CONSOLIDATED FINANCIAL STATEMENTS

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Income Statement

INCOME STATEMENT OF PROSIEBENSAT.1 GROUP (Fig. 85)

EUR m		2012	2011	Change	Change in %
CONTINUING OPERATIONS					
1. Revenues	[8]	2,356.2	2,199.2	+157.1	+7 %
2. Cost of sales	[9]	-1,266.4	-1,185.4	-81.0	-7 %
3. **Gross profit**		**1,089.8**	**1,013.8**	**+76.0**	**+7 %**
4. Selling expenses	[10]	-229.9	-208.1	-21.7	-10 %
5. Administrative expenses	[11]	-243.9	-212.1	-31.8	-15 %
6. Other operating expenses	[12]	-28.6	-22.4	-6.2	-28 %
7. Other operating income	[13]	13.4	9.3	+4.2	+45 %
8. **Operating profit**		**600.9**	**580.5**	**+20.4**	**+4 %**
9. Interest and similar income		3.0	8.4	-5.3	-64 %
10. Interest and similar expenses		-156.2	-205.5	+49.2	+24 %
11. Interest result	[14]	-153.2	-197.1	+43.9	+22 %
12. Income from investments accounted for using the equity method	[15]	10.3	3.3	+7.0	>+100 %
13. Other financial result	[15]	-1.5	-38.8	+37.3	+96 %
14. **Financial result**		**-144.4**	**-232.7**	**+88.3**	**+38 %**
15. **Profit before income taxes**		**456.5**	**347.8**	**+108.7**	**+31 %**
16. Income taxes	[16]	-127.4	-76.7	-50.7	-66 %
17. **Profit for the period from continuing operations**		**329.1**	**271.1**	**+58.0**	**+21 %**
DISCONTINUED OPERATIONS					
18. Profit from discontinued operations (net of income taxes)	[3]	-30.2	373.2	-403.5	- / -
19. **Profit for the period**		**298.8**	**644.4**	**-345.6**	**-54 %**
Attributable to shareholders of ProSiebenSat.1 Media AG		295.0	637.5	-342.5	-54 %
Non-controlling interests		3.9	6.9	-3.0	-44 %
EUR					
Earnings per share					
Basic earnings per share of common stock	[17]	1.38	2.99	-1.61	-54 %
Basic earnings per share of preferred stock	[17]	1.40	3.01	-1.61	-53 %
Diluted earnings per share of common stock	[17]	1.37	2.96	-1.59	-54 %
Diluted earnings per share of preferred stock	[17]	1.39	2.98	-1.59	-53 %
Earnings per share from continuing operations					
Basic earnings per share of common stock	[17]	1.52	1.24	+0.28	+23 %
Basic earnings per share of preferred stock	[17]	1.54	1.25	+0.29	+23 %
Diluted earnings per share of common stock	[17]	1.51	1.23	+0.28	+23 %
Diluted earnings per share of preferred stock	[17]	1.53	1.23	+0.30	+24 %
Earnings per share from discontinued operations					
Basic earnings per share of common stock	[17]	-0.14	1.75	-1.89	- / -
Basic earnings per share of preferred stock	[17]	-0.14	1.76	-1.90	- / -
Diluted earnings per share of common stock	[17]	-0.14	1.73	-1.87	- / -
Diluted earnings per share of preferred stock	[17]	-0.14	1.74	-1.88	- / -

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME OF PROSIEBENSAT.1 GROUP (Fig. 86)

EUR m	2012	2011	Change	Change in %
Profit for the period	**298.8**	**644.4**	**-345.6**	**-54%**
Change in foreign currency translation adjustment[1]	45.1	-9.3	+54.4	- / -
Changes in fair value of cash flow hedges[2]	-27.2	77.3	-104.5	- / -
Deferred tax on other comprehensive income[3]	8.1	-20.5	+28.6	- / -
Other comprehensive income for the period	**26.0**	**47.5**	**-21.5**	**-45%**
Total comprehensive income for the period	**324.9**	**691.9**	**-367.1**	**-53%**
Attributable to shareholders of ProSiebenSat.1 Media AG	321.0	685.1	-364.1	-53%
Non-controlling interests	3.9	6.8	-2.9	-43%

1 Includes non-controlling interests from change in foreign currency translation adjustment in 2012 of 0.0 EUR m (2011: -0.1 EUR m) as well as amounts associated with assets and liabilities held for sale of 32.8 EUR m (2011: 0.0 EUR m).
2 Includes amounts associated with assets and liabilities held for sale of -1.4 EUR m (2011: 0.0 EUR m).
3 Includes amounts associated with assets and liabilities held for sale of 0.4 EUR m (2011: 0.0 EUR m).

Statement of Financial Position

STATEMENT OF FINANCIAL POSITION OF PROSIEBENSAT.1 GROUP (Fig. 87)

EUR m			12/31/2012	12/31/2011	Change
A.	**Non-current assets**				
I.	Intangible assets	[19]	1,062.6	2,169.3	-1,106.7
II.	Property, plant and equipment	[20]	198.7	221.3	-22.6
III.	Investments accounted for using the equity method	[21]	5.3	1.0	+4.3
IV.	Non-current financial assets	[21]	61.2	56.5	+4.7
V.	Programming assets	[22]	1,110.7	1,337.8	-227.1
VI.	Non-current tax assets		0.0	- / -	+0.0
VII.	Other receivables and non-current assets	[24]	2.9	2.6	+0.3
VIII.	Deferred tax assets	[16]	25.8	78.8	-53.0
			2,467.1	**3,867.3**	**-1,400.2**
B.	**Current assets**				
I.	Programming assets	[22]	166.2	193.5	-27.3
II.	Inventories	[23]	0.7	1.0	-0.3
III.	Trade receivables	[24]	268.7	279.4	-10.7
IV.	Current tax assets		37.8	39.2	-1.4
V.	Other receivables and current assets	[24]	98.4	135.3	-36.9
VI.	Cash and cash equivalents	[25]	702.3	517.9	+184.4
VII.	Assets held for sale		1,671.4	- / -	+1,671.4
			2,945.5	**1,166.3**	**+1,779.2**
	Total assets		**5,412.6**	**5,033.6**	**+379.0**

EUR m			12/31/2012	12/31/2011	Change
A.	**Equity**	[26]			
I.	Subscribed capital		218.8	218.8	- / -
II.	Capital reserves		581.6	575.5	+ 6.1
III.	Retained earnings		829.6	782.3	+ 47.3
IV.	Treasury shares		-47.4	-52.5	+ 5.1
V.	Accumulated other comprehensive income from continuing operations		-98.2	-92.3	-5.9
VI.	Accumulated other comprehensive income associated with assets and liabilities held for sale		31.8	- / -	+31.8
VII.	Other equity		-20.5	-0.4	-20.1
	Total equity attributable to shareholders of ProSiebenSat.1 Media AG		1,495.9	1,431.4	+ 64.5
VIII.	Non-controlling interests		5.0	10.0	-5.0
			1,500.9	**1,441.4**	**+ 59.5**
B.	**Non-current liabilities**				
I.	Non-current loans and borrowings	[29]	2,342.2	2,335.6	+ 6.6
II.	Other non-current financial liabilities	[29]	317.0	279.0	+38.0
III.	Trade payables	[29]	- / -	46.8	-46.8
IV.	Other non-current liabilities	[30]	4.4	1.3	+3.1
V.	Provisions for pensions	[27]	12.8	10.1	+2.7
VI.	Other non-current provisions	[28]	5.3	6.4	-1.1
VII.	Deferred tax liabilities	[16]	66.7	138.7	-72.0
			2,748.3	**2,817.9**	**-69.6**
C.	**Current liabilities**				
I.	Current loans and borrowings	[29]	230.9	0.1	+230.8
II.	Other current financial liabilities	[29]	36.1	47.5	-11.4
III.	Trade payables	[29]	322.2	410.0	-87.8
IV.	Other current liabilities	[30]	202.6	188.5	+ 14.1
V.	Provisions for taxes		20.8	49.5	-28.7
VI.	Other current provisions	[28]	52.2	78.7	-26.5
VII.	Liabilities associated with assets held for sale		298.6	- / -	+298.6
			1,163.4	**774.3**	**+389.1**
	Total equity and liabilities		**5,412.6**	**5,033.6**	**+379.0**

Cash Flow Statement

CASH FLOW STATEMENT OF PROSIEBENSAT.1 GROUP (Fig. 88)

EUR m	2012	2011
Profit from continuing operations	329.1	271.1
Profit from discontinued operations (net of income taxes)	-30.2	373.2
of which gain on the sale of discontinued operations (net of tax)	- / -	335.8
Profit for the period	**298.8**	**644.4**
Income taxes	127.4	76.7
Financial result	144.4	232.7
Depreciation/amortization and impairment of intangible and tangible assets	79.5	72.0
Consumption/reversal of impairment of programming assets	835.9	849.2
Change in provisions for pensions and other provisions	12.1	5.5
Gain/loss on the sale of assets	-4.0	-0.6
Other non-cash income/expenses	-7.4	-18.3
Cash flow from continuing operations	1,517.0	1,488.3
Cash flow from discontinued operations	346.2	427.9
Cash flow total	**1,863.2**	**1,916.3**
Change in working capital	-32.8	-17.7
Dividends received	5.5	3.3
Income tax paid	-129.1	-102.1
Interest paid	-160.0	-204.4
Interest received	1.6	7.1
Cash flow from operating activities of continuing operations	1,202.1	1,174.5
Cash flow from operating activities of discontinued operations	363.1	182.4
Cash flow from operating activities total	**1,565.2**	**1,356.9**
Proceeds from disposal of non-current assets	0.2	0.3
Payments for the acquisition of intangible and tangible assets	-88.4	-55.7
Payments for the acquisition of financial assets	-2.0	-2.1
Proceeds from disposal of programming assets	19.9	36.8
Payments for the acquisition of programming assets	-843.3	-938.9
Cash flows from obtaining control of subsidiaries or other business	-27.1	-16.4
Cash flows from losing control of subsidiaries or other business	-5.2	2.6
Cash flow from investing activities of continuing operations	-945.8	-973.4
Cash flow from investing activities of discontinued operations	-317.9	1,122.1
of which proceeds from disposal of discontinued operation (net of cash disposed of)	9.2	1,459.4
Cash flow from investing activities total	**-1,263.7**	**148.7**
Free cash flow of continuing operations	256.3	201.2
Free cash flow of discontinued operations	45.2	1,304.5
Free cash flow	**301.5**	**1,505.7**

Cash Flow Statement continued

EUR m	2012	2011
Free cash flow (amount carried over from page 158)	**301.5**	**1,505.7**
Dividends paid	-245.7	-241.2
Repayment of interest-bearing liabilities	-0.5	-1,430.7
Proceeds from issuance of interest-bearing liabilities	230.8	- / -
Repayment of finance lease liabilities	-9.6	-9.4
Proceeds from the sale of treasury shares	5.1	5.6
Repurchase of treasury shares	- / -	-32.6
Payments for shares in other entities without change in control	0.1	-0.1
Proceeds from the issue of share capital from non-controlling interests	0.2	- / -
Payments in connection with refinancing measures	-2.3	-10.2
Dividend payments to non-controlling interests	-9.1	-5.6
Cash flow from financing activities of continuing operations	-30.9	-1,724.2
Cash flow from financing activities of discontinued operations	-0.8	-0.4
Cash flow from financing activities total	**-31.7**	**-1,724.6**
Effect of foreign exchange rate changes of continuing operations on cash and cash equivalents	2.5	-1.4
Effect of foreign exchange rate changes of discontinued operations on cash and cash equivalents	2.4	-2.4
Change in cash and cash equivalents total	**274.8**	**-222.8**
Cash and cash equivalents at beginning of reporting period	517.9	740.7
Cash and cash equivalents at end of reporting period	**792.6**	**517.9**
Cash and cash equivalents classified under assets held for sale at end of reporting period	-90.4	- / -
Cash and cash equivalents of continuing operations at end of reporting period	**702.3**	**517.9**

Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP FOR 2011 (Fig. 89)

EUR m

					Accumulated other comprehensive income						
	Subscribed capital	Capital reserves	Retained earnings	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Deferred taxes	Other equity	Total equity attributable to shareholders of ProsiebenSat.1 Media AG	Non-controlling interests	Total equity
December 31, 2010	218.8	577.6	386.2	-25.4	0.8	-193.0	52.3	- / -	1,017.3	8.6	1,025.9
Profit for the period	- / -	- / -	637.5	- / -	- / -	- / -	- / -	- / -	637.5	6.9	644.4
Other comprehensive income	- / -	- / -	- / -	- / -	-9.2	77.3	-20.5	- / -	47.6	-0.1	47.5
Total comprehensive income	**- / -**	**- / -**	**637.5**	**- / -**	**-9.2**	**77.3**	**-20.5**	**- / -**	**685.1**	**6.8**	**691.9**
Dividends paid	- / -	- / -	-241.2	- / -	- / -	- / -	- / -	- / -	-241.2	-5.8	-247.0
Stock option plan	- / -	4.0	- / -	- / -	- / -	- / -	- / -	- / -	4.0	- / -	4.0
Repurchase of treasury stock	- / -	- / -	- / -	-32.6	- / -	- / -	- / -	- / -	-32.6	- / -	-32.6
Other changes	- / -	-6.1	-0.2	5.5	- / -	- / -	- / -	-0.4	-1.2	0.4	-0.8
December 31, 2011	**218.8**	**575.5**	**782.3**	**-52.5**	**-8.4**	**-115.7**	**31.8**	**-0.4**	**1,431.4**	**10.0**	**1,441.4**

STATEMENT OF CHANGES IN EQUITY OF PROSIEBENSAT.1 GROUP FOR 2012 (Fig. 90)

EUR m

					Accumulated other comprehensive income						
	Subscribed capital	Capital reserves	Retained earnings	Treasury shares	Foreign currency translation adjustment	Fair value changes of cash flow hedges	Deferred taxes	Other equity	Total equity attributable to shareholders of ProsiebenSat.1 Media AG	Non-controlling interests	Total equity
December 31, 2011	218.8	575.5	782.3	-52.5	-8.4	-115.7	31.8	-0.4	1,431.4	10.0	1,441.4
Profit for the period	- / -	- / -	295.0	- / -	- / -	- / -	- / -	- / -	295.0	3.9	298.8
Other comprehensive income[1]	- / -	- / -	- / -	- / -	45.0	-27.2	8.1	- / -	26.0	0.0	26.0
Total comprehensive income	**- / -**	**- / -**	**295.0**	**- / -**	**45.0**	**-27.2**	**8.1**	**- / -**	**321.0**	**3.9**	**324.9**
Dividends paid	- / -	- / -	-245.7	- / -	- / -	- / -	- / -	- / -	-245.7	-9.5	-255.2
Share-based payments	- / -	6.3	- / -	- / -	- / -	- / -	- / -	- / -	6.3	- / -	6.3
Other changes	- / -	-0.2	-2.0	5.1	- / -	- / -	- / -	-20.1	-17.1	0.6	-16.5
December 31, 2012	**218.8**	**581.6**	**829.6**	**-47.4**	**36.6**	**-142.9**	**39.9**	**-20.5**	**1,495.9**	**5.0**	**1,500.9**

1 Includes amounts associated with assets and liabilities held for sale from foreign currency translation (32.8 EUR m), valuation of cash flow hedges (-1.4 EUR m) and from deferred taxes (0.4 EUR m).

Notes

Basis of Preparation

1 General information

ProSiebenSat.1 Media AG, the ultimate parent company of the Group, is registered under the name ProSiebenSat.1 Media AG with the Munich District Court, Germany (HRB 124 169). Its registered head office is in Unterföhring. Its address is: ProSiebenSat.1 Media AG, Medienallee 7, 85774 Unterföhring, Germany.

ProSiebenSat.1 Media AG and its subsidiaries (the "Company", the "Group" or "ProSiebenSat.1 Group") is one of Europe's leading media companies. Its core business consists of advertising-financed television. Additionally, the portfolio of ProSiebenSat.1 Media AG includes numerous websites, activities in adjacent business areas such as games, ventures, licensing and music as well as the development, production and worldwide distribution of programs.

The consolidated financial statements of the ProSiebenSat.1 Group for the financial year ending December 31, 2012 were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) in force at the reporting date, as adopted by the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and the Council concerning the use of International Accounting Standards. The term IFRS also includes the International Accounting Standards (IAS) that are still in effect. All binding interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) mandatory for the financial year 2012 were also applied. The additional requirements of Section 315a of the German Commercial Code (HGB) were also followed.

ProSiebenSat.1 Media AG prepares and publishes its consolidated financial statements in euro. Unless specifically indicated otherwise, all amounts are presented in millions of euro (EUR m). The figures for the financial year 2012 reflect the continued operations of the ProSiebenSat.1 Group unless otherwise stated. Where necessary, the previous-year figures were adjusted respectively. Due to rounding, it is possible that individual figures in these consolidated financial statements do not add exactly to the totals shown and that the percentage figures presented do not reflect exactly the absolute figures they relate to. Change rates are based on a business perspective. Improvements are shown with a plus (+), deterioration with a minus (–).

The consolidated income statement is presented using the cost-of-sales method. The consolidated statement of financial position follows the organizational requirements of IAS 1. The presentation in the statement of financial position distinguishes between current and non-current assets and liabilities. Assets and liabilities are classified as current when they are expected to be settled within one year.

To provide a clearer and more meaningful picture, certain items have been combined in the consolidated income statement and the consolidated statement of financial position, while specific explanations by item are provided in the Notes.

In March 2012, the Executive Board and Supervisory Board of ProSiebenSat.1 Media AG jointly issued the annual Declaration of Compliance with the German Corporate Governance Code, as required under Section 161 of the German Stock Corporation Act (AktG), and made it permanently available to the shareholders of ProSiebenSat.1 Media AG on the Group's website

(www.prosiebensat1.com). The consolidated financial statements of ProSiebenSat.1 Media AG for financial year 2012 were approved for submission to the Supervisory Board by decision of the Executive Board on February 27, 2013.

2 Scope of consolidation

The consolidated financial statements of ProSiebenSat.1 Media AG include all material subsidiaries. Subsidiaries are defined as entities in which ProSiebenSat.1 Media AG directly or indirectly holds a majority of voting rights or whose activities it can otherwise control. These entities are included in the consolidated financial statements as of the date on which the Group obtains control. The existence and effect of potential voting rights which are currently exercisable or convertible, including potential voting rights held by another entity, are considered when assessing whether an entity has the power to govern the financial and operating policies of another entity.

If applicable, the annual financial statements of the subsidiaries are aligned to the accounting policies of the Group.

Four (previous-year: 4) subsidiaries with suspended or only minor business activities which are only of subordinate importance for presenting a fair picture of the financial position and performance as well as the cash flow of the ProSiebenSat.1 Group are not included in the scope of consolidation. As no active market exists for these companies and their fair values cannot be reliably measured without incurring unreasonable expense, they are recognized in the consolidated financial statements at cost, where necessary including impairments. The total amount of equity and the total profit after taxes of these companies are less than 1% of the consolidated equity and less than 1% of the consolidated profit of the ProSiebenSat.1 Group.

The number of subsidiaries included in the consolidated financial statements changed as follows in the financial year 2012:

FULLY CONSOLIDATED SUBSIDIARIES (Fig. 91)

	Germany	Other countries	Total
Included at December 31, 2011	56	95	151
Additions	6	28	34
Disposals	-2	-5	-7
Included at December 31, 2012	**60**	**118**	**178**

In addition to the fully consolidated entities, six (previous-year: 7) associates and three (previous-year: 2) joint ventures were consolidated using the equity method. Associates are companies over which ProSiebenSat.1 Media AG has significant influence, but which are neither subsidiaries nor joint ventures. Joint ventures are companies that are jointly controlled with other entities.

The list of shareholdings in major Group companies required under Section 313 (2) of the German Commercial Code and which is part of the Notes, is provided on pages 250 through 254. In addition, the list of shareholdings also contains a list of all subsidiaries which meet the requirements of Section 264 (3) of the German Commercial Code, and are exercising their option to be exempted from certain requirements concerning the preparation, auditing and publication of the annual financial statements and the management report.

3 Acquisitions and disposals

a) Acquisitions

Key acquisitions in the financial year 2012

Acquisition of Left/Right Holdings, LLC

By contract of August 2, 2012 and effective as of August 3, 2012, ProSiebenSat.1 Media AG, via the Group company Red Arrow International Inc., Santa Monica, USA acquired a stake of 60% in and thus the control of Left/Right Holdings, LLC, New York, USA. The company produces factual entertainment formats (docu-soaps, docu-dramas or real life programs) and is allocated to the Segment Content Production & Global Sales (please refer to Note 35 "Segment Reporting"). The acquisition strengthens the Group's international market position in the area of TV production and development. The company was initially consolidated in August 2012. Of the purchase price, USD 29.8 million (EUR 24.2 million) was paid in cash. Furthermore, the Group agreed a put option with the non-controlling shareholders over the remaining shares. This was recognized as a financial liability at the fair value of USD 17.5 million (EUR 14.2 million) as of the acquisition date, as ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise. At December 31, 2012, the fair value of this liability was EUR 13.6 million. Because of this assumed present ownership, non-controlling interests have not been recognized in the Group's financial statements. The following table illustrates the financial impact of this business combination on the consolidated financial statements of the ProSiebenSat.1 Group at the acquisition date. It only contains those statement of financial position items showing values at that date:

ACQUISITION LEFT/RIGHT (Fig. 92)

EUR m	Carrying amounts at acquisition	Step up	Fair value at acquisition
Intangible assets	-/-	8.9	8.9
Property, plant and equipment	0.4	-/-	0.4
Non-current assets	**0.4**	**8.9**	**9.3**
Trade receivables	3.1	-/-	3.1
Cash and cash equivalents	0.9	-/-	0.9
Current assets	**4.0**	**-/-**	**4.0**
Non-current liabilities	**-/-**	**-/-**	**-/-**
Trade payables	0.7	-/-	0.7
Other liabilities	3.4	-0.5	2.9
Current liabilities	**4.1**	**-0.5**	**3.6**
Total net assets	**0.3**	**9.4**	**9.7**
Purchase price per IFRS 3			38.4
Goodwill			**28.7**

The goodwill primarily represents strategic synergy potential in the area of international program production and is fully deductible for tax purposes. The amortization for tax purposes takes place over a period of 15 years. The identified other intangible assets comprise a non-competition agreement for the non-controlling shareholders remaining with the company as executives, customer and contract relationships as well as an existing order backlog. The carrying amount of receivables acquired equals their fair value.

The inclusion of the company in the consolidated financial statements from the beginning of the financial year would have had the following impact on the earnings, financial position and performance of the ProSiebenSat.1 Group: Revenues USD 28.9 million (EUR 22.5 million), profit USD 0.6 million (EUR 0.5 million). Since the acquisition date, the company has contributed revenues of USD 17.4 million (EUR 13.5 million) and a profit of USD 2.4 million (EUR 1.9 million) to the Group.

Other acquisitions in the financial year 2012

Individually the acquisitions shown below are not material for the presentation of earnings, financial position and performance of the Group. For this reason, the quantitative disclosures according to IFRS 3 are shown in summarized form. The other acquisitions are shown chronologically, i.e. based on the respective date of acquisition / initial consolidation.

On February 27, 2012, ProSiebenSat.1 Group acquired a stake of 53.98 % in LHB Ltd., London, United Kingdom, whose main investment is CPL Productions Ltd., London, United Kingdom. The company was initially consolidated in March 2012. Moreover, on November 25, 2011, the Group had acquired a stake of 90 % in Hard Hat AB, Stockholm, Sweden, which was recorded as an affiliated, not consolidated entity at year-end 2011 for materiality reasons. The company was initially consolidated in March 2012. Both entities are allocated to the Content Production & Global Sales segment.

By contract of and effective as of March 15, 2012, ProSiebenSat.1 Media AG, via the Group company Red Arrow Entertainment Ltd., London, United Kingdom, acquired a 51 % stake in Endor Productions Ltd., London, United Kingdom. The company operates in the development, licensing and production of TV and feature film formats in the United Kingdom and is allocated to the Content Production & Global Sales segment. For materiality reasons, the company was initially consolidated in April 2012.

By contract of February 2, 2012 and effective as of March 28, 2012, ProSiebenSat.1 Media AG, via the Group company SevenOne Media Austria GmbH GmbH (now operating as ProSiebenSat.1 PULS 4 GmbH), Vienna, Austria, acquired a stake of 100 % in Austria 9 TV GmbH, Vienna, Austria. The company contains an Austrian broadcasting license and is allocated to the Broadcasting German-speaking segment. For materiality reasons, the company was initially consolidated in April 2012.

By contract of and effective as of May 8, 2012, ProSiebenSat.1 Media AG, via the Group company Sultan Sushi B.V., Amsterdam, Netherlands, acquired a 51.02 % stake in July August Communications and Productions Ltd., Ramat Gan, Israel. The company operates in the development and marketing of program formats as well as the development and production of TV shows, drama series and feature films and is allocated to the Content Production & Global Sales segment. The company was initially consolidated in June 2012.

By contract of and effective May 10, 2012, ProSiebenSat.1 Media AG via the Group company Red Arrow Entertainment Ltd., London, United Kingdom acquired a 51% stake in New Entertainment Research and Design Ltd., London, United Kingdom. The company's business is the development and production of factual entertainment and comedy formats for British and international TV-stations. It is allocated to the Content Production & Global Sales segment. The company was initially consolidated in June 2012.

By contract of April 2, 2012 and effective as of May 11, 2012, ProSiebenSat.1 Media AG via the Group company SevenVentures GmbH, Unterföhring acquired a 100% stake in Booming GmbH, Munich. The company operates in online search engine marketing and optimization, eMail marketing and affiliate marketing and is allocated to the Digital & Adjacent segment. The company was initially consolidated in May 2012.

Effective June 22, 2012, ProSiebenSat.1 Media AG via the Group company SBS Media A/S, Copenhagen, Denmark acquired a 100% stake in the radio stations Radioselskabet af 1/7 2007 ApS, Newradio ApS und Radio Klassisk ApS, all Copenhagen, Denmark. The companies are allocated to the Broadcasting International segment. For materiality reasons, the companies were initially consolidated in the third quarter of 2012.

Effective August 14, 2012, ProSiebenSat.1 Media AG, via the Group Company Seven Ventures GmbH, Unterföhring, acquired a 90% stake in Tropo Tours GmbH (now operating as Tropo GmbH), Hamburg. The company operates a web-based travel operations portal for package and last-minute holidays and is allocated to the Digital & Adjacent segment. The company was initially consolidated in September 2012.

Effective September 13, 2012, ProSiebenSat.1 Media AG, via the Group company SevenVentures GmbH, Unterföhring, acquired a 51% stake in Covus Ventures GmbH, Berlin. The company operates in the area of founding, developing and establishing on the market digital business models and is allocated to the Digital & Adjacent segment. For materiality reasons, the company was initially consolidated in October 2012.

Effective September 19, 2012, ProSiebenSat.1 Media AG, via the Group company SevenVentures GmbH, Unterföhring, acquired a 60% stake in preis24.de GmbH, Düsseldorf. The company operates a web-based portal for contracts of private households, especially in the areas of mobile communication and high-speed internet. It is allocated to the Digital & Adjacent segment. The company was initially consolidated in September 2012.

The following table illustrates the financial impact of the above individually immaterial business combinations on the consolidated financial statements of the ProSiebenSat.1 Group at the respective acquisition dates. It only contains those statement of financial position items showing values at that date:

OTHER ACQUISITIONS 2012 (Fig. 93)

EUR m	Carrying amounts at acquisition	Step up	Fair value at acquisition
Intangible assets	1.3	10.0	11.3
Property, plant and equipment	0.5	-/-	0.5
Deferred tax assets	-/-	0.9	0.9
Non-current assets	**1.8**	**10.9**	**12.7**
Current programming assets	2.0	-/-	2.0
Trade receivables	7.7	-/-	7.7
Other current assets	2.5	-/-	2.5
Cash and cash equivalents	8.1	-/-	8.1
Current assets	**20.3**	**-/-**	**20.3**
Loans and borrowings	1.1	-/-	1.1
Deferred tax liabilities	-/-	2.9	3.0
Non-current liabilities	**1.1**	**2.9**	**4.1**
Loans and borrowings	0.4	-/-	0.4
Other financial liabilities	0.1	-/-	0.1
Trade payables	13.7	-/-	13.7
Other provisions	0.4	-/-	0.4
Other liabilities	10.0	-/-	10.0
Current liabilities	**24.6**	**-/-**	**24.6**
Non-controlling interests	-/-	0.1	0.1
Total net assets			**4.1**
Purchase price per IFRS 3			31.4
Goodwill			**27.3**

The above acquisitions support the growth strategy of ProSiebenSat.1 Group in the areas of advertising-financed free TV and radio, development and sale of programming content as well as digital media. The goodwill capitalized in this connection primarily represents strategic synergy potential in the areas of film production, broadcasting and digital media as well as the acquired workforce and is not deductible for tax purposes. Goodwill is allocated to the companies acquired as follows:

- LHB Ltd.: EUR 6.2 million
- Hard Hat AB: EUR 1.6 million
- Austria 9 TV GmbH: EUR 1.8 million
- Endor Productions Ltd.: EUR 6.3 million
- July August Communications and Productions Ltd.: EUR 4.8 million
- New Entertainment Research and Design Ltd.: EUR 3.0 million
- Booming GmbH: EUR 1.7 million
- Covus Ventures GmbH: EUR 0.9 million
- Other companies acquired: EUR 1.0 million

The separately recognized intangible assets primarily contain distribution agreements of Austria 9 TV GmbH totaling EUR 4.6 million and other trademarks and radio licenses totaling EUR 4.4 million. The carrying amounts of the receivables acquired and other current assets equal their fair values.

Of the purchase prices per IFRS 3, EUR 15.5 million were paid in cash. Furthermore, in connection with the acquisitions of LHB Ltd., Hard Hat AB, Endor Productions Ltd., July August Communications and Productions Ltd. and New Entertainment Research and Design Ltd. put options were agreed with the non-controlling shareholders, whose fair values at the respective dates of initial consolidation totaling EUR 15.9 million were recognized as financial liabilities as the ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the respective put options on exercise. Because of this assumed present ownership for the acquisitions, non-controlling interests have not been recognized in the Group's financial statements. The combined carrying amount of these put options was EUR 17.1 million at December 31, 2012.

The inclusion of the companies in the consolidated financial statements from the beginning of the financial year would have had the following impact on the earnings, financial position and performance of the ProSiebenSat.1 Group: Revenues EUR 22.2 million, profit EUR -2.7 million. Since the initial consolidation, the companies have contributed revenues of EUR 69.1 million and profit of EUR 1.1 million to the Group.

As the ProSiebenSat.1 Group controls the companies acquired in line with IAS 27, all companies acquired in 2012 are included in the consolidated financial statements as subsidiaries and fully consolidated.

Put option on outstanding shares in wetter.com AG

By contract of March 23, 2012, ProSiebenSat.1 Media AG, via its Group subsidiary ProSiebenSat.1 Digital GmbH, Unterföhring granted a put option over the remaining 27.03 % shares in its subsidiary wetter.com AG, Singen to the non-controlling shareholders. The option had a fair value of EUR 19.1 million as of the contract date and was recognized as a financial liability, as ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option on exercise. In accordance with IAS 27, the difference between the purchase price and the non-controlling interests was recognized outside of profit or loss in other equity, as the option constitutes a transaction with existing owners. The carrying amount of the put option was EUR 19.7 million at December 31, 2012.

Key acquisitions in the financial year 2011

Acquisition of maxdome GmbH & Co. KG

Effective January 1, 2011, ProSiebenSat.1 Media AG acquired the remaining 50 % interest in maxdome GmbH & Co. KG, Unterföhring, from 1 & 1 Internet AG.

As a result of obtaining control, the former joint venture, previously accounted for using the equity method was fully consolidated from that date. With the acquisition, the ProSiebenSat.1 Group strengthened its market position in the video-on-demand area. The company was allocated to the Digital & Adjacent segment. The purchase price per IFRS 3 contains an agreement with the seller of the acquired interest on a media cooperation. At the acquisition date the fair value of this agreement amounted to EUR 5.4 million, at December 31, 2012 the agreement has a carrying amount of EUR 1.6 million.

In addition, the acquisition resulted in a gain of EUR 3.1 million in the financial year 2011 from the remeasurement of the 50 % interest previously held. This gain was recognized in other financial income. The purchase consideration includes a payment due in 2014 measured at the discounted

amount of EUR 8.2 million at the acquisition date. The carrying amount of the agreement was EUR 9.3 million at December 31, 2012. Furthermore, a payment of EUR 6.0 million was made at the end of 2010. The business combination settled a pre-existing lender and borrower relationship between ProSiebenSat.1 Group (as lender) and maxdome GmbH & Co. KG (as borrower). The pre-existing relationship was effectively settled due to the elimination of intercompany receivables and liabilities in Group consolidation. This settlement led to the recognition of a gain of EUR 15.1 million at the acquisition date, recognized in other financial income, reflecting the difference between the carrying amounts of the receivable and the respective liability prior to the acquisition. In the previous financial year, ProSiebenSat.1 Group had fully written down the loans to maxdome GmbH & Co. KG. Since January 1, 2011, these loan relationships are eliminated in consolidation.

