing agreements and for future agreements.

ProSiebenSat.1 has already concluded a new licensing deal for new license rights with its long-standing partner, the US studio Warner Bros. This ensures a qualitatively significantly optimized inflow and has a considerably improved scope of rights. Depending on further negotiation results and the evaluation of further alternatives, the Company does not exclude a one-time negative earnings impact of up to EUR 400 million in 2018 by already capitalized and by contracted, but not yet capitalized, license volumes. Due to payments already made in the past as well as scheduled and non-scheduled tax relief effects, the negative impact on free cash flow would be up to EUR 110 million due to payments for these license rights to be made in the future. This amount would be spread over the next four years essentially.

Regardless of the future investment requirement, ProSiebenSat.1 confirms the Group's mid-term financial targets: The Company continues to aim for an average annual revenue increase (CAGR) in the mid-single-digit percentage range for the next around five years. At the same time, the Group still anticipates profitability at Group level in the mid 20 percentage range in terms of adjusted

EBITDA. While the Group anticipates a revenue increase in the mid-single-digit percentage range also in 2019, the Group's profitability and earnings performance will however be affected in particular by planned investments recognized as expense in the Entertainment segment. Under consideration of expected profitable growth of the Content Production & Global Sales and Commerce segments as well as the offsetting cost efficiency measures, the total Group's adjusted EBITDA will be negatively impacted in 2019 by about EUR 50 million. The objective is to further improve the Company's competitiveness through these investments and to accelerate revenues and earnings growth in the mid-term.

Dividend policy/Share buyback: The overriding objective of the Group is to generate an attractive total shareholder return for its shareholders. Against this backdrop, ProSiebenSat.1 is adjusting its dividend pay-out policy.

The Group targets a maximization of total shareholder return along various components, which particularly includes an increase in earnings growth next to an attractive dividend yield. The Group thus intends to pay out 50 % of adjusted net income as a dividend (previously 80 % to 90 %) for the first time in the financial year 2018 (to be paid in 2019). ProSiebenSat.1 will use the funds thus released primarily for earnings-increasing investments in organic and inorganic growth. In addition, the Group will also opportunistically carry out share buybacks in the future. Besides the announced investments in core areas as well as bolt-on acquisitions, ProSiebenSat.1 thus plans a share buyback program of up to EUR 250 million with a term of 12 to 24 months. At the current valuation level, the Group thus uses share buybacks as an instrument to improve its capital efficiency. In the context of this share buyback program, a first tranche with a volume of up to EUR 50 million will be repurchased in the short term, beginning with November 9, 2018.

29 / PROSIEBENSAT.1 GROUP FINANCIAL TARGETS FOR 2018

	2018 as a whole	Previous guidance
Revenues	Decrease in the low-single-digit percentage range	Growth in the low- to mid-single-digit percentage range
Revenues adjusted for consolidation and currency effects	Growth in the low-single-digit percentage range	Growth in the mid-single-digit percentage range
Adjusted EBITDA margin	Margin in the mid 20 percentage range	Margin in the mid 20 percentage range
Adjusted net income	Conversion rate of adjusted EBITDA to adjusted net income of around 50 %	Conversion rate of adjusted EBITDA to adjusted net income of around 50 %
Leverage ratio (ratio of net financial debt to adjusted EBITDA)	Target range of 1.5 to 2.5	Target range of 1.5 to 2.5
Dividend pay-out	50 % of adjusted net income	80 % to 90 % of adjusted net income

30 / PROSIEBENSAT.1 GROUP'S MID-TERM FINANCIAL TARGETS

	Mid-term growth range	Mid-term adjusted EBITDA profitability
Entertainment	+0-5 %	
Content Production & Global Sales	+5-10 %	
Commerce	+10-15 %	
ProSiebenSat.1 Group	Mid-single-digit percentage range	Adjusted EBITDA margin in the mid 20 percentage range

i We published the Company Outlook for 2018 at the Annual Press Conference on February 22, 2018, and in the Annual Report 2017 on March 15, 2018. The Company outlined its individual targets and planning assumptions in detail on pages 168 to 169 of the Annual Report 2017.

31 / PREDICTIVE STATEMENTS

Forecasts are based on current assessments of future developments. In this context, we draw on our budget planning and comprehensive market and competitive analyses. The forecasted values are calculated in accordance with the reporting principles used in the financial statements and are consistent with the adjustments described in the Management Report. However, forecasts naturally entail some uncertainties that could lead to positive or negative deviations from planning. If imponderables occur or if the assumptions on which the predictive statements are made no longer apply, actual results may deviate materially from the statements made or the results implicitly expressed. Developments that could negatively impact this forecast include, for example, lower economic momentum than expected at the time this report was prepared. These and other factors are explained in detail in the Risk- and Opportunity Report. There we also report on additional growth potential; opportunities that we have not yet or not fully budgeted for could arise from corporate strategy decisions, for example. Potential risks are accounted for regularly and systematically as part of the Group-wide risk management process. Significant events after the end of the reporting period are explained in the Notes, → Note 11 "Events after the interim reporting period," page 52. The publication date of the quarterly statement for the third quarter and the first nine month 2018 is November 8, 2018.

B / INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

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

		Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
1.	Revenues	892	883	2,685	2,755
2.	Cost of sales	-544	-722	-1,512	-1,720
3.	**Gross profit**	**348**	**160**	**1,174**	**1,034**
4.	Selling expenses	-131	-133	-365	-421
5.	Administrative expenses	-105	-138	-447	-416
6.	Other operating expenses	-3	-22	-9	-27
7.	Other operating income	23	307	39	316
8.	**Operating result**	**133**	**174**	**393**	**487**
9.	Interest and similar income	1	1	4	2
10.	Interest and similar expenses	-16	-31	-59	-68
11.	Interest result	-15	-30	-55	-66
12.	Result from investments accounted for using the equity method	-3	-2	-8	-5
13.	Other financial result	62	-9	77	-7
14.	**Financial result**	**44**	**-41**	**14**	**-79**
15.	**Result before income taxes**	**177**	**132**	**407**	**408**
16.	Income taxes	-49	-5	-124	-94
RESULT FOR THE PERIOD		**127**	**127**	**283**	**315**
	Attributable to shareholders of ProSiebenSat.1 Media SE	126	122	279	304
	Non-controlling interests	1	4	4	11
in EUR					
	Earnings per share				
	Basic earnings per share	0.55	0.53	1.22	1.33
	Diluted earnings per share	0.54	0.51	1.21	1.32

STATEMENT OF COMPREHENSIVE INCOME

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

	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
Result for the period	**127**	**127**	**283**	**315**
Items subsequently reclassified to profit or loss				
Change in foreign currency translation adjustment[1]	-3	-6	9	-35
Changes in fair value of cash flow hedges	-19	-57	12	-179
Deferred tax on other comprehensive income	5	16	-3	50
Deconsolidation reclassifications	-/-	8	-/-	8
Other comprehensive income for the period	**-17**	**-39**	**17**	**-156**
Total comprehensive income for the period	**111**	**87**	**300**	**159**
Attributable to Shareholders of ProSiebenSat.1 Media SE	110	84	296	150
Non-controlling interests	1	3	4	9

[1] Includes amounts associated with assets and liabilities held for sale of 0 EUR m for Q1-Q3 2018 (Q1-Q3 2017: 0 EUR m) and 0 EUR m for the third quarter 2018 (Q3 2017: 4 EUR m).

