143 / **EFFECTS OF DECONSOLIDATION ON THE GROUP** in EUR m

| | Carrying amounts at the date of sale |
|---|---|
| **Purchase price** | **6** |
| Purchase price (cash) | 6 |
| Costs to sell | 0 |
| **Purchase price less cost to sell** | **6** |
| | |
| **Purchase price (cash)** | **6** |
| Cash and cash equivalents disposed | – 9 |
| **Net cash outflow on sale** | **– 3** |
| | |
| Goodwill | 1 |
| Intangible assets | 1 |
| Property, plant and equipment | 0 |
| Other assets, including deferred taxes | 6 |
| Cash and cash equivalents | 9 |
| Provisions | 0 |
| Deferred tax liabilities | 0 |
| Other liabilities | 12 |
| **Net Assets** | **5** |
| | |
| **Result from deconsolidation** | **1** |

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

## NOTES TO THE INCOME STATEMENT

### 5 / Revenues

144 / **REVENUES ACCORDING TO IFRS 15 2018** in EUR m

| | Segment Entertainment | Segment Content Production & Global Sales | Segment Commerce | Total |
|---|---|---|---|---|
| Advertising revenues | 2,238 | –/– | –/– | 2,238 |
| Digital services[1] | –/– | –/– | 509 | 509 |
| Production revenues | –/– | 293 | –/– | 293 |
| Revenues from the sales of goods | –/– | –/– | 280 | 280 |
| Digital studio revenues | –/– | 195 | –/– | 195 |
| Distribution revenues | 141 | –/– | –/– | 141 |
| Program sales | 47 | 56 | –/– | 103 |
| Others | 200 | 8 | 42 | 249 |
| **Total** | **2,626** | **552** | **831** | **4,009** |
| Timing of revenue | | | | |
| Point in time | 2,454 | 259 | 755 | 3,468 |
| Over time | 171 | 293 | 76 | 540 |
| **Total** | **2,626** | **552** | **831** | **4,009** |

[1] This item primarily contains revenues from online agency services and matchmaking as well as event vouchers and miscellaneous online market places.

As permitted by the transition guidance of IFRS 15, previous-year figures have not been restated.

### 145 / **CONTRACT ASSETS AND LIABILITIES** in EUR m

| | 12/31/2018 | 01/01/2018 |
|---|---|---|
| Contract Assets | 28 | 19 |
| Contract Liabilities | 189 | 203 |

Contract assets primarily relate to the Group's claims for consideration resulting from commissioned productions that have been completed but are yet to be invoiced as of the reporting date. Contract assets are reclassified trade receivables upon invoicing.

In financial year 2018, contract assets increased by EUR 0 million as a result of business combinations. Impairments for expected losses were insignificant.

Contract liabilities primarily relate to advance payments received in connection with the sale of event vouchers and commissioned productions and to deferred income from online dating services and the sale of program rights as well as from media services not yet rendered.

In financial year 2018, contract liabilities increased by EUR 18 million as a result of business combinations. On the other hand, disposals of contract liabilities in the context of deconsolidations amounted to EUR 9 million. Of the contrac liabilities existing as of January 1, 2018, EUR 196 million were recognised as revenues in financial year 2018.

In financial year 2018, no material revenues were generated from performance obligations fulfilled (or partially fulfilled) in prior periods.

As permitted under IFRS 15, no disclosures are made with regard to the remaining performance obligations at December 31, 2018 that have an original expected duration of one year or less. There are no material performance obligations with an original expected duration extending beyond the period of more than one year after December 31, 2018.

## ESSENTIAL BUSINESS MODELS AND REVENUE RECOGNITION METHODS

**ProSiebenSat.1 Group revenues mainly consist of advertising revenues derived from the sale of advertising time. The table below includes the revenue categories and business models identified as material for ProSiebenSat.1 Group´s earnings and the respective timing of recognition:**

