

Other Non-Financial Performance Indicators

Long-term profitable growth is our key target. Responsible conduct, strong brands, enduring customer relationships, public engagement, and ecological efficiency are inextricably linked with the long-term success of our Group.



Employees,
page 98.

Organizational advantages, own brands, stable customer relations and creativity are important success factors. For the most part, they are not assessed financially. Human resources potential is another important intangible value that is not recognized in the statement of financial position. On the other hand, we capitalize certain internally generated intangible assets at a low level. For further information on internally generated intangible assets, see Note 19 "Intangible Assets" in the Notes to the consolidated financial statements.



Intragroup Management
System, page 49.

Non-financial performance indicators, which management uses as parameters for achieving profitability and growth targets, are described under "Intragroup Management System" and included in the analysis of business performance and the position of the Group in the "Report on Economic Position".

Competitive Advantages through Integrated Organization with Established Brands

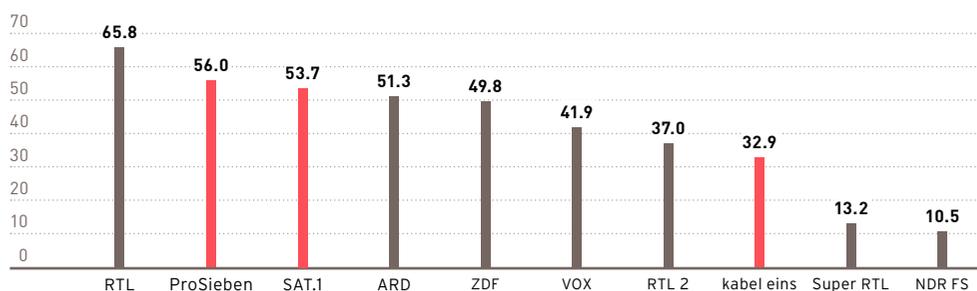
The ProSiebenSat.1 Group manages the majority of its companies as 100 % subsidiaries, including its complementary coordinated station portfolio. This distinguishes the Group from its competitors and opens up advantages in selling advertising time or licensing programming rights. At the same time, the Group creates synergies through its integrated organizational form and raises its efficiency. Moreover, the German TV stations are organized in a matrix structure. Thus, the TV pillar has shorter communication channels and avoids the build-up of fixed costs.

In a media market that is undergoing advancing fragmentation, the popularity of brands is an important success factor. With a quantitative analysis conducted in 2013, ProSiebenSat.1 TV Deutschland GmbH again investigated the correlation between station diversity and utilization on the German media market. At the same time, it was examined how many and which TV stations German viewers used.

The results show that audiences in Germany mostly use established brands, despite an extremely extensive range averaging 79 freely available TV stations per household. Occupying the second and third positions in the so-called "relevant set," ProSieben and SAT.1 remain among the most viewed TV channels in Germany. kabel eins was again ranked no. 8. sixx has already made it to 15th place. The women's station SAT.1 Gold, which launched in January 2013, ranked among the top 40 within just a few months.

Top ten stations in the relevant set (Fig. 65)

In percent (adults aged 14 - 49)



"Relevant set" definition: Stations that account for at least 80% of an individual's television consumption.

Basis: all German TV households (D+EU)

Source: AGF/GfK Fernsehforschung/TV Scope and SPSS/GfK and ProSiebenSat.1 TV Deutschland GmbH.

Image of the major ProSiebenSat.1 stations. The ProSiebenSat.1 Group regularly examines the image, popularity and relevance of the major free TV stations in Germany. In the study representing the general population in 2013, the ProSiebenSat.1 stations achieved the following results:

- **ProSieben** is the most popular and appealing free TV station, to which the target group relevant for advertising of 14 to 49 year olds has the greatest emotional attachment. 52% of those surveyed like or very much like to watch ProSieben. The TV channel is thus ahead of the public stations (ZDF: 50%; ARD: 46%) and the private market leader RTL (39%). In the so-called "desert island question", the participants were asked which station they would select if only one were possible. ProSieben performed best, at 21%, and was thus ahead of RTL (15%) and ARD (14%). In addition, viewers credited ProSieben with the highest competence in the genres movies, evening series and shows, mystery series, American and British comedy series, entertainment, comedy shows, and science magazines.
- **SAT.1** is rated as a modern, entertaining family station with emotion. The viewers' emotional attachment to the station remains high – SAT.1 is one of the top 5 most popular TV channels. Viewers see the station as a leader in the genres breakfast television and investigative documentaries. The station is ranked second for American crime series and dating shows behind RTL. SAT.1 also achieved the best results among all private stations for self-produced television films.
- **kabel eins**, among the second-generation stations, is viewed as the most family-friendly but also most exciting TV channel. The younger generation in particular ranks the station highly. This also honors the fact that the range of programming has grown in the past year. The majority of those surveyed described kabel eins as an entertainment station for the whole family with good mystery series and the best movie classics.