STATEMENT OF FINANCIAL POSITION

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

		09/30/2018	12/31/2017
A.	**Non-current assets**		
I.	Goodwill	1,914	1,831
II.	Other intangible assets	766	745
III.	Property, plant and equipment	307	205
IV.	Investments accounted for using the equity method	92	108
V.	Non-current financial assets	208	175
VI.	Programming assets	1,090	1,021
VII.	Other receivables and non-current assets	5	4
VIII.	Deferred tax assets	25	34
		4,408	**4,123**
B.	**Current assets**		
I.	Programming assets	151	177
II.	Inventories	55	39
III.	Current financial assets	68	52
IV.	Trade receivables	458	501
V.	Current tax assets	29	41
VI.	Other receivables and current assets	67	53
VII.	Cash and cash equivalents	1,000	1,552
VIII.	Assets held for sale	-/-	32
		1,828	**2,446**
	Total assets	**6,236**	**6,569**

		09/30/2018	12/31/2017
A.	**Equity**		
I.	Subscribed capital	233	233
II.	Capital reserves	1,039	1,055
III.	Consolidated equity generated	-88	79
IV.	Treasury shares	-13	-13
V.	Accumulated other comprehensive income	2	-16
VI.	Other equity	-196	-113
	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	977	1,225
VII.	Non-controlling interests	174	26
		1,151	**1,252**
B.	**Non-current liabilities**		
I.	Non-current financial debt	3,185	3,180
II.	Other non-current financial liabilities	358	473
III.	Trade payables	53	50
IV.	Other non-current liabilities	7	7
V.	Provisions for pensions	29	27
VI.	Other non-current provisions	34	46
VII.	Deferred tax liabilities	233	253
		3,899	**4,036**
C.	**Current liabilities**		
I.	Current financial debt	4	4
II.	Other current financial liabilities	133	145
III.	Trade payables	531	541
IV.	Other current liabilities	309	357
V.	Provisions for taxes	96	120
VI.	Other current provisions	111	107
VII.	Liabilities associated with assets held for sale	-/-	6
		1,185	**1,281**
	Total equity and liabilities	**6,236**	**6,569**

CASH FLOW STATEMENT

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

	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
Result for the period	**127**	**127**	**283**	**315**
Income taxes	49	5	124	94
Financial result	-44	41	-14	79
Depreciation/amortization and impairment of other intangible and tangible assets	54	108	157	215
Consumption/reversal of impairment of programming assets	209	382	655	834
Change in provisions for pensions and other provisions	-33	13	1	4
Gain/loss on the sale of assets	-19	-303	-22	-300
Other non-cash income/expenses	-1	0	0	3
Change in working capital	17	3	-80	-80
Dividends received	1	0	7	7
Income tax paid	-49	-58	-156	-166
Interest paid	-10	-10	-48	-48
Interest received	0	0	2	1
Cash flow from operating activities	**301**	**308**	**909**	**957**
Proceeds from disposal of non-current assets	2	35	30	36
Payments for the acquisition of other intangible and tangible assets	-36	-43	-103	-111
Payments for the acquisition of financial assets	-12	-6	-39	-24
Proceeds from disposal of programming assets	5	7	12	19
Payments for the acquisition of programming assets	-248	-250	-711	-774
Payments for the issuance of loan receivables to external parties	-7	0	-6	0
Proceeds from the repayment of external loan receivables	-/-	1	-/-	1
Payments for the issuance of loan receivables to financial assets	-2	-/-	-5	-/-
Proceeds from the repayment of loans to financial assets	-/-	-/-	1	-/-
Cash flow from obtaining control of subsidiaries or other businesses (net of cash and cash equivalents acquired)	-3	0	-233	-91
Cash flow from losing control of subsidiaries or other businesses (net of cash and cash equivalents disposed of)	3	470	5	470
Cash flow from investing activities	**-299**	**213**	**-1,049**	**-472**
Free cash flow	**3**	**521**	**-140**	**484**
Dividends paid	-/-	-/-	-442	-435
Repayment of interest-bearing liabilities	0	0	-1	-7
Proceeds from issuance of interest-bearing liabilities	0	1	5	6
Repayment of lease liabilities	-10	-4	-30	-11
Proceeds from the sale of treasury shares	-/-	1	-/-	1
Proceeds from the sale of shares in other entities without change in control	0	0	286	52
Payments for shares in other entities without change in control	-1	-5	-222	-5
Proceeds from non-controlling interests	-/-	1	1	1
Payments in connection with refinancing measures	-/-	-/-	-/-	-4
Dividend payments to non-controlling interests	-2	-3	-26	-12
Cash flow from financing activities	**-14**	**-9**	**-427**	**-414**
Effect of foreign exchange rate changes on cash and cash equivalents	-3	-3	9	-9
Change in cash and cash equivalents	**-14**	**510**	**-559**	**62**
Cash and cash equivalents at beginning of reporting period	1,014[1]	824[1]	1,559[1]	1,271
Cash and cash equivalents at end of reporting period	**1,000**	**1,333**[1]	**1,000**	**1,333**[1]
Cash and cash equivalents classified under assets held for sale at end of reporting period	-/-	13	-/-	13
Cash and cash equivalents at end of reporting period (statement of financial position)	**1,000**	**1,320**	**1,000**	**1,320**

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

STATEMENT OF CHANGES IN EQUITY

36 / STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP Q1–Q3 2017 in EUR m

					Accumulated other comprehensive income							
	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
December 31, 2016	233	1,054	42	-14	18	221	-9	-59	-79	1,408	24	1,432
Result for the period	-/-	-/-	304	-/-	-/-	-/-	-/-	-/-	-/-	304	11	315
Other comprehensive income	-/-	-/-	-/-	-/-	-33	-179	-/-	50	-/-	-162	-2	-164
Deconsolidation reclassifications	-/-	-/-	-/-	-/-	8	-/-	-/-	-/-	-/-	8	-/-	8
Total comprehensive income	**-/-**	**-/-**	**304**	**-/-**	**-25**	**-179**	**-/-**	**50**	**-/-**	**150**	**9**	**159**
Dividends	-/-	-/-	-435	-/-	-/-	-/-	-/-	-/-	-/-	-435	-12	-447
Share-based payments	-/-	2	-/-	0	-/-	-/-	-/-	-/-	-/-	2	-/-	2
Other changes	-/-	0	0	-/-	-/-	-/-	-/-	-/-	-24	-24	7	-17
September 30, 2017	**233**	**1,055**	**-89**	**-14**	**-6**	**42**	**-9**	**-9**	**-103**	**1,101**	**28**	**1,129**

37 / STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP Q1–Q3 2018 in EUR m

					Accumulated other comprehensive income							
	Subscribed capital	Capital reserves	Consolidated equity generated	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Valuation of provisions for pensions	Deferred taxes	Other equity	Total equity attributable to shareholders of ProSiebenSat.1 Media SE	Non-controlling interests	Total equity
December 31, 2017	233	1,055	79	-13	-14	7	-9	1	-113	1,225	26	1,252
Change in reporting standards	-/-	-/-	-5	-/-	-/-	-/-	-/-	-/-	-/-	-5	-/-	-5
January 1, 2018	**233**	**1,055**	**74**	**-13**	**-14**	**7**	**-9**	**1**	**-113**	**1,221**	**26**	**1,247**
Result for the period	-/-	-/-	279	-/-	-/-	-/-	-/-	-/-	-/-	279	4	283
Other comprehensive income	-/-	-/-	-/-	-/-	9	12	-/-	-3	-/-	17	-/-	17
Total comprehensive income	**-/-**	**-/-**	**279**	**-/-**	**9**	**12**	**-/-**	**-3**	**-/-**	**296**	**4**	**300**
Dividends	-/-	-/-	-442	-/-	-/-	-/-	-/-	-/-	-/-	-442	-26	-468
Share-based payments	-/-	-17	-/-	-/-	-/-	-/-	-/-	-/-	-/-	-17	-/-	-17
Other changes	-/-	1	0	-/-	-/-	-/-	-/-	-/-	-82	-81	170	89
September 30, 2018	**233**	**1,039**	**-88**	**-13**	**-5**	**18**	**-9**	**-3**	**-196**	**977**	**174**	**1,151**

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

1 / General principles

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

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

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

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

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

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

Due to rounding, it is possible that individual figures in these Interim Consolidated Financial Statements do not add exactly to the totals shown and that the percentage figures presented do not reflect exactly the absolute figures they relate to.

2 / Changes in reporting standards

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

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

The effects of the initial application of these provisions on the Interim Consolidated Financial Statements of ProSiebenSat.1 Group as of September 30, 2018 are presented below. For detailed information on the content of the aforementioned standards and their effects on the Group's earnings, financial position and performance at the time of initial application, please refer to → Note 2 "Changes in reporting standards" in the Notes to the Interim Consolidated Financial Statements as of June 30, 2018 (pages 23 to 29 of the Half-Yearly Financial Report of ProSiebenSat.1 Group for the first half of 2018, available at www.prosiebensat1.com).