### REALIZATION DATE OF SALES REVENUES

| Revenues | Business model | Timing of recognition |
|---|---|---|
| **Advertising revenues** | | |
| TV advertising revenues | Broadcasting of advertising spots in Free TV | Broadcasting of advertising spots (point in time) |
| Media-for-Revenue-Share | Broadcasting of residual advertising times for a fixed consideration and a variable revenue share | Broadcasting of advertising spots; Variable parts on receipt of necessary target achievement documentation from the contract partner (point in time) |
| Media-for-equity | Broadcasting of remaining advertising time in return for equity interests in the contractual partner | Broadcast of advertising spot (point in time) |
| Marketing of digital offerings of external providers | Marketing of external websites via sale of online advertising | Sale of advertising space (point in time) |
| Marketing of own digital products | Marketing of Group-owned websites by selling online advertising | Delivery of advertising (point in time) |
| **Digital services** | Arrangement of contracts between primary service providers and end customers in the areas of car rental, travel, events, insurance, energy supply, mobile communications and financial services via online portals | Transmission of customer data/start of performance by the partner (point in time) |
| | Operation of ad-financed search engines in the field of fashion and furnishing | Access-based using "cost-per-click" method (point in time) |
| | Online dating services: operation of online dating platforms | Multi-component business: at a point time for components with delivery character, over time for subscription payments over the contract term |
| **Production revenues** | Production of programming content such as TV formats and serial programmes | Percentage-of-completion method (over time) |
| **Revenues from the sale of goods** | Sale of products via online portals and stationary trading | Delivery of goods to the end customer, taking into account return rights (point in time) |
| **Digital studio revenues** | Multi-channel network marketing of web-video and/or social media artists | Rendering of marketing service (point in time) |
| **TV distribution** | | |
| Technical activation fees (SD/HD/Pay) | Distribution of Free and Pay TV content by ProSiebenSat.1 Group via cable, satellite and IPTV | Provision of the TV signal (over time) |
| **Program sales** | Sale/licensing of programming assets for certain license areas, individual broadcastings and broadcasting windows | beginning of license term and delivery of broadcast-ready material (point in time) |
| **Other revenues** | | |
| Travel operations | Organization of holidays and rendering of holiday-related services for end customers | Rendering of performance; upon departure (point in time) |
| Video-on-Demand revenues | Transmission of programming content via digital platforms as subscription and transaction business | Subscription model: Over the subscription term (over time) Transaction model: Provision of content (point in time) |
| Merchandising license sales | Licensing of trademarks of ProSiebenSat.1 Group | Depending on the contract terms, over license term (over time) or at start of licence term (point in time) |

**In addition to the sales revenue categories shown above, the item "Other revenues" also contains various business models; however at this time, they are not considered essential for the Group's earnings position.**

The payment terms are mostly short term (usually up to 30 days). For the sale of program rights, digital studio revenues and travel service revenues payment terms of up to 90 days are agreed. In case of commissioned production, payments usually are due shortly after the contractually agreed milestones have been reached; the number of agreed milestone payments varies according to the individual contract. There are no significant financing components as defined by IFRS 15.

The transaction price is generally determined by the contractually agreed conditions.

Special features arise in connection with television advertising revenues, media-for-equity transactions, customer referral, event agency and online dating services in the Digital Services segment as well as in connection with commissioned productions and the sale of program rights.

— Typically, fixed fees are agreed for revenues from TV advertising. Any advertising services to be provided free of charge are treated as separate performance obligations. When the free spot is aired, the pro-rata share of revenue attributable to that obligation is recognized.

— In case of media-for-equity transactions, the shares received at the beginning of the contract are recognized at fair value and the deferred income for the provision of media services is recognized accordingly. The fair value of the shares received is determined in accordance with IFRS 13 by means of prices derived from recent market transactions or valuation reports provided by independent appraisers.

— Within the price comparison business, the expected cancellations based on historical cancellation quota are deducted from revenues.

— When event vouchers (Jochen Schweizer MyDays Group) are sold, payments received from the end customer are initially recognized as a liability. When the vouchers are made available to the customer for use, sales revenues are recognized in the amount of the commission agreed with the organizer. Payments for vouchers that are not expected to be redeemed (based on historical experience) are recognized in full as revenue if a future reversal of the recognized revenues is unlikely. In 2018, the Commerce segment of MyDays GmbH, Munich, standardized the Group-wide procedure for assessing the amount of non-redeemed vouchers. Under the new standard procedure the assessment to is to be based on historical non-redemption rates experienced over the last three years (instead of over the over the last five years as was previously the case). This change in an accounting-related estimate resulted in an increase in Group and segment sales of EUR 10 million.