As well as the results of regular studies, another indicator of the popularity and quality of our formats is numerous awards. In 2013, SAT.1 and ProSieben again won numerous awards for their programs and artists. The winners included the dancing show "Got to Dance" (SAT.1 and ProSieben) and the comedy format "Pastewka" (SAT.1).

ProSiebenSat.1 program awards 2013 (Fig. 66)

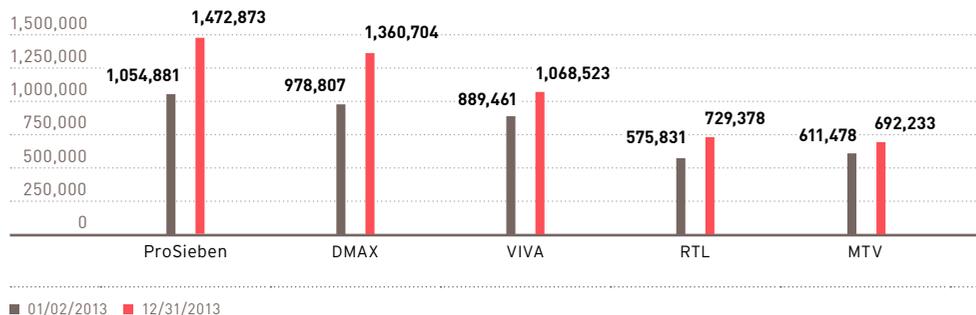
ProSieben		SAT.1	
German Television Award	"Got to Dance" (Best Entertainment Show)	German Television Award	"Got to Dance" (Best Entertainment Show)
Grimme Award	"switch reloaded – Das große 'Wetten, dass..?' Spezial"	Bavarian Television Award	Rola Bauer for "Die Tore der Welt" (Best Producer)
German Comedy Award	"Circus HalliGalli" (Best Comedy Show)	Bavarian Television Award	Jochen Alexander for "Und weg bist Du" (Best Director)
German Comedy Award	"Die Große TV Total Prunk- sitzung"(Best Comedy Event)	German Comedy Award	"Pastewka" (Best Comedy Series)
		German Comedy Award	Bastian Pastewka (Best Actor)
		German Comedy Award	"Ladykracher" (Best Sketch Comedy)
		German Comedy Award	Martina Hill (Best Actress)

The ProSiebenSat.1 Group also has a portfolio of well-known brands in the digital sphere. These include the video-on-demand portal maxdome, the internet platform MyVideo, and the social TV applications "ProSieben Connect" and "SAT.1 Connect". Here, the close integration of TV and digital activities plays an important role. Alongside TV ratings and click rates, response in social networks is an increasingly important non-financial performance indicator.

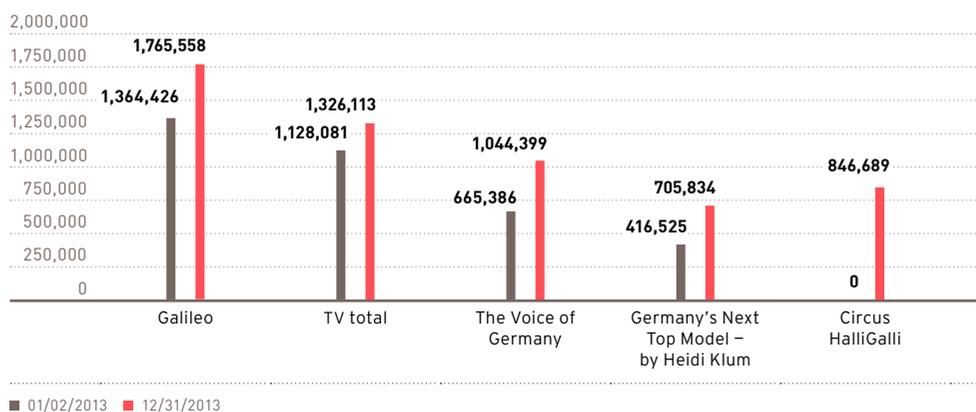
Combined, all ProSiebenSat.1 Facebook pages have 16 million fans and thus remain well ahead of its private competitors. The most successful are the station and show pages of ProSieben and the science program "Galileo". The ProSieben show "Circus HalliGalli" that started in 2013 gained around 850,000 Facebook fans before the end of the year. In terms of Facebook posts, the new TV show ranked fourth in a ranking published by MediaCom with 136,061 posts, ahead of "Wetten, dass..?". This is evidence that the ProSieben brand has great appeal for the young target group, even outside of traditional television. In the same analysis by MediaCom, six ProSieben shows featured in the top 20 of the social TV ranking in 2013. ProSieben is thus the most successful German TV station in direct dialog with the target group, reaching most people via Twitter, where it has 650,000 followers. For comparison, RTL has 305,000 followers.