IMPACT OF INITIALLY APPLIED REPORTING STANDARDS IN THE THIRD QUARTER OF 2018 AND THE NINE-MONTH PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2018

IFRS 9 "FINANCIAL INSTRUMENTS"

The initial application of IFRS 9 had no significant impact on the earnings, financial position and performance of ProSiebenSat.1 Group in the third quarter of 2018. The recognition of the extension of loan liabilities in profit or loss during the first quarter of 2018 resulted in income of EUR 4 million in the nine-month period from January 1 to September 30, 2018, presented in financial result. The net effect after taking into account deferred taxes amounted to EUR 3 million.

IFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

The first-time application of IFRS 15 had no significant impact on the earnings, financial position and performance of the ProSiebenSat.1 Group in the third quarter of 2018.

Due to the recognition of certain license revenues over time, the contract liabilities recognized at January 1, 2018, the date of initial application, were reversed and recognized as revenues in an amount of EUR 2 million during the nine-months period from January 1 and September 30, 2018. The contract liabilities are reported as other liabilities in the Statement of Financial Position.

IFRS 16 "LEASES"

In the context of IFRS 16 accounting, rights-of-use in the amount of EUR 105 million and lease liabilities in the amount of EUR 108 million were recorded in the consolidated Statement of Financial Position as of the reporting date of September 30, 2018. The change in the presentation of the scheduled amortization of the rights-of-use under lease agreements and the interest expense from compounding the lease liabilities led to an increase in adjusted EBITDA and EBITDA of EUR 8 million in the third quarter of 2018 (Q1–Q3 2018: EUR 23 million).

In the third quarter of 2018, ProSiebenSat.1 Media SE concluded a new lease agreement with an external financial consortium for the construction of the company's campus in Unterföhring. The contractual properties are held by a property company, which is fully consolidated in the Consolidated Financial Statements of ProSiebenSat.1 Group in accordance with IFRS 10 "Consolidated Financial Statements". For further information, please refer to → Note 4 "Acquisitions, disposals and other transactions affecting the scope of consolidation".

The following table shows the financial impact of the first-time accounting according to IFRS 9, 15 and 16 on the Income Statement for the third quarter of 2018.

38 / INCOME STATEMENT Q3 in EUR m

	Q3 2018 before application of new IFRS	Adjustments IFRS 9	Adjustments IFRS 15	Adjustments IFRS 16	Q3 2018 after application of new IFRS
Revenues	891	-/-	0	-/-	892
Operating costs[1]	−730	0	-/-	8	−721
Adjusted EBITDA	167	-/-	-/-	8	175
EBITDA	179	-/-	-/-	8	187
Depreciation and amortization	−46	-/-	-/-	−8	−54
Financial Result	44	-/-	-/-	−1	44
Income Taxes	−49	0	0	-/-	−49
Adjusted net income	75	0	0	0	75
Result for the period	127	0	0	0	127

[1] Operating costs contain cost of sales, selling expenses, administrative expenses and other operating expenses minus expense adjustments and depreciation and amortization. The adjustments resulting from the first-time application of IFRS 16 relate to the changed presentation of the amortization of rights-of-use and interest expense from the compounding of lease liabilities.

The impact of the application of the new IFRS standards on the Income Statement in the nine months from January 1 to September 30, 2018 is presented below.

39 / INCOME STATEMENT Q1–Q3 in EUR m

	Q1–Q3 2018 before application of new IFRS	Adjustments IFRS 9	Adjustments IFRS 15	Adjustments IFRS 16	Q1–Q3 2018 after application of new IFRS
Revenues	2,683	-/-	2	-/-	2,685
Operating costs[1]	−2,094	0	-/-	23	−2,071
Adjusted EBITDA	612	-/-	-/-	23	634
EBITDA	527	-/-	-/-	23	550
Depreciation and amortization	−136	-/-	-/-	−21	−157
Financial Result	12	4	-/-	−2	14
Income Taxes	−122	−1	−1	-/-	−124
Adjusted net income	300	3	2	0	305
Result for the period	278	3	2	0	283

[1] Operating costs contain cost of sales, selling expenses, administrative expenses and other operating expenses minus expense adjustments and depreciation and amortization. The adjustments resulting from the first-time application of IFRS 16 relate to the changed presentation of the amortization of rights-of-use and interest expense from the compounding of lease liabilities.

The adjustment from the first-time application of IFRS 9 to other financial result of EUR 4 million and to the tax result of EUR − 1 million reflects the effects from the extension of long-term financial debt in March 2018, see also → Note 8 "Financial instruments", recognized in profit or loss in accordance with IFRS 9.B5.4.5ff. By contrast, the effects of the first-time application of the new impairment model of IFRS 9 in the third quarter and the first nine months of 2018 were not material.

Due to the recognition of certain license revenues over time, revenues increased by EUR 0 million in the third quarter of 2018 (Q1–Q3 2018: EUR 2 million).

Under IAS 17, expenses for leases classified as operating leases were reported as functional costs. By contrast, rights-of-use under leases are amortized under IFRS 16.

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

40 / STATEMENT OF FINANCIAL POSITION in EUR m

Item	09/30/2018 before application of new IFRS	Prospective application		Modified retrospective application		09/30/2018 after application of new IFRS
		Adjustments IFRS 9 (Class & Meas)	Adjustments IFRS 9 (Impairment)	Adjustments IFRS 15	Adjustments IFRS 16	
Property, plant and equipment	202	-/-	-/-	-/-	105	307
Deferred tax assets	26	-/-	0	-1	-/-	25
Trade receivables	457	-/-	0	-/-	-/-	458
Non-current financial debt	3,189	-4	-/-	-/-	-/-	3,185
Other financial liabilities (current and non-current)	383	-/-	-/-	-/-	108	491
Provisions for taxes	95	1	-/-	-/-	-/-	96
Accrued lease liabilities	3	-/-	-/-	-/-	-3	0
Contract liabilities[1]	5	-/-	-/-	-2	-/-	3
Consolidated equity generated	-93	3	0	2	0	-88

[1] The carrying amount of the contract liabilities as of September 30, 2018 prior to the application of new IFRS represents the amount recognized at the date of initial application of IFRS 15 (January 1, 2018). In the third quarter of 2018, EUR 0 million was recognized as revenues under IFRS 15 (Q1–Q3 2018: EUR 2 million).

The adjustments from the initial application of the classification and measurement guidance of IFRS 9 result from the extension of the syndicated loan arrangement in March 2018 of EUR 2.1 billion, presented as non-current financial debt, by one year until April 2023. In accordance with IFRS 9.B5.4.5ff., the effects of such transactions are recognized in profit or loss. The corresponding journal entry was to other financial result. The initial application of IFRS 9 had no other material effects on the earnings, financial position and performance of the Group.

The recognition of certain license revenues over time under IFRS 15 led to a decrease of contract liabilities by EUR 2 million and a corresponding increase of consolidated equity generated of EUR 2 million taking into account deferred taxes of EUR 1 million. The increase of property, plant and equipment and other financial liabilities reflects the initial application of IFRS 16 to leases classified as operating leases under previous standards.

In the Cash Flow Statement, the consolidated profit, used as the basis for determining the cash flow from operating activities under the indirect method, has changed by EUR 0 million in the third quarter of 2018 and by EUR 5 million in the nine months from January 1 to September 30, 2018 due to the initial application of IFRS 9, 15 and 16.

The cash outflows from the repayment of lease liabilities presented in the cash flow from financing activities increased by EUR 7 million in the third quarter (Q1–Q3: EUR 21 million) due to the introduction of IFRS 16. There have been no material effects on the earnings, financial position and performance of the Group from the implementation of the new IFRS standards beyond those described.