In connection with the purchase price allocation, impairments on intangible assets were recognized in the financial statements of maxdome GmbH & Co. KG as of and for the financial year ended December 31, 2010. These were reflected in the carrying amounts at the acquisition date.

The following table illustrates the financial impact of this business combination on the consolidated financial statements of the ProSiebenSat.1 Group as of January 1, 2011. It only contains those statement of financial position items showing values at that date.

ACQUISITION MAXDOME (Fig. 94)

EUR m	Carrying amount at acquisition	Step up	Fair value at acquisition
Intangible assets	3.9	-/-	3.9
Property, plant and equipment	0.1	-/-	0.1
Programming assets	1.2	-/-	1.2
Deferred tax assets	1.7	-/-	1.7
Non-current assets	**6.9**	**-/-**	**6.9**
Trade receivables	5.9	-/-	5.9
Current tax assets	0.3	-/-	0.3
Cash and cash equivalents	2.6	-/-	2.6
Current assets	**8.8**	**-/-**	**8.8**
Non-current liabilities	**-/-**	**-/-**	**-/-**
Loans and borrowings	16.5	-/-	16.5
Trade payables	14.8	-/-	14.8
Other current provisions	4.5	-/-	4.5
Current liabilities	**35.8**	**-/-**	**35.8**
Total net assets	**-20.1**	**-/-**	**-20.1**
Purchase price per IFRS 3			22.7
Goodwill			**42.8**

The goodwill, of which EUR 17.1 million is expected to be deductible for tax purposes as of December 31, 2012, consists of potential synergies, strategic development potential as well as the ongoing enhancements of the existing platform including access to new business areas. The carrying amount of trade receivables acquired equals the fair value.

Acquisition of Burda:ic

By sale and purchase agreement of June 1, 2011 and effective as of July 1, 2011, ProSiebenSat.1 Group, via its subsidiary ProSiebenSat.1 Digital GmbH, acquired 100 % of Burda:ic GmbH, Munich. The company engages in marketing, digital distribution and operation of online sites and internet solutions, editing and publishing online magazines, the production and sale of commercial and editorial content for online publication, webhosting, community management, user support, as well as operating online and offline products, including distributing merchandising products and consultancy services. The purchase price was EUR 15.0 million, plus "cash-free/debt-free" adjustments of EUR 0.6 million. As part of the acquisition, the Group and one of the sellers entered into a media co-operation agreement with a fair value of EUR 5.2 million as of the acquisition date. As of December 31, 2012, the carrying value of this agreement remained unchanged. A cash payment of EUR 9.8 million was made on June 30, 2011. The following table illustrates the financial impact of this business combination on the consolidated financial statements of the ProSiebenSat.1 Group at the acquisition date. It only contains those statement of financial position items showing values at that date.

ACQUISITION BURDA:IC (Fig. 95)

EUR m	Carrying amount at acquisition	Step up	Fair value at acquisition
Intangible assets	1.8	5.3	7.1
Property, plant and equipment	0.2	-/-	0.2
Deferred tax assets	-/-	0.2	0.2
Non-current assets	**2.0**	**5.5**	**7.5**
Trade receivables	0.5	-/-	0.5
Other receivables and current assets	1.0	-/-	1.0
Cash and cash equivalents	0.1	-/-	0.1
Current assets	**1.6**	**-/-**	**1.6**
Deferred tax liabilities	-/-	1.8	1.8
Non-current liabilities	**-/-**	**1.8**	**1.8**
Other current financial liabilities	0.2	-/-	0.2
Other current liabilities	1.0	-/-	1.0
Current liabilities	**1.2**	**-/-**	**1.2**
Total net assets	**2.4**	**3.7**	**6.1**
Purchase price per IFRS 3			15.6
Goodwill			**9.5**

The goodwill primarily represents potential synergies and strategic potential in developing online games. It is not deductible for tax purposes. The identified other intangible assets are the customer base, contractual customer relationships as well as the existing IT platform.

The carrying amount of trade receivables acquired equals the fair value. The financial position and performance of the ProSiebenSat.1 Group would not have been significantly impacted, had the company been included in the consolidated financial statements from the beginning of the financial year 2011. The company is allocated to the Digital & Adjacent segment and was renamed ProSiebenSat.1 Games GmbH on July 8, 2011.

Further acquisitions in the financial year 2011

On April 28 and effective May 5, 2011, ProSiebenSat.1 Group, via its 100 % subsidiary SevenOne Intermedia GmbH (as of May 4, 2011: ProSiebenSat.1 Digital GmbH), acquired 51 % of Covus Games GmbH, Potsdam (Covus Games). The cash purchase price was EUR 1.9 million. The purchase agreement also included a put option with the minority shareholders with a fair value of EUR 5.0 million as of the acquisition date, which was recognized as a financial liability, as ProSiebenSat.1 Group has an unconditional obligation to meet the terms of the put option. At December 31, 2012, the carrying amount of the put option was EUR 7.5 million. Because of this assumed present ownership, non-controlling interests have not been recognized in the Group's financial statements. Covus Games operates in the operation and marketing of internet portals and online games as well as providing consultancy services to games producers. The company was allocated to the Digital & Adjacent segment.

On April 29, 2011 and effective as of that date, ProSiebenSat.1 Group, via its 100 % subsidiary Red Arrow Entertainment Group GmbH, acquired 51% of The Mob Film Holdings Ltd., Beckenham, Kent, Great Britain (The Mob). The company operates in the production of films and commercials. The cash purchase price was GBP 1.3 million (EUR 1.5 million). The purchase agreement also included a put option with the minority shareholders with a fair value of GBP 6.7 million (EUR 7.4 million), which was recognized as a financial liability, as the ProSiebenSat.1 Group has an unconditional obligation to meet the conditions of the put option. At December 31, 2012, the carrying amount of the put option was EUR 3.2 million. Because of this assumed present ownership, non-controlling interests have not been recognized in the Group's financial statements. The company is allocated to the Content Production & Global Sales segment.

As ProSiebenSat.1 Media AG controls the two companies acquired, both are included in the consolidated financial statements of ProSiebenSat.1 Group as subsidiaries and fully consolidated. Both acquisitions support the growth strategy of ProSiebenSat.1 Group in new media as well as the development of cross-genre and cross-platform program content. The following table illustrates the financial impact of these business combinations on the consolidated financial statements of the ProSiebenSat.1 Group at the acquisition date. It only contains those statement of financial position items showing values at that date.

OTHER ACQUISITIONS 2011 (Fig. 96)

EUR m	Carrying amount at acquisition	Step up	Fair value at acquisition
Intangible assets	0.1	4.1	4.2
Non-current assets	**0.1**	**4.1**	**4.2**
Other receivables and current assets	1.3	-/-	1.3
Cash and cash equivalents	0.2	-/-	0.2
Current assets	**1.5**	**-/-**	**1.5**
Deferred tax liabilities	-/-	1.4	1.4
Non-current liabilities	**-/-**	**1.4**	**1.4**
Loans and borrowings	0.1	-/-	0.1
Other current financial liabilities	1.2	-/-	1.2
Other current provisions	0.1	-/-	0.1
Other current liabilities	0.2	-/-	0.2
Current liabilities	**1.6**	**-/-**	**1.6**
Total net assets	**0.0**	**2.7**	**2.7**
Purchase price per IFRS 3			16.2
Goodwill			**13.5**

Of this aggregate goodwill, EUR 3.8 million relate to Covus Games and EUR 9.7 million to The Mob. The goodwill primarily represents potential synergies and strategic development potential in film production and online gaming. It is not deductible for tax purposes. The ProSiebenSat.1 Group has commissioned independent valuation reports. There were no other material acquisitions in the financial year 2011.

The intangible assets identified in all business combinations described above are based on external, independent valuations using generally accepted valuation methods.

b) Discontinued operations and disposals of subsidiaries

Discontinued operations

Discontinued operations in Scandinavia/Central and Eastern Europe in the financial year 2012

By sale and purchase agreement of December 14, 2012, ProSiebenSat.1 Group sold its TV and radio operations in Denmark, Sweden, Norway and Finland to Discovery Networks International Holdings Ltd., London, Great Britain. The transaction reflects an aggregate enterprise value of EUR 1.325 billion. As of the reporting date of December 31, 2012, the closing date for the transaction is still subject to examination by the responsible cartel authorities. The ProSiebenSat.1 Group has also put up its TV and radio activities in Central and Eastern Europe for sale. The relevant subsidiaries were allocated to the Broadcasting International segment which was reported separately until the third quarter of 2012. The disposal serves to sharpen the strategic focus on German-speaking television and digital and adjacent business.

According to IFRS 5, assets held for sale of the disposed or held-for-sale subsidiaries totaling EUR 1,671.4 million and associated liabilities of EUR 298.6 million are presented separately in the statement of financial position as of the reporting date. In line with IFRS 5.40, the comparative previous-year figures have not been adjusted. The assets held for sale and associated liabilities comprise the following main items:

HELD-FOR-SALE-ASSETS AND ASSOCIATED LIABILITIES (Fig. 97)

EUR m	12/31/2012
Goodwill	894.9
Other intangible assets	250.1
Programming assets	277.7
Other assets (incl. deferred taxes)	158.3
Cash and cash equivalents	90.4
Total assets held for sale	**1,671.4**
Trade payables	141.4
Deferred tax liabilities	43.6
Other liabilities	113.6
Total liabilities associated with assets held for sale	**298.6**
	1,372.8

Due to their significance for the earnings, financial position and performance of the ProSiebenSat.1 Group, the subsidiaries disposed or held for sale constitute "discontinued operations" as defined by IFRS 5. As a consequence, the result from discontinued operations is combined and separately presented in the income statement. Previous-year figures have been adjusted in line with IFRS 5.34.

In the context of reporting under IFRS 5, impairments of goodwill of EUR 57.4 million were recognized. Furthermore, provisions for restructuring measures of EUR 8.0 million were recognized in this context. These matters are presented in the result from discontinued operations.

Discontinued operations in Belgium and the Netherlands in the financial year 2011
By sale and purchase agreement of April 20, 2011, ProSiebenSat.1 Group sold its TV operations in Belgium as well as its TV and Print operations in the Netherlands to a consortium of leading international media companies. The transaction reflects an aggregate enterprise value of EUR 1.225 billion. The TV entities sold were allocated to what then was the Free TV International segment, while the Print operations were allocated to what then was the Diversification segment. The closing date for the sale of the subsidiaries in Belgium was June 8, 2011, while the respective closing date for the subsidiaries in the Netherlands was July 29, 2011, after approval of the transaction by the Netherlands Cartel Authorities.

The companies sold were deconsolidated as of the respective dates above, as the Group has ceased to control them. The gain on sale, included in the result from discontinued operations in financial year 2011, amounted to EUR 335.8 million.

The following table contains the provisional result from discontinued operations. In the financial year 2012, this includes the operations held for sale in Scandinavia as well as Central and Eastern Europe. The previous-year figures have been adjusted for the income statement items of the entities sold / put up for sale in the current year, as required by IFRS 5 and also contain the figures of the operations in Belgium and the Netherlands sold in the financial year 2011.

INCOME STATEMENT DISCONTINUED OPERATIONS (Fig. 98)

EUR m		2012	2011
1.	Revenue	612.9	776.0
2.	Expenses	-620.0	-701.4
3.	**Result from operations before interest and tax**	**-7.2**	**74.6**
4.	Financial result	1.0	-4.5
5.	**Result from operations before tax**	**-6.2**	**70.2**
6.	Income tax	-24.0	-32.7
7.	**Result from operations, net of income tax**	**-30.2**	**37.4**
8.	Gain on sale of discontinued operations	-/-	335.8
9.	Income tax on gain on sale of discontinued operations	-/-	0.0
10.	**Profit after tax**	**-30.2**	**373.2**

EUR 29.7 million (previous-year: EUR 373.2 million) of the result from discontinued operations is attributable to the shareholders of ProSiebenSat.1 Media AG.

The sale of subsidiaries in Belgium and the Netherlands had the following impact on the financial position and performance of ProSiebenSat.1 Group in the financial year 2011:

IMPACT OF DECONSOLIDATION ON THE GROUP (Fig. 99)

EUR m	2011
Goodwill	601.0
Other intangible assets	276.4
Property, plant and equipment	9.0
Programming assets	177.0
Other assets, incl. deferred tax assets	384.2
Cash and cash equivalents	24.1
Provisions	-1.7
Deferred tax liabilities	-75.3
Other liabilities	-247.7
Net assets	**1,147.0**
Purchase price (cash)	1,483.5
Outstanding receivable	9.1
Cost to sell	-9.8
Purchase price less cost to sell	**1,482.8**
Purchase price (cash)	**1,483.5**
Cash and cash equivalents disposed	-24.1
Net cash inflow on sale	**1,459.4**
Gain on sale of discontinued operations	**335.8**

When calculating the gain on sale, goodwill was allocated to the units remaining and the units sold on the basis of relative values, as required by IAS 36.86.

Other disposals of subsidiaries in financial year 2011

By sale and purchase agreement of September 19, 2011 and effective as of that date, the ProSiebenSat.1 Group sold its radio business in Greece to a local publishing group. The purchase price amounted to EUR 4.3 million. The loss presented in other operating expenses was EUR 3.6 million. Prior to the sale, intangible assets (brand names) with a carrying amount of EUR 2.8 million were impaired.

By sale and purchase agreement of November 8, 2011 and effective as of November 10, 2011, the ProSiebenSat.1 Group sold its radio and TV business in Bulgaria to a local financial investor. The purchase price amounted to EUR 2.2 million, the loss presented in other operating expenses was EUR 0.1 million. Prior to the sale, intangible assets (broadcasting licenses) with a carrying amount of EUR 2.7 million were impaired.

The companies sold were deconsolidated since the Group has ceased to control them as of the respective dates above. When calculating the loss on sale, goodwill was allocated to the units remaining and the units sold on the basis of relative values, as required by IAS 36.86. In terms of materiality, the companies sold do not constitute a discontinued operation as defined by IFRS 5. As a consequence, no separate presentation or adjustment of prior period figures was necessary.

c) Closure of business

There were no closures of business in the financial year 2012.

Closure of 9Live in the financial year 2011

As of May 31, 2011, ProSiebenSat.1 Group ceased the broadcasting activities of its channel 9Live. One-off closure-related expenses of EUR 24.1 million were recognized, primarily in connection with program and personnel-related measures.

4 Consolidation methods

Profits and losses, revenues, income and expenses deriving from transactions between consolidated companies as well as receivables and liabilities amongst consolidated companies are eliminated. The consolidation methods take into account deferred income tax effects if such tax effects are likely to net one another out in later financial years. Where required, deferred tax assets and liabilities are offset against one another.

Capital is consolidated by eliminating the carrying amount of equity interests against the share of equity held in the subsidiary. Initial consolidation is carried out using the purchase method under IFRS 3 by eliminating the acquisition cost against the fair value of the acquired, identifiable assets, and the assumed liabilities and contingent liabilities, as of the acquisition date. The carrying amounts are carried forward to subsequent periods. Any excess of the acquisition cost over the net fair value of the acquired entity is recognized as goodwill, which is presented under intangible assets. In accordance with IAS 36, goodwill is not amortized, but instead tested for impairment at least once a year.

If ProSiebenSat.1 Media AG gains control of the company as a result of the acquisition of a further equity interest in an associate or a joint venture respectively, then the company is to be fully consolidated from the time control is acquired. The fair value of the previously held stake is to be regarded as an extended part of cost for the new subsidiary. The difference between the fair value and the carrying amount determined using the equity method is recognized as a gain or loss.

Interests in companies on which the Group has significant influence, or on which the Group has a possibility of exercising significant influence, are measured using the equity method under IAS 28. Equity interests held in associates are initially reported based on the proportion of the adjusted equity held in each such entity. Any difference to the acquisition cost of the equity interest is recognized using the acquisition method. After initial recognition, to the extent the effects are material, carrying amounts are adjusted to reflect the Group's share of equity. Cost is adjusted in accordance with the ProSiebenSat.1 Group's share of the increases and decreases of the associates' and joint ventures' equity after acquisition. Additionally, where appropriate indications exist, an impairment test is performed, and if applicable an impairment loss is taken to the lower recoverable amount. The recoverable amount is determined using the principles described for intangible assets and property, plant and equipment described in Note 6 ("Accounting policies"). If the reason for the impairment ceases to exist at a later date, the impairment is reversed to the amount that would have resulted if the impairment had not been recognized. In accordance with IAS 31, shares in joint ventures are likewise recognized using the equity method. There is no price quoted on any active market for the companies measured using the equity method.

The financial year of ProSiebenSat.1 Media AG and all fully consolidated entities is the calendar year.

5 Foreign currency translation

Transactions in foreign currencies are translated at the relevant exchange rates as of the transaction date. In subsequent periods, monetary assets and liabilities are measured at the spot rate as of the end of the reporting period, and translation differences are recognized in profit or loss. Non-monetary items that were measured at historical cost in a foreign currency are not retranslated.

Financial statements of subsidiaries and entities reported using the equity method in countries outside the euro zone are converted using the functional currency concept. For subsidiaries, the functional currency is determined on the basis of the primary environment in which they conduct their business activities. As a rule, this is the currency in which cash funds are generated and consumed. In the ProSiebenSat.1 Group, the functional currency is generally the national currency; the functional currency differs from the national currency only in isolated cases.

Financial statements not denominated in euro are converted using the modified reporting date method, in which items of the income statement are converted using the average exchange rate for the year. Equity is converted at historical rates of exchange, while other asset and liability items are converted at the closing rate as of the reporting date. Any currency translation differences resulting from the conversion of financial statements in foreign currencies are added to or charged against accumulated other equity, outside profit or loss. In the case of the disposal of the relevant subsidiary, such translation differences are recognized in profit and loss.

The following exchange rates were used in foreign currency translation within the Group:

EXCHANGE RATES (Fig. 100)

	Spot rate		Average rate	
Exchange rate: EUR 1 equals	**12/31/2012**	12/31/2011	**2012**	2011
Swiss Franc	**1.21**	1.22	**1.21**	1.23
Swedish Krona	**8.58**	8.92	**8.70**	9.03
Norwegian Krone	**7.37**	7.78	**7.48**	7.79
Danish Krone	**7.46**	7.43	**7.44**	7.45
US Dollar	**1.32**	1.29	**1.28**	1.39
British Pound Sterling	**0.82**	0.84	**0.81**	0.87
Hungarian Forint	**292.82**	312.82	**289.25**	279.53
Romanian Leu	**4.44**	4.33	**4.46**	4.24
Bulgarian Lev	**1.96**	1.96	**1.96**	1.96
Israeli Shekel	**4.92**	-/-	**4.96**	-/-
Hong Kong Dollar	**10.22**	-/-	**9.97**	-/-

6 Accounting policies

The annual financial statements for all entities included in the consolidated financial statements are prepared using uniform accounting policies.

The consolidated financial statements are based on the principle of historical cost, except for those items, especially such as certain financial instruments, that are recognized at fair value.

The recognition, measurement and presentation policies, as well as the explanations and information regarding the consolidated financial statements for the financial year 2012, are substantially applied consistently.

In the financial year 2012, the ProSiebenSat.1 Group sold its TV and radio operations in Denmark, Sweden, Norway and Finland and intends to sell its TV and radio operations in Hungary and Romania. In the financial year 2011, the Group sold its TV operations in Belgium as well as its TV and Print operations in the Netherlands. These transactions were accounted for under IFRS 5. As the subsidiaries disposed of and held for sale constitute "discontinued operations", their income statement items, including the gain on sale of the Belgian and Dutch subsidiaries reported in the previous-year were presented separately in the income statement, after tax, as "result from discontinued operations". Previous-period income statement figures were adjusted accordingly. The assets and liabilities and the related items in other comprehensive income of the subsidiaries disposed of in the financial year 2012 or held for sale are also reported separately in the statement of financial position. In line with IFRS 5, the previous periods were not adjusted. For further details, please refer to Note 3 "Acquisitions and disposals".

Recognition of income and expenses

The ProSiebenSat.1 Group's revenues are mainly advertising revenues derived from the sale of advertising time on television. Advertising revenues are presented net of volume discounts, agency commissions, cash discounts and value-added tax.

Revenues are realized at the time when the service is provided, or when risk is transferred to the customer. Accordingly revenues are recognized once the service has been provided, the principal risks and rewards of ownership have been transferred to the buyer, the amount of the proceeds can be measured reliably, an economic benefit from the sale is sufficiently probable and the costs associated with the sale can be measured reliably.

Specifically, advertising revenues from both television and radio are considered realized when advertising spots are broadcast. If advertising services are agreed in return for the acquisition of company stakes ("media for equity"), the obligation for broadcasting the agreed advertising spots is recognized as a credit entry (deferred revenue) to reflect the equity stake capitalized and realized as revenues when the agreed advertising spots are broadcast.

Revenues from pay TV activities are considered realized when the service is provided. Revenues from the sale of merchandising licenses are realized at the agreed guarantee amount as of the inception of the license for the customer. Revenues from the sale of programming assets and ancillary programming rights are considered realized when the license term for the purchaser of the programming asset has begun and broadcast-ready materials have been delivered to the purchaser.

Revenues from barter transactions are considered revenues-generating transactions only when dissimilar goods or services are exchanged, and the amount of the proceeds and costs, as well as the economic benefit, can be clearly measured. Revenues from barter transactions are measured on the basis of the fair value of the provided (advertising) service, if that fair value can be measured reliably. Barter transactions at the ProSiebenSat.1 Group are primarily trade-off transactions relating to the sale of advertising time.

As long as they can be reliably estimated, revenues arising in the programming production business are recorded using the percentage-of-completion method. The stage of completion is determined by the relation between actual costs incurred and estimated total costs of the contract. Applied to the planned revenues of the respective contract, this results in revenues being recognized in the relevant period. In case total revenues cannot be estimated reliably, revenues are recognized only to the extent of costs incurred. In this case, contract costs are recognized as expenses in the period in which they occur. If it is expected that total contract costs will exceed contract revenues, the expected loss is recognized immediately as an expense.

Other operating income is generally recognized when a service has been performed, the amount of the income can be measured reliably, and an economic benefit to the Group is sufficiently probable. Operating expenses are recognized at the time when the service is utilized or when the expenses are otherwise incurred. Interest income and expenses are recognized on an accrual basis. Dividends from equity interests that are neither fully consolidated nor recognized at equity are recognized at the time when the legal entitlement arises.

Government grants are recognized through profit and loss as other operating income, as long as the respective company complies with the conditions and the grant will actually be received. Recognition takes place on an accrual basis in accordance with the occurrence of the subsidized expenses in the case of grants for expenses or income or proportional to the pattern of consumption for investment subsidies.

Intangible assets

Intangible assets primarily comprise goodwill and brands from the acquisition of fully consolidated subsidiaries, together with trademarks and patents, as well as licenses to such assets and rights.

Acquired assets are capitalized under IAS 38 if it is probable that the future economic benefits will flow to the Company and the cost of the asset can be measured reliably. Unless an asset has an indefinite useful life, it is amortized, and where applicable, impaired. Amortization is recognized on a straight-line basis in accordance with the expected useful life. The underlying useful life for purchased software as a rule is three to eight years. Licenses and other intellectual property rights are amortized over ten years or over the term of the license agreement. Other useful lives may be applied as an exception, for intangible assets with a limited useful life that are acquired in first-time consolidations resulting from business combinations. These are primarily broadcasting rights and customer relationships, which are amortized over an expected useful life of between four and 14 years. Useful lives and amortization methods are reviewed annually and adjusted in accordance with any changes in estimations.

Internally generated intangible assets are capitalized under IAS 38 if they are identifiable, it is probable that the future economic benefits will flow to the Company and the cost of the asset can be measured reliably. The determination of costs is subject to a distinction between costs for research and for development, with the former being expensed as incurred. Besides the criteria described above, costs for development are capitalized solely in cases where the product or process are realizable from a technical or economic perspective. The completion of the development as well as the usage or sale afterwards have to be ensured and intended. The subsequent measurement of internally generated intangible assets follows the principles for intangible assets acquired as stated above.

The intangible assets with indefinite useful lives that are acquired through business combinations relate particularly to brand names. Due to their indefinite useful lives these are not amortized, but tested annually for impairment.

Property, plant and equipment

Property, plant and equipment are measured at acquisition or production cost, less depreciation on the basis of use and, if necessary, impairments. The cost of internally created property, plant and equipment includes not only the purchase price, but the portions of overhead costs directly attributable to production. For items of property, plant and equipment produced over a longer period, borrowing costs incurred until the time of completion are included in the production cost. However, such items are not material for the Group at present. Thus borrowing costs are normally recognized in profit or loss for the period in which they occur.

Based on the expected useful lives, depreciation is recognized on a straight-line basis over the following periods:

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT (Fig. 101)

In years	
Buildings on land owned by others, fixtures and renovations	3-50
Technical facilities	2-10
Office furniture and equipment	3-20

Leasing

IAS 17 defines a lease as an agreement whereby a lessor conveys to the lessee the right to use an asset for an agreed period of time in return for payment or a series of payments. A distinction is made between finance leases and operating leases. Leases are classified as finance leases if substantially all the risks and rewards incidental to ownership of an asset are transferred to the lessee. All other leases are classified as operating leases.

For finance leases, the leased assets and the associated liabilities are recognized at fair value at the commencement of the lease term or, if lower, the present value of the minimum lease payments. Depreciation is recognized on a straight-line basis over the shorter of the lease term or the expected useful life. Payment obligations resulting from finance leases are recognized as financial liabilities and subsequently measured applying the effective interest rate method.

The lease payments for operating leases are reported as an expense in the profit or loss.

Impairment of intangible assets and property, plant and equipment

In accordance with IAS 36, an entity must review assets with a finite useful life for impairment if there are indications that those assets may be impaired. If such an indication exists, the amortized carrying value of the asset is compared with the recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. The value in use is the discounted present value of future cash flows expected to arise from the continuing use of the asset. In the event of impairment, the impairment is recognized as an expense in profit or loss in the amount of the difference between the amortized carrying amount and the lower recoverable amount. If evidence exists that the reason for the impairment no longer exists, the impairment loss is reversed. The reversal cannot result in an amount exceeding amortized cost.

Moreover, intangible assets with an indefinite useful life, intangible assets not yet ready for use and goodwill, must be tested for impairment annually. Where there is no longer any reason for impairment, the impairment loss is reversed, except in the case of goodwill.

If necessary, the impairment test is applied not at the level of a single asset, but at the level of cash-generating units to which the asset is attributable.

For this purpose, the goodwill acquired in a business combination is allocated to the cash-generating unit or group of cash-generating units that are expected to profit from the synergies deriving from the business combination.

The ProSiebenSat.1 Group tests goodwill and the brand names acquired through business combinations once a year for impairment, in compliance with the Group's reporting policies. A test is also performed whenever there is any indication that an asset might be impaired. Goodwill is tested for impairment at the level of cash-generating units or groups of cash-generating units. These represent the lowest level at which goodwill is monitored for internal management at the ProSiebenSat.1 Group. These are the operating segments Broadcasting German-speaking, Free TV International, Radio, Digital & Adjacent and Content Production & Global Sales.

The Company normally determines the recoverable amounts using measurement methods based on discounted cash flows. These discounted cash flows are based on five-year projections of financial plans approved by management. The cash flow projections consider past experience, and are based on management's best estimates of future developments, along with additional external information. Cash flows beyond the detailed planning period are extrapolated using individual growth rates, which however do not exceed the inflation expectations for the respective units. The most important assumptions underlying the changes in value in use concern future cash flows, estimated growth rates, weighted average costs of capital and tax rates. These assumptions, as well as the method used, may have a material effect on the resulting values. For further details regarding the determination of the value in use and the underlying assumptions, we refer to Note 19 "Intangible assets".

When disposing of cash-generating units or parts thereof or as part of internal reorganizations, goodwill at the time of disposal or transfer is to be allocated on the basis of relative values to the units being disposed of by the Group and those being retained.

Programming assets

Programming assets comprise feature films, series, commissioned productions and advance payments made (including advance payments for sport rights). Feature films and series are capitalized as of the beginning of the license term. Commissioned productions are capitalized as broadcast-ready programming assets as of their date of formal acceptance. Until being broadcast, sport rights are included in advance payments. The assets are initially recognized at cost. Borrowing costs are generally not included in the measurement structure because the requirements of IAS 23 are not fulfilled.

Consumption of licenses and commissioned productions intended for multiple showings begins at the start of the first broadcast, and depends on the number of showings permitted or planned respectively. Consumption resulting from showings is measured using a declining-balance method according to a matrix that is standardized Group-wide which reflects the expected revenues generation and audience reach potential relating to the respective broadcast. Commissioned productions intended for only one run are fully consumed as of their broadcasting.

Impairment is applied to programming assets if it is not expected that the costs are recoverable from future revenues. Indications for this assumption might include changes in the advertising environment, changing audience tastes, media-law restrictions on the usability of films, licenses that expire prior to broadcasting, or if a commissioned production is discontinued. Both consumption resulting from transmissions and impairment are reported as part of the cost of sales. If there are indications for a potential impairment, only titles no longer meeting the asset criteria or having limited usability, are fully written down. The assessment of the recoverable amount of the remaining programming assets takes place at the level of genre-based program groups. To the extent that their carrying amounts exceed expected future revenues, an impairment is recognized.

Impairments of programming assets are reversed if there are indications that the reason for the original impairment no longer exists, and a higher recoverable amount results. Write-ups are netted against the cost of sales.

Programming assets intended for single runs and advance payments made on programming assets are normally recognized as current programming assets.

Provisions for onerous contracts are recognized when expected future revenues are lower than the necessary, unavoidable costs to fulfill contractual obligations.

Financial instruments
According to IAS 39, a financial instrument is any contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The ProSiebenSat.1 Group categorizes financial assets as loans and receivables (including cash and cash equivalents), financial assets held to maturity, financial assets measured at fair value through profit or loss, and financial assets available for sale. The ProSiebenSat.1 Group has no financial assets held to maturity.

Financial liabilities are categorized as financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. The last category particularly includes loans and borrowings, as well as other financial liabilities, including trade accounts payable and liabilities under finance leases.

Financial instruments measured at fair value through profit or loss include financial assets and liabilities held for trading, such as derivative financial instruments that do not qualify as hedges under a hedge relationship and stakes in companies over which the Group exercises neither control, joint control nor significant influence. Furthermore, the ProSiebenSat.1 Group has designated some shares in investment funds at fair value through profit and loss upon initial recognition. However, derivative financial instruments that qualify as hedges under a hedge relationship are not allocated to any of the categories above.

Financial instruments are recognized at amortized cost or at fair value. Amortized cost is determined by the effective interest rate method. The fair value of a financial instrument reflects the amount for which the financial instrument could be traded between knowledgeable, willing parties in an arm's length transaction that is not a forced transaction or a liquidation sale. The fair value is generally equivalent to the market or exchange value. If there is no active market, the fair value is measured using a financial valuation technique (for example, by discounting future cash flows at the market interest rate). If the fair value of financial instruments cannot be determined reliably, the financial instruments are measured at amortized cost.

In accordance with IAS 39, a regular assessment is made as to whether there is substantive objective evidence of impairment of a financial asset or a portfolio of financial assets. After an impairment test, any necessary impairment loss is recognized in profit or loss. An impairment of trade receivables is recognized if objective indications show that the receivables cannot be fully recovered. Gains or losses on a financial asset available for sale are recognized outside profit or loss until the financial asset is disposed of or an impairment is determined. In the event of an impairment, the accumulated net loss is reclassified from equity to profit or loss as a reclassification adjustment. Currently the ProSiebenSat.1 Group has no material financial assets available for sale that have been recognized at fair value.

Derivative financial instruments and hedge accounting

Derivative financial instruments are primarily used in hedging against risks. To hedge risks posed by changes in interest rates and foreign exchange rates, the ProSiebenSat.1 Group uses derivative financial instruments in the form of interest rate swaps, interest rate caps and forward exchange transactions. While interest rate risks result from liabilities carrying variable interest rates, foreign exchange risks are incurred particularly through license payments for programming assets denominated in US dollar.

Derivative financial instruments are reported at fair value as an asset or financial liability in the statement of financial position, irrespective of the purpose or intent for which the transaction was entered into. The fair value of derivative financial instruments is obtained by discounting future cash flows at the market interest rate, and by other recognized methods of financial valuation techniques, such as option pricing models. Derivative financial instruments are recognized as of their trading date. The fair value of interest rate swaps and interest rate caps is generally zero at the first-time recognition. Subsequently interest rate swaps and interest rate caps are recognized in the statement of financial position at market value, as "other assets" or "other liabilities." The fair value of forward exchange transactions is likewise generally zero at the first-time recognition. Subsequently currency forwards are recognized in the statement of financial position at market value, as "other assets" or "other liabilities." The valuation of derivative finance instruments includes specific counterparty credit risks.

Hedge accounting is possible if a clear hedging relationship can be formally designated and documented. Under hedge accounting, the recognition of changes in the market values of the pertinent derivatives depends on the type of hedge relationship. If the hedge is a cash flow hedge, the changes in market value of the effective portion of the derivative are first recognized separately outside profit or loss, and are not recognized in profit or loss until the underlying transaction is realized. The ineffective portion is recognized immediately in profit or loss. To hedge currency risks on future license payments, hedge gains or losses accumulated in equity are removed from equity at the inception of the license — i.e. at the moment when the underlying transaction is capitalized — and the acquisition cost is increased or decreased accordingly. For fair value hedges, both changes in the market value of the derivative and adjustments in the carrying value of the associated underlying transaction are recognized in profit or loss. The ProSiebenSat.1 Group has no fair value hedges at present.

