

ENTERTAINMENT

In the Entertainment business area, ProSiebenSat.1 offers viewers the Group's entertainment content across all its media platforms.

WE ENTERTAIN YOU



↓
**TV BROADCASTING
& SALES**

↓
DISTRIBUTION

↓
**ADVERTISING PLATFORM
SOLUTIONS (ADTECH)**

↓
SEVENVENTURES

↓
**DIGITAL
PLATFORMS**

WE ENTER TAIN YOU

WE ENTERTAIN YOU



23.8

PERCENT

average market share
in the relevant
target group of 14- to
39-year-old viewers

SEASON

12

was the most successful
in six years

an average of

5.5

PERCENT

additional net reach among
14- to 49-year-old viewers
via PCs and laptops
(live stream and catch-up
on ProSieben.de)

VIEWER MAGNET FOR THE TARGET GROUP

"Germany's next Topmodel" is popular on all channels - on free and pay TV, the station website, the ProSieben app as well as on social media. With its wide audiovisual reach, the show is a reliable ratings hit.



360°

MARKETING APPROACH

by SevenOne Media
and SevenOne AdFactory

Advertising on GNTM
is effective:

73

PERCENT

aided brand recognition
of Opel Adam
in the female target group
(ages 14 to 49)

**A PERFECT MATCH
FOR ADVERTISING PARTNERS**

The ProSiebenSat.1 sales companies, SevenOne Media and SevenOne AdFactory, offer clients innovative, 360-degree advertising concepts. Thanks to these additional services on top of traditional TV commercials, advertisers are able to reach audiences in especially effective ways.



over
1 million

LIKES

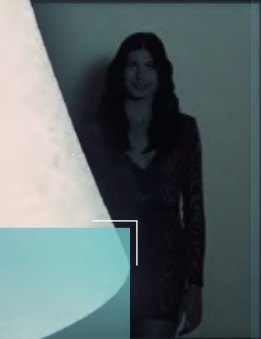
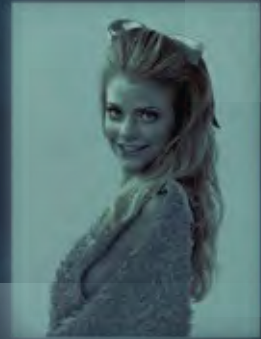
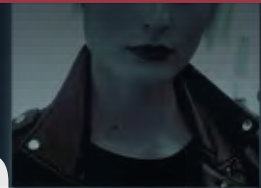
on the GNTM
Facebook page



over
400K

SUBSCRIBERS

to the official GNTM
YouTube channel



weekly

20

stories produced
exclusively for the web
during each season



over

100 million

VIDEO VIEWS

of the 12th season
via ProSieben.de, channel apps,
Smart TV, HbbTV and YouTube



DIGITAL APPEAL

The models also run the catwalk successfully online. On ProSieben.de and the station's social media channels, fans get a peek behind the scenes of the hit show thanks to exclusive video material.

STRONG TOGETHER



VALUE CREATION



GNTM ranks among the most successful shows produced by ProSiebenSat.1's wholly-owned subsidiary RedSeven Entertainment, a production company founded in 2008.



The ProSieben channel has been broadcasting GNTM since 2006. Season 12, which aired in 2017, achieved an average market share of 17.5 percent among 14- to 49-year-old viewers, making it the strongest in six years.



The ProSiebenSat.1 Group's sales subsidiaries SevenOne Media and SevenOne AdFactory deliver 360-degree marketing for advertising clients. They use creative concepts to set the perfect, GNTM-compatible stage for brands and products - and they do it on all platforms.



ProSiebenSat.1 Licensing awards product and promotion licensing agreements to all official GNTM partners so they can benefit from the brand's image. With a total of 11 licensees in season 12, GNTM is one of the most successful licenses in the ProSiebenSat.1 subsidiary's portfolio.



The channel's website and apps give viewers the opportunity to watch the show live or time-shifted, and offer behind-the-scenes material. With live streaming and catch-ups on ProSieben.de (on a PC or laptop), season 12 achieved an average additional net reach of 5.5 percent among 14- to 49-year-old audiences.