3 / Segment reporting

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

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

41 / SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP Q3 2018 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Other/ Eliminations	Total Interim Consolidated Financial Statements
Revenues	562	155	197	914	-23	892
External revenues	547	148	197	892	-/-	892
Internal revenues	16	7	0	23	-23	-/-
EBITDA[1]	165	5	17	187	0	187
Adjusted EBITDA	150	6	19	175	0	175

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

42 / SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP Q3 2017 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Other/ Eliminations	Total Interim Consolidated Financial Statements
Revenues	575	143	186	905	-22	883
External revenues	565	131	186	883	-/-	883
Internal revenues	10	12	0	22	-22	-/-
EBITDA[1]	-50	8	324	282	-1	281
Adjusted EBITDA	163	10	30	203	0	202

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

43 / SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP Q1-Q3 2018 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Other/ Eliminations	Total Interim Consolidated Financial Statements
Revenues	1,850	394	525	2,770	-84	2,685
External revenues	1,799	361	525	2,685	-/-	2,685
Internal revenues	52	33	0	84	-84	-/-
EBITDA[1]	497	17	37	551	-1	550
Adjusted EBITDA	567	19	48	635	-1	634

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

44 / SEGMENT INFORMATION OF PROSIEBENSAT.1 GROUP Q1-Q3 2017 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total Segments	Other/ Eliminations	Total Interim Consolidated Financial Statements
Revenues	1,862	425	557	2,844	-89	2,755
External revenues	1,824	375	556	2,755	-/-	2,755
Internal revenues	38	50	1	89	-89	-/-
EBITDA[1]	324	17	362	703	-1	702
Adjusted EBITDA	565	20	77	662	-1	661

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

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

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

45 / RECONCILIATION OF SEGMENT INFORMATION in EUR m

	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
ADJUSTED EBITDA				
Adjusted EBITDA of reportable segments	175	203	635	662
Other/Eliminations	-0	0	-1	-1
Adjusted EBITDA of the Group	**175**	**202**	**634**	**661**
Reconciling Items	12	79	-84	41
Financial result	44	-41	14	-79
Depreciation and amortization	-52	-50	-154	-152
Impairment	-2	-57	-4	-63
Result before income taxes	**177**	**132**	**407**	**408**

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

46 / PRESENTATION OF THE RECONCILING ITEMS in EUR m

	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
Income from changes in scope of consolidation	18	302	18	302
Income - revised valuations	-/-	0	-/-	0
Income - other one off items	-/-	0	1	0
Income	**18**	**302**	**19**	**302**
M&A related costs	-7	-12	-30	-21
Reorganizations	0	-20	-63	-40
Legal claims	0	-8	1	-8
Cash-settled share-based payments (Group Share Plan)	2	5	2	3
Expenses from changes in scope of consolidation	0	-/-	0	-/-
Other material one-time items	-2	-188	-13	-194
thereof impairment programming assets	-/-	-170	-/-	-170
EBITDA expenses	**-7**	**-223**	**-104**	**-261**
Reconciling items	**12**	**79**	**-84**	**41**

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

47 / ENTITY-WIDE DISCLOSURES Q3 in EUR m

Geographical breakdown	**GER**		**USA**		**AT/CH**		**UK**		**Scandinavia**		**Other**		**Total Interim Consolidated Financial Statements**	
	Q3 2018	**Q3 2017**	**Q3 2018**	**Q3 2017**	**Q3 2018**	**Q3 2017**	**Q3 2018**	**Q3 2017**	**Q3 2018**	**Q3 2017**	**Q3 2018**	**Q3 2017**	**Q3 2018**	**Q3 2017**
External Revenues	702	694	115	100	57	60	12	12	1	14	4	4	**892**	**883**

48 / ENTITY-WIDE DISCLOSURES Q1-Q3 in EUR m

Geographical breakdown	**GER**		**USA**		**AT/CH**		**UK**		**Scandinavia**		**Other**		**Total Interim Consolidated Financial Statements**	
	Q1-Q3 2018	**Q1-Q3 2017**	**Q1-Q3 2018**	**Q1-Q3 2017**	**Q1-Q3 2018**	**Q1-Q3 2017**	**Q1-Q3 2018**	**Q1-Q3 2017**	**Q1-Q3 2018**	**Q1-Q3 2017**	**Q1-Q3 2018**	**Q1-Q3 2017**	**Q1-Q3 2018**	**Q1-Q3 2017**
External Revenues	2,185	2,139	268	281	191	196	25	24	3	103	14	11	**2,685**	**2,755**

In the third quarter or in the first nine months of the financial year 2018, revenues under IFRS 15 are broken down by segment as follows:

49 / REVENUES ACCORDING TO IFRS 15 Q3 2018 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total
Advertising revenues	462	-/-	-/-	462
Digital Services[1]	-/-	-/-	128	128
Revenues from the sales of goods	-/-	-/-	60	60
Production revenues	-/-	88	-/-	88
Distribution revenues	35	-/-	-/-	35
Program sales	11	9	-/-	19
Others[2]	39	51	9	100
Total	**547**	**148**	**197**	**892**
Timing of revenue				
Point in time	511	60	178	749
Over time	36	88	19	143
Total	**547**	**148**	**197**	**892**

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

50 / REVENUES ACCORDING TO IFRS 15 Q1-Q3 2018 in EUR m

	Segment Entertainment	Segment Content Production & Global Sales	Segment Commerce	Total
Advertising revenues	1,513	-/-	-/-	1,513
Digital Services[1]	-/-	-/-	338	338
Revenues from the sales of goods	-/-	-/-	163	163
Production revenues	-/-	191	-/-	191
Distribution revenues	104	-/-	-/-	104
Program sales	31	40	-/-	71
Others[2]	151	130	23	304
Total	**1,799**	**361**	**525**	**2,685**
Timing of revenue				
Point in time	1,665	170	467	2,303
Over time	134	191	58	382
Total	**1,799**	**361**	**525**	**2,685**

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

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

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

A) ACQUISITIONS

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

51 / OVERVIEW ACQUISITIONS

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

Acquisition of 100 percent of the shares in Aboalarm GmbH

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

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

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

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

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

53 / ACQUISITION ABOALARM in EUR m

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

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

54 / PURCHASE PRICE ALLOCATION ABOALARM

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

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

The effects on the earnings, financial position and performance, if the company had been included from the beginning of the financial year until initial consolidation on January 2 are not disclosed for reasons of materiality and time overlap. Between initial consolidation and September 30, 2018, the company has contributed revenues of EUR 3 million and earnings after taxes in the amount of EUR 0 million to the consolidated net profit.

Acquisition of 100 percent of the shares in Kairion GmbH

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

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

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

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

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

56 / ACQUISITION KAIRION in EUR m

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

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

57 / PURCHASE PRICE ALLOCATION KAIRION

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

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

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

Acquisition of intangible assets from InQpharm Group (Zaluvida Corporate AG) as part of a business combination

By agreement and with economic effect as from March 28, 2018, ProsiebenSat.1 Group has acquired selected intangible assets through the NuCom Group from InQpharm Group Sdn Bhd, Kuala Lumpur, Malaysia. The InQpharm Group is a subsidiary of Zaluvida Corporate AG, Rolle, Switzerland, a global life sciences company focused on bioactive compounds with pharmacological action in treatment, allergies and technologies in the area of obesity, antibiotic resistance and greenhouse gas emissions. The subject matter of the acquisition is the acquisition of six certified medical products in the field of allergy and gastrointestinal diseases, consisting of know-how, patents, trademarks and the associated supplier, production and distribution contracts as well as customer relationships. A research project was acquired as well. The intangible assets are acquired by WindStar Medical GmbH and allocated to the Commerce segment, → see Note 3 "Segment reporting". The transaction constitutes a business combination as defined by IFRS 3.3.

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

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

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

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

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

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

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

59 / ACQUISITION ZIRKULIN in EUR m

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

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

60 / PURCHASE PRICE ALLOCATION ZIRKULIN

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

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

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

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

The purchase price per IFRS 3 comprises a cash purchase price of EUR 28 million and two contractually agreed earn-out components totaling EUR 26 million. In addition, a put option in the amount of EUR 10 million for the acquisition of a further 10.0 percent of the shares with earliest possible maturity in 2019 was agreed with the existing shareholders.