At the inception of a hedge, IAS 39 requires comprehensive documentation of the hedging relationship, including a description of matters such as the associated risk management strategy and objectives in undertaking the hedge. Wherever possible, the ProSiebenSat.1 Group gathers and manages the underlying transactions and hedges in what are known as "hedge books." The effectiveness of the hedging relationship is measured regularly. If a hedging relationship does not meet, or no longer meets, the requirements of IAS 39, hedge accounting is terminated. After the termination, the amounts included in equity are recognized in the profit or loss the moment that the results of the underlying transactions affect the profit or loss.

Loans and receivables

Financial assets classified as loans and receivables are measured at amortized cost, applying the effective interest rate method, less impairment. Impairment of trade accounts receivable is recognized in separate allowance accounts. In the valuation process, adequate allowances have been made, on the basis of objective evidence and values developed through experience, to cover known risks by valuation adjustments. Individual receivables are estimated and evaluated on the basis of the individual client's creditworthiness, current economic developments, and an analysis of historical defaults, on a portfolio basis.

Financial assets measured at fair value through profit or loss

In addition to financial assets held for trading (such as derivative financial instruments and stakes in companies over which the Group exercises neither control, joint control nor significant influence), this category also includes financial assets that were designated at fair value through profit or loss at the time of first recognition, under what is known as the "fair value option". Exceptions are equity instruments for which no market prices are quoted on active markets, and whose market values cannot be measured reliably. Fair value is determined on the basis of the type and depending on the marketability of the instrument in line with a three-level fair value hierarchy. For this information, please refer to our comments in Note 34 "Further notes on financial risk management and financial instruments according to IFRS 7". The fair value option is furthermore subject to the conditions that its exercise must eliminate or significantly reduce an accounting mismatch, the financial instrument must include one or more embedded derivatives, or the portfolio of financial instruments is managed on a fair value basis. In line with the active risk management strategy pursued at ProSiebenSat.1 Media AG, the fair value option is currently only used for financial assets acquired to cover the pension obligations that do not qualify as plan assets.

Financial assets available for sale

Investments in equity instruments, debt instruments and fund shares are classified as financial assets available for sale, and are recognized at fair value, if that value can be determined reliably. Equity instruments for which no price is quoted on an active market, and whose fair value cannot be determined reliably, are measured at acquisition cost.

Non-current financial assets held for sale and discontinued operations

Non-current financial assets held for sale (or groups thereof) are classified as held for sale if their carrying amounts are recovered principally through a sale transaction rather than continuing use, they are readily saleable and that sale is highly probable. They are measured at the lower of carrying amount and fair value less costs to sell, unless IFRS 5 does not apply for the measurement.

If a group of assets classified as held for sale constitutes discontinued operations as defined by IFRS 5, the related income statement items including any result on deconsolidation in case of a sale of these activities are separately presented together, after tax, as a single item, in the income statement as "result from discontinued operations". Previous-year income statement figures are adjusted accordingly. In line with IFRS 5, there is no adjustment to the figures in the previous-year statement of financial position.

Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid financial investments that can be converted to cash amounts at any time and that are subject only to minor risks of fluctuation in value. Cash and cash equivalents are recognized at amortized cost. Amounts in foreign currencies are converted at the end of the applicable reporting period. They are equivalent to the item shown in the cash flow statement.

Financial liabilities

With the exception of derivative financial instruments, financial liabilities are measured at amortized cost, applying the effective interest rate method. Term loans are recognized on the basis of their notional total, at amortized cost less issuing and financing costs. These costs are distributed over the term of the liability using the effective interest rate method. Contingent consideration in the context of business combinations (put options, earn-out provisions) is classified under liabilities at fair value on first-time consolidation. Subsequent measurement also takes place at fair value, with changes being recognized in profit and loss. The ProSiebenSat.1 Group has no financial liabilities designated at fair value.

Provisions for pensions

Pension obligations are calculated by actuarial technique using the Projected Unit Credit Method. This method uses biometric calculation data and, particularly, the current long-term capital market interest rate for high quality corporate bonds, as well as current assumptions about future increases in salaries and pensions. The interest component included in the pension expense is shown in the financial result.

Differences between assumptions and actual events, as well as changes in actuarial assumptions for measuring defined-benefit pension plans, result in actuarial gains and losses. These may be recognized in profit and loss on a deferred basis over the expected average remaining working lives of the employees participating in the plan when they exceed 10 % of the higher of the defined benefit obligation and the fair value of any plan assets (the “corridor approach“). Alternatively a more rapid recognition through profit and loss right up to the immediate recognition of all actuarial gains and losses in the period in which they arise or an immediate complete recognition in other comprehensive income is possible. The ProSiebenSat.1 Group recognizes all actuarial gains and losses immediately in profit or loss for the period in which they arise. Because of the small volume of pension obligations the impact on profits from the recognition of actuarial gains or losses in the income statement is minor for the ProSiebenSat.1 Group. However, application of one of the alternative forms of presentation would have no material impact for the earnings, financial position and performance of the Group.

Past service cost is allocated on a straight-line basis across the average period to the point at which rights become vested.

Other provisions

Provisions are recognized if a present legal or constructive obligation to third parties has arisen as a result of a past event, if payment is probable, and if the amount of the payment can be estimated reliably. They are measured using a best estimate of the expenditure required to settle the present obligation considering past experience. They are recognized at full cost, in the amount of the most probable outcome of the liability. The amount of the provision is regularly adjusted if new information becomes available or if circumstances change. Long-term provisions

are formed as of the end of the reporting period at the present value of expected settlement amounts, taking estimated increases in prices or costs into account as the case requires. Discount rates are regularly adjusted to prevailing market interest rates. However non-current provisions are discounted only in those cases where the discounting effect is material.

The Company measures provisions for onerous contracts at the lower of the expected cost of settling the contract or the expected cost of terminating the contract minus any revenues expected from the contract.

Income taxes

Income taxes comprise the taxes levied on taxable profits in the Group's various countries, and changes in deferred tax items. Income taxes are recognized on the basis of the terms of law in effect or substantively enacted as of the end of the reporting period, in the amount that will presumably have to be paid.

In accordance with IAS 12, deferred taxes are recognized for tax-deductible temporary differences between the carrying amounts of assets and liabilities under IFRS and their amounts in the statement of financial position for tax purposes, as well as for consolidation measures and for claims for tax reductions due to loss carry-forwards that can presumably be recovered in subsequent years. As an exception no deferred tax liabilities are recognized from the initial recognition of goodwill. Calculation is based on the tax rates expected in the various countries at the realization date. These are generally based on the terms of law in effect or substantively enacted at the end of the reporting period.

Deferred tax assets are netted against tax liabilities so far as they are owed by and to the same tax authority, and so far as the Company is legally entitled to offset current tax refund entitlements and tax liabilities against one another.

If profits or losses are recognized in other comprehensive income, the same rules apply for the deferred tax assets and liabilities applicable to them.

Deferred tax assets resulting from temporary differences and loss carry-forwards are tested for impairment on the basis of projections particular to the Group company concerned, including considerations regarding its future earnings situation. Deferred tax liabilities recognized on planned dividend distributions by subsidiaries are dependent on the subsidiaries' anticipated earnings situation and on further assumptions, for example, in their future financing structure. The deferred tax items recognized in that regard are subject to ongoing review as to their underlying assumptions. Changes in assumptions or circumstances may require corrections, which may result in additional deferred taxes or reversals of such items.

Earnings per share

Earnings per share represent consolidated profit divided by the weighted average number of common and preferred shares outstanding during the financial year. Account is taken of dilution effects both for earnings per preferred stock and per common stock. The latter could result from a reduction of the common stockholders' portion of earnings by the exercise of options on preferred stock. Diluted earnings per share are calculated on the assumption that all potentially diluting shares and share-based remuneration plans are exercised.

Share-based remuneration

Share-based remuneration (stock options and rights to shares settled by equity instruments) are measured at fair value at the time of grant. The fair value of the obligation is recorded as administrative expenses in personnel expenses over the vesting period.

SUMMARY OF CHOSEN MEASUREMENT METHODS (Fig. 102)

Item	Measurement method
ASSETS	
Goodwill	At cost (subsequent measurement: Impairment test)
Other intangible assets with indefinite useful lives	At cost (subsequent measurement: Impairment test)
Other intangible assets with finite useful lives	At (amortized) cost
Property, plant and equipment	At (amortized) cost
Programming assets	At (amortized) cost
Financial assets	
Loans and receivables	At (amortized) cost
Held to maturity	Not applicable
Held for trading / derivatives	At fair value through profit and loss
Available for sale	At fair value with the resultant gains and losses recognized directly in equity or amortized cost
Cash and cash equivalents	At cost
LIABILITIES AND PROVISIONS	
Loans and borrowings	At (amortized) cost
Provision for pensions	Projected unit credit method
Other provisions	At settlement value (discounted if non-current)
Financial liabilities	At (amortized) cost or fair value respectively
Other non-current liabilities	At settlement value (discounted if non-current)

Judgments and estimates

In preparing the consolidated financial statements under IFRS, it is to some degree necessary for management to make assumptions and estimates that may affect the measurement of recognized assets and liabilities and the amounts of expenses and income. These assumptions and estimates are based on the information currently available to the management. In particular, expectations of future business performance were based on the conditions in existence at the date of preparation of the consolidated financial statements and the presumably realistic future performance of the global and macro-economic environment in which the sector operates. If these circumstances should change otherwise than management has assumed, and in ways beyond management's control, the actual amounts may differ from the original estimates. If actual developments differ from expectations, the assumptions and, if applicable, the carrying amounts of the pertinent assets and liabilities will be adjusted accordingly (with an effect on profit or loss). Changes in estimates are normally recognized during the same period when they occur, and are taken into account in future periods.

Assumptions and estimates are particularly necessary for the following accounting matters:

- Recognition and measurement of assets (particularly intangible assets and goodwill) and liabilities resulting from the purchase price allocation at the time of first consolidation, including the measurement of contingent considerations in the case of business combinations,
- Impairment testing of intangible assets (especially goodwill),
- Determining the useful lives to be applied for non-current assets,
- Recognition and measurement of programming assets,
- Recognition and measurement of provisions and
- Estimate of future tax advantages and the possibility of realizing them.

For purposes of the purchase price allocation in connection with business combinations, assumptions must be made in regard to the recognition and measurement of assets and liabilities. Assumptions are entailed in determining the fair value of acquired assets and assumed liabilities at the acquisition date, as well as the useful lives of the acquired intangible assets and property, plant and equipment. Measurement is largely based on projected cash flows. Actual cash flows may differ significantly from the cash flows assumed in measuring fair value. Independent external appraisals are obtained for the purchase price allocation of major acquisitions. Measurements in business combinations are based on information available at the acquisition date. By nature, assumptions and estimates are less certain for intangible assets than for all other assets. In the financial year 2012, EUR 21.3 million was recognized as intangible assets in connection with purchase price allocations, EUR 56.1 million as goodwill and EUR 30.1 million as liabilities from contingent considerations (put options on non-controlling interests). For detailed information on the acquisitions in the financial year 2012, refer to Note 3 "Acquisitions and disposals". Due to changes in estimates, valuation gains on put option liabilities of EUR 7.0 million were recognized in other financial result in the financial year 2012 (please also refer to Note 15 "Result from investments accounted for using the equity method and other financial result").

The assumptions and the underlying method of the impairment tests may have a significant effect on the resulting values, and ultimately on the amount of a potential impairment of intangible assets and of property, plant and equipment. The calculation of discounted cash flows in particular is extensively subject to planning assumptions that may be sensitive to changes, and thus to impairment. In the financial year 2012, impairments on goodwill of EUR 57.4 million and on intangible assets from purchase price allocations of EUR 25.2 million were recognized. As of December 31, 2012, the ProSiebenSat.1 Group consolidated statement of financial position recognized goodwill of EUR 940.4 million (previous-year: EUR 1.807 billion) and other intangible assets and advance payments of EUR 122.2 million (previous-year: EUR 361.9 million). For detailed information on intangible assets and on the assumptions used for impairment testing, refer to Note 19 "Intangible assets".

The expected useful lives and the depreciation and amortization schedules for intangible assets (especially brands) and property, plant and equipment are based on experiential values, plans, and estimates. The time period and distribution of future cash inflows are also estimated. As of the reporting date, ProSiebenSat.1 Media AG had capitalized non-current assets of EUR 1.261 billion (previous-year: EUR 2.391 billion). For more information, see Note 19 "Intangible assets" and Note 20 "Property, plant and equipment".

Key elements of programming assets are acquired as film packages from large film studios. Both the initial measurement of the individual licenses of these film packages and subsequent valuations of the programming assets are based on estimated earnings potential and viewer shares. These take into account the variable usability of programming assets, and duly reflect the required consumption of the programming assets as a function of the number of relevant

broadcasts. As of the reporting date, ProSiebenSat.1 Media AG had programming assets of EUR 1.277 billion (previous-year: EUR 1.531 billion). For detailed information on programming assets, refer to Note 22 "Programming assets".

Provisions are recognized and measured on the basis of the estimate and probability of future outflows of resources embodying benefits, as well as on the basis of experiential values and the circumstances known at the end of the reporting period. To determine the amount of provisions, in addition to the assessment of the associated matters and the claims asserted, in some cases the results from comparable matters are also consulted. Assumptions also are made as to the probabilities whether and within what ranges the provisions may be used. In respect to amount and certainty, provisions for onerous contracts and litigation are based to a considerable extent on management estimates. The assessment of whether a present obligation exists is generally based on assessments of internal experts. Estimates can change on the basis of new information and the actual charges may affect the performance and financial position of the ProSiebenSat.1 Group. As of December 31, 2012, the carrying value of other provisions totaled EUR 57.5 million (previous-year: EUR 85.1 million). In addition, ProSiebenSat.1 Media AG had pension provisions of EUR 12.8 million (previous-year: EUR 10.1 million). For more information, see Note 27 "Provisions for pensions", Note 28 "Other provisions" and Note 32 "Contingent assets and liabilities".

The estimate of and possibility of realizing future tax advantages depends on the future taxable income of the Group company concerned. If there are doubts that loss carry-forwards can be used, in some cases write-downs of deferred tax assets are taken. Impairment of deferred tax assets is evaluated on the basis of internal projections about the Group company's future earnings situation. Evaluations of the possibility of realizing tax loss carry-forwards are based on whether they can be used in the near future (essentially within the next five years). As of the reporting date, ProSiebenSat.1 Media AG had deferred tax assets of EUR 25.8 million (previous-year: EUR 78.8 million). EUR 9.3 million of this related to tax loss carry-forwards (previous-year: EUR 41.8 million). For more information on deferred taxes, see Note 16 ("Income taxes").

7 Changes in reporting standards

The ProSiebenSat.1 Group prepares its consolidated financial statements, in accordance with Section 315a of the German Commercial Code (HGB), under those IFRS endorsed by the European Commission for use in the European Union. The following paragraphs describe the IFRS published by the IASB and endorsed for application in the EU that were applied for the first time during the reporting period. Thereafter Standards and Interpretations issued by the IASB at the reporting date are described which have not been applied early, as their application is either not mandatory or endorsement by the European Commission is still pending or which are not relevant for the consolidated financial statements of the ProSiebenSat.1 Group.

a) Standards, interpretations and amendments to standards and interpretations initially applied in the reporting period with an impact on the amounts and disclosures reported

In the financial year 2012, the ProSiebenSat.1 Group did not apply any standards or interpretations for the first time which had an impact on the amounts and disclosures reported in the reporting period.

b) Standards, interpretations and amendment to standards and interpretations initially applied in the reporting period without impact on the amounts and disclosures reported

On October 7, 2010, the IASB issued amendments to **IFRS 7 "Financial Instruments: Disclosures"**. The amendments largely align the corresponding disclosure requirements under IFRS and US-GAAP and were transformed into European Law in November 2011. The amendments introduce extended disclosure requirements in IFRS 7 for transfers of financial assets and are intended to provide the users of financial statements with a better understanding of the risks retained by an entity. On November 22, 2011, the European Commission endorsed the changes for use in the European Union. Their application is mandatory for financial years beginning on or after July 1, 2011. Early adoption is permitted. Comparative figures are not required in the first year of adoption. The first-time adoption of the changed IFRS 7 had no impact on the consolidated financial statements of the ProSiebenSat.1 Group.

c) Standards not adopted early

The following standards have been issued by the IASB and endorsed by the European Commission for use in the European Union, but were not adopted by the ProSiebenSat.1 Group as application is not yet mandatory.

In June 2011, the IASB issued amendments to **IAS 1 "Presentation of Financial Statements"** on the presentation of other comprehensive income. While the option of presenting the profit and loss statement and the statement of other comprehensive income combined or separately has been retained, the amendments require extended disclosures regarding the composition of the items of other comprehensive income. Amounts which are to be reclassified from other comprehensive income to profit or loss ("recycling") have to be reported separately from items for which such reclassification is not allowed, taking into account related deferred tax effects. On June 5, 2012, the European Commission endorsed the changes of IAS 1 for use in the European Union. Their application is mandatory for the first time for financial years beginning on or after July 1, 2012. The ProSiebenSat.1 Group does not expect the initial application of these changes to have a significant impact on the consolidated financial statements.

In December 2010, the IASB issued limited amendments to **IAS 12 "Income Taxes"** regarding the determination of the applicable tax rate for the measurement of deferred tax assets and liabilities. For investment property accounted for at fair value under IAS 40 "Investment Property", the amendments require deferred taxes to be measured using the tax rate that will apply on the sale of such properties, unless the presumption of a sale can be rebutted. On December 29, 2012, the changes of IAS 12 were endorsed for use in the European Union by the European Commission. They are to be applied for the first time for financial years beginning on or after January 1, 2013. The ProSiebenSat.1 Group does not expect the amendment to significantly affect the consolidated financial statements as the Group does not have investment property accounted for at fair value.

In June 2011, the IASB issued amendments to **IAS 19 "Employee Benefits"**. Regarding the accounting of defined benefit plans, the option for the deferred recognition of actuarial gains and losses through profit and loss using the "corridor approach" and the deferred recognition of past service cost was eliminated. In future, all changes of defined benefit obligations and plan assets (if plan assets exist) are to be recognized in the period in which they occur. Remeasurements are recognized in other comprehensive income. There is no subsequent recognition of gains and losses through profit and loss. The revised standard contains extended disclosure requirements as well as a revised definition of termination benefits. On June 5, 2012, the European Commission endorsed the changed IAS 19 for use inside the European Union. Application of the amendments is mandatory for financial years beginning on or after January 1, 2013. Early adoption is permitted. The ProSiebenSat.1 Group has not applied the changed IAS 19 and does not expect the initial application to have a significant impact on the consolidated financial statements.

In May 2011, the IASB issued a set of five standards relating to group accounting, which are described below.

The standard **IFRS 10 "Consolidated Financial Statements"** will replace those parts of IAS 27 "Consolidated and Separate Financial Statements" relating to consolidated financial statements as well as the interpretation SIC 12 "Consolidation - Special Purpose Entities". IFRS 10 harmonizes the basis for determining the scope of consolidation by redefining the control concept. The accounting for joint arrangements of several investors under joint control is addressed in **IFRS 11 "Joint Arrangements"**. The standard replaces IAS 31 "Interests in Joint Ventures". According to IFRS 11, joint arrangements are assessed based on the rights and obligations of the involved parties. In contrast to the present version, there will be only two types of joint arrangements in future: "Joint Operations" and "Joint Ventures". For the latter, IFRS 11 requires the use of the equity method. The option to apply proportionate consolidation is eliminated.

IFRS 12 "Disclosures about Investments in Other Entities" contains disclosure requirements related to holding investments in subsidiaries, joint arrangements, associates and/or non-consolidated so-called "structured entities" and to the resulting risks. Disclosures prescribed in IFRS 12 are more extensive than under current standards, in some cases significantly.

As part of the release of IFRS 10- 12, **IAS 27 "Consolidated and Separate Financial Statements"** and **IAS 28 "Investments in Associates"** have been amended so that the requirements therein primarily relate to the accounting for subsidiaries, associates and joint ventures in the separate financial statements of the investor. This has been emphasized by renaming the standards to **IAS 27 "Separate Financial Statements"** and **IAS 28 "Investments in Associates and Joint Ventures"** respectively. On June 28, 2012, the IASB published changed transitional guidance for IFRS 10-12 and on October 31, 2012, limited amendments to IFRS 10, IFRS 12 and IAS 27 for investment companies.

In the standard **IFRS 13 "Fair Value Measurement"**, also published in May 2011, the requirements for the determination of fair value as well as the related disclosure requirements, currently contained in various standards, are combined. A common definition of the term "fair value" is given for all IFRS, without the application of fair value accounting being extended. In addition, IFRS 13 contains enhanced disclosure requirements in relation to the current standards.

On December 29, 2012, the European Commission endorsed IFRS 10-12 including the changed transitional guidance and the changed IAS 10 and IAS 28 for use in the European Union. Their application is mandatory for the first time for financial years beginning on or after January 1, 2014. At the same time, IFRS 13 was endorsed. Its application will be mandatory for the first time for financial years beginning on or after January 1, 2013. At present, the ProSiebenSat.1 Group is in the process of analyzing IFRS 10, IFRS 11, IFRS 12 and IFRS 13. However, quantitative statements on possible impacts cannot be made at this stage.

In December 2011, the IASB issued amendments to **IAS 32 "Financial Instruments: Presentation"** regarding the offsetting of financial assets and liabilities. The requirements remain essentially unchanged, only the Application Guidance has been amended. In this context, the requirements of **IFRS 7 "Financial instruments: Disclosures"** have been amended to include enhanced disclosures regarding the offsetting of financial instruments, also for interim reporting. On December 29, 2012, the changes were endorsed for use in the European Union by the European Commission. Their application is mandatory for the first time for financial years beginning on or after January 1, 2014. Apart from the extended disclosure requirements, the ProSiebenSat.1 Group does not expect any material impact on the consolidated financial statements.

In November 2011, the IFRIC issued Interpretation **IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"**, which addresses the recognition of stripping costs of a surface mine during the production phase, either as inventories or non-current assets. IFRIC 20 is mandatory for the first time for financial years beginning on or after January 1, 2013 and was endorsed for use in the European Union by the European Commission on December 29, 2012. The interpretation is not relevant for the accounting of the ProSiebenSat.1 Group.

d) Standards, interpretations and amendment to standards and interpretations issued by the IASB and the IFRIC respectively but not yet endorsed by the European Commission

The standards and interpretations described below were issued by the IASB or the IFRIC respectively at the reporting date but have not yet been applied by ProSiebenSat.1 Group as they have not been endorsed by the European Commission.

On November 12, 2009, the IASB issued **IFRS 9 "Financial Instruments"**, a new standard for the classification and measurement of financial instruments. The publication of IFRS 9 marks the preliminary end to the first phase of a three-phase project to replace IAS 39 "Financial Instruments: Recognition and Measurement" by a new standard. IFRS 9 introduces new requirements for the classification and measurement of financial assets. Thus at the time of their first recognition, financial assets are classified in assets to be measured "at fair value" and "at amortized cost" depending on the business model and the contractual cash flows of the relevant financial instruments. Regulations for financial liabilities have been taken predominantly from IAS 39, with the material exception that when accounting at fair value, the effects of changes to fair value due to credit risk are recognized in other comprehensive income and not in profit or loss.

On October 28, 2010, the IASB issued a new version of IFRS 9, containing new accounting requirements for financial liabilities and requirements for the derecognition of financial assets and liabilities, which have been taken over from IAS 39. The Basis of Conclusions was also restructured. IFRS 9 (2009) was withdrawn and replaced by IFRS 9 (2010). On December 16, 2011, the IASB agreed to postpone the mandatory application date from January 1, 2013 to January 1, 2015, with early adoption being permitted. As of the reporting date, IFRS 9 had not yet been endorsed by the European Commission for use in the European Union. In due course, the ProSiebenSat.1 Group will analyze the developments relating to IFRS 9. Currently, it is not possible to state the quantitative effects of the application of IFRS 9 on the consolidated financial statements.

In May 2012, as part of its **"Annual Improvement Project 2009-2011"**, the IASB published limited editorial changes to various standards ,including **IAS 1 "Presentation of Financial Statements"**, **IAS 16 "Property Plant and Equipment"**, **IAS 32 "Financial Instruments: Presentation"** and **IAS 34 "Interim Reporting"**. These changes are to be applied for the first time for financial years beginning on or after January 1, 2013. However, as of the reporting date, they were not endorsed for use in the European Union by the European Commission. The ProSiebenSat.1 Group does not expect the initial application to have a significant impact on the consolidated financial statements.

Notes to the Income Statement

8 Revenues

REVENUES (Fig. 103)

EUR m	2012	2011
Advertising revenues	1,968.9	1,926.4
Barter transactions	23.9	20.8
Other revenues	363.4	252.0
Total	**2,356.2**	**2,199.2**

Advertising revenues and barter transactions comprise revenues generated by the Broadcasting German-speaking and Digital & Adjacent segments. The first item also includes revenues from sale of advertising time under the "media for revenues share" and "media for equity" models.

Other revenues particularly include revenues from

- the distribution of rights and other merchandising services,
- distribution agreements,
- sales of programming rights and ancillary rights and
- the online business.

Additionally, revenues determined by the percentage-of-completion method are reported in the Content Production & Global Sales segment. Those revenues relate to projects for the production and distribution of programming content. The revenue contribution is immaterial for the consolidated financial statements of ProSiebenSat.1 Group for the financial year 2012.

9 Cost of sales

Cost of sales primarily comprises the consumption of programming assets (including impairment). In 2012, these amounted to EUR 838.7 million (previous-year: EUR 864.3 million). This position also includes production costs of EUR 169.3 million (previous-year: EUR 104.8 million), personnel expenses of EUR 116.5 million (previous-year: EUR 118.5 million), expenses from the disposal of programming assets of EUR 21.0 million (previous-year: EUR 22.7 million) as well as depreciation of property, plant and equipment and amortization of intangible assets (including impairments) of EUR 37.1 million (previous-year: EUR 24.9 million). For these positions, see Note 18 "Other disclosures".

10 Selling expenses

Selling expenses mainly comprise personnel expenses of EUR 48.7 million (previous-year: EUR 47.7 million), satellite rental of EUR 23.0 million (previous-year: EUR 28.4 million), distribution fees of EUR 38.4 million (previous-year: EUR 33.3 million) marketing expenses of EUR 54.2 million (previous-year: EUR 53.6 million), production costs of EUR 24.2 million (previous-year: EUR 8.6 million), sales commissions of EUR 20.4 million (previous-year: EUR 17.5 million) as well as depreciation of property, plant and equipment and amortization of intangible assets (including impairments) of EUR 6.9 million (previous-year: EUR 5.1 million). For these items, see Note 18 "Other disclosures".

11 Administrative expenses

This item represents all costs of general administrative activities. These include in addition to personnel expenses of EUR 101.5 million (previous-year: 80.5 million), depreciation of property, plant and equipment and amortization of intangible assets (including impairment) of EUR 35.5 million (previous-year: EUR 21.2 million) (for these positions see Note 18 "Other disclosures"), expenses for IT operations of EUR 18.1 million (previous-year: EUR 22.6 million), expenses associated with the use of buildings amounting to EUR 12.7 million (previous-year: EUR 11.3 million), advertising expenses of EUR 13.4 million (previous-year: EUR 12.2 million), restructuring costs of EUR 14.6 million (previous-year: EUR 14.6 million), fees and commissions paid to consultants of EUR 19.9 million (previous-year: EUR 26.0 million) as well as corporate hospitality and travel costs of EUR 5.5 million (previous-year: EUR 3.6 million).

12 Other operating expenses

In the financial year, the key items in other operating expenses were one-off expenses of EUR 27.7 million in connection with the antitrust proceedings and EUR 0.8 million (previous-year: EUR 0.2 million) from the disposal of property, plant and equipment and intangible assets. Furthermore, for the previous-year, impairments of EUR 18.4 million were recognized on customer relationships and broadcasting licenses and a loss of EUR 3.7 million in connection with the disposal of subsidiaries in Greece and Bulgaria. In the previous-year, these were allocated to the cost of sales, selling expenses and administrative expenses. The presentation form aims to improve clarity of the information provided in the financial statements.

13 Other operating income

OTHER OPERATING INCOME (Fig. 104)

EUR m	2012	2011
Government grants	2.8	2.1
Income from release of valuation allowance on receivables	2.0	0.5
Recharges	1.1	1.1
Income from release of accruals	-/-	0.7
Income from cancellation of marketing licenses	0.7	-/-
Income from receipt of barter liabilities	0.5	0.1
Cost allocations/refunds	0.4	-/-
Compensation of damage/insurance benefits	0.2	-/-
Release of items for which the statute of limitations has elapsed	0.2	0.2
Rental income	0.1	0.1
Other income relating to other periods	4.2	2.3
Other	1.2	2.1
Total	**13.4**	**9.3**

Government grants primarily comprise subsidies received for productions in Austria. The derecognition of financial liabilities measured at amortized cost resulted in income of EUR 0.2 million (previous-year: EUR 0.1 million). The item "Other" includes a number of transactions, which individually are below EUR 0.1 million and thus can be considered immaterial for the consolidated financial statements.

14 Interest result

INTEREST RESULT (Fig. 105)

EUR m	2012	2011
Interest and similar income	3.0	8.4
Thereof from available for sale financial assets	0.5	1.8
Thereof from banks	1.0	5.4
Thereof from hedging derivatives	0.5	0.2
Thereof from unwinding of discount interest income from corporate income taxes	0.9	0.9
Interest and similar expenses	-156.2	-205.5
Thereof from financial liabilities at amortized cost	-84.5	-113.1
Thereof from hedging derivatives	-70.3	-87.8
Thereof other interest and similar expenses	-1.4	-4.5
Interest result	**-153.2**	**-197.1**

The main interest expense items pertain to interest on loans drawn. The decline in interest expenses in 2012 is mainly due to the reduced average level of loans in comparison to 2011 and the generally lower level of interest rates. Furthermore, the average utilization of the revolving credit facility was lower than the previous-year. For further details on the syndicated loan agreements, please refer to Note 29 "Financial liabilities".

15 Result from investments accounted for using the equity method and other financial result

RESULT FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER FINANCIAL RESULT (Fig. 106)

EUR m	2012	2011
Share of income from associates	10.3	3.3
Income from investments accounted for using the equity method	**10.3**	**3.3**
Gains and losses from the valuation of investments accounted for using the equity method	0.1	18.2
Changes in put option liabilities	7.0	-/-
Impairment of financial assets available for sale	-0.4	-9.0
Foreign currency translation gains/losses	2.3	-16.2
Thereof from cash and cash equivalents	2.0	-1.6
Thereof from loans and receivables	2.4	-3.1
Thereof from financial liabilities at amortized cost	3.3	-8.8
Thereof from financial assets and liabilities held for trading	-2.2	-1.8
Thereof other	-3.2	-1.0
Other financing cost	-10.5	-31.8
Other financial result	**-1.5**	**-38.8**

Income from investments accounted for using the equity method related to Goldbach Media (Switzerland) AG, VG Media Gesellschaft zur Verwertung der Urheber- und Leistungsschutzrechte von Medienunternehmen mbH and AdAudience GmbH. In the previous-year, maxdome GmbH & Co. KG was fully consolidated and a gain of EUR 18.2 million was recognized in other financial result.

Income from the change of put option liabilities of EUR 7.0 million in the financial year 2012 resulted from adjustments to the put options agreed in the context of corporate acquisitions with non-controlling shareholders. According to IFRS, they are to be recognized as liabilities at fair value at the respective acquisition date. Changes in value after the acquisition are to be recognized in the income statement (refer to Note 3 "Acquisitions and disposals").

Impairments on financial investments and securities taken in the financial year 2011 are due to the impairment of EUR 9.0 million taken on the available-for-sale investment in ZeniMax Media Inc.

The foreign currency gains and losses mainly comprise currency effects from the revaluation of liabilities for programming assets as well as account balances in foreign currency.

The other financing cost line item relates primarily to expenses of EUR 6.6 million for deferred fees in the context of non-current loans at the ProSiebenSat.1 Group (previous-year: EUR 7.9 million) and acquisition costs for media-for-equity investments which cannot be capitalized and which are recognized for the first time totaling EUR 1.2 million. In addition, in the financial year 2011 it comprised expenses relating to the partial extension of the revolving credit facility of EUR 8.0 million as well as costs resulting from the cancellation of interest hedges of EUR 14.8 million.

16 Income tax

Income taxes include both taxes paid or owed on income and deferred tax items. Taxes on income comprise the following:

INCOME TAX EXPENSES (Fig. 107)

EUR m	2012	2011
Current income tax expenses – Germany	112.2	60.7
Current income tax income – other countries	-1.5	-1.2
Current tax expenses	**110.7**	**59.5**
Deferred income tax expenses – Germany	23.1	42.6
Deferred income tax income – other countries	-6.5	-25.5
Deferred income tax expenses	**16.7**	**17.2**
Total income tax expenses	**127.4**	**76.7**

The current tax expenses comprise all domestic and foreign taxes which are based on taxable profits in 2012 (corporate income tax, trade tax and appropriate foreign taxes) including adjustments for prior years.