Starwatch Artist Management (SAM) manages and looks after the models during each GNTM season. During this time, the ProSiebenSat.1 artist agency negotiates all jobs and handles them in the models' best interests.



All episodes of GNTM are available on the online video library maxdome. The 12th season represented a high point for the show, with individual episodes viewed up to 13,000 times per week. In addition, views of previous seasons are again on the rise during the current season.



Studio71 maintains the official GNTM YouTube channel, which, with more than 440,000 subscribers, counts among the digital studio's top ten TV YouTube channels. It shows highlight clips from all seasons, providing users with content of their favorite program throughout the year.

THE CORE OF OUR STRATEGY
ENTERTAINMENT



THE CORE OF OUR STRATEGY
ENTERTAINMENT

AN
**ALL-AROUND
DAZZLING**
PERFORMANCE



“Germany’s next Topmodel - by Heidi Klum” captivates audiences like virtually no other TV show. And its appeal has long since gone well beyond traditional TV. Over the past 13 years, the casting show has evolved into an unparalleled multimedia brand on all platforms. It epitomizes transmedia integration like no other program in the German TV landscape, exploiting all digital possibilities and offering a glimpse into the future of the entertainment business.

What a worthy finale: Dressed in their best evening wear, 8,500 fans joined Heidi Klum and her celebrity guests Naomi Campbell, Beth Ditto, Helene Fischer, Wolfgang Joop, Robin Schulz and James Blunt at the Arena Oberhausen for the showdown of the 12th season of “Germany’s next Topmodel - by Heidi Klum” (#GNTM). Plus, more than 2.4 million viewers were rooting for their favorites in front of the TV. Among young women between the ages of 14 and 29, the finale achieved an impressive 48.9 percent market share. In other words, almost one in two young women tuned into #GNTM that evening. Throughout the entire 12th season, #GNTM proved a hit, attracting a 17.5-percent market share among 14- to 49-year-old viewers - the best figure in six years.

The strong rankings are not the only factor that has, over the past 13 years, made the show one of Germany’s most successful TV programs. Various ProSiebenSat.1 departments have built an all-encompassing #GNTM value chain. In this way, the Group can tap into synergies within the company and pursue two goals: enthralling viewers and users across all media platforms and providing advertising clients with an ideal environment for their brands and products. For years now, #GNTM has been a shining example of how successfully ProSiebenSat.1 is dovetailing the realms of TV, online and marketing and systematically driving this process forward.

EDITORIAL DEPARTMENT

Summer 2016. The finale of the 11th season has taken place just a few weeks back when Elisabeth Sofeso boards a plane to New York.

As Program Manager at ProSiebenSat.1 TV Deutschland, Sofeso is responsible for fine-tuning #GNTM content. That evening, just as prior to each new season, she has a meeting with Heidi Klum. “Our motto is, ‘There’s always another #GNTM coming up,’” says Sofeso, “and we start each new season asking ourselves what we can do better this



time.” The more recent innovations include, for instance, staging the opening episodes abroad. In season 12, the candidates traveled on a cruise ship from Marseille via Palma de Mallorca to Barcelona, while the 13th season kicked off in the Caribbean. “We keep surprising viewers with new ideas and locations, continually pushing the format’s development further. That’s precisely what makes #GNTM so successful,” explains Sofeso.

Sofeso’s duties as Program Manager also include working closely with colleagues at ProSiebenSat.1 sales subsidiary SevenOne AdFactory to come up with concepts allowing the seamless integration of advertising part-

ners’ products and brands into the show’s action. A winning formula for marketing at #GNTM involves inviting the candidates to castings staged by advertising clients as part of the show. The coveted reward is a photo or TV commercial shoot for the client. The casting situation can be perfectly dovetailed into the story line and the models become fitting brand ambassadors. Another successful example has already become something of a tradition: When the candidates move into the model mansion, they are surprised with complimentary gifts. And the response to Daniel Wellington watches or Gillette Venus razors? The aspiring models are thrilled with the giveaways, eliciting I-want-that-too desires in viewers and triggering spikes in the relevant #GNTM advertising partner’s sales.

MARKETING & SALES

Kerstin Bensch, Senior Product Manager at SevenOne AdFactory, is not surprised by these reactions. After all, #GNTM holds “tremendous allure” for young women. “For fashion and lifestyle brands targeting young women, there is no more beneficial format in Germany,” explains Bensch.