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

Cash purchase price	28
Variable purchase price component – Put option	10
Variable purchase price component – Earn-out	26
Purchase price per IFRS 3	**63**

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

62 / ACQUISITION ESOME in EUR m

	Fair value at acquisition
Other intangible assets	20
Thereof identified in the purchase price allocation	17
Property, plant and equipment	2
Non-current assets	**22**
Trade receivables	13
Other current receivables and other assets	0
Cash and cash equivalents	2
Current assets	**16**
Deferred tax liabilities	6
Non-current liabilities and provisions	**6**
Trade payables	10
Other provisions	0
Other liabilities	1
Current liabilities and provisions	**11**
Total net assets	**20**
Purchase price per IFRS 3	63
Goodwill	**43**

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

63 / PURCHASE PRICE ALLOCATION ESOME

Assets	Fair Value at acquisition in EUR m	Expected useful life in years
Brand	2	10
Customer relationships	11	10
Technology	7	5

As part of the purchase price allocation, a brand with a useful life of 10 years and a fair value of EUR 2 million, customer relationships with a useful life of 10 years and a fair value of EUR 11 million were recognized separately from goodwill. In addition, a technology of EUR 7 million was recognized separately from goodwill. At the acquisition date, EUR 3 million of the fair value of the technology had already been capitalized in the Statement of Financial Position. EUR 5 million of deferred tax liabilities relate to the identified hidden reserves.

The inclusion of these companies from the beginning of the financial year until their initial consolidation in April 2018 would have had the following effects on the earnings, financial position and performance of ProSiebenSat.1 Group: additional revenues of EUR 4 million and earnings after taxes of EUR 0 million. From initial consolidation until September 30, 2018, the company contributed revenues of EUR 6 million and earnings after taxes of minus EUR 1 million to consolidated earnings.

B) OTHER TRANSACTIONS

Acquisition of 22.82 percent in Sonoma Internet GmbH (Amorelie)

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

Acquisition of the remaining 25.1 percent in Silvertours GmbH

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

Acquisition of 20.0 percent of the shares in Verivox Holding GmbH

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

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

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

Acquisition of 23.9 percent of Virtual Minds AG

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

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

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

New construction Unterföhring Campus

In the third quarter of 2018, ProSiebenSat.1 Media SE concluded a lease agreement with an external financial consortium for the construction of a new company campus in Unterföhring. The agreement includes a basic lease term until 2028, a renewal option until 2038 and a purchase option at the end of the renewal period. The site covered by the agreement, the existing buildings and the new buildings to be erected are held by a leasing property company representing a structured entity that is fully consolidated by ProSiebenSat.1 Media SE in accordance with IFRS 10 "Consolidated Financial Statements", as ProSiebenSat.1 controls the relevant activities of the leasing property company. As ProSiebenSat.1 Media SE does not a receive a reporting package from the leasing property company, it is consolidated on the basis of the information available in the lease contract.

As of September 30, 2018, the carrying amounts of the underlying properties amounted to EUR 42 million and the corresponding liabilities to EUR 22 million.

C) DISPOSAL OF SUBSIDIARIES

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

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

Sale of maxdome GmbH to the 50/50 Joint Venture 7TV JV GmbH

ProSiebenSat.1 sold maxdome GmbH, Unterföhring, to the 50/50 joint venture 7TV JV GmbH under an agreement dated June 22, 2018. The company was allocated to the Entertainment segment, → see Note 3 "Segment Reporting". In return, the joint venture partner, Discovery, Inc. will contribute its Eurosport Player app to the 7TV joint venture. ProSiebenSat.1 and Discovery pursue the joint establishment of a leading streaming platform for Germany, which will integrate maxdome and the Eurosport Player App. The sale transaction was formally and legally completed on July 31, 2018 after approval by the German Federal Cartel Office. Due to the loss of control associated with the transaction, the company concerned was deconsolidated at that date. The sale had the following effects on the Group's earnings, financial position and performance:

64 / EFFECTS OF THE DECONSOLIDATION ON THE GROUP in EUR m

	Carrying amounts at the date of sale
Purchase price	**6**
Purchase price (cash)	6
Costs to sell	0
Purchase price less cost to sell	**6**
Purchase price (cash)	**6**
Cash and cash equivalents disposed	0
Net cash outflow on sale	**6**
Goodwill	0
Intangible assets	0
Property, plant and equipment	0
Other assets, including deferred taxes	24
Cash and cash equivalents	0
Foreign currency effects recognized in other comprehensive income	0
Provisions	1
Deferred tax liabilities	0
Other liabilities	39
Net Assets	**−14**
Result from deconsolidation 100 %	**21**
At Equity Share	50 %
Result from deconsolidation 50 %	**10**

Due to the 50 percent interest in the share capital of the Joint Venture 7TV, 50 % of the recorded deconsolidation gain of EUR 21 million was eliminated. Profit attributable to the shareholders of ProSiebenSat.1 Media SE amounts to EUR 10 million.

Sale of 7NXT GmbH

By contract dated May 17, 2018, ProSiebenSat.1 sold all shares in the online sports program provider 7NXT GmbH, Berlin to Fonds Crosslantic Fund I GmbH & Co. KG. The transaction object also includes 100 percent of the shares of the outgoing 7NXT subsidiaries 7NXT Health GmbH and Gymondo GmbH. The companies were allocated to the Entertainment segment, → see Note 3 "Segment reporting". The sale transaction was formally and legally completed on July 31, 2018 after approval by the German Federal Cartel Office. Due to the loss of control associated with the transaction, the company concerned was deconsolidated at that time. The sale affected the Group's earnings, financial position and performance as follows:

65 / EFFECTS OF THE DECONSOLIDATION ON THE GROUP in EUR m

	Carrying amounts at the date of sale
Purchase price	**5**
Purchase price (cash)	5
Costs to sell	0
Purchase price less cost to sell	**5**
Purchase price (cash)	**5**
Cash and cash equivalents disposed	−3
Net cash inflow on sale	**2**
Goodwill	0
Intangible assets	1
Property, plant and equipment	0
Other assets, including deferred taxes	4
Cash and cash equivalents	3
Foreign currency effects recognized in other comprehensive income	0
Provisions	0
Deferred tax liabilities	0
Other liabilities	10
Net Assets	**−1**
Result from deconsolidation	**6**

The recognized deconsolidation gain from the sale of 7NXT GmbH and subsidiaries amounts to EUR 6 million and is fully attributable to the shareholders of ProSiebenSat. 1 Media SE.

Sale of Tropo GmbH

By agreement dated August 8, 2018, ProSiebenSat.1 sold all shares of the tour operator Tropo GmbH, Hamburg to dnata, Dubai, an Emirates Group company. The company was allocated to the Commerce segment, → see Note 3 "Segment reporting". ProSiebenSat.1 thus completes the strategic portfolio streamlining of the travel division that began in 2017. The sale transaction was formally and legally completed on September 3, 2018 after approval by the German Federal Cartel Office. Due to the loss of control associated with the transaction, the company concerned was deconsolidated at that time. The sale had the following effects on the Group's earnings, financial position and performance:

66 / EFFECT OF THE DECONSOLIDATION ON THE GROUP in EUR m

	Carrying amounts at the date of sale
Purchase price	**7**
Purchase price (cash)	7
Costs to sell	0
Purchase price less cost to sell	**7**
Purchase price (cash)	**7**
Cash and cash equivalents disposed	– 9
Net cash outflow on sale	**– 2**
Goodwill	1
Intangible assets	1
Property, plant and equipment	0
Other assets, including deferred taxes	6
Cash and cash equivalents	9
Foreign currency effects recognized in other comprehensive income	0
Provisions	0
Deferred tax liabilities	0
Other liabilities	12
Net Assets	**5**
Result from deconsolidation	**2**

The recognized deconsolidation gain from the sale of Tropo GmbH amounts to EUR 2 million and is fully attributable to the shareholders of ProSiebenSat. 1 Media SE.