Top 5 station websites in Germany on Facebook (Fig. 67)

Number of fans

**Top 5 formats of the ProSiebenSat.1 Group on Facebook** (Fig. 68)

Number of fans



Notes, Note 19
"Intangible assets",
page 215.

Thanks to its strategic brand leadership, ProSiebenSat.1 is one of Europe's most successful media corporations. Strong brands constitute an important value creation factor for the ProSiebenSat.1 Group. The Group makes selective use of the popularity and reach of its TV stations in order to expand in related areas and develop new brands. In 2013, the marketing expenses amounted to EUR 58.7 million (previous year: EUR 44.8 million). These include all expenses in relation to program and image communication of the ProSiebenSat.1 Group with the exception of market research and PR activities. Key investment areas were online marketing measures, print advertisements as well as events and fairs. The increase in marketing expenses in 2013 is primarily attributable to the further expansion of the Digital & Adjacent activities. The Company works continuously on increasing the success of its media offerings. For this reason, it will continue to invest in high-reach marketing campaigns.

Long-Standing Supplier Relationships

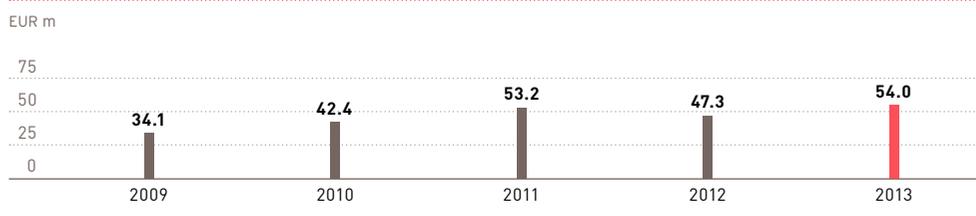
Attractive programming is one of the most important requirements for the ProSiebenSat.1 stations' success with viewers. For this reason the Group maintains close dialogue with domestic and international film studios, as well as film and TV producers, which ensures a long-term supply of programming for the Group. The Group has agreements with virtually every major Hollywood studio. The most important include Warner Brothers, CBS, Disney, Paramount, and Sony Pictures International. In 2013, the contract with Constantin Film for all own-productions and co-productions was extended. In addition, ProSiebenSat.1 concluded a multi-year contract with the Hollywood studio DreamWorks SKG Studios via Constantin Film. It secures the TV Group all the Hollywood giant's feature films that begin shooting by the end of 2016. Moreover, the ProSiebenSat.1 Group also secured attractive licenses for the video-on-demand portal maxdome thanks to its good supplier relationships. In 2013, the Group concluded contracts for maxdome with Sony Pictures International, Twentieth Century Fox, the Tele München Group, and Warner, among others. ProSiebenSat.1 also works with local TV producers and creative partners such as John de Mol from the Netherlands, who has developed formats such as "The Voice of Germany" and licensed them to the TV Group.

Solid Customer Relationships

Advertising budgets are often granted on a very short-term basis. For that reason, the Group sets great store on retaining customer loyalty. In the core German market, the regional sales offices of the sales subsidiary SevenOne Media have principal responsibility for this. Here, intensive and tailored consultation and marketing and research services are the essential pillars.