— In the case of online dating services, the total transaction price is allocated to the individual performance obligations in accordance with relative stand-alone selling prices.

— In the context of production contracts, in some cases the payments include – apart from a fixed component –a variable component which is based on the proceeds realized by the customer.

— When program rights are sold, the total consideration received comprises fixed payments as well as variable transaction-related and time-of-usage-related components.

## 6 / Cost of sales

### 146 / COST OF SALES in EUR m

| | 2018 | 2017 |
|---|---|---|
| Consumption of programming assets (incl. impairments) | 1,319 | 1,145 |
| Operating expenses | 716 | 691 |
| Personnel expenses | 309 | 282 |
| Depreciation of property, plant and equipment and amortization of other intangible assets (incl. impairment) | 93 | 133 |
| IT operations | 39 | 34 |
| Expenses from the disposal of programming assets | 12 | 16 |
| Other | 80 | 89 |
| **Total** | **2,569** | **2,390** |

Consumption of programming assets includes depreciation and impairments.

The ProSiebenSat.1 Group is operating in a challenging environment on the television market. Reach has been declining for some time, particularly for selected US titles. One of the reasons is that these program titles are aligned primarily for the specific requirements of the US television market. Another factor is that from the perspective of the ProSiebenSat.1 Group, the average quality of the titles acquired in the framework of the US studio agreements developed less strongly than anticipated. Furthermore, the US program titles are generally not available on a exclusive basis to the ProSiebenSat.1 Group stations. Moreover, only limited utilization is possible on a digital basis, while competing video-on-demand portals are making progress in gaining users.

To counter this trend, the ProSiebenSat.1 Group aims increasingly to buy local content or to produce local content itself, reducing the share of US program titles in the free TV channel programing on a sustained basis.

Against this backdrop, in the fourth quarter of 2018 the ProSiebenSat.1 Group made the strategic decision to sub-license some of its US titles to 7TV, and not to broadcast them itself any longer. This is a portfolio of program titles which are already available and also those which will be received in the future from the US licensors. 7TV will use the programs to make its platform more attractive for users. In addition, as part of this strategic realignment, the ProSiebenSat.1 Group management decided to stop broadcasting certain US program titles. In the context of the above strategic measures, impairment of EUR 178 million was recognized (EUR 122 million of which came from the transaction with 7TV).

Furthermore, for onerous contracts in connection with the future acceptance of programming assets, provisions for onerous contracts of EUR 176 million were recognized (EUR 168 million of which from transaction with 7TV). The overall effect of the change in program strategy thus amounts to minus EUR 354 million → see notes 21 "Programming assets" and → 27 "Other provisions". In the previous year, EUR 170 million were recorded in connection with the strategic realignment undertaken by the Executive Board in the third quarter of 2017.

Operating expenses primarily include production-related external services, merchandise used in commerce, license expenses and copyright fees. Personnel expenses include wages and salaries of employees in production, including performance-related bonus entitlements, redundancy payments as well as social security contributions. Depreciation and impairments on property, plant and equipment as well as other intangible assets primarily relate to depreciation on technical equipment and licenses. Expenses from the disposal of programming assets result from the sale of programming rights and ancillary programming rights. The item "Other" mainly includes production-related marketing and travel expenses.

## 7 / Selling expenses

### 147 / SELLING EXPENSES in EUR m

| | 2018 | 2017 |
|---|---|---|
| Marketing and marketing-related expenses | 227 | 250 |
| Personnel expenses | 113 | 121 |
| Distribution | 65 | 83 |
| Thereof satellite services | 35 | 37 |
| Thereof distribution fees | 30 | 36 |
| Operating expenses | 45 | 35 |
| Sales comissions | 39 | 45 |
| Depreciation of property, plant and equipment and amortization of other intangible assets (incl. impairment) | 13 | 10 |
| IT operations | 12 | 10 |
| Other | 18 | 22 |
| **Total** | **532** | **577** |

Marketing and marketing-related expenses are attributable primarily to market research, advertising and public relations. Personnel expenses include wages and salaries of employees in sales, including performance-related bonus entitlements, redundancy payments as well as social security contributions. Sales commissions primarily comprise costs and commissions for marketing services. Operating expenses largely include expenses for distribution rights. Depreciation and impairments relate almost exclusively to other intangible assets in sales.