Deferred tax expenses for the financial year 2012 of EUR 16.7 million (previous-year: EUR 17.2 million) include deferred tax expenses of EUR 21.4 million (previous-year: Deferred tax income of EUR 22.4 million) resulting from the change in deferred taxes on loss carry-forwards and deferred tax income of EUR 5.4 million (previous-year: Deferred tax expenses of EUR 38.8 million) relating to the reversal of temporary differences. EUR 1.1 million of the deferred tax expenses (previous-year: EUR 0.6 million) relate to previously unrecognized temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled. For the following countries the deferred tax rate applied was reduced by reason of new tax legislation. These changes in tax rates resulted in deferred tax income in the amount of EUR 0.4 million (previous-year: Deferred tax expenses EUR 0.2 million).

CHANGE IN EXPECTED TAX RATES (Fig. 108)

	Expected tax rate 2012	Expected tax rate 2011
Sweden	22.0 %	26.3 %
Great Britain	23.0 %	24.0 %

The corporate income tax rate in Germany in 2012 of 15.0 % as well as the German reunification surtax ("solidarity surtax") of 5.5 % both remain unchanged compared to the previous-year. Including the trade tax (local business income tax) with an average basis factor of 340 % (previous-year: 340 %), the rounded total tax rate for 2012 was 28 % (previous-year: 28 %).

The applicable tax rates for Group companies outside Germany vary from 18.9 % to 39.8 % (previous-year: between 18.9 % and 39.8 %).

Regarding continuing operations, the expected tax expense can be reconciled with the actual tax expense as follows:

RECONCILIATION OF TAX EXPENSES (Fig. 109)

EUR m	2012	2011
Profit before taxes	**456.5**	**347.8**
Applicable Group tax rate	28%	28%
Expected income tax expense	127.8	97.4
Adjustments to the expected income tax expense:		
Tax deviations		
Effects due to foreign tax rate differences	-2.4	1.6
Effects due to changes in statutory tax rates	-0.4	0.2
Effects from deviation in taxable base		
Non-deductible interest expenses	4.1	5.1
Other non-deductible operating expenses	16.0	3.6
Tax-free income	-1.4	-6.0
Non-taxable disposal effects	-/-	1.0
Goodwill	-/-	-5.1
Recognition and measurement of deferred tax assets		
Changes in the realization of deferred tax assets	5.8	-3.6
Other effects		
Taxes from previous-years	-19.7	-17.9
Investments accounted for using the equity method	-1.4	0.0
Other	-1.0	0.4
Total Income tax expenses	**127.4**	**76.7**

Deferred tax assets on tax loss carry-forwards and on temporary differences were recognized and measured on the basis of projected future taxable income. For financial year 2012, the deferred tax income of the reversal of a previous write-down of deferred tax assets recognized on loss carry-forwards amounted to EUR 3.1 million (previous-year: EUR 6.3 million) and the deferred tax expenses from the impairment of deferred tax assets recognized on loss carry-forwards totaled EUR 1.3 million (previous-year: EUR 2.3 million). In the financial year 2012, deferred tax assets on temporary differences of EUR 0.0 million (previous-year: EUR 0.0 million) were derecognized. As a result of utilizing previously unrecognized tax losses and interest carry-forwards, there was a reduction in tax expenses of EUR 1.8 million (previous-year: reduction in current tax expenses of EUR 0.0 million).

Deferred tax assets on temporary differences and tax loss carry-forwards are recognized only to the extent that it is probable that sufficient taxable profit will be available to allow the benefit of the deferred tax asset to be utilized. This is based primarily on the tax planning for the next five years and the reversal of taxable temporary differences. In total, no deferred tax assets were recognized for tax loss carry-forwards regarding corporate income taxes amounting to EUR 97.6 million (previous-year: EUR 69.2 million), for tax loss carry-forwards regarding trade tax amounting to EUR 11.4 million (previous-year: EUR 7.4 million), for tax credits of EUR 0.0 million (previous-year: EUR 12.0 million) and for temporary differences of EUR 0.0 million (previous-year: EUR 2.9 million) as of December 31, 2012. Of these tax loss carry-forwards, none will expire within the next ten years if they are not utilized (previous-year: EUR 0.1 million).

Thus no deferred tax assets were recognized for tax loss carry-forwards regarding corporate income taxes amounting to EUR 20.3 million (previous-year: EUR 12.1 million), for tax loss carry-forwards regarding trade tax amounting to EUR 1.4 million (previous-year: EUR 0.9 million) and for tax credits of EUR 0.0 million (previous-year: EUR 1.9 million) as of December 31, 2012.

Recognized deferred tax assets and liabilities relate to the following items:

ALLOCATION/ORIGIN OF DEFERRED TAXES (Fig. 110)

	2012		2011	
EUR m	Assets	Liabilities	Assets	Liabilities
Intangible assets	1.2	79.5	3.2	131.2
Property, plant and equipment	0.0	33.2	4.5	32.7
Financial assets	4.0	2.0	3.8	0.6
Programming assets	0.0	20.2	1.4	10.2
Inventories and other assets	6.8	6.9	5.5	13.6
Provision for pensions	0.3	0.1	0.1	0.0
Other provisions	7.1	0.5	9.7	6.6
Liabilities	83.9	11.3	74.4	9.4
Tax loss and interest carry-forwards	9.3	-/-	41.8	-/-
Netting	-86.9	-86.9	-65.6	-65.6
Total	**25.8**	**66.7**	**78.8**	**138.7**

Regarding the netting of deferred tax assets and deferred tax liabilities, please refer to Note 6 “Accounting policies”.

A deferred tax liability for planned future dividend distributions of EUR 0.6 million (previous-year: EUR 0.6 million) was recognized for ownership interests in subsidiaries (outside basis differences). Furthermore, taxable temporary differences of EUR 18.0 million (previous-year: EUR 18.4 million) exist, arising from outside basis differences. No deferred tax liabilities were recognized on these taxable temporary differences as the time line of the release of temporary differences is under control of the company and a release of the temporary differences is assessed to be not probable over a foreseeable time period.

For disclosures on the deferred tax assets recognized in other comprehensive income and on the actual taxes recognized in capital reserves refer to Note 26 “Shareholders’ equity”.

17 Earnings per share

EARNINGS PER SHARE (Fig. 111)

EUR m	2012 Basic	2011 Basic	2012 Diluted	2011 Diluted
Reconciliation of income figures				
Attributable to shareholders of ProSiebenSat.1 Media AG	**295.0**	**637.5**	**295.0**	**637.5**
Share of result attributable to common stock	**151.3**	**326.8**	**150.1**	**323.4**
Thereof from continuing operations	166.6	135.5	165.3	134.0
Thereof from discontinued operations	-15.3	191.4	-15.1	189.4
Share of result attributable to preferred stock	**143.7**	**310.7**	**144.8**	**314.1**
Thereof from continuing operations	158.2	128.7	159.5	130.2
Thereof from discontinued operations	-14.5	182.0	-14.6	183.9
Shares				
Reconciliation of weighted average number of shares				
Weighted average number of shares of common stock outstanding	109,398,600	109,398,600	109,398,600	109,398,600
Weighted average number of shares of preferred stock outstanding	102,391,990	103,266,398	102,391,990	103,266,398
Dilution effect based on stock options granted for and rights granted to preferred stock			1,633,436	2,259,490
Calculation basis of outstanding shares	**211,790,590**	**212,664,998**	**213,424,026**	**214,924,488**
EUR m				
Earnings per common share	**1.38**	**2.99**	**1.37**	**2.96**
Thereof from continuing operations	1.52	1.24	1.51	1.23
Thereof from discontinued operations	-0.14	1.75	-0.14	1.73
Earnings per preferred share	**1.40**	**3.01**	**1.39**	**2.98**
Thereof from continuing operations	1.54	1.25	1.53	1.23
Thereof from discontinued operations	-0.14	1.76	-0.14	1.74

Under IAS 33 "Earnings per share", basic earnings per share are calculated by dividing the profit share by the average number of shares. For purposes of calculating diluted earnings per share of preferred stock, the average number of shares of preferred stock outstanding is adjusted by the number of all potential diluting shares. These dilution effects arise from the issuance of stock options on shares of preferred stock under the Long Term Incentive Plans and to rights to shares (please refer to Note 36 "Share-based payments") and can not only arise with regard to earnings per share of preferred stock but also with regard to earnings per share of common stock. The calculation of diluted earnings per share of common stock is adjusted by income effects resulting from all potential diluting shares. The basis for the adjustment is a preferred dividend amounting to EUR 0.02.

For the financial year 2012, the basic earnings per share of common stock amount to EUR 1.38 (previous-year: EUR 2.99) and the diluted earnings per share of preferred stock amount to EUR 1.40 (previous-year: EUR 3.01).

The possible conversion of all stock options granted on preferred shares which are in the money results in a dilutive effect per common share of minus EUR 0.01 (previous-year: minus EUR 0.03) and per preferred share of minus EUR 0.01 (previous-year: minus EUR 0.03).

In the financial year 2012, the weighted average number of outstanding preferred shares decreased due to the acquisition of treasury shares. At the reporting date, executives had 1,633,436 (previous-year: 2,259,490) rights to stock options or to shares.

18 Other disclosures

Personnel expenses and number of employees

The personnel expenses included in cost of sales, selling expenses and administrative expenses comprise:

PERSONNEL EXPENSES (Fig. 112)

EUR m	2012	2011
Wages and salaries	233.4	217.2
Social security contributions and expenses for pensions and other employee benefits	33.3	29.5
Total	**266.8**	**246.7**

Employer contributions to the public retirement insurance system totaled EUR 13.4 million in financial year 2012 (previous-year: EUR 12.3 million).

The Group had the following average numbers of employees during the year:

NUMBER OF EMPLOYEES (Fig. 113)

	2012	2011
Female employees	1,333	1,292
Male employees	1,516	1,339
Total	**2,849**	**2,631**

Part-time positions are reported as an equivalent number of full-time employees.

Depreciation and amortization

Scheduled consumption and impairment of programming assets of EUR 838.7 million (previous-year: EUR 864.3 million) is part of EBITDA and is presented as cost of sales. The following depreciation, amortization and impairments are included under cost of sales, selling expenses and administrative expenses:

DEPRECIATION AND AMORTIZATION (Fig. 114)

EUR m	2012	2011
Amortization of intangible assets	47.4	31.6
Depreciation of property, plant and equipment	24.2	21.0
Impairment of intangible assets	7.7	19.4
Impairment of property, plant and equipment	0.2	0.0
Total	**79.5**	**72.0**

The values presented relate to the income from continuing operations and therefore deviate from those presented in the section "Notes to the Statement of Financial Position".

Notes to the Statement of Financial Position

19 Intangible assets

CHANGES IN INTANGIBLE ASSETS (Fig. 115)

EUR m	Other intangible assets	Goodwill	Advances paid	Total
COST				
Balance as of January 1, 2011	**1,107.4**	**2,621.5**	**14.7**	**3,743.6**
Exchange rate differences	-12.0	-15.1	-/-	-27.1
Additions due to change in scope of consolidation	20.9	66.2	-/-	87.1
Additions	48.6	0.0	11.8	60.4
Reclassifications	13.8	-/-	-13.8	-/-
Disposals due to change in scope of consolidation	-355.9	-691.5	0.0	-1,047.4
Disposals	-8.4	-/-	-0.2	-8.6
Balance as of December 31, 2011/January 1, 2012	**814.4**	**1,981.1**	**12.5**	**2,808.0**
Exchange rate differences	18.4	33.5	-/-	52.0
Additions due to change in scope of consolidation	21.3	56.1	0.0	77.4
Additions	73.1	-/-	18.3	91.4
Reclassifications	10.9	-/-	-10.8	0.1
Disposals due to change in scope of consolidation	0.2	-3.1	0.0	-2.8
Disposals	-9.3	-/-	-0.4	-9.7
Reclassification to assets held for sale	-607.4	-1,034.7	0.0	-1,642.1
Balance as of December 31, 2012	**321.7**	**1,032.9**	**19.7**	**1,374.3**
AMORTIZATION				
Balance as of January 1, 2011	**439.9**	**266.4**	**0.2**	**706.5**
Exchange rate differences	-12.6	-5.9	-/-	-18.5
Additions due to change in scope of consolidation	5.8	-/-	-/-	5.8
Additions[1,2]	114.9	-/-	-/-	114.9
Reclassifications	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	-75.1	-86.8	-/-	-161.9
Disposals	-7.9	-/-	-0.2	-8.1
Balance as of December 31, 2011/January 1, 2012	**465.0**	**173.7**	**0.0**	**638.7**
Exchange rate differences	12.1	4.3	-/-	16.4
Additions due to change in scope of consolidation	1.0	-/-	-/-	1.0
Additions[1]	104.9	57.4	2.5	164.8
Reclassifications	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	0.1	-3.1	-/-	-2.9
Disposals	-9.1	-/-	-/-	-9.1
Reclassification to assets held for sale	-357.4	-139.8	-/-	-497.1
Balance as of December 31, 2012	**216.7**	**92.6**	**2.5**	**311.7**
Carrying amount December 31, 2012	**104.9**	**940.4**	**17.2**	**1,062.6**
Carrying amount December 31, 2011	**349.4**	**1,807.4**	**12.5**	**2,169.3**

1 Of the impairments recognized in this position, EUR 7.7 million (previous-year: EUR 19.4 million) are presented in other operating expenses, while EUR 82.7 million (previous-year: EUR 6.7 million) relate to discontinued operations.
2 Contains additions relating to business in Belgium/Netherlands until deconsolidation.

As part of the presentation of discontinued operations, associated intangible assets totaling EUR 1,144.9 million were presented as assets held for sale in the financial year 2012 (please refer to Note 3 "Acquisitions and disposals").

Other intangible assets include brands, software, intellectual property rights, customer relationships and broadcasting licenses. Amortization is included in the income statement under cost of sales, selling expenses and administrative expenses. Impairments are presented under other operating expenses.

As of December 31, 2012, goodwill amounted to EUR 940.4 million (previous-year: EUR 1,807.4 million). Of the goodwill posted as of January 1, 2011, EUR 2,363.0 million related to the acquisition of the SBS Broadcasting Group in 2007, primarily reflecting strategic development potential and expected synergy effects. The decline of the carrying amount in the financial year 2012 is essentially related to the subsidiaries in Scandinavia, Central and Eastern Europe classified in line with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". They are separately reported as discontinued operations (please refer to Note 3 "Acquisitions and disposals"). The held-for-sale subsidiaries maintain advertising-financed TV stations in Northern, Central and Eastern Europe as well as radio stations in Scandinavia. In financial year 2011, there was also a decline in the level of goodwill. This related mainly to the sale of the TV operations in Belgium and the Netherlands, allocated to the cash-generating unit Free TV international. Furthermore, ProSiebenSat.1 Group completely sold its Print operations in the Netherlands. The deconsolidation of TV and Print operations in financial year 2011 resulted in a disposal of goodwill of EUR 601.0 million.

Goodwill is annually tested for impairment as required by IAS 36 on the basis of value in use, applying the procedure described in Note 6 "Accounting policies." In determining the value in use as part of the impairment tests implemented on November 30, 2012, a disposal scenario was taken into account for the units subsequently classified under IFRS 5 as held for sale. On the basis of the impairment test performed in line with IAS 36, no impairments were required in the financial year 2012. When classification under IFRS 5 takes place, a new impairment test on goodwill is required. In this connection, the cash-generating unit Free TV International is to be divided into the disposal groups Free TV Scandinavia and Free TV Central and Eastern Europe. In line with IAS 36.86, goodwill is allocated to the two disposal units on the basis of relative values to the units remaining and those sold. The impairment test performed on this basis resulted in impairments of EUR 57.4 million in the financial year 2012, which relate to goodwill for the held-for-sale units in Central and Eastern Europe.

The following table summarizes the tested goodwill of the cash-generating units and the assumptions applied in the respective impairment tests:

DISCLOSURES ON GOODWILL IMPAIRMENT TESTING (Fig. 116)

Name of segment	Broadcasting German-speaking	Broadcasting International	Broadcasting International	Digital & Adjacent	Content Production & Global Sales	Total
Name of cash generating unit[1]	Broadcasting German-speaking	Free TV International	Radio	Digital & Adjacent	Content Production & Global Sales	
Carrying amount of goodwill at December 31, 2011 (EUR m)[2]	435.2	812.3	108.7	431.2	20.0	**1,807.4**
Carrying amount of goodwill at December 31, 2012 (EUR m)	434.6	-/-	-/-	434.9	70.9	**940.4**
Impairment in 2012[3, 4]	-/- (-/-)	-/- (-/-)	-/- (-/-)	-/- (-/-)	-/- (-/-)	-/- (-/-)
Revenue growth p.a. in the projection period (CAGR)[4]	2.4 % (3.3 %)	-/- (6.6 %)	-/- (5.5 %)	21.4 % (17.4 %)	8.8 % (5.7 %)	
Ø EBITDA margin in the projection period[4]	32.2 % (36.6 %)	-/- (23.7 %)	-/- (22.6 %)	20.6 % (20.8 %)	10.8 % (11.7 %)	
Duration of projection period	5 years	5 years	5 years	5 years	5 years	
Revenue growth p.a. at the end of projection period[4]	1.5 % (1.5 %)	-/- (1.5 %)	-/- (1.5 %)	1.5 % (1.5 %)	1.5 % (1.5 %)	
EBITDA margin at the end of projection period[4]	33.6 % (39.1 %)	-/- (27.1 %)	-/- (25.7 %)	21.9 % (23.2 %)	11.8 % (12.4 %)	
Ø Discount rate[4]	9.6 % (8.2 %)	-/- (8.4 %)	-/- (8.0 %)	9.4 % (8.1 %)	9.6 % (8.3 %)	

1 The cash generating units have been changed to reflect the change in segment structure in the financial year 2012 and correspond to the operating segments (refer to Note 35 "Segment reporting").
2 The carrying amount of goodwill for the cash-generating unit Free TV International of EUR 812.3 million as of December 31, 2010 relates exclusively to discontinued operations. The carrying amount of goodwill reported as of December 31, 2011 for the cash-generating unit Radio of EUR 108.7 million also relates to discontinued operations.
3 The impairments reported relate to continuing operations. For impairments recognized in connection with reporting under IFRS 5, refer to Note 3 "Acquisitions and disposals".
4 Previous-year figures in parentheses.

The assumptions for revenues growth used in the impairment tests are based on externally published sources for the projection period. In some cases, risk discounts were applied for regional characteristics.

The assumed EBITDA margins are based on past experience, or were adjusted on the basis of cost-cutting measures that have already been introduced.

The discount rate used for the total cost of capital for each case reflects the weighted average cost of capital (WACC) – the risk-adjusted minimum interest before taxes entitlement derived from the capital market for each case. The discount rate is based on the risk-free rate of interest of 2.1% (previous-year: 3.2 %) and a market risk premium of 6.0 % (previous-year: 5.0 %). In addition, for each cash-generating unit a separate beta factor is derived from the relevant peer group. The debt spread and the capital structure is also taken into consideration as are the country-specific tax rates and risk premiums.

To the extent that a reasonably possible change in a key assumption, which is integrated into the impairment test, could result in a reduction of the recoverable amount to below the carrying value of the respective goodwill, a sensitivity analysis has to be performed on this key assumption. In financial year 2012, due to the good order situation a possible change in a key assumption of the impairment test did not reduce the recoverable amount below the carrying value.

Brands with a carrying amount of EUR 11.9 million as of December 31, 2012 (previous-year: EUR 216.3 million) are recognized under other intangible assets. The main part is attributable to brands identified and capitalized during the acquisition of SBS Broadcasting Group in 2007. The lower carrying amount in the financial year 2012 is essentially related to the subsidiaries in Scandinavia, Central and Eastern Europe classified in line with IFRS 5. They are separately reported as discontinued operations (please refer to Note 3 "Acquisitions and disposals"). The decline in the carrying amount for brands reported in the previous-year mainly relates to the sale of the TV and print operations in Belgium and the Netherlands sold in the financial year 2011. The useful life of the brands is determined as indefinite since they are not assigned to any contractually defined fixed period. All such brands are tested for impairment annually in accordance with IAS 36 on the basis of fair value less costs to sell, applying the procedure described in Note 6, "Accounting policies". In the process, in the 2012 financial impairments totaling EUR 25.2 million were recognized in other operating expenses for subsidiaries which are held for sale. These were entirely in connection with the brands "Prima TV", "Kiss FM" and "Radio 1" of the companies named in Note 3 "Acquisitions and disposals". In the previous-year of the impairments amounting to EUR 21.5 million recognized in other operating expense, EUR 14.8 million relate to continuing operations.

The following table summarizes attribution of brands to operating segments and the assumptions applied in the associated impairment tests:

DISCLOSURES ON IMPAIRMENT TESTING OF BRANDS (Fig. 117)

Name of segment	Broadcasting German-speaking	Broadcasting International	Broadcasting International	Digital & Adjacent	Content Production & Global Sales	Total
Name of cash generating unit[1]	Broadcasting German-speaking	Free TV International	Radio	Digital & Adjacent	Content Production & Global Sales	
Carrying amount of brands at December 31, 2011 (EUR m)	3.4	164.7	40.6	7.6	-/-	**216.3**
Carrying amount of brands at December 31, 2012 (EUR m)	3.4	-/-	-/-	8.5	-/-	**11.9**
Impairment in 2012 (EUR m)[2, 3]	-/- (-/-)	-/- (-/-)	-/- (2.8)	-/- (12.0)	-/- (-/-)	-/- (14.8)
Ø Revenues growth p.a. in the projection period (CAGR) (range)[3]	3.9 % (6.4 %)	-/- (1.4 % - 28.9 %)	-/- (3.7 % - 9.7 %)	23.2 % - 34.4 % (1.5 % - 31.4 %)	-/- (-/-)	
Assumed royalty fee in % (range)[3]	5.0 % (5.0 %)	-/- (2.5 % - 5.5 %)	-/- (2.5 % - 6.0 %)	3.0 % - 5.0 % (3.0 % - 5.0 %)	-/- (-/-)	
Duration of projection period	5 years	5 years	5 years	5 years	-/- (-/-)	
Revenues growth p.a. at the end of projection period (range)[3]	1.5 % (1.5 %)	-/- (1.5 % - 2.0 %)	-/- (1.5 % - 2.0 %)	1.5 % (1.5 %)	-/- (-/-)	
Discount rate (range)[3]	10.7 % (8.9 %)	-/- (9.0 % - 10.1 %)	-/- (8.6 % - 10.1 %)	10.2 % - 10.4 % (8.6 % - 8.9 %)	-/- (-/-)	

1 The cash generating units have been changed to reflect the change in segment structure in the financial year 2012 and correspond to the operating segments (refer to Note 35 "Segment reporting").
2 The impairments reported relate to continuing operations. For impairments recognized in connection with reporting under IFRS 5, refer to Note 3 "Acquisitions and disposals".
3 Previous-year figures in parentheses.

The valuation is carried out using the Relief from Royalty Method that calculates the royalties that the ProSiebenSat.1 Group would have had to pay to an external party for the use of respective intangible assets. The valuation of the assets is then based on the present value of saved future royalty payments.

To the extent a reasonably possible change in a key assumption which is integrated into the impairment test could result in a reduction of the recoverable amount to below the carrying amount of the relevant brand, a sensitivity analysis is to be performed on this key assumption. In financial year 2012, due to the good order situation a possible change in a key assumption of the impairment test did not reduce the recoverable amount below the carrying value.

Apart from the impairments on carrying amounts for brands, there was no other impairment on intangible assets identified and measured in the context of previous purchase price allocations. Impairments on broadcasting licenses amounting to EUR 2.7 million were recognized in the cash-generating unit radio in the previous financial year. In addition, in the cash-generating unit "Digital & Adjacent", impairments of EUR 0.9 million were recognized on customer relationships.

Internally generated intangible assets were capitalized in other intangible assets in the financial year. The amount recognized is immaterial for the consolidated financial statements of ProSiebenSat.1 Group.

20 Property, plant and equipment

STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT (Fig. 118)

EUR m	Buildings on land owned by others, fixtures and renovations	Technical facilities	Office furniture and equipment	Advances paid	Total
COST					
Balance as of January 1, 2011	**257.0**	**214.4**	**79.8**	**4.6**	**555.8**
Exchange rate differences	-1.3	-0.7	-0.5	-0.1	-2.6
Additions due to change in scope of consolidation	-/-	-/-	0.9	-/-	0.9
Additions	0.8	17.7	6.9	8.6	34.0
Reclassifications	0.1	3.6	0.1	-3.8	-/-
Disposals due to change in scope of consolidation	-11.6	-25.9	-5.7	0.0	-43.2
Disposals	-3.7	-18.0	-9.9	-0.1	-31.7
Balance as of December 31, 2011/ January 1, 2012	**241.3**	**191.1**	**71.6**	**9.2**	**513.2**
Exchange rate differences	0.8	1.9	0.9	0.1	3.7
Additions due to change in scope of consolidation	0.7	2.5	0.6	-/-	3.8
Additions	3.4	23.2	8.4	12.8	47.8
Reclassifications	3.5	4.2	0.5	-8.4	-0.1
Disposals due to change in scope of consolidation	0.0	-/-	-0.2	-/-	-0.2
Disposals	-0.7	-21.5	-1.1	0.0	-23.3
Reclassification to assets held for sale	-19.9	-77.7	-25.7	-0.3	-123.5
Balance as of December 31, 2012	**229.1**	**123.8**	**55.1**	**13.4**	**421.4**
DEPRECIATION AND AMORTIZATION					
Balance as of January 1, 2011	**100.7**	**156.2**	**66.7**	**-/-**	**323.6**
Exchange rate differences	-0.2	-0.6	-0.5	-/-	-1.3
Additions due to change in scope of consolidation	-/-	-/-	0.6	-/-	0.6
Additions	6.8	22.7	4.4	-/-	33.9
Reclassifications	-/-	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	-10.4	-18.2	-5.1	-/-	-33.7
Disposals	-3.7	-17.9	-9.6	-/-	-31.2
Balance as of December 31, 2011/ January 1, 2012	**93.2**	**142.2**	**56.5**	**-/-**	**291.9**
Exchange rate differences	0.2	1.4	0.7	-/-	2.3
Additions due to change in scope of consolidation	0.5	2.1	0.4	-/-	2.9
Additions	6.7	22.2	5.8	-/-	34.8
Reclassifications	-/-	-/-	-/-	-/-	-/-
Disposals due to change in scope of consolidation	0.0	-/-	-0.1	-/-	-0.1
Disposals	-0.5	-20.6	-1.0	-/-	-22.1
Reclassification to assets held for sale	-8.7	-59.4	-18.9	-/-	-87.0
Balance as of December 31, 2012	**91.4**	**87.9**	**43.5**	**-/-**	**222.8**
Carrying amount December 31, 2012	**137.7**	**35.9**	**11.6**	**13.4**	**198.7**
Carrying amount December 31, 2011	**148.1**	**48.9**	**15.1**	**9.2**	**221.3**

As part of the presentation of discontinued operations, associated property, plant and equipment totaling EUR 36.6 million were presented as assets held for sale in the financial year 2012 (please refer to Note 3 "Acquisitions and disposals").

The buildings on land owned by others, fixtures and renovations line item relates to leased buildings for a residual carrying amount of EUR 108.8 million (previous-year: EUR 111.0 million) where the underlying lease agreements qualify as finance leases, and which are therefore reported as assets on which the Group has beneficial ownership. The underlying leases cover land and buildings at the Unterföhring site. Each of them has a lease term of 22 years. The earliest expiration is scheduled for 2019, but the interest rate conversion points (the end of the lock-in period for interest rates) are not yet determined. The real estate leases were signed on prevailing market terms. Other leases with a carrying amount of EUR 8.5 million (previous-year: EUR 5.4 million) exist mainly for technical equipment which also qualify as finance leases.

As of December 31, 2012 and the previous-year's reporting date, the minimum lease payments comprise the following:

MINIMUM LEASE PAYMENTS (Fig. 119)

EUR m	Remaining term 1 year or less	Remaining term 2 to 5 years	Remaining term over 5 years	Total 12/31/2012
Property, plant and equipment				
Minimum lease payments	14.6	48.6	26.0	**89.2**
Share of interest minimum lease payments	5.2	16.2	6.3	**27.7**
Present value of minimum lease payments	9.4	32.4	19.7	**61.5**

EUR m	Remaining term 1 year or less	Remaining term 2 to 5 years	Remaining term over 5 years	Total 12/31/2011
Property, plant and equipment				
Minimum lease payments	14.1	38.2	44.7	**97.0**
Share of interest minimum lease payments	5.5	10.2	17.7	**33.4**
Present value of minimum lease payments	8.6	28.0	27.0	**63.6**

Additionally, lease obligations related to buildings on land owned by others of EUR 37.4 million (previous-year: EUR 37.4 million) still exist that under the repayment plan will not be paid until 2019 or 2023. Therefore, the lease liabilities at December 31, 2012 amounted to EUR 98.8 million (previous-year: EUR 101.0 million).

21 Investments accounted for using the equity method and non-current financial assets

The principal investments accounted for using the equity method, none of which are listed on any stock exchange, were as follows on December 31, 2012 and 2011, arranged in alphabetical order below (investment percentage in parantheses):

- AdAudience GmbH, Düsseldorf (14.29 %)
- Goldbach Media (Switzerland) AG, Küsnacht (22.96 %)
- VG Media Gesellschaft zur Verwertung der Urheber- und Leistungsschutzrechte von Medienunternehmen mbH, Berlin (50.0 %)

From a Group perspective, AdAudience GmbH is a joint venture under IAS 31. VG Media Gesellschaft zur Verwertung der Urheber- und Leistungsschutzrechte von Medienunternehmen represents an associated company as defined by IAS 28, since the Group only exerts significant influence on the business and financial policy of the group, despite its stake of 50 %.

The following overview shows aggregated information on the principal investments accounted for using the equity method. The figures are not based on the stakes held by the ProSiebenSat.1 Group, but represent the figures of a notional holding of 100 %.

INFORMATION ON INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Fig. 120)

EUR m	12/31/2012	12/31/2011
Non-current assets	0.7	0.8
Thereof joint ventures	0.1	0.1
Current assets	102.8	123.4
Thereof joint ventures	2.9	0.9
Total assets	**103.6**	**124.2**
Shareholders' equity	2.6	0.9
Thereof joint ventures	1.8	0.0
Non-current financial liabilities	0.9	0.6
Thereof joint ventures	0.0	0.0
Current financial liabilities	100.0	122.7
Thereof joint ventures	1.2	1.0
Total equity and liabilities	**103.6**	**124.2**
	2012	**2011**
Revenues	296.0	281.0
Thereof joint ventures	4.8	2.5
Result of the year	-0.5	-0.2
Thereof joint ventures	-0.5	-0.2

Additional investments accounted for using the equity method, but which are classified as immaterial, are shown in the list of investments on page 253.

In the financial year 2012, the ProSiebenSat.1 Group received a dividend from an associate of EUR 5.5 million (previous-year: EUR 3.3 million).

Non-current financial assets comprise the following:

NON-CURRENT FINANCIAL ASSETS (Fig. 121)

EUR m	12/31/2012	12/31/2011
Investments	44.6	46.2
Securities	16.3	9.2
Other	0.2	1.1
Total	**61.2**	**56.5**

As part of the presentation of discontinued operations, associated non-current financial assets totaling EUR 4.6 million were presented as assets held for sale in the financial year 2012 (please refer to Note 3 "Acquisitions and disposals").

The major position under "investments" is the Group's stake of 6.9 % in ZeniMax Media Inc. (previous-year: 6.9 %), incorporated in Rockville, USA, a developer of interactive entertainment content for game consoles, PC and wireless devices. The investment is valued at (amortized) acquisition cost (see Note 15 "Result from investments accounted for using the equity method and other financial result").

The "securities" item essentially comprises shares in investment funds recognized at fair value through profit and loss acquired to cover the pension obligations, as these qualify as plan assets under IAS 19.

22 Programming assets

The following presents a summary of the Group's current and non-current programming assets:

CHANGES IN PROGRAMMING ASSETS (Fig. 122)

EUR m	Capitalized TV rights	Advances paid	Total
Carrying amount January 1, 2011	**1,547.4**	**107.2**	**1,654.6**
Exchange rate difference	-3.4	-0.1	-3.5
Additions due to change in scope of consolidation	1.2	-/-	1.2
Additions	1,105.4	136.9	1,242.3
Disposals due to change in scope of consolidation	-163.6	-13.3	-176.9
Disposals	-29.4	-4.4	-33.8
Reclassifications	50.5	-50.5	-/-
Consumption[1]	-1,152.6	-/-	-1,152.6
thereof scheduled			-1,038.0
thereof impairment			-114.6
Carrying amount December 31, 2011 and January 1, 2012	**1,355.5**	**175.8**	**1,531.3**
thereof non-current programming assets			1,337.8
thereof current programming assets			193.5
Exchange rate difference	6.7	1.6	8.2
Additions due to change in scope of consolidation	-/-	2.0	2.0
Additions	1,001.5	113.1	1,114.6
Disposals due to change in scope of consolidation	-/-	-/-	-/-
Disposals	-15.1	-0.1	-15.2
Reclassifications	109.1	-109.1	-/-
Consumption[1]	-1,086.4	-/-	-1,086.4
thereof scheduled			-1,032.4
thereof impairment			-54.0
Reclassification to assets held for sale	-239.5	-38.2	-277.7
Carrying amount December 31, 2012	**1,131.8**	**145.1**	**1,276.9**
thereof non-current programming assets			1,110.7
thereof current programming assets			166.2

1 Consumption including provisions for onerous contracts from prior periods of EUR 14.8 million (previous-year: 17.0 million).