As well as maintaining the existing customer base, the new customer business is vital for the sustainable financial success of the ProSiebenSat.1 Group. The advertising sales company SevenOne Media and the ProSiebenSat.1 subsidiary SevenOne AdFactory succeeded in growing the new customer business again in 2013. Gross revenues from new customers amounted EUR 54.0 million (previous year: EUR 47.3 million). SevenOne AdFactory offers its advertising customers individual and cross-media marketing concepts, in which all of the Group's advertising forms and media platforms are integrated – from traditional sponsorship to product placement and online, mobile, and applications such as HbbTV and social TV.

Revenues from new customers in the TV advertising market (Fig. 69)



To strengthen audience loyalty, the ProSiebenSat.1 Group offers an extensive information service. The viewer service departments take viewers' questions and suggestions. In Germany, the centralized viewer services for the ProSiebenSat.1 Group's free stations logged almost 116,000 contacts in 2013 (previous year: 110,000). Each contact was dealt with individually. Viewers most often had questions about the program. In the viewer service departments, a clear shift away from traditional means of communication (letter, fax, telephone) towards social networks could be seen in 2013. 28.3% of all written communication was received on Facebook (previous year: 11.6%). As a result, the number of enquiries by e-mail also fell (-11.6%). Comments and suggestions constitute important feedback for editors and those responsible for programming at the ProSiebenSat.1 Group, because they contribute to the optimization of programming.

Research and Development

The ProSiebenSat.1 Group conducts intensive market research in every area relevant to its business activities and in every area in which it foresees growth potential. However, market research activities do not fulfill the definition of research and development in a narrower sense, so more detailed figures according to IAS 38.8 are omitted from the management report.

Intensive market research and creativity are competitive advantages. Market analyses are used as a guiding parameter in the process of planning operations and strategy. At the same time, market data and analyses are an important basis for capably advising our advertising clients. In 2013, expenses for Group-wide market research activities in continuing operations totaled EUR 7.2 million (previous year: EUR 6.0 million).

At ProSiebenSat.1, 35 employees work in various research units. They prepare investigations and analyses on advertising impact, on trends in the advertising market and media use and also assess economic and advertising market projections. In 2013, SevenOne Media examined the financial impact of TV advertising for 84 brands with the analytical tool "ROI-Analyzer". An average long-term ROI of 2.2 (i.e. the additional revenues generated by net TV advertising investments over longer periods) shows that advertising investments in the medium of TV pay off in the long term. With its studies, the Company provides advertisers with valuable knowledge for marketing and advertising planning, which constitute an important basis for investment decisions.

It is enormously important for the ProSiebenSat.1 Group to bring new promising formats quickly to air. For this reason, program research is assigned a decisive role – as early as in the format development phase. The team provides quantitative and qualitative studies and analyses of the ProSiebenSat.1 stations' programming. Furthermore, the unit tests new formats with the aid of surveys and audience screenings and relays the results back to the editorial teams. With the market research results, we can adjust formats in the development phase and thus increase the number of successful programs.

Sustainability as a Factor for Success

As a company from the TV industry, ProSiebenSat.1 does not count among the traditional manufacturing industries with high consumption of fossil fuels, raw materials and complex international supply chains. Nevertheless, the ProSiebenSat.1 Group also operates in a market environment where resources are growing scarcer and cost pressure is continually rising. For this reason, doing business on a sustainable basis and using resources sparingly is an important guarantor of future corporate success.

At ProSiebenSat.1, the largest energy requirement results from the production of TV content and the transmission of the TV stations. The Company therefore converted its power supply at the Munich/Unterföhring location to use renewable energy sources on January 1, 2012. Since then, the Group has borne additional costs of around EUR 40,000 per year for green energy. The TV group has thus reduced its CO₂ emissions considerably. Compared to the reference value from 2011, CO₂ emissions are around 8,000 tons less in 2012 and 2013. In both years, radioactive waste fell by 11 kilograms compared to the reference value from 2011. ProSiebenSat.1 thus makes a valuable ecological contribution. Under the motto "Green World", the Group also informs its employees via the intranet about ways in which they can protect the environment in the office, by being aware of their use of energy and paper, for example.

Media company with a high social responsibility. The ProSiebenSat.1 Group reaches around 42 million TV households in Germany, Austria and Switzerland every day with its TV stations. The content distributed via TV stations, internet platforms and mobile services has a direct impact on shaping the opinions of viewers and users. The ProSiebenSat.1 Group faces up to this responsibility both in its reporting and its extensive social engagement. We see the reach and popularity of our media as an opportunity to get young people in particular excited about important topics like environmental protection, tolerance, and politics, and to impart relevant values to them. In this way, we use our media offerings to make an active contribution to strengthening Germany's democratic society.