## 8 / Administrative expenses

### 148 / ADMINISTRATIVE EXPENSES in EUR m

| | 2018 | 2017 |
|---|---|---|
| Personnel expenses | 257 | 257 |
| Depreciation of property, plant and equipment and amortization of other intangible assets (incl. impairment) | 116 | 104 |
| Consultancy fees | 64 | 55 |
| IT operations | 34 | 38 |
| Use of buildings | 23 | 39 |
| Marketing expenses | 19 | 20 |
| Other personnel-related expenses | 14 | 12 |
| Corporate hospitality and travel | 10 | 10 |
| Ancillary operating expenses | 6 | 6 |
| Automobile expenses | 3 | 6 |
| Other | 49 | 45 |
| **Total** | **595** | **590** |

Personnel expenses include wages and salaries of employees in administration, including performance-related bonus entitlements, redundancy payments as well as social security contributions. Depreciation and impairments of property, plant and equipment as well as other intangible assets relate mainly to administrative buildings, operating and office equipment as well as software licenses. Consultancy fees primarily include management and M&A advisory fees as well as costs of legal advice. Use of buildings mainly includes expenses for rent, ancillary and maintenance costs.

## 9 / Other operating expenses

Other operating expenses in the amount of EUR 14 million (previous year: EUR 33 million) mainly include derecognition of receivables from previous years in the amount of EUR 12 million (previous year: EUR 14 million).

## 10 / Other operating income

Other operating income amounts to EUR 50 million in the financial year 2018 (previous year: EUR 332 million). It mainly includes deconsolidation gains in the amount of EUR 18 million (previous year: EUR 304 million) → see note 4 "Acquisitions, disposals and other transactions affecting the scope of consolidation". In addition, the item includes out-of-period income in the amount of EUR 11 million (previous year: EUR 7 million) resulting from a large number of individual effects.

## 11 / Interest result

149 / **INTEREST RESULT** in EUR m

| | 2018 | 2017 |
|---|---|---|
| Interest and similar income | 7 | 2 |
| Interest and similar expenses | – 70 | – 85 |
| Thereof from financial liabilities at amortized cost | – 47 | – 45 |
| Thereof from hedging derivatives | – 10 | – 19 |
| Thereof other interest and similar expenses | – 13 | – 21 |
| **Interest result** | **– 63** | **– 83** |

Interest and similar income in the amount of EUR 7 million (previous year: EUR 2 million) was received by using the effective interest method.

Interest on financial liabilities at amortized cost primarily includes interest on drawn loans → see note 28 "Financial liabilities". In addition, EUR 4 million in interest expenses from lease liabilities in the current financial year are included → see note 19 "Leasing".

Interest and similar expenses from hedge derivatives include expenses for hedging instruments in connection with interest rate risks → see note 32 "Further notes on financial risk management and financial instruments in accordance with IFRS 7". The item "Other interest and similar expenses" contains primarily interest-rate effects for put-option and earn-out liabilities, pension obligations as well as additions to the provisions for interest on taxes.