Because of their high importance, programming assets – which would normally be classified under intangible assets – are presented as a separate item in the statement of financial position. Capitalized TV rights primarily contain free TV rights of EUR 1,131.1 million (previous-year: EUR 1,353.4 million) as well as other TV rights such as pay TV, video-on-demand and mobile TV rights of EUR 0.7 million (previous-year: EUR 2.1 million).

Consumption and impairments of programming assets are presented under cost of sales. Reversals of impairments are netted against the consumption. There were no material reversals of impairments in 2012 or in the previous-year.

Consumption resulting from broadcasts is measured using a declining-balance method according to a standardized matrix that is uniform for the entire Group. Consumption of programming assets reflects the portion of advertising revenues / audience reach for the given reporting period in relation to the total advertising revenues / audience reach expected from the broadcasts defined by contract or planned by management. These estimates are regularly reviewed, and impairments are recognized if necessary. Obligations to purchase programming assets in future years are reported in Note 33 "Other financial obligations".

As part of the presentation of discontinued operations, associated programming assets totaling EUR 277.7 million were presented as assets held for sale in the financial year 2012 (please refer to Note 3 "Acquisitions and disposals").

23 Inventories

Inventories consist primarily of promotional products and video material which are not presented under programming assets. They are thus regarded by the Group as not significant.

24 Accounts receivable and other assets

ACCOUNTS RECEIVABLE AND OTHER ASSETS (Fig. 123)

	12/31/2012			12/31/2011		
EUR m	Current	Non-current	Total	Current	Non-current	Total
Trade accounts receivable	**268.7**	**-/-**	**268.7**	**279.4**	**-/-**	**279.4**
Accrued items	7.7	-/-	7.7	16.6	-/-	16.6
Receivables from investments accounted for using the equity method	25.6	-/-	25.6	26.4	-/-	26.4
Derivatives	18.7	-/-	18.7	40.8	-/-	40.8
Advance payments	13.7	-/-	13.7	25.8	-/-	25.8
Other	32.8	2.9	35.7	25.7	2.6	28.3
Total other receivables and non-current assets	**98.4**	**2.9**	**101.3**	**135.3**	**2.6**	**137.9**
Total	**367.1**	**2.9**	**370.0**	**414.7**	**2.6**	**417.3**

The carrying amounts of receivables and other current assets, in accordance with IFRS 7 categories, are shown under Note 34 "Further notes on financial risk management and financial instruments according to IFRS 7".

The following table shows the changes in credit allowances on the gross total of current and non-current trade accounts receivable:

CHANGES IN CREDIT ALLOWANCES (Fig. 124)

EUR m	12/31/2012	12/31/2011
Credit allowances at the beginning of the reporting period	27.6	30.7
Changes to the scope of consolidation	-3.9	-3.7
Additions	6.8	4.4
Release	-2.9	-1.9
Usage	-1.9	-1.8
Foreign currency effects	0.0	-0.1
Credit allowances at the end of the reporting period	**25.6**	**27.6**

As of December 31, 2012, the Group's trade accounts receivable after credit allowances had the following aging structure:

AGING STRUCTURE (Fig. 125)

EUR m	12/31/2012	12/31/2011
Not due at the end of the reporting period	221.9	206.3
Amount past due for the following time ranges:		
Less than 3 months	23.2	53.6
Between 3 and 6 months	6.3	7.4
Between 6 and 9 months	5.8	5.7
Between 9 and 12 months	5.5	2.4
More than 12 months	6.0	4.0
Total trade accounts receivable	**268.7**	**279.4**

As part of the presentation of discontinued operations, associated accounts receivable and other assets totaling EUR 108.9 million were presented as assets held for sale in the financial year 2012 (please refer to Note 3 "Acquisitions and disposals").

25 Cash and cash equivalents

Cash and cash equivalents include cash in bank with a maturity of three months or less as of their acquisition date as well as cash on hand.

As part of the presentation of discontinued operations, associated cash and cash equivalents totaling EUR 90.4 million were presented as assets held for sale in the financial year 2012 (please refer to Note 3 "Acquisitions and disposals").

26 Shareholders' equity

At the reporting date, the subscribed capital of ProSiebenSat.1 Media AG amounted to EUR 218,797,200. It is made up of 109,398,600 registered shares of common stock with no par value, and 109,398,600 non-voting bearer shares of preferred stock with no par value, each share representing a nominal value of EUR 1.00 of the share capital. Thus, as of December 31, 2012, the number of shares outstanding was 218,797,200 of which the Company itself held 6,505,750 preferred shares in treasury (previous-year: 7,640,000).

The listed preferred shares do not carry voting rights, except as provided by mandatory law, and entitle the holder to receive a share of profits EUR 0.02 greater than for the common shares. In addition, a minimum dividend of EUR 0.02 per preferred share is set. If the distributable profit for one or more financial years is not sufficient to pay the minimum amount per preferred share, the unpaid amounts, without interest, are paid out of the distributable profit for the subsequent financial year before the distribution of that year's share of profits for preferred shares, and before the distribution of profits to the holders of common stock.

Capital reserves amount to EUR 581.6 million (previous-year: EUR 575.5 million). They mainly comprise the share premium from the share issuance in 1997 and the capital increase in 2004. Moreover, in the financial year 2012, EUR 1.7 million were recognized in connection with stock options and EUR 4.6 million in connection with rights to shares (refer to Note 36 "Share-based payments"). The previous-year figure contained EUR 2.3 million from stock options, minus EUR 6.1 million from the cash settlement of stock options and the related actual taxes of EUR 1.7 million.

The change in retained earnings results mainly from the profit for the period of EUR 295.0 million (previous-year: EUR 637.5 million) and from the dividend of EUR 245.7 million (previous-year: EUR 241.2 million) paid in the financial year 2012.

The accumulated other comprehensive income of the ProSiebenSat.1 Group, in the amount of minus EUR 66.4 million (previous-year: minus EUR 92.3 million) results from the measurement of financial instruments outside profit or loss, and from currency translation adjustments of the financial statements of foreign subsidiaries. The measurement of financial instruments in equity relates to currency hedges in the amount of EUR 5.7 million (previous-year: EUR 30.5 million) and interest rate hedges in the amount of minus EUR 147.2 million (previous-year: minus EUR 146.2 million) and amounts of minus EUR 1.4 million recognized outside profit or loss in connection with assets and liabilities to be sold (previous-year: EUR 0.0 million), before deduction of related deferred taxes. The deferred taxes relate to currency hedges in the amount of minus EUR 1.6 million (previous-year: minus EUR 8.6 million), to interest rate hedges in the amount of EUR 41.1 million (previous-year: EUR 40.4 million) and to amounts in connection with assets and liabilities to be sold recognized in equity totaling minus EUR 0.4 million (previous-year: EUR 0.0 million).

In addition, other comprehensive income contains amounts from currency translation adjustments of the annual financial statements of foreign subsidiaries totaling EUR 36.6 million (previous-year: minus EUR 8.4 million). Of this, EUR 32.8 million (previous-year: EUR 0.0 million) relate to assets and liabilities held for sale.

Thus other comprehensive income recognized in shareholders' equity comprises the following:

ACCUMULATED OTHER COMPREHENSIVE INCOME (Fig. 126)

	2012			2011		
EUR m	Before taxes	Deferred taxes	After taxes	Before taxes	Deferred taxes	After taxes
Currency translation ProSiebenSat.1 foreign susidiaries	12.2	-/-	12.2	-9.2	-/-	-9.2
Currency translation non-controlling interests of foreign subsidiaries	0.0	-/-	0.0	-0.1	-/-	-0.1
Associated with assets and liabilities held for sale	32.8	-/-	32.8	-/-	-/-	-/-
Effect from foreign currency translation	45.0	-/-	45.0	-9.3	-/-	-9.3
Currency hegdes	-24.8	7.0	-17.8	17.2	-4.8	12.4
Interest rate hedges	-1.0	0.7	-0.3	60.1	-15.7	44.4
Associated with assets and liabilities held for sale	-1.4	0.4	-1.0	-/-	-/-	-/-
Recognition of cash flow hedges	-27.2	8.1	-19.1	77.3	-20.5	56.8
Total other comprehensive income/loss for the period	**17.8**	**8.1**	**25.9**	**68.0**	**-20.5**	**47.5**

Allocation of profits

In the financial year just ended, under a resolution adopted at the Annual General Meeting on May 15, 2012, a dividend of EUR 245.7 million was paid out to holders of preferred stock and common stock, out of ProSiebenSat.1 Media AG's 2011 distributable profit of EUR 3,047.4 million. This represents a payout of a dividend of EUR 1.17 per dividend-eligible bearer share of preferred stock and EUR 1.15 per dividend-eligible bearer share of common stock.

In accordance with the German Stock Corporations Act, the dividend payable to shareholders depends on the distributable profit shown in the annual financial statements of ProSiebenSat.1 Media AG under the German Commercial Code. It is planned to allocate the distributable profit at ProSiebenSat.1 Media AG for the financial year 2012 of EUR 2,679.9 million as follows:

ALLOCATION OF PROFIT (Fig. 127)

EUR	
Distribution of a dividend of EUR 5.65 per bearer share of preferred stock	581,344,602.50
Distribution of a dividend of EUR 5.63 per registered share of common stock	615,914,118.00
Balance to be carried forward to the next accounting period	1,482,654,122.06
ProSiebenSat.1 Media AG distributable profit	**2,679,912,842.56**

The Executive Board retains the right to adjust the above profit allocation proposal should the disposal of the Northern European business operations of the Company in the area of TV and radio concluded by contract on December 14, 2012 not be closed as planned.

Distribution of the dividend is also contingent on the approval of the Annual General Meeting on the final profit allocation proposal on July 23, 2013. The final amount distributed depends on the number of entitled shares at the time the resolution on the profit allocation proposal. This depends on the amount of Company's treasury stock. Under Section 71b of the German Stock Corporations Act these shares are not entitled to receive dividends. However, up to the day of the Annual General Meeting the level of stock can change.

Authorized capital

The authorization of the Executive Board to increase the share capital (Authorized Capital) under Article 4 (4) of the Company's articles of incorporation expired on May 6, 2009. The Annual General Meeting on June 4, 2009 approved a new Authorized Capital, together with an authorization to exclude pre-emptive rights, with a corresponding amendment of Article 4 (amount and division of share capital) of the articles of incorporation. Subject to the consent of the Supervisory Board, the Executive Board is now authorized to increase the Company's share capital on one or more occasions on or before June 3, 2014, by not more than EUR 109,398,600, in return for contributions in cash and/or in kind, by issuing new no-par shares of stock.

Contingent capital

The Annual General Meeting of June 4, 2009 approved a contingent increase of the share capital by a total of not more than EUR 109,398,600, by issuing not more than 109,398,600 registered shares of common stock or bearer shares of preferred stock. The contingent capital increase serves to grant stock to holders of, or creditors under, convertible bonds and/or warrant-linked bonds, which the Company was also authorized to issue by the Annual General Meeting of the same date.

Treasury shares

The Annual General Meeting of June 29, 2010, in line with Section 71 (1) 8 of the German Stock Corporations Act authorized the Company to acquire its own common and/or preferred stock on or before June 28, 2015, up to the total nominal amount of 10 % of the Company's share capital at the time of the authorization.

The June 29, 2010 authorization may be exercised by the Executive Board for any legal purpose, especially to service the share options with a purchase right of the preferred stock of ProSiebenSat.1 Media AG, which are granted as a part of the stock option plans.

In the financial year 2012, 1,134,250 share options from the LTIP 2008 (Cycles 2008 and 2009) were exercised. Therefore, treasury shares declined from 7,640,000 as of December 31, 2011 to 6,505,750 as of December 31, 2012.

Information about capital management

The primary capital management tools used by the ProSiebenSat.1 Group are equity capital measures, dividend payments to the shareholders, repurchase of shares and borrowing.

The ProSiebenSat.1 Group's capital management pursues the goal of safeguarding the Company as a going concern for the long term, and of generating a fair return for its shareholders. In this regard, the changes in economic conditions and risks resulting from the underlying business operations are monitored. It is also important to the ProSiebenSat.1 Group to ensure its unrestricted access to various borrowing options in the capital market, and its ability to service its financial liabilities.

As part of active management of borrowings, particular attention is given to managing leverage, measured as the ratio of net financial debt to recurring EBITDA, as well as needs for capital and liquidity, and to matching the timing of refinancing measures.

The ProSiebenSat.1 Group's capital structure as of the end of the reporting period was as follows:

CAPITAL STRUCTURE (Fig. 128)

EUR m	12/31/2012	12/31/2011
Shareholders' equity	1,500.9	1,441.4
Share of total capital	27.7%	28.6%
Current loans and borrowings	230.9	0.1
Non-current loans and borrowings	2,342.2	2,335.6
Loans and borrowings total	2,573.1	2,335.7
Share of total capital	47.5%	46.4%
Total capital (total equity and liabilities)	**5,412.6**	**5,033.6**

In the financial year 2012, the consolidated shareholders' equity of the ProSiebenSat.1 Group increased by 4.1% to EUR 1.501 billion. Most of the increase resulted from the profit generated during the financial year 2012 of EUR 298.8 million (previous-year: EUR 644.4 million). In addition, positive developments in other comprehensive income led to an increase of shareholders' equity of EUR 26.0 million (previous-year: EUR 47.5 million). A particularly positive effect in the opposite direction came from foreign currency translation totaling EUR 45.1 million (previous-year: minus EUR 9.3 million). A contrary effect resulted from the measurement and cancellation of cash flow hedges totaling minus EUR 27.2 million (previous-year: EUR 77.3 million) before deferred taxes of EUR 8.1 million (previous-year: minus EUR 20.5 million).

In addition, the dividend paid out from the distributable profits of ProSiebenSat.1 Media AG for the financial year 2011 resulted in shareholders' equity declining by EUR 245.7 million.

An essential part of the Group's funding comprises secured term loans (Term Loan B, C and D) with different maturities. As of December 31, 2012, EUR 2.342 billion of non-current loans and borrowings were reported (December 31, 2011: EUR 2.336 billion). The syndicated facilities agreement includes a revolving credit facility (RCF) which is reported under current loans and borrowings. At December 31, 2012, current loans and borrowings totaled EUR 230.9 million (previous-year: EUR 0.1 million).

In 2011, the ProSiebenSat.1 Group already repaid a third of its term loans totaling EUR 1.2 billion ahead of maturity, at the same time extending a significant portion of its remaining loans until July 2016. The Group thus improved its capital structure on a sustained basis.

The ProSiebenSat.1 Group is striving to improve its financial profile. For this purpose, the key aims are a positive development of results and an improvement of the net debt position. The Group intends to use part of the sales proceeds from the disposal of the Northern European TV and radio activities totaling EUR 500 million to repay ahead of maturity term loans under the consortium facilities agreement of the ProSiebenSat.1 Group.

The ProSiebenSat.1 Group and its financial liabilities are not officially rated by international rating agencies.

27 Provision for pensions

Pension provisions were recognized for obligations to provide benefits for active and former members of the Executive Board of ProSiebenSat.1 Media AG and their survivors.

In calculating pension expenses, ProSiebenSat.1 Media AG considers the expected service cost and the accrued interest on the pension obligation. The change in the present value of the future benefits under defined-benefit plans is calculated as follows:

PRESENT VALUE OF OBLIGATION (Fig. 129)

EUR m	2012	2011
Present value of obligation at January 1	**10.1**	**9.1**
Current service cost	0.5	0.3
Past service cost	1.0	1.1
Interest cost	0.5	0.4
Actuarial gains/losses	1.0	-0.5
Total amount recognized in profit or loss	**3.0**	**1.3**
Pension payments	-0.4	-0.3
Present value of obligation at December 31	**12.7**	**10.1**

There are no material differences between the defined benefit obligation and the pension provision recognized in the statement of financial provision at December 31, 2012.

In the financial year 2012, the pension expense relating to pension entitlements amounted to EUR 3.0 million (previous-year: EUR 1.3 million). The interest expense relating to pension obligations is presented as part of the net interest expense. Actuarial gains and losses are recognized immediately in the period in which they occur and presented in administrative expenses, as are all other components of pension expense.

The measurement date for the present value of obligations is December 31. The following parameters and assumptions were applied:

OVERVIEW ACTUARIAL PARAMETERS (Fig. 130)

	2012	2011
Discount rate	4.2%	5.1%
Rate of salary progression	0.0%	0.0%
Rate of pension progression	1.0%	1.0%

One of the key measurement parameters is the discount rate used. According to IAS 19.78, the discount rate shall be chosen with reference to the rates of high quality corporate bonds of matching maturities and currencies. Decreasing or increasing the discount rate by 0.5 percentage points would result in the present value of obligations as of December 31, 2012 rising or falling by EUR 0.6 million. On the basis of sensitivity analyses performed, there was no material impact on pension expense. For materiality reasons, no sensitivity analyses were performed for additional parameters nor has information required by IAS 19.120A(p) on adjustments resulting from experience (deviations between the actuarial assumptions and the actual development on pension entitlements) been provided.

In the financial year 2012, pension payments were made to former Executive Board members with pension entitlements amounting to EUR 0.4 million (previous-year: EUR 0.3 million). Pension payments of EUR 0.4 million are expected for the financial year 2013. The pension payments expected for 2014 amount to EUR 0.4 million. In addition, it is assumed that pension payments in 2015 and 2016 will be EUR 0.5 million for each year, with EUR 0.7 million for the financial year 2017.

The expected payments in 2013 to acquire shares in investment funds to cover the obligation for defined-benefit pension plans are EUR 0.6 million. These shares in investment funds do not qualify as plan assets for offsetting against the pension obligation, but are presented separately as financial assets (see Note 21 "Investments accounted for using the equity method and non-current financial assets").

28 Other provisions

OTHER PROVISIONS (Fig. 131)

EUR m	As of 01/01/2012	Foreign exchange differences	Additions	Usage	Release	Changes in scope of consolidation	Reclassi-fication under IFRS 5	As of 12/31/2012
Provisions for onerous contracts	35.3	0.0	4.3	-19.4	-0.8	-5.1	-1.8	**12.5**
Provisions for business operations	13.8	0.0	18.3	-10.9	-2.8	0.0	0.0	**18.5**
Other provisions	36.0	0.2	8.1	-2.0	-10.9	0.3	-5.1	**26.5**
Total	**85.1**	**0.2**	**30.7**	**-32.3**	**-14.5**	**-4.9**	**-6.9**	**57.5**
thereof current provisions	78.7							**52.2**
thereof non-current provisions	6.4							**5.3**

As part of the presentation of discontinued operations, associated provisions totaling EUR 6.9 million were presented as liabilities associated with assets held for sale in the financial year 2012 (please refer to Note 3 "Acquisitions and disposals").

ProSiebenSat.1 Media AG expects that the majority of the provisions will fall due within the next year. Non-current provisions are expected to be settled within six years.

Provisions for onerous contracts relate primarily to programming assets at EUR 6.3 million (previous-year: EUR 17.6 million) and provisions of EUR 4.3 million (previous-year: EUR 9.6 million) were recognized in connection with the disposal of N24 which took place in 2010. The provision for broadcasting in HD was fully used in 2012 (previous-year: EUR 2.4 million). Provisions for onerous contracts include EUR 4.5 million non-current provisions (previous-year: EUR 6.4 million). Provisions for business operations largely include provisions for sales discounts. The remaining provisions comprise provisions for interest on taxes of EUR 6.9 million (previous-year: EUR 13.5 million), provisions for additional payments to bestseller authors of EUR 6.1 million (previous-year: EUR 0.3 million), provisions for litigation of EUR 1.0 million (previous-year: EUR 4.6 million) and other provisions of EUR 12.7 million (previous-year: EUR 13.4 million). In the previous-year, there were provisions of EUR 4.5 million for advertising spots still to be broadcast. Other provisions include EUR 0.7 million non-current provisions (previous-year: EUR 0.0 million).

In the financial year 2012, interest effects from unwinding of provisions amounted to EUR 0.1 million (previous-year: EUR 1.3 million).

29 Financial liabilities

FINANCIAL LIABILITIES (Fig. 132)

EUR m	Current	Non-current	Total 12/31/2012
Loans and borrowings	**230.9**	**2,342.2**	**2,573.1**
Trade payables	**322.2**	**-/-**	**322.2**
Accrued interest	14.1	-/-	14.1
Liabilities from finance lease	9.4	89.4	98.8
Liabilities from derivatives	4.8	158.0	162.9
Liabilities to investments accounted for using the equity method	0.2	-/-	0.2
Earn-out liabilities and liabilities from put options	7.5	69.5	77.0
Total other financial liabilities	**36.1**	**317.0**	**353.1**
Total financial liabilities	**589.1**	**2,659.2**	**3,248.3**

EUR m	Current	Non-current	Total 12/31/2011
Loans and borrowings	**0.1**	**2,335.6**	**2,335.7**
Trade payables	**410.0**	**46.8**	**456.8**
Accrued interest	19.3	-/-	19.3
Liabilities from finance lease	8.6	92.4	101.0
Liabilities from derivatives	14.0	134.1	148.1
Liabilities to investments accounted for using the equity method	0.5	-/-	0.5
Earn-out liabilities and liabilities from put options	5.1	52.5	57.6
Total other financial liabilities	**47.5**	**279.0**	**326.5**
Total financial liabilities	**457.6**	**2,661.4**	**3,119.0**

As part of the presentation of discontinued operations, associated financial liabilities totaling EUR 145.5 million were presented as liabilities associated with assets held for sale in the financial year 2012 (please refer to Note 3 "Acquisitions and disposals").

The carrying amounts of financial liabilities according to IFRS 7 categories are disclosed under Note 34 "Further notes on financial risk management and financial instruments according to IFRS 7".

Liabilities to banks comprise the following:

Syndicated facilities agreement

The facilities agreement covers a number of term loans with a term up to July 3, 2014 (Term Loan B), loans with a maturity up to July 3, 2015 (Term Loan C) and loans with a maturity up to July 3, 2016 (Term Loan D).

As of December 31, 2012, the available facility amount with an original volume of EUR 600.0 million, which may be drawn on a variable basis, was EUR 590.0 million (previous-year: EUR 568.4 million). As of December 31, 2012, the Group had drawn down EUR 230.6 million in cash on this credit facility (previous-year: no utilization). Including drawing on guarantees totaling EUR 0.1 million (previous-year: EUR 20.0 million), an amount of EUR 359.4 million under the revolving credit facility was unused at December 31, 2012 (previous-year: EUR 548.4 million). On May 10, 2012, the ProSiebenSat.1 Group made an offer to its lenders for a maturity extension of its revolving credit facility to July 2016. In connection with this maturity extension, EUR 359.4 million was extended by the December 31, 2012 reporting date to July 2016 and issued as a new revolving credit line (RCF 2). The part of the credit facility which was not extended of EUR 230.6 million expires as scheduled in July 2014 (RCF 1). The revolving credit facility can be used variably for general operative purposes.

The loan agreement was made with an international banking syndicate and institutional investors. A portion of the loans can also be drawn in currencies other than euro. As of December 31, 2012, all the loans were drawn in euro. Loans and borrowings are variable-interest financial liabilities. Interest rates are based on Euribor money market conditions plus an additional credit margin, ranging between 1.0 % and 2.5 %.

The repayment amount of the two term loans at December 31, 2012 was EUR 2,359.7 million (previous-year: EUR 2,359.7 million). The financial liabilities are measured at amortized cost using the effective interest rate method and have a carrying amount of EUR 2,342.2 million as of December 31, 2012 (previous-year: EUR 2,335.6 million).

The ProSiebenSat.1 Group hedges the interest rate risk inherent in these variable-interest loans using interest rate swaps and caps. At December 31, 2012, the Group hedged 68 % of its interest rate exposure after consideration of loan repayments and cancellations of interest rate swaps (December 31, 2011: 100 %).

Under the loan facilities agreement, the ProSiebenSat.1 Group has pledged as security equity interests in various material subsidiaries. The entire collateral has been pledged over the whole term of the loan facilities drawn. A number of subsidiaries have also provided guarantees to the lenders. The loan agreement furthermore includes the usual undertakings, which in turn are qualified or mitigated with exceptions. The loan agreement additionally includes the customary grounds for termination by the lender which for breaches of contract are covered by more detailed provisions of the contract. In case of a change of control under corporate law as a result of an acquisition of a majority stake in the company, each lender is entitled to require the termination of its participation in the loan and a repayment of the outstanding amount within a certain time period. The agreement obligates the Company among other things to maintain a certain ratio between consolidated net debt and consolidated EBITDA as well as between consolidated EBITDA and consolidated net interest result (in each case as defined in the agreement). In financial year 2012, the ProSiebenSat.1 Group complied with all contractual obligations.

30 Other liabilities

Other liabilities comprise the following:

OTHER LIABILITIES (Fig. 133)

	12/31/2012		12/31/2011	
EUR m	Current	Non-current	Current	Non-current
Liabilities from VAT	40.0	-/-	43.0	-/-
Accrued items	28.7	-/-	38.8	-/-
Liabilities to cartel authorities	27.7	-/-	-/-	-/-
Liabilities to employees	27.5	-/-	30.9	-/-
Liabilities to agencies	16.8	-/-	12.1	-/-
Debtors with a credit balance	15.3	-/-	2.4	-/-
Liabilities to collecting societies	12.9	-/-	20.8	-/-
Vacation payment accruals	9.3	-/-	14.9	-/-
Liabilities from other taxes	9.0	-/-	10.7	-/-
Advance payments received	7.8	-/-	6.2	0.2
Liabilities to artists social fund	1.1	-/-	1.0	-/-
Liabilities from outstanding advertising services	1.0	3.9	-/-	-/-
Accruals from social security payments	0.5	-/-	2.1	-/-
Others	5.1	0.5	5.6	1.0
Total	**202.6**	**4.4**	**188.5**	**1.3**

The accrued items are made up largely of advance payments received, deferred marketing rights and liabilities to media agencies.

As part of the presentation of discontinued operations, associated other liabilities totaling EUR 86.7 million were presented as liabilities associated with assets held for sale in the financial year 2012 (please refer to Note 3 "Acquisitions and disposals").

Additional Notes

31 Cash flow statement

The cash flow statement shows how cash and cash equivalents have changed as a result of cash inflows and outflows during the period. In accordance with IAS 7, cash flows are distinguished between operating activities, investing activities and financing activities.

The funds covered by the cash flow statement include all cash and cash equivalents shown in the statement of financial position with terms of not more than three months, subject only to minor risks of fluctuation in value. Cash is not subject to restrictions on its use.

Cash flows from investing and financing activities are calculated using the direct method. On the other hand, cash flows from operating activities are derived indirectly from net income. In this indirect derivation the changes of the relevant statement of financial position items relating to operating activities are adjusted for effects from foreign currency translation and from changes to the scope of consolidation. For this reason, the changes of the statement of financial position items cannot be reconciled with the relevant figures on the basis of the published Group and segment statements of financial position.

In line with IAS 7.31 and IAS 7.35, payments for taxes and interest are shown in the cash flow from operating activities.

The following table provides an overview of the cash flow in the segments:

CASH FLOW BY SEGMENT (Fig. 134)

EUR m	Segment Broadcasting German-speaking	Segment Digital & Adjacent	Segment Content Production & Global Sales	Eliminations and other transition items	Total segments of continuing operations 12/31/2012
Cash flow from operating activities	1,262.8	30.5	-51.0	-40.1	**1,202.1**
Cash flow from investing activities	-871.8	-45.9	7.7	-35.8	**-945.8**
Free cash flow	391.0	-15.4	-43.4	-75.9	**256.3**
Cash flow from financing activities	586.6	13.6	42.4	-673.4	**-30.9**

EUR m	Segment Broadcasting German-speaking	Segment Digital & Adjacent	Segment Content Production & Global Sales	Eliminations and other transition items	Total segments of continuing operations 12/31/2011
Cash flow from operating activities	1,193.8	76.0	-51.4	-43.9	**1,174.5**
Cash flow from investing activities	-705.4	-65.5	51.0	-253.5	**-973.4**
Free cash flow	488.4	10.5	-0.4	-297.3	**201.2**
Cash flow from financing activities	-1,463.3	-16.2	7.3	-252.0	**-1,724.2**

The higher cash flow from operating activities in financial year 2012 reflects both the good business performance and lower interest charges compared with 2011 due to the improved financing structure. These effects were partially offset by changes in working capital. The lower cash flow from investing activities was due primarily to programming investments being lower at EUR 843.3 million (previous-year: EUR 938.9 million). This was partially compensated for by investments in property, plant and equipment and intangible assets being up by EUR 32.7 million (2012: EUR 88.4 million; 2011: EUR 55.7 million) as well as a EUR 10.7 million increase in investments for expanding the scope of consolidation (2012: EUR 27.1 million; 2011: EUR 16.4 million). Free cash flow being EUR 55.1 million higher in the financial year 2012 reflects this trend (2012: EUR 256.3 million; 2011: EUR 201.2 million). In the previous-year, cash flow from financing activities was driven primarily by the repayment of interest-bearing liabilities totaling EUR 1,430.7 million. In financial year 2012, key factors were the dividend payout of EUR 245.7 million (previous-year: EUR 241.2 million) and the cash flow from drawing EUR 230.8 million on the revolving credit facility (previous-year: no draw-down).

For more information, please refer to the section "Analysis of liquidity and capital spending" in the Group management report.

32 Contingent assets and liabilities

In the consolidated financial statements as of December 31, 2011, the ProSiebenSat.1 Group disclosed a potential risk from an alleged violation of antitrust law through agreements between the ProSiebenSat.1 Group and the RTL Group about their TV encryption practice. In July 2012, ProSiebenSat.1 Group and the Federal Cartel Office agreed in principle to a consensual termination of the proceedings related to this allegation. Moreover, as part of the agreement with the Federal Cartel Office, the ProSiebenSat.1 Group made a commitment to unencrypted broadcasting of the stations SAT.1, ProSieben, and kabel eins in SD quality for a period of

10 years from January 1, 2013. The transmission of broadcast signals in HD quality is not affected by this. Taking into account the state of negotiations and using its best estimate, ProSiebenSat.1 Group recognized a provision of EUR 27.5 million as of June 30, 2012. On the basis of the notification of the Federal Cartel Office received on December 28, 2012, an amount of EUR 27.7 million was recognized under other liabilities as of the reporting date (please refer to Note 30 "Other liabilities"). The payment was made on January 24, 2013.

At December 31, 2012, there were no contingent liabilities from pledges and guarantees for domestic and foreign companies (previous-year: EUR 1.0 million).

Under the loan facilities agreement, the ProSiebenSat.1 Group pledged as security equity interests in various material subsidiaries. A number of subsidiaries have also provided guarantees to the lenders.

The agreement on the sale of the Scandinavian Free TV and radio activities concluded on December 14, 2012 contains exemption provisions for specific tax risks of the companies sold. The maximum risk is limited to EUR 40 million. At the present moment in time, it is not known whether this provision could be utilized and at what level charges would be passed on to the ProSiebenSat.1 Group. For this reason, no provisions were established as of December 31, 2012. For further details, please refer to the comments in Note 3 "Acquisitions and disposals".

The ProSiebenSat.1 Group also provides advertising services in the context of barter deals or media for equity transactions (please refer to Note 8 "Revenues"). The tax treatment of these transactions has not yet been definitively resolved. For this reason, no final assessment can be made whether and to what extent they may impact on future tax payments.

Major outstanding litigation procedures in which ProSiebenSat.1 Media AG and/or companies controlled by ProSiebenSat.1 Media AG are involved as defendant and for which no provisions have been recognized as of December 31, 2012 are shown below:

- **Legal action for disclosure and damages by RTL 2 Fernsehen GmbH & C. KG and El Cartel Media GmbH & Co. KG against ProSiebenSat.1 Media AG, SevenOne Media GmbH and the stations Sat.1 Satelliten Fernsehen GmbH, ProSieben Television GmbH, kabel eins Fernsehen GmbH and N24 Gesellschaft für Nachrichten und Zeitgeschehen mbH (no longer part of the Group) has been pending at the Düsseldorf Regional Court since November 10, 2008.** The plaintiff is asserting disclosure and damages claims in connection with marketing advertising time by SevenOne Media GmbH. On April 13, 2012, the Regional Court resolved to obtain an expert appraisal on the probability of loss. However, an expert has not yet been appointed. The outcome of the case cannot currently be predicted. As a consequence, no provision was recognized as of the reporting date.

- **Legal action for disclosure and damages by MTV Networks Germany GmbH against ProSiebenSat.1 Media AG, SevenOne Media GmbH and the stations Sat.1 Satelliten Fernsehen GmbH, ProSieben Television GmbH, kabel eins Fernsehen GmbH and N24 Gesellschaft für Nachrichten und Zeitgeschehen mbH (no longer part of the Group) has been pending at the Munich Regional Court since December 22, 2009.** The plaintiff is asserting disclosure and damages claims in connection with marketing advertising time by SevenOne Media GmbH. The Munich Regional Court has dismissed the case in its entirety in a ruling of May 8, 2012. The plaintiff has appealed at the Munich Higher Regional Court. However, a date for hearing the appeal has not yet been set. The outcome of the appeal cannot currently be predicted. For this reason, no provisions have been established as of the reporting date.