Engagement increased continuously. Since the ProSiebenSat.1 Group was founded, social engagement has become continuously more relevant, and the Group has launched numerous projects. For example, ProSiebenSat.1 founded the initiative "startsocial – Hilfe für Helfer" together with other companies in 2001; the fund-raising campaign "RED NOSE DAY" followed in 2003. Since sustainable action and commitment to society also have an increasing impact on the success of the ProSiebenSat.1 Group, in 2011 the Group established an Advisory Board and thus placed its corporate social responsibility activities in a larger social context. Since then, an interdisciplinary body chaired by Bavaria's former Minister-President Dr. Edmund Stoiber has supported the media group in the implementation of relevant socio-political and ethical issues. The Advisory Board also provides suggestions on the media offerings of the Group. The focus is on areas that will be of crucial importance to the ProSiebenSat.1 Group and society in the future: research, ecology and sustainability, politics, young people and social issues, art, culture, and sport. Alongside Dr. Edmund Stoiber, the Advisory Board is made up of the following members:

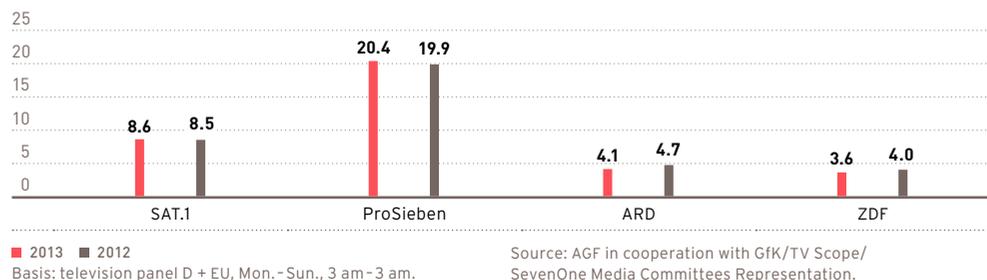
- › Minu Barati-Fischer, producer and author
- › Prof. Dr. Dr. h.c. mult. Wolfgang A. Herrmann, President of the Technische Universität München
- › Dr. Heike Kahl, Managing Director of the German Children and Youth Foundation
- › Prof. Dr. Dieter Kronzucker, journalist
- › Prof. Markus Lüpertz, painter
- › Dr. Christine Theiss, doctor, world champion in kick boxing
- › Prof. Dr. Dr. h.c. mult. Klaus Töpfer, Executive Director IASS, Institute for Advanced Sustainability Studies e. V., former Federal Minister
- › Bodo Hombach, former publishing house manager and politician

Bodo Hombach has been a member of the Board since December 3, 2013.

In the 2013 financial year, the Advisory Board met four times. The members of the Executive Board and other decision-makers in the ProSiebenSat.1 Group participated in these events. The main topic of the Advisory Board meetings was the station group's political engagement in the 2013 federal election year. The Board had previously recommended to the ProSiebenSat.1 Group to use its media reach to commit itself particularly to communicating politics to young people, as private stations such as SAT.1 and ProSieben play a crucial role here. For many years, they have been reaching significantly more young viewers than the public television channels from the ARD and ZDF group.

TV station market shares among young viewers (Fig. 70)

In percent (viewers aged 14-29)



The station group has therefore continuously increased its reporting on political issues in recent years, for example in 2012 by introducing the ProSieben political talk show "Absolute Mehrheit – Meinung muss sich wieder lohnen". In 2013, the Group focused on reporting on the federal election in a manner geared to the target group. In close cooperation with the Advisory Board, the ProSiebenSat.1 Group developed suitable concepts for sparking young people's interest in politics and democracy, thus motivating them to exercise their right to vote in the 2013 federal election.