## 12 / Result from investments accounted for using the equity method and other financial result

### 150 / RESULT FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER FINANCIAL RESULT in EUR m

| | 2018 | 2017 |
|---|---|---|
| Share of result from joint ventures | – 9 | – 1 |
| Share of result from associates | – 5 | – 9 |
| **Result from investments accounted for using the equity method** | **– 13** | **– 10** |
| Changes in put-option and earn-out liabilities (financial liabilities at fair value through profit or loss) | 59 | – 59 |
| Valuation effects of financial instruments | 25 | – 21 |
| Thereof from financial assets at fair value through profit or loss | 27 | 11 |
| Thereof from investments accounted for using the equity method | – 4 | – 28 |
| Thereof from financial assets at amortized cost[1] | 2 | – 4 |
| Foreign currency translation gains/losses | – 5 | 6 |
| Thereof from cash and cash equivalents | 14 | – 4 |
| Thereof from other financial assets[2] | 3 | – 7 |
| Thereof from financial liabilities at amortized cost | – 13 | 32 |
| Thereof from put-options and earn-out liabilities[3] | – 5 | 10 |
| Thereof from other financial assets and liabilities at fair value through profit or loss[4] | – 5 | – 24 |
| Thereof from other[5] | 0 | – 1 |
| Remeasurement of investments previously measured using the equity method | 0 | 0 |
| Other effects from valuation of financial investments (financial asset at fair value through profit or loss) | 0 | 0 |
| Financing costs | – 7 | – 10 |
| Other | – 1 | – 1 |
| **Other financial result** | **72** | **– 82** |

[1] In the last year's report, valuation effects from these instruments were shown as "thereof from others".
[2] In the last year's report, currency effects from these instruments were shown as "thereof from loans and receivables".
[3] In the last year's report, currency effects from put-option and earn-out liabilities were shown under "thereof from others".
[4] In the last year's report, currency effects from this instrument were shown as "thereof from financial assets and liabilities held for trading".
[5] In the last year's report, this item also included currency effects from put-option and earn-out liabilities.

The changes in put-option and earn-out liabilities in the amount of 59 million (previous year: – 59 million) resulted from valuation adjustments to the put-option and earn-out agreements concluded in connection with business combinations. In accordance with IFRS 3, these agreements are recognized as liabilities as at the respective acquisition date and valued at fair value; changes in value after acquisition are recognized through profit or loss → also see note 4 "Acquisitions, disposals and other transactions affecting the scope of consolidation" and → note 32 "Further notes on financial risk management and financial instruments in accordance with IFRS 7".

The exchange rate losses (previous year: exchange rate losses) from other financial assets and liabilities that are recognized at fair value through profit or loss are the result of the valuation of currency hedging transactions. Exchange rate losses from financial liabilities at amortized cost in the amount of EUR 13 million (previous year: exchange rate gains in the amount of EUR 32 million) relate to the valuation of liabilities for programming assets.

The valuation effects from investments accounted for using the equity method include essentially impairments in the amount of EUR 4 million on the shares in Vitafy GmbH, Munich and in the amount of EUR 3 million on the shares of Sportority Germany GmbH, Munich. The valuation effect of Pluto, Inc. of Los Angeles/Wilmington had the opposite effect. This resulted in a write-up in the amount of EUR 7 million.

In addition to ongoing bank charges, financing costs also include deferred charges relating to non-current-loans → see note 28 "Financial liabilities" as well as commitment fees in respect to the revolving credit facility that have not yet been drawn. Additional explanations regarding the syndicated credit agreement of ProSiebenSat.1 Group are also included in → note 28 "Financial liabilities".

## 13 / Income taxes

### 151 / INCOME TAX EXPENSES in EUR m

| | 2018 | 2017 |
|---|---|---|
| Current income tax expenses – Germany | 191 | 188 |
| Current income tax expenses – other countries | 6 | 4 |
| **Current tax expenses** | **197** | **192** |
| Deferred income tax income – Germany | – 101 | – 25 |
| Deferred income tax income – other countries | – 1 | – 2 |
| **Deferred income tax income** | **– 103** | **– 27** |
| **Total income tax expenses** | **94** | **165** |

Current income tax expenses include any domestic and foreign tax on taxable income for 2018 (corporation tax, trade tax and corresponding foreign tax) as well as income tax expenses for previous years in the amount of EUR 37 million (previous year: EUR 20 million). Tax losses or temporary differences not previously recognized in earlier periods led to a reduction in current income tax expenses in financial year 2018 in the amount of EUR 4 million (previous year: EUR 1 million).

The deferred tax income in the amount of EUR 103 million in financial year 2018 (previous year: EUR 27 million) includes deferred tax income in the amount of EUR 53 million (previous year: EUR 35 million), resulting from ongoing changes in temporary differences. It also includes EUR 44 million (previous year: EUR 6 million) relating to previously unrecognized temporary differences in previous periods. In addition, deferred tax income of EUR 5 million (previous year: EUR 7 million deferred tax expense) results from the ongoing change in deferred taxes on losses carried forward.