- **Legal action for disclosure and damages by TM-TV GmbH against ProSiebenSat.1 Media AG, SevenOne Media GmbH and the stations Sat.1 Satelliten Fernsehen GmbH, ProSieben Television GmbH, kabel eins Fernsehen GmbH and N24 Gesellschaft für Nachrichten und Zeitgeschehen mbH (no longer part of the Group) has been pending at the Munich Regional Court since November 9, 2009.** The plaintiff is asserting disclosure and damages claims in connection with marketing advertising time by SevenOne Media GmbH. The Munich Regional Court has dismissed the case in its entirety in a ruling of November 22, 2011. The plaintiff has appealed against this ruling at the Munich Higher Regional Court. On February 21, 2013, the Munich Higher Regional Court has dismissed the appeal in its entirety and thus confirmed the dismissal by the Munich Regional Court. For this reason, no provisions have been established as of the reporting date.

- **Legal action for additional payments to bestseller authors against companies of the ProSiebenSat.1 Group.** On July 19, 2011, the Berlin Regional Court sentenced the Sat.1 Satelliten Fernsehen GmbH to make additional payments to a scriptwriter for a TV series under Section 32a of the German Copyright Act (UrhG). The Company appealed against this ruling and agreed to an in-court settlement to resolve the matter on December 12, 2012. Other authors have made claims on the basis of Section 32a of the Copyright Act against companies of the ProSiebenSat.1 Group, in and out of court. For this subject matter, a provision of EUR 6.1 million was recognized on the basis of best estimate considering the state of negotiations. For more information, see Note 28 "Other provisions".

- In addition, ProSiebenSat.1 Media AG and companies under its control are defendants or participants in further court or arbitration actions and institutional proceedings. On the basis of current knowledge, these cases have no material impact on the economic position of the ProSiebenSat.1 Group.

33 Other financial obligations

Other financial obligations comprise off-balance-sheet financial obligations in addition to the liabilities shown in the statement of financial position. These derive from contractual agreements entered into before the reporting date and pertain to payment obligations due after the reporting date. The figures are nominal amounts, i.e. there was no discounting. In addition, the presentation relates solely to the Group's continuing operations. For this reason, the other financial obligations in connection with the asset and liabilities held for sale are recognized separately taking into account the regulations of IFRS 5.

The purchase commitments for programming assets reflects contracts for film and series licenses and commissioned productions entered into before December 31, 2012. Most of the contracts were concluded in US dollar.

OTHER FINANCIAL OBLIGATIONS (Fig. 135)

EUR m	12/31/2012	12/31/2011
Remaining term 1 year or less	585.2	759.8
Remaining term 1 to 5 years	1,602.5	1,871.6
Remaining term over 5 years	240.7	285.3
Purchase commitments for programming assets	**2,428.4**	**2,916.7**
Remaining term 1 year or less	65.6	72.2
Remaining term 1 to 5 years	192.6	218.3
Remaining term over 5 years	38.2	62.4
Distribution	**296.4**	**352.9**
Remaining term 1 year or less	12.5	14.0
Remaining term 1 to 5 years	54.3	34.3
Remaining term over 5 years	9.4	10.8
Leasing and long-term rental commitments	**76.1**	**59.1**
Remaining term 1 year or less	69.3	79.2
Remaining term 1 to 5 years	65.2	125.3
Remaining term over 5 years	2.3	26.5
Other financial obligations	**136.8**	**231.0**
Other financial obligations relating to assets held for sale and associated liabilities	301.6	-/-
Total	**3,239.2**	**3,559.7**

Distribution includes financial obligations for satellite rental, obligations under contracts for terrestrial transmission facilities and cable feed charges.

Non-cancelable leasing and long-term rental obligations essentially comprise obligations under leases for motor vehicles along with property rental obligations which are classified as operating leases due to their economic substance. Together with satellite rental, operate leasing expenses amounted to EUR 63.5 million in 2012 (previous-year: EUR 68.0 million). Of this amount, EUR 30.4 million was presented under discontinued operations (previous-year: EUR 31.5 million).

The other financial obligations primarily comprise payments to collecting societies and other services.

34 Further notes on financial risk management and financial instruments according to IFRS 7

The ProSiebenSat.1 Group's operations and financing requirements expose it to various financial risks. These risks are managed as a part of financial risk management by the corporate department Group Finance & Treasury. Financial risk management aims to secure solvency, to manage market price risks in line with risks and to optimize the Group financial result. The derivative financial instruments acquired for this purpose serve solely to hedge existing risk positions, not for speculative purposes. For Group companies, the principles, duties and responsibilities of financial risk management are governed by the internal corporate financial guidelines of the ProSiebenSat.1 Group. Risk reports are reviewed by the Executive Board on a monthly basis.

The following risks have been identified as material and are assessed on an ongoing basis. After consideration of hedging activities, the ProSiebenSat.1 Group does not consider itself to be exposed to any material concentrations of risk.

Interest rate risks

By interest rate risk, the ProSiebenSat.1 Group refers to the risk of rising financing costs as a result of increased interest rates. Through its financial liabilities with variable interest rates, the ProSiebenSat.1 Group is exposed to an interest rate risk. As of December 31, 2012, the facilities agreement covers a number of term loans totaling a nominal value of EUR 67.5 million with a maturity date of July 3, 2014 (Term Loan B), loans with a total volume of EUR 208.5 million with a maturity date of July 3, 2015 (Term Loan C), as well as loans with a total volume of EUR 2,083.7 million and a maturity date of July 3, 2016 (Term Loan D). The ProSiebenSat.1 Group hedges the interest rate risk inherent in these variable-interest loans using interest rate swaps and caps. In interest rate swaps, variable-rate interest payments are exchanged for fixed-rate interest payments. Uncertain, variable-rate future interest payments on the borrowings described above are thus compensated and replaced with fixed-rate interest payments. The market value of interest rate swaps is obtained by discounting expected future cash flows. As a buyer of an interest rate cap, ProSiebenSat.1 Media AG has the right but not the obligation to exchange future variable-rate interest payments for fixed-rate interest payments. For this right an option premium must generally be paid. Uncertain, variable-rate future interest payments on the borrowings described above are thus compensated and replaced with fixed-rate interest payments if this is favorable for ProsiebenSat.1 Media AG. Market values for interest rate caps are measured on the basis of a standard option pricing model. Differences may arise where other measurement methods are used. However, since the interest rate derivatives are used exclusively for hedging existing interest rate risks, there is no intention to close them out.

In February 2012, the ProSiebenSat.1 Group extended a portion of its interest rate hedging instruments (interest rate swaps) of EUR 1,050.0 million until 2016 to hedge the interest rate risk between 2014 and 2016, thereby lowering the average fixed-rate swap rate of these interest rate swaps from around 4.6% to around 3.4%. The extended interest rate swaps were de-designated in accordance with IAS 39 due to the ineffectiveness generated at the time of extension. The new hedging relationship established by the immediate re-designation meets the criteria of IAS 39 for the application of hedge accounting. In connection with this transaction EUR 16.7 million were reclassified from other comprehensive income to profit and loss in the reporting year. Due to compensatory effects from hedge amortization, this resulted in an effect of EUR 0.5 million. ProSiebenSat.1 Group has also entered into further interest rate hedging transactions with a nominal total volume of EUR 450.0 million in March 2012. These transactions also hedge the interest rate risk between 2014 and 2016. In August 2012, interest rates swaps with a nominal value of EUR 750.0 million expired. This means that as of December 31, 2012 the interest rate swaps have a total volume of EUR 1,600.0 million (previous-year: EUR 2,350.0 million), with an average fixed rate of 3.86% (previous-year: 4.58%). As of December 31, 2012, 68% of loans were hedged using interest rate swaps (previous-year: 100%).

Due to the sustained low interest rate level, interest expenses of EUR 70.0 million (previous-year: EUR 87.6 million) were incurred as part of these transactions. The interest rate swaps qualify as cash flow hedges that are covered by hedge accounting. As of December 31, 2012, they had a negative market value of EUR 146.8 million (previous-year: negative value of EUR 155.1 million). An amount of EUR 148.6 million (previous-year: EUR 146.9 million) was recognized as a separate item within other comprehensive income and unrealized accrued interest amount-

ing to EUR 5.9 million (previous-year: EUR 7.8 million) within interest expenses. As of December 31, 2012, there were no hedge inefficiencies (previous-year: EUR 0.2 million interest income).

Apart from the unhedged portion of the term loans, the remaining variable interest rate risk results not only, but also from any cash drawings the Group may take on its revolving credit facility. As of December 31, 2012, there were cash drawings of EUR 230.6 million on the syndicated facility (previous-year: no drawings). An interest rate risk in the sense of a change in market value is of no relevance as the ProSiebenSat.1 Group measures its financial liabilities at amortized cost. Thus any possible change in market value will have no effect on the statement of financial position.

The interest-rate risk position is assessed regularly using current market data, and existing risks are quantified with the help of sensitivity analyses. The following table shows the effects of a one percentage point increase (decrease) in the relevant interest rates on the interest result. As the interest rate swaps qualify for hedge accounting, changes in market value are recognized in other comprehensive income. This effect would amount to plus EUR 45.6 million in case of an interest rate increase by one percentage point and minus EUR 47.7 million in case of an interest rate decrease by one percentage point. Hedge accounting was not used for the interest rate cap. With the interest rate cap an interest rate increase or decrease by one percentage point would result in an earnings effect of EUR 0.6 million or minus EUR 0.1 million respectively.

INTEREST RATE RISKS (Fig. 136)

EUR m	Interest	12/31/2012	12/31/2011
Cash and cash equivalents	variable	702.3	517.9
Liabilities to banks	variable	-2,573.1	-2,335.7
Gross exposure	**variable**	**-1,870.8**	**-1,817.8**
Interest rate hedges		1,600.0	2,350.0
Net exposure	**variable**	**-270.8**	**532.2**
Hedge ratio		85.5 %	129.3 %
Annual potential effect of an increase in short-term interest rates by 100 basis points (1 percentage point)		-2.7	5.3
Annual potential effect of a decrease in short-term interest rates by 100 basis points (1 percentage point)		2.7	-5.3

Currency risks

By currency risks, the ProSiebenSat.1 Group refers to the danger of losses resulting from changes to foreign exchange rates.

The ProSiebenSat.1 Group signs a substantial number of its license agreements with production studios in the United States. In general, the Group meets its financial obligations deriving from these programming rights purchases in US dollar. Consequently fluctuations in the exchange rate between euro and US dollar may adversely affect the ProSiebenSat.1 Group's financial position and profit or loss. The currency risk from receivables and liabilities in other foreign currencies, or for other purposes, are not considered here because of their low volume.

The ProSiebenSat.1 Group deploys a Group portfolio approach. Foreign currency exposure is regarded as the total volume of all future US dollar payments which result from existing license agreements and are due within a period of five years. As part of its foreign currency manage-

ment, the ProSiebenSat.1 Group uses a variety of derivative and non-derivative financial instruments to hedge fluctuations in exchange rates. This includes currency forwards and cash holdings in US dollar. Currency forwards are unconditional contractual agreements to exchange two currencies. The total par value, exchange rate and maturity date are specified when the contract is entered into.

Derivative financial instruments which qualify for hedge accounting under IAS 39 are recognized in hedge accounting as cash flow hedges. The changes in fair value of these instruments are recognized in other comprehensive income and only impact profit and loss when the hedged license payments are broadcast. Hedging instruments which do not qualify for hedge accounting are allocated to the held-for-trading category. Changes in fair value are directly recognized in profit or loss.

As of December 31, 2012, ProSiebenSat.1 Group had currency forwards in its portfolio with a par value of USD 1,545.5 million (previous-year: USD 1,448.2 million). The market value of currency forwards is based on market forward exchange rates. Measurement was based on market figures (mid-rates) on December 31, 2012. As of December 31, 2012, the currency holdings in US dollar amounted to USD 47.7 million (previous-year: USD 20.2 million).

In the context of reporting under IFRS 5, currency holdings of USD 1.2 million (EUR 0.9 million) were presented as assets held for sale.

CURRENCY-RELATED TRANSACTIONS AND BALANCES (Fig. 137)

	Year of maturity			Nominal amount	Fair value	Fair value
	2013 USD m	**2014-2017 USD m**	**from 2018 USD m**	**12/31/2012 USD m**	**12/31/2012 USD m**	12/31/2011 EUR m
Currency forwards	496.5	1,049.0	-/-	1,545.5	**2.6**	**40.0**
(thereof within cash flow hedges)	373.0	1,022.0	-/-	1,395.0	**5.7**	**30.5**
Currency holdings	47.7	-/-	-/-	47.7	**36.2**	**15.6**

Under hedge accounting, at December 31, 2012, EUR 5.7 million (previous-year: minus EUR 30.5 million) were recognized in a separate item within other comprehensive income. In 2012, EUR 11.8 million (previous-year: EUR 0.8 million) was taken out from equity and allocated directly to the purchase cost of the underlying licenses. This impacts profit and loss at the time the relevant license is consumed. No material hedge inefficiencies occurred either in 2012 or in the previous-year.

The risk position in US dollars is assessed regularly using current market data and existing risks are quantified using sensitivity analyses. The following table shows the impact of a 10% rise/fall in the value of the US dollar on the equivalent value in euro for future payments in US dollar. It shows the change in the impact of the exchange rate for the US dollar on cash flows in US dollar in economic terms, and is therefore not an accounting analysis. From an accounting perspective the foreign exchange effects resulting from license liabilities, currency forwards in the held-for-trading category and cash holdings impact profit or loss. A fall (rise) of the US dollar by 10% would result in an effect of EUR 5.3 million (minus EUR 6.5 million) in the foreign exchange result. The foreign exchange impact of minus EUR 93.7 million from a 10% fall of the US dollar and of plus EUR 114.3 million from a 10% rise of the US dollar relating to currency forwards used under hedge accounting would be recognized in other comprehensive income.

CURRENCY RISKS (Fig. 138)

USD m	12/31/2012	12/31/2011
Gross foreign currency exposure	**-2,201.2**	**-2,062.9**
Currency hedges	1,593.2	1,468.5
thereof hedge accounting	1,395.0	1,226.2
thereof held for trading	150.5	222.0
thereof currency holdings	47.7	20.2
Net exposure	**-608.0**	**-594.4**
Hedge ratio	72.4 %	71.2 %
Spot rate	1.3186	1.2932
US dollar increase by 10 %	1.1867	1.1639
US dollar decrease by 10 %	1.4505	1.4225
EUR m		
Change in future payments resulting from a 10 % increase in the US dollar	-51.2	-51.1
Change in future payments resulting from a 10 % decrease in the US dollar	41.9	41.8

The reporting currency of the Group is the euro. The financial statements of companies with their registered office outside the euro zone are converted to euro for the consolidated financial statements. In the context of foreign currency management, the holdings in these companies are regarded as a long-term investment. For this reason, ProSiebenSat.1 Group does not hedge the translation risk.

Credit and counterparty risks

The ProSiebenSat.1 Group is exposed to a credit and counterparty risk from its financing and operating activities. The carrying amount of financial assets in the statement of the financial position reflects the maximum credit risk exposure.

Under financing activities credit and counterparty risks for the ProSiebenSat.1 Group normally exist in the form of credit default risks relating to receivables. To minimize this risk the ProSiebenSat.1 Group attempts to enter into financial transactions as well as derivative contracts exclusively with counterparties with first-class to good credit ratings. The carrying amounts of the financial assets after impairments represent the maximum risk of the ProSiebenSat.1 Group. The Group has no significant concentration of counterparty risk with regard to any single counterparty or any clearly definable group of counterparties. At the end of the reporting period, there were no significant agreements reducing the maximum counterparty risk. In total the ProSiebenSat.1 Group does not believe it is exposed to any major counterparty risk. As of December 31, 2012, the total market value of the derivative financial instruments for which the ProSiebenSat.1 Group recognizes a net positive market value per counterparty was EUR 3.3 million (previous-year: EUR 16.1 million). The maximum risk is the positive market value of these non-collateralized derivative financial instruments.

The ProSiebenSat.1 Group has established appropriate risk provisions against the credit and counterparty risk arising from operating activities. For this purpose all the receivables are reviewed regularly. If objective evidence for default or other breaches of contracts exists, credit allowances are recognized. If such evidence points to the definitive default, the receivables are derecognized, where applicable against a previously recognized credit allowance. Considering the net value of the trade account receivables and other financial assets, there were no indications of material payment defaults at the reporting date. For information on the aging analysis of trade accounts receivable, please refer to Note 24 "Receivables and other current assets". Information regarding major customers is to be found under Note 35 "Segment reporting".

Liquidity risk

As part of its liquidity management, the ProSiebenSat.1 Group ensures that adequate cash and cash equivalents are available at all times, in spite of the industry's sharp seasonal fluctuations in revenues. Group financing mainly comprises several syndicated term loans as well as a revolving credit facility (RCF). As of December 31, 2012, the available facility amount with an original volume of EUR 600.0 million, which may be drawn on a variable basis, was EUR 590.0 million (previous-year: EUR 568.4 million). The ProSiebenSat.1 Group may use the revolving credit facility variably for general operative purposes. As of December 31, 2012, the Group had drawn down EUR 230.6 million in cash on this credit facility (previous-year: no utilization). Including drawing on guarantees totaling EUR 0.0 million (previous-year: EUR 20.0 million), an amount of EUR 359.3 million under the revolving credit facility was unused at December 31, 2012 (previous-year: EUR 548.4 million). On May 10, 2012, the ProSiebenSat.1 Group made an offer to its lenders for a maturity extension of its revolving credit facility to July 2016. In connection with this maturity extension, EUR 359.4 million was extended by the December 31, 2012 reporting date to July 2016 and issued as a new revolving credit line (RCF 2). The part of the credit facility which was not extended of EUR 230.6 million expires as scheduled in July 2014 (RCF 1). In the financial year 2012, EUR 1.1 million was recognized in profit and loss in relation to the credit facility and presented in the financial result (previous-year: EUR 1.3 million).

Additionally, as of December 31, 2012, the ProSiebenSat.1 Group had total cash and cash equivalents of EUR 702.3 million (previous-year: EUR 517.9 million). Thus, the Group had cash funds and unused credit facilities of EUR 1,061.6 million as of December 31, 2012 (previous-year: EUR 1,086.3 million).

As a part of the disclosure of liquidity risks, a maturity analysis is provided for non-derivative financial liabilities on the basis of remaining contractual maturities and for derivative financial liabilities based on the expected timing of cash outflows. The undiscounted contractual payments are disclosed. The ProSiebenSat.1 Group assigned expected payments for financial instruments as of December 31, 2012, and the previous financial year to the following maturity ranges:

FINANCIAL LIABILITIES BY MATURITY (Fig. 139)

EUR m	1 year or less	1-5 years	More than 5 years	Total contractual cash flows 12/31/2012
Loans and borrowings	294.7	2,529.4	-/-	2,824.1
Liabilities from finance leases	14.3	48.2	63.5	126.0
Trade accounts payable	322.2	-/-	-/-	322.2
Non-derivative financial liabilities	**631.2**	**2,577.6**	**63.5**	**3,272.3**
Interest rate swaps	58.4	100.8	-/-	159.2
Currency forwards	4.9	12.8	-/-	17.7
Derivative financial liabilities	**63.3**	**113.6**	**-/-**	**176.9**
Total	**694.5**	**2,691.2**	**63.5**	**3,449.2**

EUR m	1 year or less	1-5 years	More than 5 years	Total contractual cash flows 12/31/2011
Loans and borrowings	91.4	2,677.1	-/-	2,768.5
Liabilities from finance leases	14.0	45.5	74.9	134.4
Trade accounts payable	410.0	46.8	-/-	456.8
Non-derivative financial liabilities	**515.4**	**2,769.4**	**74.9**	**3,359.7**
Interest rate swaps	68.6	95.2	-/-	163.8
Currency forwards	0.5	0.3	-/-	0.8
Derivative financial liabilities	**69.1**	**95.5**	**-/-**	**164.6**
Total	**584.5**	**2,864.9**	**74.9**	**3,524.3**

Information on the carrying amounts and market values of financial instruments

The following table shows the carrying amounts of all categories of financial assets and liabilities of the ProSiebenSat.1 Group:

CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Fig. 140)

		12/31/2012		12/31/2011	
EUR m	Presented as	Fair value	Carrying amount	Fair value	Carrying amount
Financial assets					
Cash and cash equivalents	Cash and cash equivalents	702.3	702.3	517.9	517.9
Loans and receivables	Accounts receivable and other assets	295.5	295.5	308.3	308.3
Financial assets designated at fair value[1]	Non-current financial assets	11.3	11.3	9.2	9.2
Financial assets held for trading	Accounts receivable and other assets	0.8	0.8	10.4	10.4
Financial assets available for sale	Current / non-current financial assets	-/-	44.8	-/-	47.3
Hedge derivatives	Accounts receivable and other assets	17.9	17.9	30.4	30.4
Total		**1,027.8**	**1,072.6**	**876.2**	**923.5**
Financial liabilities					
Financial liabilities at amortized cost	Financial liabilities	3,127.6	3,085.3	2,787.4	2,970.8
Financial liabilities held for trading	Financial liabilities	3.9	3.9	0.4	0.4
Hedge derivatives	Financial liabilities	159.0	159.0	147.8	147.8
Total		**3,290.5**	**3,248.2**	**2,935.6**	**3,119.0**

1 This item only includes shares in investment funds.

The fair values of cash and cash equivalents, of trade accounts receivable and payable, of current financial receivables and liabilities, and of revolving credit facilities and other financing debt are approximately equivalent to their carrying amount. This is due to the short maturity of these instruments.

The maximum risk of default for the investment funds recognized at fair value through profit and loss corresponds at December 31, 2012 to the market value of the positions. The assets are not secured against a potential counterparty risk since considering the market conditions this risk is seen as unlikely.

The financial assets available for sale primarily include an investment in Zenimax Media Inc. The investment is measured at amortized cost because its fair value cannot be determined reliably. No market price was available for the investment. If objective evidence of impairment exists, the investment is tested for impairment. At the preparation date of the financial statements, there was no intention to sell the investment. As of December 31, 2012, there was no objective evidence of impairment.

The fair values of non-current liabilities to banks and other long-term financing debt, liabilities from finance leases, and other non-current financial liabilities are determined by discounting the expected future cash flows at the interest rates applicable for similar financial debt with comparable maturity terms.

The fair value of assets and liabilities recognized in the statement of financial position may be measured under three hierarchical levels. This hierarchy reflects the significance of the input data used for measurement, and is organized as follows:

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

The following table provides information about the hierarchy levels for measuring the fair values in each category:

FAIR VALUE HIERARCHY LEVELS (Fig. 141)

EUR m	Level 1	Level 2	Level 3	Total 12/31/2012
Financial assets designated at fair value	11.3	-/-	-/-	11.3
Derivative financial assets	-/-	18.7	-/-	18.7
Financial assets	**11.3**	**18.7**	**-/-**	**30.0**
Derivative financial liabilities	-/-	162.9	-/-	162.9
Financial liabilities	**-/-**	**162.9**	**-/-**	**162.9**

EUR m	Level 1	Level 2	Level 3	Total 12/31/2011
Financial assets designated at fair value	9.2	-/-	-/-	9.2
Derivative financial assets	-/-	40.8	-/-	40.8
Financial assets	**9.2**	**40.8**	**-/-**	**50.0**
Derivative financial liabilities	-/-	148.1	-/-	148.1
Financial liabilities	**-/-**	**148.1**	**-/-**	**148.1**

In both financial years there were neither transfers between Level 1 and Level 2 nor into or out of Level 3 of the fair value hierarchies.

35 Segment reporting

Explanatory notes to segment reporting

In accordance with IFRS 8, operating segments must be defined on the basis of the Company's own internal management. The organizational and reporting structure is based on management by business segments. On the basis of this reporting system, the Executive Board, as the "chief operating decision maker", evaluates the performance of the various segments and the allocation of resources.

In the financial year 2012, the ProSiebenSat.1 Group changed its segment reporting. At the beginning of financial year 2012, the Group adjusted its segmentation on the basis of its four-pillar strategy. In the first nine months of financial year 2012, the segment structure of the Group covered the segments Broadcasting German-speaking, Broadcasting International, Digital & Adjacent and Content Production & Global Sales. In the previous-year, the segment structure of the Group was made up of the three segments Free TV in German-speaking Europe, Free TV International and Diversification.

By sale and purchase agreement of December 14, 2012, ProSiebenSat.1 Group sold its TV and radio operations in Scandinavia. In addition to the sold subsidiaries in Northern Europe, the companies in Central and Eastern Europe have been put up for sale. In line with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", these are reported as discontinued operations. Previously these TV and radio stations had been allocated to the Broadcasting International segment. For this reason, since the fourth quarter of the current reporting year, the Group reports continuing operations only in the three existing segments Broadcasting German-speaking, Digital & Adjacent and Content Production & Global Sales. In line with IFRS 8.29, the comparative previous-year figures have been adjusted accordingly.

In the Broadcasting German-speaking segment the Group's TV stations SAT.1, ProSieben, kabel eins and sixx are organized under the umbrella of ProSiebenSat.1 TV Deutschland GmbH, as well as the stations of the subsidiaries in Austria and Switzerland. The sales companies SevenOne Media and SevenOne AdFactory are also presented in this segment, as well as ProSiebenSat.1 Produktion and the SAT.1 regional companies. In the previous-year, Red Arrow Entertainment Group with its sales partner Red Arrow International (previously: SevenOne International) had been allocated to this segment. In financial year 2012, this area is reported separately as a separate segment — Content Production & Global Sales.

As a TV company, the ProSiebenSat.1 Group owns an extensive stock of premium video content that the Group can use on all platforms from TV, to mobile, to online and video-on-demand. Business activities in the digital media area, such as online, pay-TV, video-on-demand or HbbTV are consolidated in the Digital & Adjacent segment. The Commerce and Ventures business area is also reported in this segment. This includes the media for revenue share and media for equity business models. Start-up companies with interesting products receive media space from ProSiebenSat.1 in return for a revenue share or equity participation. Moreover the games business and music are part of this segment. In the previous-year, the Digital & Adjacent segment was allocated as "Other Media" to the Diversification reporting segment.

The Content Production & Global Sales segment combines all activities in the areas of development, production and global sales of programming content which are bundled under the umbrella of the Red Arrow Entertainment Group. In financial year 2011, this area was part of the Free TV German-speaking segment.

Segment information
Segment information is generally based on the same accounting policies as are described under Note 6 "Accounting policies" for the consolidated financial statements under IFRS.

The Executive Board, as the chief operating decision maker, measures the segments' success on the basis of a segment result figure that is known as "recurring EBITDA" in the Company's internal management and reporting. At the same time, this earnings benchmark is a key parameter for ongoing compliance of covenant conditions at Group level. Recurring EBITDA represents EBITDA adjusted for non-recurring effects. It is defined as adjusted earnings before interest, taxes, depreciation and amortization, and impairments on intangible assets and property, plant and equipment. Further information regarding these non-recurring effects is presented in the management report.

Segment assets cover all assets used for operating activities. They contain intangible assets (including goodwill), property, plant, and equipment, as well as programming assets, current assets net of income tax receivables, deferred tax assets, current financial assets and cash and cash equivalents. Segment assets are not used for internal management and reporting but are nevertheless reported on a voluntary basis as part of segment reporting.

Segment investments relate to additions to non-current assets. They comprise additions to intangible assets, to property, plant, and equipment, and to programming assets.

Depreciation and amortization apply to the assets allocated to each of the segments. A distinction is made between two separately recognized figures, depreciation or amortization and impairments. The figure does not include impairment of programming assets, financial investments or current financial assets.

Other non-cash expenses and income mainly contain the consumption of programming assets, allocations to provisions, expenses from the valuation of the stock option plan, and write-downs of receivables. These expenses are offset by income from the release of provisions.

Net financial liabilities defined as segment liabilities are stated on a voluntary basis as part of segment reporting. Net financial debt is calculated as total loans and borrowing of the relevant segment minus cash and cash equivalents and current financial assets. Debt is not managed at segment level by the chief operating decision maker. For this reason, this figure is not part of regular internal reporting. Rather debt is managed at Group level and in connection with recurring EBITDA is important for the purpose of complying with specific financial covenants. Thus, this figure is provided as additional voluntary information.

In addition, there is non-mandatory disclosure of segment information on investments accounted for using the equity method and the relevant earnings contributions from the measurement using the equity method, interest expenses and income as well as income taxes. This information is not part of the segment result and segment assets, but is provided on a voluntary basis due to the relevance of the information.

SEGMENT INFORMATION CONTINUING OPERATIONS 2012 (Fig. 142)

EUR m	Segment Broadcasting German-speaking 2012	Segment Digital & Adjacent 2012	Segment Content Production & Global Sales 2012	Total segments continued operations 2012	Eliminations and other reconciling items 2012	Total consolidated financial statements 2012
Revenues	1,986.3	352.6	137.5	2,476.4	-120.1	2,356.2
External revenues	1,909.5	351.2	95.4	2,356.2	-/-	2,356.2
Internal revenues	76.8	1.3	42.0	120.1	-120.1	-/-
Recurring EBITDA	660.3	89.7	4.3	754.3	-9.5	744.8
Recurring EBITDA margin	33.2 %	25.4 %	3.1 %	30.5 %	-/-	31.6 %
Income from investments accounted for using the equity method[1]	10.3	-/-	-/-	10.3	0.0	10.3
Interest and similar income[1]	50.8	0.3	0.0	51.1	-48.1	3.0
Interest and similar expenses[1]	127.7	2.4	5.6	135.7	20.5	156.2
Income taxes[1]	140.8	-2.6	-1.1	137.1	-9.7	127.4
Depreciation and amortization	36.8	32.4	2.5	71.7	-0.1	71.6
Impairment	0.4	2.3	5.2	7.9	-/-	7.9
thereof goodwill	-/-	-/-	-/-	-/-	-/-	-/-
Other non-cash expenses (-) and income (+)	-860.3	-14.3	-0.1	-874.6	6.8	-867.8
Segment assets[1]	2,234.9	634.7	144.6	3,014.2	-110.1	2,904.1
thereof goodwill	434.6	434.9	70.9	940.4	-/-	940.4
Segment investments	885.8	45.7	3.7	935.2	-3.4	931.8
Segment free cash flow[1]	391.0	-15.4	-43.4	332.2	-75.9	256.3
Investments accounted for using the equity method[1]	5.3	-/-	-/-	5.3	0.0	5.3
Segment liabilities[1]	1,606.1	52.5	58.5	1,717.2	153.6	1,870.8

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

SEGMENT INFORMATION CONTINUING OPERATIONS 2011 (Fig. 143)

EUR m	Segment Broadcasting German-speaking 2011	Segment Digital & Adjacent 2011	Segment Content Production & Global Sales 2011	Total segments continued operations 2011	Eliminations and other reconciling items 2011	Total consolidated financial statements 2011
Revenues	1,997.5	255.4	109.5	2,362.4	-163.2	2,199.2
External revenues	1,903.0	254.4	37.7	2,195.0	4.2	2,199.2
Internal revenues	94.5	1.0	71.9	167.4	-167.4	-/-
Recurring EBITDA	657.7	66.9	9.6	734.2	-8.7	725.5
Recurring EBITDA margin	32.9 %	26.2 %	8.8 %	31.1 %	-/-	33.0 %
Income from investments accounted for using the equity method[1]	3.3	-/-	-/-	3.3	-/-	3.3
Interest and similar income[1]	20.0	0.4	0.2	20.6	-12.3	8.4
Interest and similar expenses[1]	142.9	6.2	1.6	150.7	54.7	205.5
Income taxes[1]	65.2	43.3	-0.2	108.2	-31.5	76.7
Depreciation and amortization	29.1	20.3	1.1	50.6	2.1	52.7
Impairment	0.4	13.5	-/-	13.9	5.5	19.4
thereof goodwill	-/-	-/-	-/-	-/-	-/-	-/-
Other non-cash expenses (-) and income (+)	-860.7	-42.6	-2.5	-905.8	-3.7	-909.5
Segment assets[1,2]	2,315.3	577.9	66.0	2,959.1	-152.4	2,806.7
thereof goodwill	435.2	431.2	20.0	886.4	-/-	886.4
Segment investments[2]	966.3	51.9	2.1	1,020.3	-25.7	994.6
Segment free cash flow[1]	488.4	10.5	-0.4	498.5	-297.3	201.2
Investments accounted for using the equity method[1,2]	0.5	0.3	-/-	0.7	0.0	0.7
Segment liabilities[1,2]	882.2	41.6	16.2	940.0	928.5	1,868.5

1 This information is provided on a voluntary basis as part of segment reporting.
2 The information on statement of financial position items relate to continuing operations and thus cannot be reconciled to the consolidated statement of financial position.