Comprehensive non-voter study carried out. As a basis for its engagement, the ProSiebenSat.1 Group published the representative study “Wähler und Nichtwähler im Wahljahr 2013” (Voters and Non-Voters in the Election Year 2013) in collaboration with the polling institute Forsa in February 2013. A total of 2,013 people were surveyed for the study. The aim of the survey was to investigate the causes for the decline in voter turnout in German Bundestag elections in the previous years and to issue a forecast for the 2013 election. According to the study, voter turnout could have dropped below 70 %, the lowest figure since the foundation of the Federal Republic of Germany. Other key conclusions of the study were:

- Many non-voters have no access to the language of politics. Only 29% of the non-voters surveyed understand politicians’ statements. By contrast, media reporting is understood by the majority of non-voters (76 %). As a result, media can play a communicative intermediary role.
- Many non-voters are generally interested in politics. Although interest among undecideds and non-voters is lower than among voters, 59 %, i.e. considerably more than half, of the non-voters surveyed said they were engaged in German politics. This suggests the lack of voting participation is not the result of a fundamental lack of political interest.
- So far there is no large number of permanent non-voters. Most non-voters see themselves as “voters on vacation”, who can be brought back to political discourse and active participation in democracy. For example, more than half of the non-voters surveyed said they participated in the last local and state election.
- A great distance can be identified between many non-voters and the political system. For example, only 48 % of non-voters rank the importance of elections as high and consider it important that as many people vote as possible. This distance is a result of the estrangement between politics and the population, which can be alleviated with the help of the media.
- 85 % of the non-voters surveyed are dissatisfied with practical politics. Above all, the impact of politics on personal life and the communication of political issues are named as points of criticism here.

Symposium for Voter Mobilization organized. On June 27, 2013, ProSiebenSat.1 Media AG organized a “Symposium for Voter Mobilization” in Berlin. In the capital, the Group presented the results of the study to an audience comprising people from the world of politics and journalists. Alongside Dr. Edmund Stoiber, Chairman of the Advisory Board of ProSiebenSat.1 Media AG, the speakers and panel participants included renowned guests such as Franz Müntefering, former Federal Minister, and Forsa Managing Director Prof. Manfred Güllner. The goal was to make the study available to a broad section of the public and in a joint discussion derive recommendations for politicians and the media that can counter the negative trend in voter turnout. Around 300 people took part in the symposium at the Hertie School of Governance.

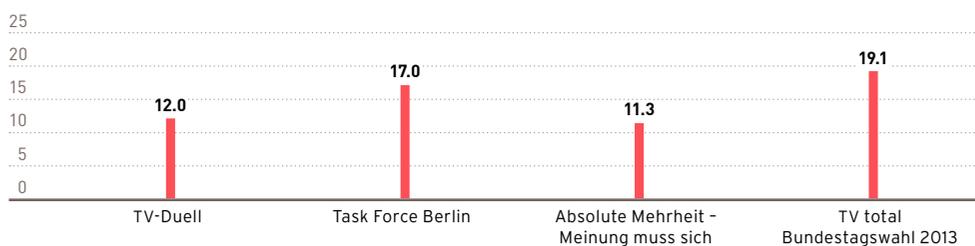
Political programs doubled for the federal election. For the ProSiebenSat.1 Group, the Forsa results served as a starting point for the development of its programs and a campaign for the 2013 federal election. The most important aspect here was the fact that there is often a language-related communication problem between politicians and voters, and the citizens are unable to identify the individual effects of politics on their lives. This gives the ProSiebenSat.1 Group numerous opportunities for action. The Group is familiar with the lives and needs of young viewers, which enables it to prepare political content in a way that is suitable for the target group and to act as an intermediary between politicians and young voters. An example of this is the ProSieben format "Task Force Berlin", in which the rapper Gentleman interviews German politicians. The show was broadcast in the run-up to the federal election and demonstrates how political content can be conveyed seriously and entertainingly at the same time. This also applies to the cross-media "Geh wählen!" (Go vote!) campaign, in which celebrities called on people to vote.

In 2013, the ProSiebenSat.1 Group broadcast twelve TV shows that dealt with the federal election. The Group thus doubled the number of political programs compared with the 2009 federal election. In addition, the Group reported on political issues in detail in its news shows and magazines.

Political formats generate positive response in the audience market. With its programs for the 2013 federal election, the ProSiebenSat.1 Group generated a positive response in the audience market, especially among young viewers. The station ProSieben achieved an average market share of 15.0% with its political formats, reaching more young people between the ages of 14 and 29 than all other TV stations combined. The "TV total Bundestagswahl 2013" on ProSieben was once again the most successful political show for the federal election with a market share of 19.1% among 14 to 29 year olds. The "Task Force Berlin" format, developed at the suggestion of the Advisory Board, achieved market shares of up to 17.0% among 14 to 29 year olds. Moreover, Stefan Raab increased the reach of the TV debate among young viewers with his first appearance as moderator: 12.0% of 14 to 29 year olds watched the verbal slugfest between the chancellor candidates on ProSieben; four years earlier, it was 3.7% on SAT.1.