In financial year 2018, deferred tax assets on temporary differences led to deferred tax expense in an amount of EUR 5 million (previous year: EUR 0 million) and the valuation allowances on deferred tax assets on losses carried forward increased by EUR 1 million (previous year: EUR 7 million). As in the previous year, deferred tax assets on losses carried forward were reversed in the amount of EUR 1 million.

The tax rates to be applied for the calculation of deferred taxes were adjusted for changes in legislation. While changes in tax rates – in particular those introduced by the tax reform in the USA – gave rise to deferred tax expenses in the amount of EUR 7 million in the previous year, changes in tax laws had no significant impact on deferred taxes in 2018.

Like in the previous year, the corporate income tax rate for 2018 in Germany was 15.0% plus the solidary surcharge of 5.5%. Including trade tax at an average basis factor of 343.2% (previous year: 341.8%), the total tax rate in 2018 was 28.0% (rounded; previous year: 28.0%).

The tax rates for foreign companies ranged between 12.0% and 33.99% (previous year: between 12.3% and 42.3%).

The Group's Relevant nominal tax rate is 28.0%. The expected tax expense can be reconciled to the actual tax expense as follows:

## 152 / RECONCILIATION OF TAX EXPENSES in EUR m

| | 2018 | 2017 |
|---|---|---|
| **Profit before taxes** | **344** | **646** |
| Applicable group tax rate (in percent) | 28 | 28 |
| Expected income tax expense | 96 | 181 |
| Adjustments to the expected income tax expense: | | |
| **Tax deviations** | | |
| Effects due to foreign tax rate differences | 1 | – 1 |
| Effects due to domestic tax rate differences | 1 | – 1 |
| Effects due to changes in statutory tax rates | 0 | 7 |
| **Effects from deviation in taxable base** | | |
| Non-deductible interest expenses | 3 | 6 |
| Other non-deductible operating expenses | 23 | 51 |
| Tax-free income | – 33 | – 24 |
| Non-taxable disposal effects | – 5 | – 85 |
| Recognition and measurement of deferred tax assets | | |
| Changes in the realization of deferred tax assets | 12 | 14 |
| **Other effects** | | |
| Taxes from previous years | – 7 | 14 |
| Investments accounted for using the equity method | 4 | 3 |
| Other | 0 | 0 |
| **Total Income tax expenses** | **94** | **165** |

As of December 31, 2018, no deferred tax assets were recognized for corporate tax losses carried forward in the amount of 187 million (previous year: EUR 177 million) and on trade tax losses carried forward in the amount of EUR 72 million (previous year: EUR 82 million). Of the above, losses carried forward in the amount of EUR 10 million (previous year: EUR 9 million) will expire within the next six to nine years, unless they are used.

The deferred tax assets not recognized for corporation tax losses carried forward hence amount to EUR 36 million (previous year: EUR 33 million). As in the previous year, the deferred tax assets not recognized for trade tax losses amount to EUR 11 million.

For companies suffering losses in the current or previous financial year, deferred tax assets in excess of deferred tax liabilities were recognized in an amount of EUR 1 million as at December 31, 2018. Based on current tax planning, such deferred tax assets presumably may be used over the next five years. In the previous year, such excess deferred tax assets were recognized in an insignificant amount.

The recognized deferred tax assets and liabilities result from the following items:

## 153 / ALLOCATION/ORIGIN OF DEFERRED TAXES in EUR m

| | 2018 | | 2017 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| Goodwill | 7 | 63 | 5 | 64 |
| Other intangible assets | 5 | 189 | 6 | 172 |
| Property, plant and equipment | 0 | 57 | 0 | 26 |
| Financial assets | 8 | 6 | 8 | 5 |
| Programming assets | 48 | 1 | 5 | 1 |
| Inventories and other assets | 10 | 27 | 6 | 25 |
| Provision for pensions | 1 | 0 | 2 | 0 |
| Other provisions | 62 | 6 | 15 | 6 |
| Liabilities | 71 | 51 | 56 | 56 |
| Tax loss carryforwards | 43 | –/– | 33 | –/– |
| Netting | – 161 | – 161 | – 102 | – 102 |
| **Total** | **95** | **239** | **34** | **253** |

With regard to the netting of deferred tax assets and liabilities, → see section "Summary of significant accounting and valuation principles".