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

RECONCILIATION OF SEGMENT INFORMATION (Fig. 144)

EUR m	2012	2011
REVENUES		
Revenues from reportable segments	2,476.4	2,362.4
Eliminations	-120.1	-163.2
Revenues of the Group	**2,356.2**	**2,199.2**
RECURRING EBITDA		
Recurring EBITDA of reportable segments	754.3	734.2
Eliminations	-9.5	-8.7
Recurring EBITDA of the Group	**744.8**	**725.5**
Non-recurring result	-64.4	-73.0
Financial result	-144.4	-232.7
Depreciation and amortization	-71.6	-52.7
Impairment	-7.9	-19.4
Consolidated profit/loss before taxes	**456.5**	**347.8**
OTHER NON-CASH INCOME/EXPENSES		
Other non-cash income/expenses of reportable segments	874.6	905.8
Eliminations	-6.8	3.7
Other Group non-cash income/expenses	**867.8**	**909.5**
thereof consumption of programming assets	838.7	864.3
thereof other	29.1	45.2
ASSETS[1]		
Total assets of reportable segments	3,014.2	2,959.1
Eliminations	-110.1	-152.4
Group's segment assets	**2,904.1**	**2,806.7**
Investments accounted for using the equity method	5.3	0.7
Non-current financial assets	61.2	53.2
Deferred tax assets	25.8	67.1
Current financial assets	-/-	0.0
Other interest-bearing assets	4.5	3.2
Current tax assets	38.1	40.3
Cash and cash equivalents	702.3	467.2
Group assets	**3,741.3**	**3,438.4**
INVESTMENTS[1]		
Investments of reportable segments	935.2	1,020.3
Eliminations	-3.4	-25.7
Group's investments	**931.8**	**994.6**
thereof investments in programming assets	843.3	938.9
thereof investments in property, plant and equipment	28.6	20.1
thereof investments in intangible assets	59.9	35.6

1 The information on statement of financial position items relate to continuing operations and thus cannot be reconciled to the consolidated statement of financial position.

The eliminations include consolidation of business transactions between the segments as well as certain reconciliation and reclassification items. The reconciliation figures show values that by definition are not integral to the segments. This item also shows effects from continuing operations which cannot be allocated to any reportable segment. Transactions between segments are eliminated in the reconciliation. These are generally conducted on arm's length terms.

Entity-wide disclosures for the ProSiebenSat.1 Group are provided below. As a result of the subsidiaries in Northern, Central and Eastern Europe being held for sale, in the fourth quarter of the last financial year the ProSiebenSat.1 Group also redefined the regional breakdown. The breakdown is on the basis of Germany (GER), Austria (AT) and Switzerland (CH), the United Kingdom (UK), the United States (USA) and Other.

ENTITY-WIDE DISCLOSURES (Fig. 145)

Georgraphical breakdown	GER		AT/CH		UK		USA		Other		Total consolidated financial statements	
EUR m	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	**2011**
External revenues	2,067.1	1,975.4	193.5	178.6	26.4	1.8	28.8	14.0	40.4	29.2	**2,356.2**	**2,199.2**
Non-current assets	2,272.9	2,301.7	20.2	14.3	27.0	10.5	44.1	9.6	7.7	0.9	**2,372.0**	**2,337.0**
Investments	911.0	983.7	17.7	9.3	0.8	0.0	0.4	0.6	1.9	1.0	**931.8**	**994.6**

In 2012, EUR 2,067.1 million (previous-year: EUR 1,975.4 million) external revenues were generated in Germany. This corresponds to a share of 87.7 % (previous-year: 89.8 %) of consolidated revenues from continuing operations. Revenues are attributed to the country of the company that provided the service.

Non-current assets reported under the entity-wide disclosures include intangible assets, property, plant and equipment as well as non-current programming assets.

The share of non-current segment assets attributable to Germany amounted to 95.8 % in 2012 (previous-year: 98.5 %).

More than 10 % of consolidated revenues from continuing operations were generated with each of three clients in the financial period 2012. With Client A EUR 444.1 million was generated (previous-year: EUR 475.9 million), with Client B EUR 299.0 million (previous-year: EUR 306.5 million). On the basis of continuing operations, Client C was identified as a further important client which generated revenues of EUR 277.7 million in the current financial year (previous-year: EUR 286.0 million). These revenues are allocated in various proportions to all the segments.

36 Share-based payments

Stock options

Long Term Incentive Plan (LTIP)

As of December 31, 2012, ProSiebenSat.1 Media AG had two stock option plans. The Long Term Incentive Plan 2008 (LTIP 2008) was introduced by approval of the Annual General Meeting on June 10, 2008, and the Long Term Incentive Plan 2010 (LTIP 2010) was adopted by the Annual General Meeting on June 29, 2010. The stock option plans are share-based remuneration, with ProSiebenSat.1 Media AG having the option to determine the type of settlement. Since ProSiebenSat.1 Media AG currently has no obligation to provide a cash settlement, the options are recognized as remuneration by using equity instruments (“equity settlement“). Each stock option carries the right to purchase one preferred share of ProSiebenSat.1 Media AG stock in return for payment of an exercise price.

Number of stock options

The LTIP 2008 covers the grant of up to 4,900,000 stock options. If options already granted expire unexercised, the number of stock options which can potentially be granted increases by the number of these expired unexercised options. A total of 3,571,000 stock options were issued

under the LTIP 2008 until December 31, 2011. Of these stock options, 14,250 options expired in the financial year 2012. Furthermore, during the financial year 94,000 stock options which had been reported as expired in the previous financial year were reinstated. As a consequence, 3,650,750 stock options under the LTIP 2008 are outstanding at December 31, 2012.

The LTIP 2010 covers the grant of up to 2,000,000 stock options. If granted options expire unexercised, the number of stock options increases by the number of expired unexercised options. A total of 1,650,000 stock options were issued under the LTIP 2010 until December 31, 2011. Of these stock options, 8,100 options expired in the financial year 2012. Furthermore, during the financial year 34,500 stock options which had been reported as expired in the previous financial year were reinstated. As a consequence, 1,676,400 stock options are outstanding at December 31, 2012.

Beneficiaries

The stock options are intended exclusively for purchase by members of the Executive Board of ProSiebenSat.1 Media AG, senior members of other managements, and other selected executives of ProSiebenSat.1 Media AG and its dependent Group companies. As an exception to this rule, members of the Executive Board are not beneficiaries in the context of LTIP 2010. The individual beneficiaries and the number of stock options to be granted to them are chosen by the Executive Board of ProSiebenSat.1 Media AG, subject to the consent of the Supervisory Board, or — where the Executive Board members themselves are concerned — by the Supervisory Board.

Issue periods

The stock options for the LTIP 2008 were issued in one or more annual tranches. Options must be issued during the first three months of a calendar year and/or during the period between the Company's Annual General Meeting and the end of the calendar year. Stock options under the LTIP 2008 may be issued for the first time in 2008 and cannot be issued after 2009.

The stock options for the LTIP 2010 may be issued in one or two annual tranches. Options may only be issued during the first four months of a calendar year and/or during the period between the Company's Annual General Meeting and the end of the calendar year. Stock options under the LTIP 2010 may be issued for the first time in 2010 and cannot be issued after 2011.

Exercise periods

Stock options may be exercised only when a vesting period has elapsed at the time of exercise. This vesting period starts on January 1 of the year in which the respective stock options are issued. For stock options issued under the LTIP 2008 and the LTIP 2010, the vesting period for one-fifth of the options issued to a given beneficiary will expire at the end of each full year after January 1 of the year in which the options were issued. Furthermore, the statutory lock-up period of two years (LTIP 2008) and four years (LTIP 2010) from the issue date of the options must have expired at the time of exercise.

Non-exercised stock options issued under the LTIP 2008 and the LTIP 2010 expire without compensation after seven years after January 1 of the year in which they were issued.

Exercise price

The exercise price for the LTIP 2008 (Cycle 2008) stock options is EUR 16. In the event that the volume weighted average closing auction price of ProSiebenSat.1 preferred stock in trading on the Xetra system over the last 30 days of trading on the Frankfurt Stock Exchange prior to the exercise date exceeds the strike price by more than 200 %, the strike price for the options concerned is to be increased by the amount in excess of 200 %.

The exercise price for the LTIP 2008 (Cycle 2009) stock options is the volume weighted average closing auction price of ProSiebenSat.1 preferred stock in trading on the Xetra system over the last 30 days of trading on the Frankfurt Stock Exchange prior to January 1 of the year in which the stock options were issued. In the event that the volume weighted average closing auction price of ProSiebenSat.1 preferred stock in trading on the Xetra system (or a comparable successor system) over the last 30 days of trading on the Frankfurt Stock Exchange prior to the exercise date exceeds the strike price by more than EUR 20, the strike price for the options concerned is to be increased by the amount in excess of EUR 20.

The exercise price for the LTIP 2010 (Cycle 2010) stock options is EUR 17.50. In the event that the volume weighted average closing auction price of ProSiebenSat.1 preferred stock in the Xetra system (or a comparable successor system) over the last 30 days of trading on the Frankfurt Stock Exchange prior to the exercise date exceeds the strike price by more than 200 %, but exceeds at least EUR 30, the strike price for the options concerned is to be increased by the amount in excess of this threshold.

The exercise price for the LTIP 2010 (Cycle 2011) stock options is EUR 21.84. In the event that the volume weighted average closing auction price of ProSiebenSat.1 preferred stock in the Xetra system (or a comparable successor system) over the last 30 days of trading on the Frankfurt Stock Exchange prior to the exercise date exceeds the strike price by more than 200 %, but exceeds at least EUR 30, the strike price for the options concerned is to be increased by the amount in excess of this threshold.

In addition, to protect option holders in the event of changes in the Company’s share capital, dividend distributions, and other measures that may dilute the options’ value, the strike price may be adjusted accordingly.

Performance target

As a performance target for the LTIP 2008 (2009 Cycle) and the LTIP 2010 (Cycles 2010 and 2011), stock option plans are to specify that the stock’s trading price at the time of exercise of the options must exceed the strike price by at least 30 %. As an exception from this rule, the performance target for the LTIP 2008 (Cycle 2008) options will be achieved when the stock’s trading price is at least EUR 22.40 at the time of exercise of the options.

The following table provides information about the ProSiebenSat.1 Media AG stock option plan:

STOCK OPTIONS PLANS (Fig. 146)

	LTIP 2008	LTIP 2008	LTIP 2010	LTIP 2010
	Cycle 2008	Cycle 2009	Cycle 2010	Cycle 2011
As of January 1, 2012	855,000	1,789,500	529,000	1,121,000
Options exercised in 2012	230,750	903,500	0	0
Reclassification of options expired relating to the previous-period	16,000	78,000	34,500	0
Options expired or forfeited in 2012	3,750	10,500	0	8,100
As of December 31, 2012	**636,500**	**953,500**	**563,500**	**1,112,900**
Thereof eligible for exercise on December 31, 2012	636,500	492,800	n.y.e.[1]	n.y.e.[1]
Exercise price in EUR	16.00	1.58	17.50	21.84
Absolute exercise hurdle in EUR	22.40	2.05	22.75	28.39
Maximum exercise gain	32.00	20.00	35.00	43.68
Exercise periods[2]	July 15 to November 30	July 3 to December 30	August 1 to November 1	September 1 to December 22
Fair value per option in EUR[3]	0.13 – 0.19	1.97 – 5.71	2.63 – 4.77	1.64 – 2.57
Expected volatility of the preferred share	50.0 %	70.0 %	60.0 % – 65.0 %	55.0 % – 60.0 %
Risk-free interest rate[3]	4.32 % – 4.34 %	1.79 % – 2.68 %	1.54 % – 1.90 %	0.80 % – 1.44 %
Expected dividend yield	16.0 %	2.0 % – 3.0 %	4.0 % – 5.5 %	8.0 %
Vesting period[4]	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011
End of exercise period	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017

1 Not yet exercisable.
2 Issue in several tranches.
3 Depending on when vesting occurs and time of issue.
4 LTIP 2008 and LTIP 2010: Earliest end of vesting period for the first fifth of the options issued (each additional fifth is one year later).

ProSiebenSat.1 Media AG uses the binomial model of Cox/Ross/Rubinstein to calculate the financial valuation of stock options. The assumptions used in the valuation of the stock options (volatility, expected dividend yield, interest rate) reflect the market conditions at the issue date.

The weighted average price of the ProSiebenSat.1 Media AG preferred stock on the exercise days of the stock options in the first quarter of the financial year was EUR 18.96, in the second quarter EUR 16.33, in the third quarter EUR 19.20 and in the fourth quarter EUR 22.30. Weighting took place on the basis of the stock options exercised on the relevant dates.

The expense for the stock options issued in the financial year 2012 was EUR 1.6 million (previous-year: EUR 2.3 million), and is recognized under personnel expenses. Stock options outstanding at the end of the financial year have an average remaining duration of 3.7 years.

Rights to shares

Group Share Plan 2012

The Group Share Plan 2012 is a long-term remuneration instrument developed by ProSiebenSat.1 Media AG for Executive Board members as well as selected managers and employees of the ProSiebenSat.1 Group and introduced on the basis of approval of the Annual General Meeting on May 15, 2012. This plan relates to share-based payments with ProSiebenSat.1 Media AG having the option in respect to the type of settlement. As there is no present obligation on the part of ProSiebenSat.1 Media AG to effect remuneration on the basis of a cash settlement, remuneration is accounted for on an equity settlement basis.

In the Group Share Plan, plan participants are issued so-called Performance Share Units ("PSUs", "virtual shares"). They entitle the plan participants to receive non-voting preferred shares in ProSiebenSat.1 Media AG at the end of the plan term.

For the commitment in relation to preferred shares granted there is a holding period of at least four years from the start of the year of grant. The number of preferred shares actually granted after the end of the holding period depends on the achievement of predefined EBITDA and net income targets and can vary between 0 % and 150 %. In addition, in the case of special developments account can be taken of the individual performance of Executive Board members. This can increase or decrease the originally granted number of shares by 25 %.

The PSUs are measured at fair value when they are granted to those participating in the program. This is derived from the value of the preferred shares to be received at the end of the plan term duration and approximates to the market value of the underlying shares. Because the shares do not carry entitlement to receive dividends during the planned period, the fair value is reduced by the time value of the dividends expected. Account is taken of expected fluctuation on the basis of experience values for employee groups equivalent to those of the beneficiaries.

Number of Performance Share Units

A total of 479,721 performance share units were issued under the Group Share Plan 2012. 2,422 of these performance share units expired in financial year 2012. As a consequence, 477,299 performance share units were outstanding at December 31, 2012.

Beneficiaries

The performance share units are intended exclusively for members of the Executive Board of ProSiebenSat.1 Media AG, senior members of other managements, and other selected executives and employees of ProSiebenSat.1 Media AG and its dependent Group companies. The individual beneficiaries and the number of performance share units to be granted to them are chosen by the Executive Board of ProSiebenSat.1 Media AG, subject to the consent of the Supervisory Board, or — where the Executive Board members themselves are concerned — by the Supervisory Board.

Grant periods

The grant of performance share units of the Group Share Plan 2012 took place as of November 1, 2012. Performance share units on the basis of the Group Share Plan may be granted for the first time in 2012 and according to a resolution of the Annual General Meeting cannot be granted after 2016.

Minimum hurdles and performance target

At the end of each year, 25 % of the performance share units become vested on achievement of the minimum hurdles relating to a comparison of EBITDA with the previous period and to the Group's annual profit.

The performance target for the Group Share Plan 2012 is achieving the cumulated EBITDA target over the four-year plan term for the financial years 2012 to 2015. The number of physical shares which program participants receive at the end of the four-year plan term depends on the level of target achievement.

To reflect individual performance, the Supervisory Board can change the conversion rate of virtual into physical shares by a factor of plus/minus 25 %.

The conversion for the Group Share Plan 2012 takes place after the publication of the 2015 Annual Report and after agreement of the respective program participant. Thus for the preferred shares there is a holding period of at least four years from the start of the year in which the commitment was made.

The expense for the financial year 2012 from the performance share units granted amounted to EUR 4.6 million and is recognized under personnel expenses.

37 Executive Board and Supervisory Board

In the context of disclosure requirements on related parties the following information is provided on the total amount of remuneration paid to groups of related parties defined as "Executive Board" and "Supervisory Board".

The members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media AG are listed on page 249, together with their memberships on other statutorily required supervisory boards and comparable bodies. Details of the system of compensation for members of the Executive Board and the Supervisory Board of ProSiebenSat.1 Media AG are explained on pages 52 to 57.

The members of the Executive Board also participate in a ProSiebenSat.1 Media AG stock option plan (the Long Term Incentive Plan or LTIP), which was first introduced in 2005 and was superseded by a share-based compensation plan (the Group Share Plan) in the financial year 2012. For the LTIP 2010, members of the Executive Board are not beneficiaries for the first time. As of December 31, 2012, the members of the Executive Board held no stock options issued in 2006 (Cycle 2006) (previous-year: None), 60,000 options issued in 2008 (Cycle 2008) (previous-year: 265,000) and 330,000 options issued in 2009 (Cycle 2009) (previous-year: 800,000). In the financial year 2012, 165,000 options were exercised by active members of the Executive Board (previous-year: 530,000). In line with the individual vesting period, some of the stock options issued in 2008 can be exercised from July 2010 at the earliest and the options issued in 2009 can be exercised from July 2011 at the earliest.

The Group Share Plan introduced in the financial year 2012 is a long-term remuneration instrument on the basis of shares. It was developed by ProSiebenSat.1 Media AG for members of the Executive Board as well as selected managers and employees of the ProSiebenSat.1 Group. In the Group Share Plan, plan participants are issued so-called Performance Share Units ("PSUs", "virtual shares"). They entitle the plan participants to receive non-voting preferred shares in ProSiebenSat.1 Media AG at the end of the planned duration. As of December 31, 2012, members of the Executive Board had been allocated 184,021 PSUs (previous-year: none).

The Company has not extended loans, guaranties or warranties to the members of the Executive Board.

Compensation paid to members of the Executive Board of ProSiebenSat.1 Media AG in office on December 31, 2012 amounted to EUR 5.3 million (previous-year: EUR 3.4 million). These figures include a variable component of EUR 2.4 million (previous-year: EUR 1.5 million) and fringe benefits of EUR 0.1 million (previous-year: EUR 0.0 million).

Executive Board member, Andreas Bartl, who left office on February 29, 2012, received total compensation in the financial year 2012 amounting to EUR 0.8 million (previous-year: EUR 1.0 million). This amount includes a variable component of EUR 0.1 million (previous-year: EUR 0.4 million).

The ProSiebenSat.1 Media AG has recognized pensions provisions totaling EUR 3.5 million (previous-year: 1.9 million) for pension commitments made to active members of the Executive Board as of December 31, 2012. For pension obligations to former members of the Executive Board, provisions of EUR 9.2 million were recognized at December 31, 2012 (previous-year: EUR 8.2 million).

The accrued pension entitlement as of December 31, 2012 for members of the Executive Board in office as of December 31, 2012, was EUR 0.1 million (previous-year: EUR 0.1 million) per year for active members of the Executive Board, and EUR 0.4 million (previous-year: EUR 0.4 million) per year for former Executive Board members. Payments of EUR 0.4 million (previous-year: EUR 0.3 million) were made to former members of the Executive Board in 2012. Funds have been endowed to guarantee these pension provisions which, however, are not classified as plan assets because the requirements of IFRS are not fulfilled.

Payments to management, except for pension entitlements, are all payable short term.

Expenses for the Supervisory Board of ProSiebenSat.1 Media AG came to EUR 0.7 million during the reporting period (previous-year: EUR 0.7 million). The members of the Supervisory Board receive fixed compensation. The Chairman and Vice Chairman of the Supervisory Board each receive twice the amount of this fixed base figure. Members of the Supervisory Board's committees are compensated with a separate meeting honorarium, payable for participating at each committee meeting. Committee chairs receive twice the standard meeting honorarium. The compensation of the Supervisory Board is set in the articles of incorporation of ProSiebenSat.1 Media AG.

Members of the Supervisory Board received no remuneration or other consideration for personal services, especially consulting and mediation services, during the financial years 2012 and 2011.

Altogether, the current members of the Executive Board and Supervisory Board directly hold 560,510 (previous-year: 1,189,258) shares of preferred stock in ProSiebenSat.1 Media AG as of December 31, 2012. This is equivalent to 0.3 % (previous-year: 0.5 %) of the Company's share capital.

For information on the individual remuneration of members of the Executive Board and the Supervisory Board in line with Section 314 (1) No. 6 a Sentence 5 through 9 of the German Commercial Code, please refer to the disclosures in the compensation report which forms part of the Group management report.

Under Section 15a of the German Securities Trading Act (WpHG) and Item 6.6 of the German Corporate Governance Code, the members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media AG are required to report securities transactions relating to ProSiebenSat.1 stock. They are furthermore required to report securities transactions by family members. In 2012, 13 transactions were reported to ProSiebenSat.1 Media AG, in which members of the Executive Board sold a total of 579,000 preferred shares of ProSiebenSat.1 Media AG. In compliance with Section 15a of the Securities Trading Act, ProSiebenSat.1 Media AG reported these transactions immediately on its website (www.prosiebensat1.com). In the previous-year, three transactions were reported in which members of the Executive Board bought a total of 85,000 preferred shares and sold 90,000 preferred shares of ProSiebenSat.1 Media AG.

38 Related party transactions

For the ProSiebenSat.1 Group, related parties within the definition of IAS 24 are persons or entities who have control or a significant influence over the ProSiebenSat.1 Group, or over which the ProSiebenSat.1 Group has control or a significant influence. Accordingly, the direct and indirect parent companies of ProSiebenSat.1 Media AG, the members of the Executive Board and Supervisory Board of ProSiebenSat.1 Media AG, and joint ventures and associates of the ProSiebenSat.1 Group are considered as related parties. Moreover, all portfolio companies held by Kohlberg Kravis Roberts & Co. L.P. (KKR) and Permira Holdings Limited (Permira), which can be viewed on the websites of the aforementioned companies (www.permira.com and www.kkr.com), are considered related parties. No material revenues were generated with these companies in 2012 and the previous financial year, except the transactions described in this note. Nor were there any material open balances as of the reporting date.

The ProSiebenSat.1 Group is controlled by Lavena Holding 1 GmbH, Munich, a non-operating holding company, which holds 88.0 % of the common stock of ProSiebenSat.1 Media AG. In addition, the direct and indirect shareholders of Lavena Holding 1 GmbH have a significant influence over the ProSiebenSat.1 Group. This includes the following companies:

- Lavena 1 S.à r.l., Luxembourg
- Lavena 2 S.à r.l., Luxembourg
- Lavena 3 S.à r.l., Luxembourg

Transactions with subsidiaries included in the consolidated financial statements are eliminated in the consolidation process and are not explained further.

All related parties that are controlled by the ProSiebenSat.1 Group, or over which the Group may exercise a significant influence, are listed among the shareholdings on pages 213 through 216 along with the percentage interest held.

ProSiebenSat.1 Media AG has a services management agreement for business services with Lavena Holding 1 GmbH. The agreed compensation is consistent with the prevailing market terms for comparable services. The total charges for 2012 amounted to EUR 0.2 million (previous-year: EUR 0.5 million). As of December 31, 2012, ProSiebenSat.1 Media AG's receivables amounted to EUR 0.1 million (previous-year: EUR 0.1 million). Lavena Holding 1 GmbH is the direct majority shareholder of ProSiebenSat.1 Media AG.

The company has a consultancy engagement agreement with Capstone Ltd., a company attributable to KKR. Capstone Ltd. offers consultancy services in different segments. In the reporting year, the company received consultancy services from Capstone Ltd. in the areas of marketing and pricing models as well as restructuring, amounting to EUR 0.6 million (previous-year: EUR 2.6 million). As of December 31, 2012, accounts payable to Capstone Ltd. totaled EUR 0.1 million (previous-year: EUR 0.0 million).

On April 9, 2010, the Supervisory Board gave its consent to the acceptance of a subordinated loan of up to EUR 150 million from Lavena 3 S.à.r.l as part of a so-called "equity cure" in the context of existing financing agreements. Under this transaction, a commitment fee of 2 % on the line of credit extended by KKR was agreed between ProSiebenSat.1 Media AG and KKR. This line of credit was cancelled by ProSiebenSat.1 Media AG in February 2011, as a draw-down is no longer expected. The liability recognized for the commitment fee as of December 31, 2012 amounts to EUR 1.3 million (previous-year: EUR 1.3 million).

Under a share participation plan introduced in the financial year 2008, members of the Executive Board as well as selective executives of ProSiebenSat.1 Media AG were given a one-off opportunity to participate indirectly in ProSiebenSat.1 Media AG. This indirect share participation was executed via German limited partnerships ("Kommanditgesellschaften") which for this purpose acquired at fair market value preferred stock of ProSiebenSat.1 Media AG. Financing of the share purchase was carried out by capital investment of the participants as well as a market-term-based loans issued by Lavena 3 S. à r.l. to the limited partnerships. Under this share participation plan the participants take part in the share price development of the preferred stock of ProSiebenSat.1 Media AG. The issued loans are assigned to every participant based on their share in the limited partnership and are to be paid back in full at the end of the loan period irrespective of the share price development. The structure of this participation program is designed in such a way that there is no impact on earnings, no liability and no contingent liability for the ProSiebenSat.1 Group.

Joint ventures and associated companies

ProSiebenSat.1 Media AG conducts transactions with some of its joint ventures and associates in the normal course of business. In these transactions, the Company buys and sells products and services on prevailing market terms.

Revenues from the sale of goods and the rendering of services as well as other income from transactions with joint ventures and associates in the financial year 2012 amounted to EUR 132.5 million (previous-year: EUR 115.5 million). Of this amount, EUR 35.1 million was presented under discontinued operations (previous-year: EUR 35.2 million). Goods and services received and other expenses relating to transactions with joint ventures and associates in the financial year 2012 amounted to EUR 20.1 million (previous-year: EUR 19.5 million). Of this amount, expenses of EUR 1.4 million was presented under discontinued operations (previous-year: EUR 1.2 million).

As of December 31, 2012, receivables from joint ventures and associates amounted to EUR 37.2 million (previous-year: EUR 36.2 million). Of these receivables, EUR 10.3 million are presented as assets held for sale. Liabilities to joint ventures and associates amounted to EUR 5.6 million (previous-year: EUR 4.6 million). Of these liabilities, EUR 0.1 million are presented as liabilities associated with assets held for sale.

39 Group affiliation

The immediate parent company of the Group of ProSiebenSat.1 Media AG is Lavena Holding 1 GmbH. The ultimate parent company of the ProSiebenSat.1 Group is Lavena 1 S.à r.l., Luxembourg. ProSiebenSat.1 AG is included in the consolidated financial statements of Lavena 1 S.à r.l., Luxembourg.

The following ownership disclosures were published in financial year 2012 by ProSiebenSat.1 Media AG in line with Section 26 (1) of Germany's Securities Trading Act. They are available on the Company's website and in the annual document as required by Article 10 of the German Securities Trading Act.

On November 28, 2012, Telegraaf Media Groep N.V., Amsterdam / Netherlands informed ProSiebenSat.1 Media AG, Unterföhring / Germany in accordance with Section 25 (1) of the German Securities Trading Act, that on November 27, 2012 it directly holds instruments which enable it to acquire voting shares already issued by ProSiebenSat.1 Media AG, the share in the voting rights of which exceeds the thresholds of 5 % and 10 %, and the notifiable (total) share in voting rights of Telegraaf Media Groep N.V. exceeds the thresholds of 5 % and 10 %. With the addition

of the share in voting rights that gives rise to an acquisition opportunity based on directly held financial instruments or other instruments as defined by Article 25a of the German Securities Trading Act, with voting rights held according to Articles 21 and 22 of the German Securities Trading Act and voting rights according to Article 25 of the German Securities Trading Act, the notifiable (total) share in voting rights amounts to 12.0 % (equivalent to 13,127,832 voting rights) of the issuer's 109,398,600 voting rights in total.

Telegraaf Media Groep N.V. directly holds financial instruments or other instruments according to Article 25a of the German Securities Trading Act amounting to 12.0 % (equivalent to 13,127,832 voting rights). Telegraaf Media Groep N.V. neither indirectly nor directly holds financial instruments according to Article 25 of the German Securities Trading Act. According to Articles 21 and 22 (1) Sentence 1 No. 1 and Sentence 3 of the German Securities Trading Act, a share in the voting rights of ProSiebenSat.1 Media AG of 12.0 % (equivalent to 13,127,832 voting rights) is attributable to Telegraaf Media Groep N.V.

On November 27, 2012, Telegraaf Media Groep N.V. concluded a share purchase and transfer agreement with Telegraaf Media Deutschland GmbH, Berlin/Germany, which arranges the sale and transfer of the above mentioned shares to Telegraaf Media Groep N.V. upon occurrence of conditions precedent described in more detail therein (conditional purchase and transfer agreement). In the event that certain conditions of the share purchase and transfer agreement do not occur, the shares indicated are not sold and transferred; moreover, the purchase and transfer agreement contains no regulations concerning due date or expiration.

On November 28, 2012, Stichting Administratiekantoor van Aandelen Telegraaf Media Groep N.V., Amsterdam / Netherlands, notified ProSiebenSat.1 Media AG, Unterföhring/Germany, of the following in a notification according to Article 25a (1) of the German Securities Trading Act:

On November 27, 2012, Stichting Administratiekantoor van Aandelen Telegraaf Media Groep N.V. holds instruments indirectly via Telegraaf Media Groep N.V. enabling it to acquire voting shares already issued by ProSiebenSat.1 Media AG, the share in the voting rights of which exceeds the thresholds of 5 % and 10 %, and the notifiable (total) share in voting rights of Stichting Administratiekantoor van Aandelen Telegraaf Media Groep N.V. exceeds the thresholds of 5 % and 10 %.

With the addition of the share in voting rights that gives rise to an acquisition opportunity based on indirectly held financial instruments or other instruments as defined by Article 25a of the German Securities Trading Act, with voting rights held according to Articles 21 and 22 of the German Securities Trading Act and voting rights according to Article 25 of the German Securities Trading Act, the notifiable (total) share in voting rights amounts to 12.0 % (equivalent to 13,127,832 voting rights) of the issuer's 109,398,600 voting rights in total.

Stichting Administratiekantoor van Aandelen Telegraaf Media Groep N.V. indirectly holds financial instruments or other instruments according to Article 25a of the German Securities Trading Act amounting to 12.0 % (equivalent to 13,127,832 voting rights). The aforementioned instruments are held directly by its subsidiary, Telegraaf Media Groep N.V. Stichting Administratiekantoor van Aandelen Telegraaf Media Groep N.V. neither indirectly nor directly holds financial instruments according to Article 25 of the German Securities Trading Act. According

to Articles 21 and 22 (1) Sentence 1 No. 1 and Sentence 3 of the German Securities Trading Act, a share in the voting rights of ProSiebenSat.1 Media AG of 12.0 % (equivalent to 13,127,832 voting rights) is attributable to Stichting Administratiekantoor van Aandelen Telegraaf Media Groep N.V.

On November 27, 2012, Telegraaf Media Groep N.V. – as a subsidiary of Stichting Administratiekantoor van Aandelen Telegraaf Media Groep N.V. – concluded a share purchase and transfer agreement with Telegraaf Media Deutschland GmbH, Berlin / Germany, which arranges the sale and transfer of the above-mentioned shares to Telegraaf Media Groep N.V. upon occurrence of conditions precedent described in more detail therein (conditional purchase and transfer agreement). In the event that certain conditions of the share purchase and transfer agreement do not occur, the shares indicated are not sold and transferred; moreover, the purchase and transfer agreement contains no regulations concerning due date or expiration.

On December 21, 2012, the companies named below (jointly the "reporting parties") reported the following pursuant to Article 21 (1) of the German Securities Trading Act with regard to the interest of the reporting parties in ProSiebenSat.1 Media AG:

The share of Telegraaf Media Deutschland GmbH, Zossen/Germany, in the voting rights of ProSiebenSat.1 Media AG fell below the thresholds of 10 %, 5 % and 3 % of the voting rights on December 18, 2012, and now amounts to 0.0 % of the voting rights (equivalent to 0 voting rights).

The share of Telegraaf Media België N.V., Deume (Antwerp) / Belgium, in the voting rights of ProSiebenSat.1 Media AG fell below the thresholds of 10 %, 5 % and 3 % of the voting rights on December 18, 2012, and now amounts to 0.0 % of the voting rights (equivalent to 0 voting rights).

The share of TM Investeringen B.V., Willemstad / Curaçao, in the voting rights of ProSiebenSat.1 Media AG fell below the thresholds of 10 %, 5 % and 3 % of the voting rights on December 18, 2012, and now amounts to 0.0 % of the voting rights (equivalent to 0 voting rights).

The share of TM Investeringen B.V., Sint-Maarten / Curaçao, in the voting rights of ProSiebenSat.1 Media AG fell below the thresholds of 10 %, 5 % and 3 % of the voting rights on December 18, 2012, and now amounts to 0.0 % of the voting rights (equivalent to 0 voting rights).

The share of Telegraaf Media International B.V., Amsterdam / Netherlands, in the voting rights of ProSiebenSat.1 Media AG fell below the thresholds of 10 %, 5 % and 3 % of the voting rights on December 18, 2012, and now amounts to 0.0 % of the voting rights (equivalent to 0 voting rights).

The share of Telegraaf Media Groep B.V., Amsterdam / Netherlands, in the voting rights of ProSiebenSat.1 Media AG fell below the thresholds of 10 % and 5 % of the voting rights on December 18, 2012, and now amounts to 0.0 % of the voting rights (equivalent to 0 voting rights).