Market shares for political formats on ProSieben (Fig. 71)

In percent (viewers aged 14-29)

Basis: television panel D + EU, Mon.-Sun., 3 am-3 am.
Task Force Berlin: highest valueSource: AGF in cooperation with GfK/TV Scope/
SevenOne Media Committees Representation.

Second Forsa study attests to ProSiebenSat.1's contribution to voter mobilization. The Group was similarly successful with its "Geh wählen!" campaign on television and the internet. The homepage www.deine-stimme-kann-mehr.de was visited one million times. Furthermore, users urged others to vote with over 21 million shouts in the viral #millionshouts campaign on Facebook and Twitter. To accompany the campaign, ProSiebenSat.1 collaborated with Forsa to carry out a study of eligible German voters aged 18 to 49. Shortly after the election, over 72% of first-time voters aged 18 to 22 and nearly two thirds of young voters aged 18 to 29 indicated that they had come into contact with the "Geh wählen!" campaign. Over 81% of those familiar with the campaign agreed that the "Geh wählen!" campaign was well suited to raising awareness of the federal election. Nearly 72% thought that the campaign would be able to strengthen people's resolve to take part in the federal election. The 18 to 49 year olds familiar with the campaign were nearly 10% more likely to vote than those unfamiliar with it. A similar effect was seen among young voters.

In addition to its voter mobilization efforts, the ProSiebenSat.1 Group dedicated itself to numerous other projects in 2013 and continued its long-standing initiatives such as "Green Seven Week", "Tolerance Day" and RED NOSE DAY.

Public Value,
page 122.**Independence and Transparency**

Transparency and independence are important values for our management and for us particularly as a publishing company.

- › **Transparency:** Relationships of trust with journalists and financial analysts have significant value. Our media presence improves awareness of our brands and shapes our social reputation. Our public relations and investor relations work is guided by the transparency guidelines of the German Corporate Governance Code. Accordingly we communicate fully, promptly and frankly with journalists, investors and analysts. Here equal treatment of all market participants is very important. At the Company website www.ProSiebenSat1.com we provide detailed information in German and English about all aspects of our business activities, the ProSiebenSat.1 stock, and our financial results.



<http://en.prosiebensat1.com/en/company/corporate-responsibility/legal-framework>

- **Journalistic independence:** To protect journalistic independence and fundamental journalistic conditions, the ProSiebenSat.1 Group formulated guidelines already in 2005 that all program creators in Germany are obliged to uphold. The “Guidelines for ensuring journalistic independence” can be viewed on the corporate website. The media group’s journalists are free to shape their contributions and report independently of social, economic or political interest groups.

Youth protection: Protecting young people is also something that the Company is particularly responsible for. Professionally independent youth protection officers make sure that the ProSiebenSat.1 Group offers age-appropriate programming in the legally prescribed broadcasting times. Youth protection workers are involved early on in the production and purchase of programs at ProSiebenSat.1. At an early stage, they assess screenplays, accompany productions and formats and compile reports. Independently, the ProSiebenSat.1 Group’s TV and online editors receive regular training on youth protection requirements. The ProSiebenSat.1 Group is also represented on the Board of the Voluntary Self-Regulation of Television Association (Freiwillige Selbstkontrolle Fernsehen e.V., FSF). The FSF is an organization for the voluntary self-regulation of private television broadcasters and is recognized as an independent supervisory body by the Commission for the Protection of Minors in the Media (Kommission für Jugendmedienschutz, KJM).

Internet offerings must also meet various requirements for the protection of young people. The ProSiebenSat.1 Group is therefore represented on the Board of the Voluntary Self-Monitoring of Multimedia Service Providers Association (Freiwillige Selbstkontrolle Multimedia-Diensteanbieter e.V., FSM). In addition, in early 2013, the Group was one of the first major providers of online games in Europe to join the German Entertainment Software Self-Regulation Body (Vereinigung Unterhaltungssoftware Selbstkontrolle, USK).