5 / Income taxes

The Group's relevant nominal tax rate remains unchanged at 28.0 percent. For the calculation of the Group's tax expenses for the first nine months of 2018, the effective Group tax rate expected for the full financial year of 30.5 percent (previous year: 23.0 %) was used. The difference from the nominal tax rate is largely attributable to non-deductible operating expenses. The difference to the nominal tax rate in the previous year is largely due to the recognition of tax-free capital gains, in particular from the sale of eTRAVELi Holding AB, Uppsala, as well as taxes for previous assessment periods and non-deductible operating expenses.

6 / Earnings per share

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

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

	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
Result attributable to the shareholders of ProSiebenSat.1 Media SE (basic)	126	122	279	304
Valuation effects of share-based payments after taxes	-1	-5	-1	-2
Result attributable to the shareholders of ProSiebenSat.1 Media SE (diluted)	125	117	278	302

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

	Q3 2018	Q3 2017	Q1-Q3 2018	Q1-Q3 2017
Weighted average number of shares outstanding (basic)	228,949,482	228,859,760	228,949,482	228,836,336
Dilution effect based on stock options and rights to shares	700,297	547,758	700,297	547,758
Weighted average number of shares outstanding (diluted)	229,649,779	229,407,518	229,649,779	229,384,094

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

7 / Provisions, contingent liabilities and other financial obligations

RESTRUCTURING MEASURES

In the fourth quarter of the financial year 2017, ProSiebenSat.1 Group announced an extensive cost-saving program. A volunteer program in the human resources area is underway. For the reorganization measures, particularly in the human resources area, a provision was recognized, which amounts to EUR 16 million as of the reporting date, September 30, 2018. Moreover, for cases which have already been finalized, liabilities of EUR 44 million have been recognized.

CONTINGENT LIABILITIES

Compared to the contingent liabilities reported in the Consolidated Financial Statements as of December 31, 2017, there have been the following changes as of September 30, 2018:

The tax risk relating to the valuation of the programming assets no longer exists, as an agreement has since been reached with the tax authorities. The corresponding risk provision was adjusted accordingly in the second quarter 2018.

The risk from the patent warning against maxdome GmbH no longer exists as of the reporting date.

OTHER FINANCIAL OBLIGATIONS

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

69 / OTHER FINANCIAL OBLIGATIONS in EUR m

	September 30, 2018	December 31, 2017
Purchase commitments for programming assets	2,351	2,787
Distribution	194	227
Leasing and long-term rental commitments	15	107
Other financial obligations	155	281
Total	**2,716**	**3,402**

The decline in off-balance sheet leasing and rental obligations from EUR 107 million to EUR 15 million reflects the first-time application of IFRS 16 "Leases". The distinction made in the previous standard IAS 17 between recognized finance leases and non-recognized operating leases was eliminated under IFRS 16. With the exception of low-value and short-term leases as well as variable lease payments, rights-of-use as assets and lease liabilities for all leases now must be recognized in the Statement of Financial Position. In accordance with the transition requirements, the Group applies IFRS 16 for the first time for the financial year 2018; the previous-year figures have not been restated. The leasing and rental obligations presented as of September 30, 2018 therefore include future obligations for short-term and low-value leases as well as variable lease payments. With regard to the presentation of the impact of the first-time application of IFRS 16, we refer to → Note 2 "Changes in reporting standards".

8 / Financial instruments

ProSiebenSat.1 Group is applying IFRS 9 "Financial Instruments" for the first time in the financial year 2018. Hence, the date of first application is January 1, 2018. In line with the transitional provisions, previous-year figures are not adjusted. For information on the effects of IFRS 9 on the date of first-time application, please refer to → Note 2 "Changes in reporting standards" in the notes to the Interim Consolidated Financial Statements as of June 30, 2018. The financial effects of the first-time application of IFRS 9 in the third quarter and the nine-month period from January 1 to September 30, 2018 can be found in → Note 2 "Changes in reporting standards" in the notes to these Interim Consolidated Financial Statements

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

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

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

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

			Categories under IFRS 9				Fair Value			
	Presented in the Statement of Financial Position as	Carrying amount	At fair value through profit and loss	Hedging instruments	Assets measured at amortized cost	Liabilities measured at amortized cost	Level 1	Level 2	Level 3	Total
Financial assets										
Measured as fair value										
Fund units to finance pension obligations	Non-current financial assets	**25**	25	-/-	-/-	-/-	25	-/-	-/-	**25**
Other equity instruments	Non-current financial assets	**131**	131	-/-	-/-	-/-	-/-	-/-	131	**131**
Derivatives for which hedge accounting is not applied	Current and non-current financial assets	**21**	21	-/-	-/-	-/-	-/-	1	20	**21**
Hedge derivatives	Current and non-current financial assets	**56**	-/-	56	-/-	-/-	-/-	56	-/-	**56**
Not measured at fair value										
Cash and cash equivalents[1]	Cash and cash equivalents	**1,000**	-/-	-/-	1,000	-/-				
Loans and receivables[1]	Current and non-current financial assets	**498**	-/-	-/-	498	-/-				
Other Financial assets at cost[1]	Current and non-current financial assets	**4**	-/-	-/-	4	-/-				
Total		**1,734**	**176**	**56**	**1,502**	**-/-**	**25**	**57**	**151**	**232**
Financial liabilities										
Measured at fair value										
Liabilities from put options and earn-outs	Other financial liabilities	**248**	248	-/-	-/-	-/-	-/-	-/-	248	**248**
Derivatives for which hedge accounting is not applied	Other financial liabilities	**10**	10	-/-	-/-	-/-	-/-	10	-/-	**10**
Hedge derivatives	Other financial liabilities	**37**	-/-	37	-/-	-/-	-/-	37	-/-	**37**
Not measured at fair value										
Term Loan and other borrowings	Financial debt	**2,094**	-/-	-/-	-/-	2,094	-/-	2,102	-/-	**2,102**
Notes	Financial debt	**597**	-/-	-/-	-/-	597	625	-/-	-/-	**625**
Promissory note	Financial debt	**498**	-/-	-/-	-/-	498	-/-	493	-/-	**493**
Lease liabilities	Other financial liabilities	**142**	-/-	-/-	-/-	142	-/-	145	-/-	**145**
Other Financial liabilities at (amortised) cost[1,2]	Other financial liabilities and trade payables	**637**	-/-	-/-	-/-	637				
Total		**4,264**	**259**	**37**	**-/-**	**3,969**	**625**	**2,787**	**248**	**3,661**

[1] The carrying amount is an appropriate proxy for fair value.
[2] This item includes property liabilities of EUR 22 million in connection with the construction of the new company campus in Unterföhring.

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

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

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

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

72 / RECONCILIATION OF LEVEL 3 FAIR VALUES in EUR m

	Other equity instruments	Derivatives, for which hedge accounting is not applied	Liabilities from put options and earn-outs
January 1, 2018	**88**	**11**	**448**
Results included in income statement as well as in other comprehensive income (unrealized)[1]	17	10	–61
Additions from acquisitions	22	-/-	49
Disposals/Payments	–7	-/-	–187
Other changes	12	0	–2
September 30, 2018	**131**	**21**	**248**

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

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

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

9 / Share-based payments

GROUP SHARE PLAN

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

Of the performance share units issued under the other Group Share Plans, 21,447 units of the Group Share Plan 2015, 47,268 units of the Group Share Plan 2016 and 20,919 units of the Group Share Plan 2017 expired in the first nine months of the financial year 2018.

LONG TERM INCENTIVE (PERFORMANCE SHARE PLAN)

At last year's Annual Shareholders' Meeting on May 16, 2018, the revision of the Management Board compensation system was announced (see Agenda Item 5 of the Annual Shareholders' Meeting of ProSiebenSat.1 Media SE on May 16, 2018). The new Management Board compensation includes share-based compensation under the Long-Term Incentive (Performance Share Plan), which was applied for the first time in the third quarter of 2018 and is explained below.