The share of Stichting Aministratiekantoor van Aandelen Telegraaf Media Groep N.V., Amsterdam / Netherlands, in the voting rights of ProSiebenSat.1 Media AG fell below the thresholds of 10 % and 5 % of the voting rights on December 18, 2012, and now amounts to 0.0 % of the voting rights (equivalent to 0 voting rights).

40 Professional fees of the independent auditor

The professional fees for the services of the Group auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, totaled EUR 2.3 million in the financial year 2012 (previous-year: EUR 2.8 million). Of that total, EUR 0.9 million relates to audit services for the financial statements (previous-year: EUR 0.9 million), EUR 0.3 million to other attestation services (previous-year: EUR 0.3 million), EUR 0.4 million to tax advisory services (previous-year: EUR 0.5 million) and EUR 0.6 million to other services (previous-year: EUR 1.1 million). The disclosures relate exclusively to the independent legal entity of the appointed auditor, KPMG AG Wirtschaftsprüfungsgesellschaft.

41 Events after the reporting period

Sale of shares in ProSiebenSat.1 Media AG by Lavena Holding 1 GmbH

After the end of the reporting period on February 13, 2013, Lavena Holding 1 GmbH sold 19.7 million non-voting shares of preferred stock and thus its entire holding of non-voting shares of preferred stock. Its share in the voting shares of common stock remains unchanged, thus Lavena Holding 1 GmbH holds 44.0 % of the company’s basic capital and 88.0 % of the voting shares of common stock.

Release date for publication

The consolidated financial statements will be presented to the Supervisory Board for approval on February 27, 2013. Publication is on March 28, 2013.

February 27, 2013
The Executive Board

Members of the Executive Board

MEMBERS OF THE EXECUTIVE BOARD OF PROSIEBENSAT.1 MEDIA AG (Fig. 147)

Thomas Ebeling CEO	CEO since March 1, 2009	Responsibilities: TV Germany (SAT.1, ProSieben, kabel eins, sixx, SAT.1 Gold), Group Content, International Free TV Scandinavia, Radio, Sales and Marketing, Strategy and Operations and Corporate Communications
Axel Salzmann CFO	CFO since July 2008 Member of the Executive Board from May 1, 2008	Responsibilities: Group Operations and IT, Group Controlling, Group Finance and Investor Relations, Accounting and Taxes, Internal Audit and Administration
Conrad Albert	Member of the Executive Board since October 1, 2011	Responsibilities: Legal, Distribution and Regulatory Affairs, Legal Affairs Operational Business, Corporate Law, Mergers & Acquisitions, Shareholder & Boards Management and International Free TV CEE
Dr. Christian Wegner	Member of the Executive Board since October 1, 2011	Responsibilities: Digital and Diversification, New Media, German Pay TV, Video on Demand, Music and Commerce and Merchandising
Heidi Stopper	Member of the Executive Board since October 1, 2012	Responsibilities: Human Resources, Compensation and Benefits, HR People Development, HR Processes and Controlling, Labour Law and Freelance Management
Andreas Bartl	Member of the Executive Board since February 29, 2012	Responsibilities: TV Germany (SAT.1, ProSieben, kabel eins, sixx)

Members of the Supervisory Board

MEMBERS OF THE SUPERVISORY BOARD OF PROSIEBENSAT.1 MEDIA AG (Fig. 148)

Götz Mäuser, Chairman	Member of the Supervisory Board since March 7, 2007 Permira Beteiligungsberatung GmbH (Partner)	Mandates: None
Johannes Peter Huth, Vice Chairman	Member of the Supervisory Board since March 7, 2007 Kohlberg Kravis Roberts & Co. Ltd (Member of the Investment Committee)	Mandates: Bertelsmann Music Group (non-executive), KION Holding 1 GmbH (non-executive), KKR & Co. Ltd. (executive), KKR & Co. SAS (executive), NXP BV (non-executive), Wild Flavours GmbH (non-executive), WMF AG (non-executive)
Drs. Fred Th. J. Arp	Member of the Supervisory Board since May 15, 2012 Telegraaf Media Groep N.V. (CFO)	Mandates: Wereldhave N.V. (non-executive)
Gregory Dyke	Member of the Supervisory Board since March 7, 2004 Ambassador Theatre Group (Company Chairman)	Mandates: Brentford FC (Lionel Road) Ltd. (non-executive), Brentford Football Club (non-executive), DGCC Ltd. (non-executive), Ducks Walk Management Company Ltd. (non-executive), Dummer Golf Ltd. (non-executive), Powder Creek Ltd. (non-executive), Saxon Hotels Ltd. (non-executive), Sunshine Holdings 3 Ltd. (non-executive), The Ambassador Entertainment Group Ltd. (non-executive), UK Film Council (non-executive), Vine Developments Ltd. (non-executive), Vine Leisure Ltd. (non-executive), World Film Collective (non-executive)
Stefan Dziarski	Member of the Supervisory Board since May 15, 2012 Permira Beteiligungsberatung GmbH (Investment Adviser)	Mandates: None
Philipp Freise	Member of the Supervisory Board since March 7, 2007 Kohlberg Kravis Roberts & Co. Ltd. (Investment Executive)	Mandates: BMG Rights Management GmbH (non-executive), Fotolia Inc. (non-executive)
Lord Clive Hollick	Member of the Supervisory Board since March 7, 2007 Retired	Mandates: BMG Rights Management GmbH (non-executive), Honeywell Inc. (non-executive)
Dr. Jörg Rockenhäuser	Member of the Supervisory Board until June 4, 2009 Permira Beteiligungsberatung GmbH (Managing Partner)	Mandates: Member of Permira Investment Committee (executive), Executive Group of Permira (executive), Permira Holdings Limited Board (executive), Board member of Permira Asesores (non-executive), AmCham Board of Directors (non-executive), Netafim Board of Directors (non-executive)
Prof. Dr. Harald Wiedmann	Member of the Supervisory Board since March 7, 2007 (German Certified Public Accountant, Tax Adviser, Attorney at Law) Gleiss Lutz Hootz Hirsch Partnergesellschaft von Rechtsanwälten und Steuerberatern	Mandates: Joh. Berenberg Gossler & Co. KG (non-executive), Merz GmbH & Co. KGaA (non-executive) until June 30, 2012, Praktiker AG (non-executive), Praktiker GmbH (non-executive), Prime Office REIT-AG (non-executive), Senator GmbH & Co. KGaA (non-executive) until Juni 30, 2012
Robin Bell-Jones	Member of the Supervisory Board until May 15, 2012 Permira Advisers LLP (Investment Adviser)	Mandates: All3Media Group Ltd. (non-executive)
Herman M.P. van Campenhout	Member of the Supervisory Board until May 15, 2012 Telegraaf Media Groep N.V. (CEO)	Mandates: Nederlands Uitgeversverbond (non-executive), World Association of Newspapers and News Publishers (non-executive)

List of affiliated companies and investments

LIST OF AFFILIATED COMPANIES AND INVESTMENTS OF PROSIEBENSAT.1 MEDIA AG (Fig. 149)

No.	Company	Location	Share in %	Held via	Currency[2]	Equity[10]	Profit/loss for the period[10]
1	ProSiebenSat.1 Media AG	Unterföhring	100.00				
	Affiliated companies						
	Germany						
2	12Auto Group GmbH	Unterföhring	100.00	27	EUR	516.6	261.5
3	9Live Fernsehen GmbH[1]	Unterföhring	100.00	1	EUR	520.5	0.0[3]
4	Booming GmbH[1]	Munich	100.00	53	EUR	0.0	0.0[4]
5	Covus Commission GmbH	Berlin	100.00	8	EUR	0.0	0.0[4]
6	Covus Freemium GmbH	Berlin	100.00	8	EUR	0.0	0.0[4]
7	Covus Games GmbH	Unterföhring	51.00	32	EUR	1,399.3	1,369.1
8	Covus Ventures GmbH	Berlin	51.00	53	EUR	0.0	0.0[4]
9	Fem Media GmbH[1]	Unterföhring	100.00	27	EUR	399.8	0.0[3]
10	kabel eins Fernsehen GmbH[1]	Unterföhring	100.00	35	EUR	82,358.9	0.0[3]
11	lokalisten media GmbH[1]	Unterföhring	100.00	27	EUR	385.8	0.0[3]
12	Magic Flight Film GmbH	Munich	100.00	22	EUR	25.0	0.0[3]
13	MAGIC Internet GmbH	Berlin	100.00	14	EUR	-1,600.4	-41.8
14	MAGIC Internet Holding GmbH[1]	Berlin	100.00	27	EUR	2,825.4	0.0[3]
15	Magic Internet Musik GmbH[1]	Unterföhring	100.00	14	EUR	25.0	0.0[3]
16	maxdome GmbH & Co. KG	Unterföhring	100.00	52	EUR	-38,892.1	-10,957.4
17	maxdome Verwaltungs GmbH	Unterföhring	100.00	16	EUR	42.5	3.0
18	Meteos TV Holding GmbH	Unterföhring	100.00	61	EUR	51.8	0.0[3]
19	P7S1 Erste SBS Holding GmbH[1]	Unterföhring	100.00	1	EUR	1,516,394.4	0.0[3]
20	P7S1 Zweite SBS Holding GmbH[1]	Unterföhring	100.00	1	EUR	379,055.6	0.0[3]
21	Preis24.de GmbH	Düsseldorf	60.00	53	EUR	0.0	0.0[4]
22	Producers at work GmbH	Potsdam	74.90	41	EUR	4,463.1	2,549.9
23	ProSieben Digital Media GmbH[1]	Unterföhring	100.00	1	EUR	6,138.9	0.0[3]
24	ProSieben Television GmbH[1]	Unterföhring	100.00	35	EUR	450,485.7	0.0[3]
25	ProSiebenSat.1 Achte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	26.3	0.0[3]
26	ProSiebenSat.1 Applications GmbH[1]	Unterföhring	100.00	1	EUR	2,025.0	0.0[3]
27	ProSiebenSat.1 Digital GmbH[1]	Unterföhring	100.00	23	EUR	50,853.9	0.0[3]
28	ProSiebenSat.1 Elfte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	25	EUR	25.0	0.0[3]
29	ProSiebenSat.1 Erste Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
30	ProSiebenSat.1 Fünfzehnte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
31	ProSiebenSat.1 Games Core GmbH[1]	Unterföhring	100.00	32	EUR	0.0	0.0[4]
32	ProSiebenSat.1 Games GmbH[1]	Unterföhring	100.00	27	EUR	1,485.1	-857.5[5]
33	ProSiebenSat.1 Licensing GmbH[1]	Unterföhring	100.00	1	EUR	22,144.2	0.0[3]
34	ProSiebenSat.1 Produktion GmbH[1]	Unterföhring	100.00	1	EUR	8,977.7	0.0[3]
35	ProSiebenSat.1 TV Deutschland GmbH[1]	Unterföhring	100.00	1	EUR	976,835.3	0.0[3]
36	ProSiebenSat.1 Vierzehnte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
37	ProSiebenSat.1 Welt GmbH[1]	Unterföhring	100.00	1	EUR	-237.9	-4.6
38	ProSiebenSat.1 Zehnte Verwaltungsgesellschaft mbH[1]	Unterföhring	100.00	25	EUR	25.0	0.0[3]
39	PS Event GmbH	Cologne	67.00	40	EUR	330.7	135.7
40	PSH Entertainment GmbH[1]	Unterföhring	100.00	1	EUR	2,925.2	0.0[3]
41	Red Arrow Entertainment Group GmbH[1]	Unterföhring	100.00	1	EUR	1,367.0	0.0[3]
42	Red Arrow International GmbH[1]	Unterföhring	100.00	41	EUR	125.0	0.0[3]
43	Redseven Artists & Events GmbH[1]	Unterföhring	100.00	44	EUR	192.4	0.0[3]
44	Redseven Entertainment GmbH[1]	Unterföhring	100.00	41	EUR	25.0	0.0[3]
45	SAT.1 Norddeutschland GmbH[1]	Hanover	100.00	46	EUR	24.9	0.0[3]
46	SAT.1 Satelliten Fernsehen GmbH[1]	Unterföhring	100.00	35	EUR	443,610.2	0.0[3]
47	Seven Scores Musikverlag GmbH[1]	Unterföhring	100.00	1	EUR	26.0	0.0[3]

LIST OF AFFILIATED COMPANIES AND INVESTMENTS OF PROSIEBENSAT.1 MEDIA AG

No.	Company	Location	Share in %	Held via	Currency[2]	Equity[10]	Profit/loss for the period[10]
48	SevenOne AdFactory GmbH[1]	Unterföhring	100.00	49	EUR	30.0	0.0[3]
49	SevenOne Brands GmbH[1]	Unterföhring	100.00	1	EUR	5,168.3	0.0[3]
50	SevenOne Media GmbH[1]	Unterföhring	100.00	49	EUR	5,771.7	0.0[3]
51	SevenPictures Film GmbH[1]	Unterföhring	100.00	35	EUR	2,268.3	0.0[3]
52	SevenSenses GmbH[1]	Unterföhring	100.00	1	EUR	25.0	0.0[3]
53	SevenVentures GmbH[1]	Unterföhring	100.00	23	EUR	25.0	0.0[3]
54	Sixx GmbH[1]	Unterföhring	100.00	35	EUR	25.0	0.0[3]
55	Starwatch Entertainment GmbH[1]	Unterföhring	100.00	33	EUR	29.3	0.0[3]
56	Sugar Ray GmbH[1]	Unterföhring	100.00	53	EUR	25.0	0.0[3]
57	Tropo GmbH	Hamburg	90.00	53	EUR	0.0	0.0[4]
58	tv weiss-blau Rundfunkprogrammanbieter GmbH[1]	Unterföhring	100.00	46	EUR	1,027.0	0.0[3]
59	wer-weiss-was GmbH[1]	Hamburg	100.00	27	EUR	6,565.9	-14.9
60	Wetter Fernsehen – Meteos GmbH	Singen	100.00	18	EUR	637.2	459.3
61	wetter.com AG	Singen	72.97	27	EUR	6,063.4	4,595.1
	Austria						
62	Austria 9 TV GmbH	Vienna	100.00	64	EUR	-9,123.6	-2,646.2
63	ProSieben Austria GmbH	Vienna	100.00	64	EUR	33.2	8.9
64	ProSiebenSat.1Puls 4 GmbH	Vienna	100.00	49	EUR	24,926.8	23,863.5
65	Puls 4 TV GmbH	Vienna	100.00	64	EUR	16.4	-0.9
66	PULS 4 TV GmbH & Co. KG	Vienna	100.00	64	EUR	2,600.1	0.0[3]
67	SAT.1 Privatrundfunk und -programmgesellschaft m.b.H	Vienna	51.00	46	EUR	8,917.7	8,596.1
	Belgium						
68	Sultan Sushi CVBA	Mechelen	98.25	41	EUR	0.0	0.0[4]
	Denmark						
69	Newradio ApS	Copenhagen	100.00	73	DKK	0.0	0.0[4]
70	Radio Klassisk ApS	Copenhagen	100.00	73	DKK	0.0	0.0[4]
71	Radio Nova A/S	Copenhagen	80.00	74	DKK	-47,674.4	-8,191.6
72	Radioreklame A/S	Copenhagen	100.00	75	DKK	-12,796.1	3,807.4
73	Radioselskabet af 1/7 2007 ApS	Copenhagen	100.00	74	DKK	0.0	0.0[4]
74	SBS Media A/S	Copenhagen	100.00	100	DKK	341,137.0	340,739.0
75	SBS Radio A/S	Copenhagen	80.00	74	DKK	-193,692.4	-12,906.4
76	SBS TV A/S	Copenhagen	100.00	74	DKK	197,027.0	160,932.0
77	SNOWMAN PRODUCTIONS ApS	Copenhagen	100.00	136	DKK	-1,947.7	-2,027.7[6]
78	VOICE TV ApS	Copenhagen	100.00	75	DKK	6,793.6	498.0
	Finland						
79	Kaimax Media Oy	Oulu	100.00	83	EUR	0.0	0.0[4]
80	Miracle Sound Oulu Oy	Oulu	100.00	81	EUR	153.6	93.2
81	Miracle Sound Oy	Helsinki	66.33	84	EUR	217.5	191.9
82	Miracle Sound Tampere Oy	Helsinki	100.00	81; 84	EUR	42.6	-0.2
83	SBS Finland Oy	Helsinki	100.00	84	EUR	-1,714.6	-424.7
84	SBS Media Group Finland Oy	Helsinki	100.00	100	EUR	72,502.6	458.6
85	SBS TV Oy	Helsinki	100.00	84	EUR	-21,813.8	-1,775.1
	Hong Kong						
86	Red Arrow International Ltd.	Hong Kong	100.00	41	HKD	0.0	0.0[4]
	Hungary						
87	INTERAKTÍV Televíziós Müsorkészítö Kft.	Budapest	100.00	97	HUF	335,766.0	28,835.0
88	INTERAKTÍV-FICTION Müsorkészítö és Filmgyártó Kft.	Budapest	100.00	87	HUF	122,563.0	115,536.0
89	MTM Produkció Müsorgyártó és Filmforgalmazó Kft.	Budapest	100.00	97; 101	HUF	67,077.0	30,036.0
90	MTM-SBS Televízió Zrt.	Budapest	97.51	97	HUF	3,520,865.0	-8,947,171.0
	Israel						
91	Half Russian Story LP	Ramat Gan	60.00	92	ILS	0.0	0.0[4]
92	July August Communications and Productions Ltd.	Ramat Gan	51.00	102	ILS	0.0	0.0[4]

LIST OF AFFILIATED COMPANIES AND INVESTMENTS OF PROSIEBENSAT.1 MEDIA AG

No.	Company	Location	Share in %	Held via	Currency[2]	Equity[10]	Profit/loss for the period[10]
93	Outburst X LP	Tel Aviv	93.25	92	ILS	0.0	0.0[4]
94	The Band's Visit LP	Tel Aviv	55.00	92	ILS	0.0	0.0[4]
	Luxembourg						
95	European Broadcasting System S.à r.l. (in liquidation)	Luxembourg	100.00	97	EUR	0.0	0.0[4]
96	P7S1 Broadcasting S.à r.l.	Luxembourg	100.00	19; 20	EUR	1,895,307.5	-40.8
	The Netherlands						
97	P7S1 Broadcasting Europe B.V.	Amsterdam	100.00	99	EUR	1,929,175.0	705,128.0
98	P7S1 Broadcasting Holding I B.V.	Amsterdam	100.00	96	EUR	794,462.0	-12,813.0
99	P7S1 Broadcasting Holding II B.V.	Amsterdam	100.00	98	EUR	957,026.0	-26,099.0
100	P7S1 Finance B.V.	Amsterdam	100.00	97	EUR	962,994.0	10,680.0
101	P7S1 Nederland B.V.	Amsterdam	100.00	97	EUR	1,241,044.0	1,050,681.0
102	Sultan Sushi B.V.	Amsterdam	100.00	41	EUR	176.3	165.9
	Norway						
103	SBS Media AS	Oslo	100.00	100	NOK	473,472.6	616.6
104	SBS Radio Norge AS	Oslo	100.00	100	NOK	89,245.7	-25,397.7
105	Snowman Productions AS	Oslo	100.00	136	NOK	0.0	0.0[4]
106	THE VOICE TV NORGE AS	Oslo	100.00	104	NOK	8,443.6	-4,999.8
107	TV Norge AS	Oslo	100.00	103	NOK	345,412.7	163,571.3
	Republic of Moldavia						
108	ICS SBS Broadcasting S.R.L.	Chisinau	100.00	113	EUR	863.9	182.2
	Romania						
109	MyVideo Broadband S.R.L.	Bucharest	100.00	14	EUR	41,875.0	1,901,541.0
110	S.C. Canet Radio S.R.L.	Bucharest	20.00	113	EUR	790.0	-579.5
111	S.C. Media Group Services International S.R.L.	Bucharest	100.00	101; 113	EUR	30,721.5	6,228.7
112	S.C. Prime Time Productions S.R.L.	Bucharest	100.00	101; 113	EUR	497.3	26.0
113	S.C. SBS Broadcasting Media S.R.L.	Bucharest	100.00	100; 146; 153; 155	EUR	19,816.9	-15,146.0
	Sweden						
114	E-FM Sverige AB	Stockholm	100.00	116	SEK	2,100.0	21.8
115	Eskilstuna SBS Radio AB	Stockholm	70.00	130	SEK	2,566.3	1,818.5
116	Euradio i Sverige AB	Stockholm	100.00	133	SEK	152.3	1.3
117	Hard Hat AB	Stockholm	90.00	136	SEK	729.0	1,265.1
118	Mix Megapol.se AB	Stockholm	100.00	130	SEK	485.1	139.5
119	Radio City AB	Stockholm	100.00	132	SEK	5,100.3	252.8
120	Radio Daltid SBS AB	Stockholm	51.00	130	SEK	6,293.9	5,420.2
121	Radio Licence Startup Halland AB	Halmstad	100.00	130	SEK	0.0	0.0[4]
122	Radio Licence Startup Örebro AB	Västerås	100.00	130	SEK	0.0	0.0[4]
123	Radio Licence Startup Västerås	Västerås	100.00	130	SEK	0.0	0.0[4]
124	Radio Match AB	Jönköping	100.00	130	SEK	22,371.1	4,991.5
125	Radioutvecklingen i Sverige KB	Stockholm	100.00	137; 138	SEK	1,629.1	831.0
126	RIS Vinyl Skåne AB	Stockholm	100.00	133	SEK	478.0	105.5
127	Rockklassiker Sverige AB	Stockholm	100.00	126	SEK	2,100.0	72.8
128	SBS Broadcasting (Sweden) AB	Stockholm	100.00	97	SEK	573,466.0	97.0
129	SBS Media Group Sweden Filial	Stockholm	100.00	97	EUR	-3,934,875.0	-440,689.0
130	SBS Radio AB	Stockholm	100.00	133	SEK	382,150.2	30,059.4
131	SBS Radio HNV AB	Stockholm	100.00	130	SEK	3,345.8	-3,104.9
132	SBS Radio Sweden AB	Stockholm	100.00	133	SEK	21,378.9	181.1
133	SBS Radio Sweden Holding AB	Stockholm	100.00	129	SEK	474.6	-11.8
134	SBS TV AB	Stockholm	100.00	135	SEK	4,837.0	203,963.0
135	SBS TV Sweden Holding AB	Stockholm	100.00	129	SEK	1,307,973.0	-1,197.0
136	Snowman Productions AB	Stockholm	67.00	41	SEK	1,535.2	-11,514.8
137	SRU Svensk Radioutveckling AB	Stockholm	77.60	131	SEK	194.0	5.1

LIST OF AFFILIATED COMPANIES AND INVESTMENTS OF PROSIEBENSAT.1 MEDIA AG

No.	Company	Location	Share in %	Held via	Currency[2]	Equity[10]	Profit/loss for the period[10]
138	Svensk Radioutveckling KB	Stockholm	88.00	131; 137	SEK	1,633.4	830.4
139	Vinyl AB	Stockholm	100.00	133	SEK	15,606.4	106.1
	Switzerland						
140	ProSieben (Schweiz) AG	Küsnacht ZH	100.00	142	CHF	329.2	46.1
141	SAT.1 (Schweiz) AG	Küsnacht ZH	60.00	46	CHF	5,861.0	4,658.7
142	SevenOne Media (Schweiz) AG	Küsnacht ZH	100.00	49	CHF	13,427.3	11,975.5
143	SevenVentures (Schweiz) AG	Küsnacht ZH	100.00	53	CHF	0.0	0.0[4]
	United Kingdom						
144	CPL Productions Ltd.	London	100.00	147	GBP	69.5	-117.9
145	Endor Productions Ltd.	London	51.00	152	GBP	0.0	0.0[4]
146	European Radio Investments Ltd.	London	100.00	155	EUR	36,949.3	-5.5[7]
147	LHB Ltd.	London	53.89	152	GBP	-60.7	-117.9
148	Mob Film Holdings Ltd.	Beckenham	51.00	152	GBP	0.4	0.0[8]
149	Mob Towers Ltd.	Beckenham	100.00	148	GBP	0.0	0.0[8]
150	New Entertainment Research and Design Ltd.	London	96.70	152	GBP	-129.8	-47.5
151	Pet Assassin Ltd.	Beckenham	100.00	148	GBP	0.0	0.0[8]
152	Red Arrow Entertainment Ltd.	London	100.00	41	GBP	-1,337.7	-1,337.7[9]
153	Romanian Broadcasting Corporation Ltd.	London	100.00	155	EUR	-7,851.7	-11,268.1[7]
154	Romer Films Ltd.	London	100.00	145	GBP	0.0	0.0[4]
155	SBS Broadcasting (UK) Ltd.	London	100.00	97	EUR	16,853.8	-17,522.1
156	SBS Broadcasting Networks Ltd.	London	100.00	155	GBP	38,359.7	7,773.2
157	SBS Hungary Ltd.	London	100.00	155	GBP	0.0	0.0[4]
158	Scandinavian Broadcasting System (Jersey) Ltd.	Jersey	100.00	97	GBP	0.0	0.0[4]
159	The London Clacks Company Ltd.	Beckenham	100.00	163	GBP	0.0	-0.4[8]
160	The Mob Film Company (Alloway) Ltd.	Glasgow	100.00	164	GBP	1.9	124.2[8]
161	The Mob Film Company (Liverpool) Ltd.	Beckenham	75.00	148	GBP	-12.0	-12.0[8]
162	The Mob Film Company (North) Ltd.	Beckenham	100.00	148	GBP	-235.7	5.6[8]
163	The Mob Film Company (TV) Ltd.	Beckenham	100.00	148	GBP	-148.4	-247.3[8]
164	The Mob Film Company Ltd.	Beckenham	100.00	148	GBP	-222.2	18.4[8]
165	VT4 Ltd (in liquidation)	London	100.00	97	EUR	0.1	0.0
	United States of America						
166	Digital Demand LLC	Santa Monica	100.00	170	USD	0.0	0.0[4]
167	Fabrik Entertainment LLC	Santa Monica	51.00	179	USD	1,482.3	-266.6
168	Fortitude Production Services LLC	New York	100.00	175	USD	0.0	0.0[4]
169	HB Television Development LLC	Santa Monica	100.00	167	USD	0.0	0.0[4]
170	Kinetic Content LLC	Santa Monica	51.00	179	USD	1,900.2	-2,252.6
171	Kinetic Content Publishing LLC	Santa Monica	100.00	170	USD	0.0	0.0[4]
172	Kinetic Music Publishing LLC	Santa Monica	100.00	170	USD	0.0	0.0[4]
173	Kinetic Operations LLC	Santa Monica	100.00	170	USD	0.0	0.0[4]
174	Kinpro LLC	Santa Monica	100.00	170	USD	0.0	0.0[4]
175	Left/Right Holdings LLC	New York	60.00	179	USD	0.0	0.0[4]
176	Left/Right LLC	New York	100.00	175	USD	0.0	0.0[4]
177	Moving TV LLC	Encino	100.00	170	USD	0.0	0.0[4]
178	Production Connection LLC	Santa Monica	100.00	170	USD	0.0	0.0[4]
179	Red Arrow International, Inc.	Santa Monica	100.00	41	USD	-854.2	-2,475.8
	Associates						
	Germany						
180	VG Media Gesellschaft zur Verwertung der Urheber- und Leistungsschutzrechte von Medienunternehmen mbH	Berlin	50.00	1	EUR	378.3	0.0
	Denmark						
181	FM 6 A/S	Copenhagen	40.00	75	DKK	500.9	0.4

LIST OF AFFILIATED COMPANIES AND INVESTMENTS OF PROSIEBENSAT.1 MEDIA AG

No.	Company	Location	Share in %	Held via	Currency[2]	Equity[10]	Profit/loss for the period[10]
	Sweden						
182	LOVESEARCH DP AB	Stockholm	100.00	134	SEK	0.0	0.0[4]
183	Mediamätning i Skandinavien MMS AB	Stockholm	24.02	134	SEK	23,173.5	2,162.2
184	Östersjöns Reklamradio AB	Visby	40.00	130	SEK	474.0	265.0
	Switzerland						
185	Goldbach Media (Switzerland) AG	Küsnacht	22.96	142	CHF	29,339.9	28,573.6
	Affiliated companies, not consolidated						
	Czech Republic						
186	MERCHANDISING PRAGUE s.r.o.	Prague	100.00	33	EUR	2,466.0	292.0
	The Netherlands						
187	Stichting Administratiekantoor Melida (in liquidation)	Amsterdam	100.00	96	EUR	0.0	0.0[4]
	Sweden						
188	Radiobranschen RAB AB	Stockholm	60.00	130; 137	SEK	0.0	0.0[4]
	Turkey						
189	Anadolu Televizyon Ve Radyo Yayincilik Ve Ticaret Anonim Sirketi	Istanbul	100.00	97; 100; 101; 155; 157	TRY	16.9	-4.9
	Joint ventures						
	Germany						
190	AdAudience GmbH	Düsseldorf	14.29	50	EUR	0.0	0.0
191	FIRST STEPS – der Deutsche Nachwuchspreis Gesellschaft bürgerlichen Rechts (in liquidation)	Berlin	25.00	35	EUR	0.0	0.0[4]
192	Internet Business Cluster Gesellschaft bürgerlichen Rechts	Munich	25.00	27	EUR	0.0	0.0[4]
	Other material investments						
	Germany						
193	AFK Aus- und Fortbildungs GmbH für elektronische Medien	Munich	12.00	1	EUR	0.0	0.0
194	apomio GmbH	Mannheim	19.90	53	EUR	0.0	0.0
195	Deutscher Fernsehpreis GmbH	Cologne	25.00	1	EUR	286.6	95.7
196	FilmFernsehFonds Bayern Gesellschaft zur Förderung der Medien in Bayern mbH	Munich	6.00	35	EUR	0.0	0.0
197	HolidayInsider AG	Munich	19.77	53	EUR	0.0	0.0
198	MyParfuem GmbH	Berlin	11.66	53	EUR	0.0	0.0
199	Privatfernsehen in Bayern GmbH & Co. KG	Munich	10.00	58	EUR	0.0	0.0
200	Privatfernsehen in Bayern Verwaltungs-GmbH	Munich	10.00	58	EUR	0.0	0.0
	Israel						
201	Seven Days LP	Tel Aviv	50.00	92	ILS	0.0	0.0[4]
202	We are Not Alone LP	Tel Aviv	45.00	92	ILS	0.0	0.0[4]
	Sweden						
203	Aggregate Media Fund II Nordic KB	Stockholm	14.52	130	SEK	0.0	0.0
204	Aggregate Media Fund III KB	Stockholm	17.82	130; 134	SEK	0.0	0.0
205	Aggregate Media Fund IV KB	Stockholm	20.68	130; 134	SEK	0.0	0.0
206	Aggregate Media Fund V KB	Stockholm	23.36	130; 134	SEK	0.0	0.0
207	Aggregate Media Fund VI KB	Stockholm	34.17	130	SEK	0.0	0.0
	United States of America						
208	ZeniMax Media Inc.	Rockville	6.90	97	USD	622,351.4	112,631.2

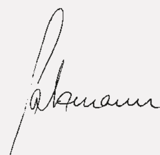
1 Company meets the requirements of Section 264 (3) of the German Commercial Code and exercises the option to be exempted from certain requirements on the preparation, auditing and disclosure of the annual financial statements and the financial report.
2 The figures for Equity and Profit/loss for the period presented have been translated using the foreign exchange rates reported in Note 5 "Foreign currency translation".
3 Result after profit and loss transfer agreement.
4 No figures available. Company acquired or founded in 2012 or in liquidation.
5 Shortened financial year from July 1, 2011 to December 31, 2011.
6 Financial year from December 15, 2010 to December 31, 2011.
7 Shortened financial year from April 1, 2011 to December 31, 2011.
8 Shortened financial year from May 1, 2011 to December 31, 2011.
9 Shortened financial year from January 7, 2011 to December 31, 2011.
10 The figures for Equity and Profit or loss for the period presented partly reflect local accounting rules which do not necessarily correspond to IFRS.

Responsibility Statement of the Executive Board

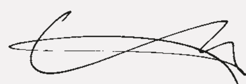
To the best of our knowledge we certify that, in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of profit or loss, the financial position and the assets and liabilities of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Unterföhring, February 27, 2013

Thomas Ebeling (CEO)

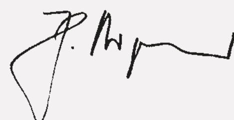


Axel Salzmann (CFO)



Conrad Albert (Legal, Distribution & Regulatory Affairs)

Dr. Christian Wegner (New Media & Diversification)



Heidi Stopper (Human Resources)

Auditor's Report

We have audited the consolidated financial statements prepared by the ProSiebenSat.1 Media AG, Unterföhring, comprising the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Cash flow Statement, Statement of Changes in Equity and the Notes, together with the group management report for the business year from 1 January to 31 December 2012. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB [Handelsgesetzbuch "German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [Handelsgesetzbuch "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs, as adopted by the EU, the additional requirements of German commercial law pursuant to § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Munich, February 27, 2013

KPMG AG
Wirtschaftsprüfungsgesellschaft
[original German version signed by:]

Dr. Dauner
Wirtschaftsprüfer
[German Public Auditor]

Schmidt
Wirtschaftsprüfer
[German Public Auditor]