For information on deferred taxes from the first-time application of IFRS 9, 15 and 16, we refer to → section "Changes in accounting principles".

For investments in subsidiaries, a deferred tax liability in the amount of EUR 4 million (previous year: EUR 3 million) recognized for was recognized for outside basis differences relating to planned future distributions. Additional temporary differences resulting from outside basis differences exist in the amount of EUR 14 million (previous year: EUR 12 million). No deferred tax liabilities were recognized for such taxable temporary differences, since it is possible to control the process of reversing the temporary differences and since it is unlikely that the temporary differences will be reversed in the foreseeable future.

As regards the information about deferred taxes that have been recognized in accumulated other comprehensive income as well as the current taxes recognized in the capital reserve, please refer to → note 25 "Shareholders' equity".

## 14 / Earnings per share

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

| | 2018 | 2017 |
|---|---|---|
| Net result attributable to the shareholders of ProSiebenSat.1 Media SE (basic) | 248 | 471 |
| Valuation effects of share-based payments after taxes | – 6 | – 3 |
| Net result attributable to the shareholders of ProSiebenSat.1 Media SE (diluted) | 243 | 468 |

### 155 / NUMBERS OF SHARES INCLUDED IN CALCUALTING EARNINGS PER SHARE Shares

| | 2018 | 2017 |
|---|---|---|
| Weighted average number of shares outstanding (basic) | 228,702,815 | 228,854,304 |
| Dilution effect based on stock options and rights to shares | 549,065 | 613,397 |
| Weighted average number of shares outstanding (diluted) | 229,251,880 | 229,467,701 |

Regarding the type of settlement, the Share Plans → see note 33 "Share-based payment" include an option for ProSiebenSat.1 Media SE to settle them either by way of shares or cash. In contrast to IFRS 2, these plans are treated as if they were settled in common shares for the calculation of earnings per share due to the resulting dilution in accordance with IAS 33.58.

For executives or selected employees, 549,065 (previous year: 613,397) rights to stock options or rights to shares with dilutive effect existed as of the reporting date.

The possible conversion of all issued "in-the-money" stock options (→ see note 33 "Share-based payment") for common shares and potentially issued common shares results in a dilutive effect of EUR 0.03 (previous year: EUR 0.02) per share.

## 15 / Other disclosures

### PERSONNEL EXPENSES AND NUMBER OF EMPLOYEES

Cost of sales, selling and administrative expenses include the following personnel expenses:

156 / **PERSONNEL EXPENSES** in EUR m

| | 2018 | 2017 |
|---|---|---|
| Wages and salaries | 600 | 581 |
| Social security contributions and expenses for pensions and other employee benefits | 79 | 79 |
| **Total** | **679** | **660** |

In the financial year 2018, expenses for pensions amount to EUR 1 million (previous year: EUR 2 million).

On average, the group's employee numbers in the financial year were as follows:

157 / **NUMBER OF EMPLOYEES**

| | 2018 | 2017 |
|---|---|---|
| Female employees | 3,188 | 3,161 |
| Male employees | 3,344 | 3,291 |
| **Total** | **6,532** | **6,452** |

Part-time job positions have been included as full-time equivalents.

### DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

Depreciation, amortization and impairments of other intangible assets as well as property, plant and equipment that are included in cost of sales, selling and administrative expenses and in other operating expenses consist of the following:

158 / **DEPRECIATION, AMORTIZATION AND IMPAIRMENTS** in EUR m

| | 2018 | 2017 |
|---|---|---|
| Amortization of other intangible assets | 131 | 138 |
| Depreciation of property, plant and equipment | 76 | 58 |
| Impairment of other intangible assets | 13 | 48 |
| Impairments of other intangible assets from purchase price allocations | 1 | 17 |
| Impairment of property, plant and equipment | 1 | 2 |
| **Total** | **222** | **263** |

Consumption and impairment of programming assets in the amount of EUR 1,319 million (previous year: EUR 1,145 million) is shown as cost of sales and has been deducted when arriving at EBITDA.