Plan conditions

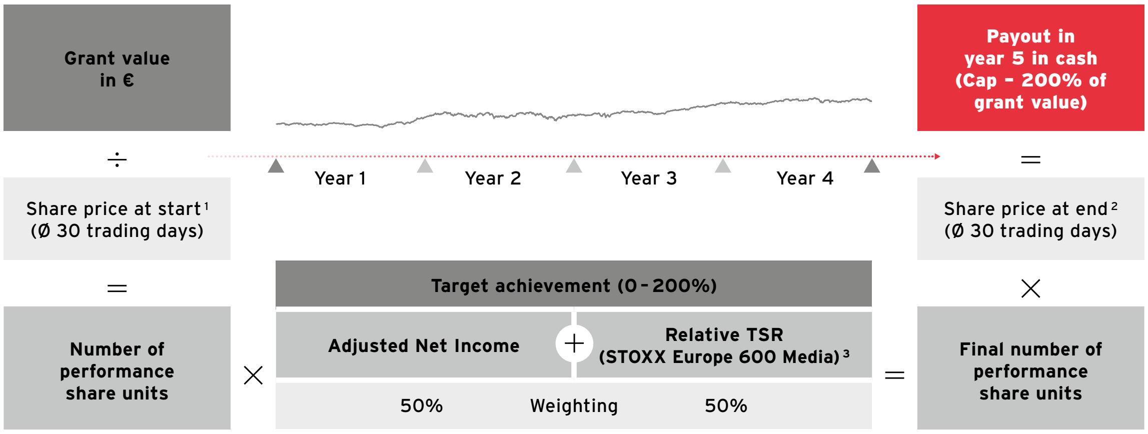
The Long-Term Incentive is designed as a multi-year variable compensation in the form of virtual shares (Performance Shares). Tranches are granted annually, each with a four-year performance period. Payout occurs in cash in year five, the year following the end of the performance period. Instead of a payout in cash, the Company reserves the right to alternatively choose a settlement with own shares and to deliver a corresponding number of shares in the Company. However, in the interests of its shareholders, the Company will likely only make use of this option if the currently unfavorable tax treatment at the Company level for equity settlement is repealed.

The payout depends on the development of ProSiebenSat.1 Media SE's share price as well as on the Company's internal and external performance. The company performance is measured based on the Adjusted Net Income on Group level as well as the relative Total Shareholder Return (TSR – shareholder return for ProSiebenSat.1 Media SE shares compared to shareholder return for companies in STOXX Europe 600 Media), each with a weighting of 50 %. The Performance Share Plan is issued in annual tranches, each with a performance period of four years.

The company performance is on the one hand based on the metric Adjusted Net Income. This is an important performance indicator for the Group and serves, among other functions, as the metric that underlies the dividend policy and the resulting amounts that are distributed to shareholders. ProSiebenSat.1 Media SE publishes the Adjusted Net Income as part of the regular financial reporting for the ProSiebenSat.1 Group. On the other hand, the company performance is determined using relative TSR, as this performance metric compares shareholder return for ProSiebenSat.1 Media SE shares with the shareholder return for a relevant peer group. The relative TSR takes account of the share price development and dividends paid to shareholders over the four-year performance period.

An individual assignment value is defined in the service agreement for the members of the Executive Board. At a certain point in the financial year, a number of Performance Share Units (PSUs) corresponding to the assignment value is granted on the basis of the volume-weighted average XETRA closing price of the ProSiebenSat.1 Media SE share over the preceding thirty trading days. Following the end of the four-year performance period, the granted PSUs are converted into a final number of PSUs according to a conversion factor, which is determined according to the weighted target achievement for the Adjusted Net Income and the relative TSR. The payout amount for each PSU is equal to the volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the end of the performance period, plus cumulative dividend payments over the performance period on the ProSiebenSat.1 Media SE share. This amount is limited per tranche to a maximum of 200 % of the individual grant value (Cap). In case of a settlement in own shares, the payout amount will be converted, based on the average share price noted above, into a corresponding number of shares in the Company and delivered to the beneficiary.

73 / FUNCTION PERFORMANCE SHARE PLAN



[1] Volumen-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the start of the performance period, rounded down to two decimal places.
[2] Volume-weighted average XETRA closing price of ProSiebenSat.1 Media SE's shares over the 30 trading days preceding the end of the performance period, rounded down to two decimal places, plus cumulative dividend payments on each share in ProSiebenSat.1 Media SE.
[3] Relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period in comparison to STOXX Europe 600 Media companies.

Key figure Adjusted Net Income at Group level

With a weighting of 50 %, the Group Adjusted Net Income determines the target achievement in the Performance Share Plan. That is, 50 % of the final number of Performance Share Units are dependent on the average target achievement for the Group Adjusted Net Income over the four-year performance period.

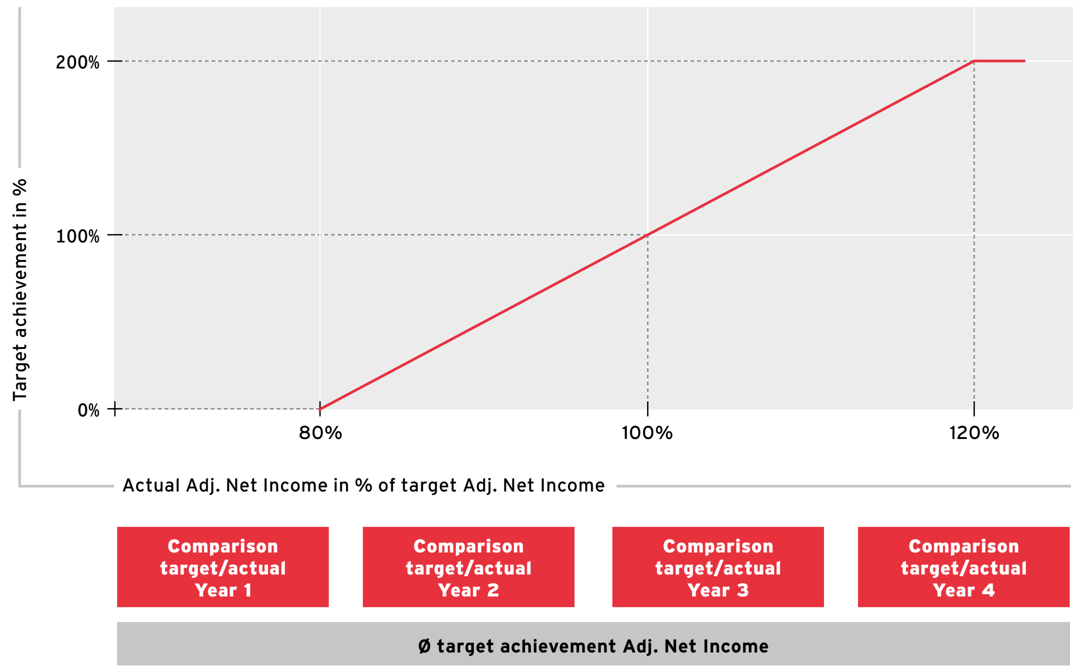
The average annual Adjusted Net Income target achievement over the four-year performance period is used to determine the target achievement for the Group Adjusted Net Income at the end of a tranche. The Adjusted Net Income target value for each of the fiscal years within the performance period is set annually by the Supervisory Board in Euros and is derived from budget planning for ProSiebenSat.1 Group.

Where necessary, to determine the target achievement, the actual Group Adjusted Net Income reported by ProSiebenSat.1 Media SE will be adjusted e.g. for effects arising from significant changes in IFRS accounting standards and unplanned effects from M&A transactions conducted within the reporting period (alongside related financing effects).

To measure the target achievement, the actual Adjusted Net Income as reported in the relevant approved consolidated financial statements of ProSiebenSat.1 Media SE, subject to above described adjustments, is compared with the target Adjusted Net Income for the respective fiscal year. The target achievement will be disclosed retrospectively in the compensation report.

If the actual Adjusted Net Income corresponds to the target value, the target achievement is equal to 100 %. The target achievement is equal to 0 % if there is a negative deviation from the target Adjusted Net Income of 20 % or more. To reach the maximum target achievement of 200 %, the actual Adjusted Net Income must exceed target Adjusted Net Income by 20 % or more. Intermediate values will be linearly interpolated. The Adjusted Net Income target achievement curve is symmetrically designed, meaning that an over- or underachievement of the target will be reflected evenly.

74 / **ADJUSTED NET INCOME TARGET ACHIEVEMENT CURVE**

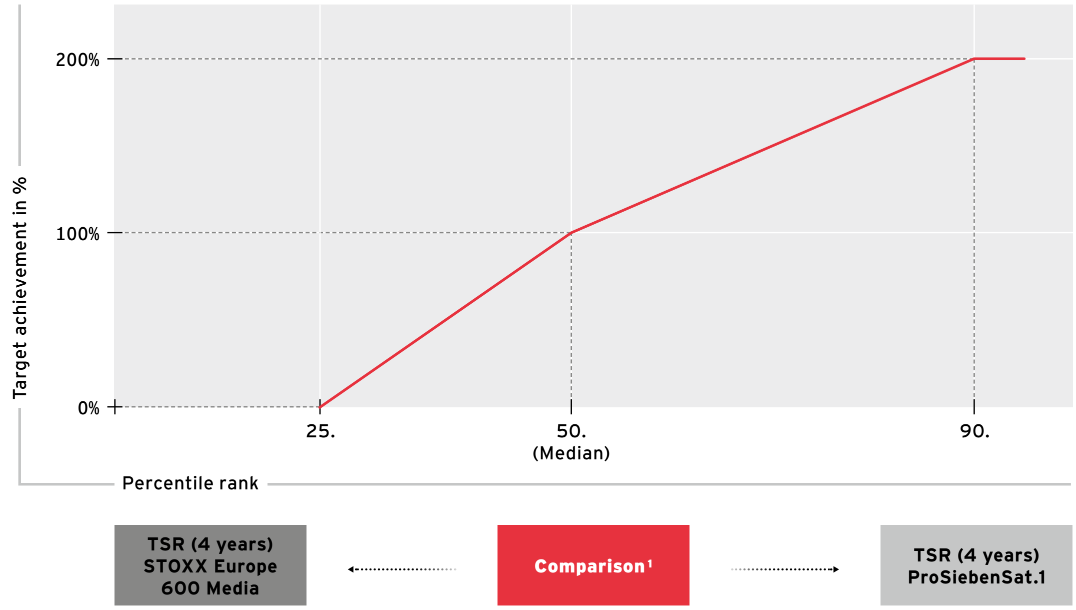


Key figure Relative Total Shareholder Return (TSR)

In addition, 50 % of the final number of Performance Share Units are dependent on the relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period, compared with STOXX Europe 600 Media companies. In terms of the TSR performance metric, this index represents the relevant benchmark for ranking the shareholder return of ProSiebenSat.1 Media SE's shares relative to the shareholder return of companies in the selected index. To determine this, the TSR of ProSiebenSat.1's shares and those of the peer companies' shares are placed in rank order, whereby ProSiebenSat.1 Media SE's relative positioning is expressed in terms of the achieved percentile rank. The target achievement will be disclosed retrospectively in the compensation report.

If the relative TSR achieved by ProSiebenSat.1 Media SE corresponds to the median (50th percentile) of the peer group, the target achievement is equal to 100 %. If the positioning is at or lower than the 25th percentile, the target achievement is equal to 0 %. To reach the maximum target achievement of 200 %, at least the 90th percentile needs to be achieved. Intermediate values will be linearly interpolated for both positive and negative deviations.

75 / TARGET ACHIEVEMENT CURVE OF RELATIVE TSR



[1] Relative TSR of ProSiebenSat.1 Media SE's shares over the four-year performance period in comparison with STOXX Europe 600 Media companies.

Provision as of September 30, 2018

The provision recognized in the third quarter for the Performance Share Plan totaled EUR 1 million as of September 30, 2018.

Payment date

Each respective tranche of the Long Term Incentive is paid out or settled, as the case may be, in the following year, after the audited and approved consolidated financial statements for the final financial year of the four-year performance period are available.

10 / Related Parties

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

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

During the first nine months of the financial year 2018, deliveries and services in a total amount of EUR 98 million (previous year: EUR 94 million) were rendered to related entities. As of September 30, 2018, the receivables due from the respective entities amounted to EUR 39 million (previous year: EUR 30 million).

In the first nine months of the financial year 2018, the Group received deliveries and services from its related entities, for which it recognized expenses in the amount of EUR 24 million (previous year: EUR 22 million). The amounts payable to said entities as of September 30, 2018 totaled EUR 5 million (previous year: EUR 14 million).

In the first nine months of the financial year 2018, the members of the Supervisory Board acquired 16,258 shares and the members of the Executive Board 114,475 shares.

In the context of the master agreement with Heilpflanzenwohl AG, Pfaffikon, Switzerland, → see Note 33 "Related parties" in the Notes to the Consolidated Financial Statements as of December 31, 2017, advertising services with a gross media volume of EUR 8 million (previous year: EUR 11 million) were rendered in the first nine months of the financial year 2018.

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

11 / Events after the interim reporting period

JAN DAVID FROUMAN LEAVES PROSIEBENSAT.1 AND RED ARROW STUDIOS

Jan David Frouman, Chairman & CEO Red Arrow Studios and member of the Executive Board of ProSiebenSat.1 Media SE, leaves the Company at the end of his contract, expiring at the end of February 2019. In connection with the departure, the Company pays Jan David Frouman a waiting allowance of EUR 0.3 million.

ACQUISITION OF 100 PERCENT OF THE SHARES IN EHARMONY, INC.

By agreement dated October 24, 2018 and effective as of October 31, 2018, ProSiebenSat.1 Group has acquired 100 % of the shares in eHarmony, Inc., Delaware, USA, via NuCom Group and PARSHIP ELITE Group. eHarmony Group operates a premium online dating service primarily in North America. The company is allocated to the Commerce segment, → see Note 3 "Segment reporting". The preliminary purchase price per IFRS 3 amounts to EUR 65 million (USD 75 million) as well as a variable purchase price adjustment. As of November 7, 2017, the financial data necessary to initially account for the business combination are not available in their final form, due to the short period of time between the signing of the contract and the quarterly financial statements.

OTHER EVENTS AFTER THE REPORTING DATE

Between the end of the third quarter of 2018 and November 7, 2018 – the release date of this Quarterly Statement 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.

November 7, 2018

The Executive Board

FINANCIAL CALENDAR

Date	Event
11/14/2018	**Capital Markets Day**
03/07/2019	**Press Conference/IR Conference on Figures 2018** Press Release, Press Conference in Munich, Conference Call with analysts and investors
03/21/2019	**Publication of the Annual Report 2018**
05/09/2019	**Publication of the Quarterly Statement for the First Quarter of 2019** Press Release, Conference Call with analysts and investors, Conference Call with journalists
06/12/2019	**Annual General Meeting 2019**
08/07/2019	**Publication of the Half-Yearly Financial Report of 2019** Press Release, Conference Call with analysts and investors, Conference Call with journalists
11/07/2019	**Publication of the Quarterly Statement for the Third Quarter 2019** Press Release, Conference Call with analysts and investors, Conference Call with journalists

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CONTENT & DESIGN
ProSiebenSat.1 Media SE
Corporate Communications

Strichpunkt Design,
Stuttgart/Berlin

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

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements regarding ProSiebenSat.1 Media SE and ProSiebenSat.1 Group. Such statements may be identified by the use of such terms as “expects,” “intends,” “plans,” “assumes,” “pursues the goal,” and similar wording. Various factors, many of which are outside the control of ProSiebenSat.1 Media SE, could affect the Company’s business activities, success, business strategy and results. Forward-looking statements are not historical facts, and therefore incorporate known and unknown risks, uncertainties and other important factors that might cause actual results to differ from expectations. These forward-looking statements are based on current plans, goals, estimates and projections, and take account of knowledge only up to and including the date of preparation of this report. Given these risks, uncertainties and other important factors, ProSiebenSat.1 Media SE undertakes no obligation, and has no intent, to revise such forward-looking statements or update them to reflect future events and developments. Although every effort has been made to ensure that the provided information and facts are correct, and that the opinions and expectations reflected here are reasonable, ProSiebenSat.1 Media SE assumes no liability and offers no warranty as to the completeness, correctness, adequacy and/or accuracy of any information or opinions contained herein.