After each broadcast, the marketing expert can virtually track the power of this allure live. “The feedback we get from our clients indicates that the brands and products placed in the show are greatly sought after among viewers,” reports Bensch. SevenOne AdFactory’s concepts are attracting ever more advertisers. In the 12th season, 13 clients marketed their products on TV and digital channels under the auspices of the #GNTM brand. The extent to which SevenOne AdFactory constantly



»Today, ProSiebenSat.1 viewers want to be able to enjoy our content via the greatest number of channels and in the maximum number of places – preferably whenever they feel like it.«

NICOLE AGUDO BERBEL
The Chief Distribution Officer and Executive Vice President Digital Publishing ensures that ProSiebenSat.1 Media SE content reaches its viewers.

strikes out in innovative, new directions in order to attract accounts is evident in its partnership with Opel.

13

OFFICIAL ADVERTISING PARTNERS

(sponsorship, product placement and licensing partners) in season 12

For years, the Rüsselsheim-based carmaker has relied exclusively on #GNTM to promote its Adam model on TV and benefited from the all-in services that SevenOne AdFactory provides advertisers. For instance, in season 12, Opel booked a virtual reality campaign in which one of the candidates appeared in various virtual worlds together with the Opel Adam. The campaign video was produced with the help of SevenOne AdFactory and featured on the Opel campaign website, on ProSieben.de as well as on the YouTube and Facebook platforms. Thanks to these measures, the ProSiebenSat.1 marketing subsidiary succeeded in harnessing virtual reality for cutting-edge brand communications.

DIGITAL REALIZATION

While Elisabeth Sofeso and her team are still in the thick of shooting for the opening

episode, her ProSieben Digital colleagues are already well into publicizing the show on all digital channels, including social media. Audition videos, pictures from shoots and pre-views ensure #GNTM creates a big buzz on all digital channels weeks before the first episode of a new season airs. The first candidate audition clips are available online long before the first episode is broadcast on free TV. To capture the best behind-the-scenes moments, for example, the digital experts are on set during shooting. Each week, they produce about 20 web-exclusive stories for the station group's digital channels. In this way, Marco Kunze, Director ProSieben Digital, and his team create content that hits the spot with the target group and generates roughly two-thirds of all short clip views.

Over
500 K
FOLLOWERS
of the #GNTM Instagram account

“Even before the season starts properly, we register over a million video views via our website, HbbTV, SmartTV and our channel apps. No other German TV show can do that,” says Kunze. “Six weeks before the season kicks off, fans can already find the first bits of information and pictures about it online. Three weeks before, we pull out all the digital stops,” explains Kunze. Above all, he underscores the additional opportunities created by digitally prolonging #GNTM: “In the online world, we further elaborate on the stories in the episodes and pick up on exciting narratives that can't be covered in the TV format.” Brief interviews and portraits of the candidates provide fans with an opportunity to take a peek behind the scenes of their coveted show and discover more about their favorite candidates - “all in an extremely authentic way. The fans love that,” emphasizes Kunze. In addition to the videos available exclusively on the web, users can also watch all the TV episodes of #GNTM live or time-shifted online.



»Even before the season starts, we register over a million video views. No other German TV format can do that.«

MARCO KUNZE

The Director ProSieben Digital has worked on #GNTM since 2011. He relishes how digital formats open up a wealth of ways to tell the #GNTM candidates' stories.

TV ADVERTISING IS HIGHLY EFFECTIVE

Digitalization of the media landscape is increasingly opening new doors to media use. With smartphones and tablets, content can today be accessed whenever and wherever. Nevertheless, consumption of traditional media is more resilient than most imagine. Despite the advance of digitalization, the importance of TV has not declined. Quite the contrary. Among 14 to 49-year-olds in Germany, average TV viewing time in 2017 remains high at 189 minutes per day and accounts for the lion's share of daily media consumption. TV reaches eleven million people every minute. No other media can match that. Online video channels, such as YouTube, attract some

189
minutes of daily
VIEWING TIME

(for audiences aged
between 14 and 49)

TV reaches
11 MILLION
PEOPLE
per minute

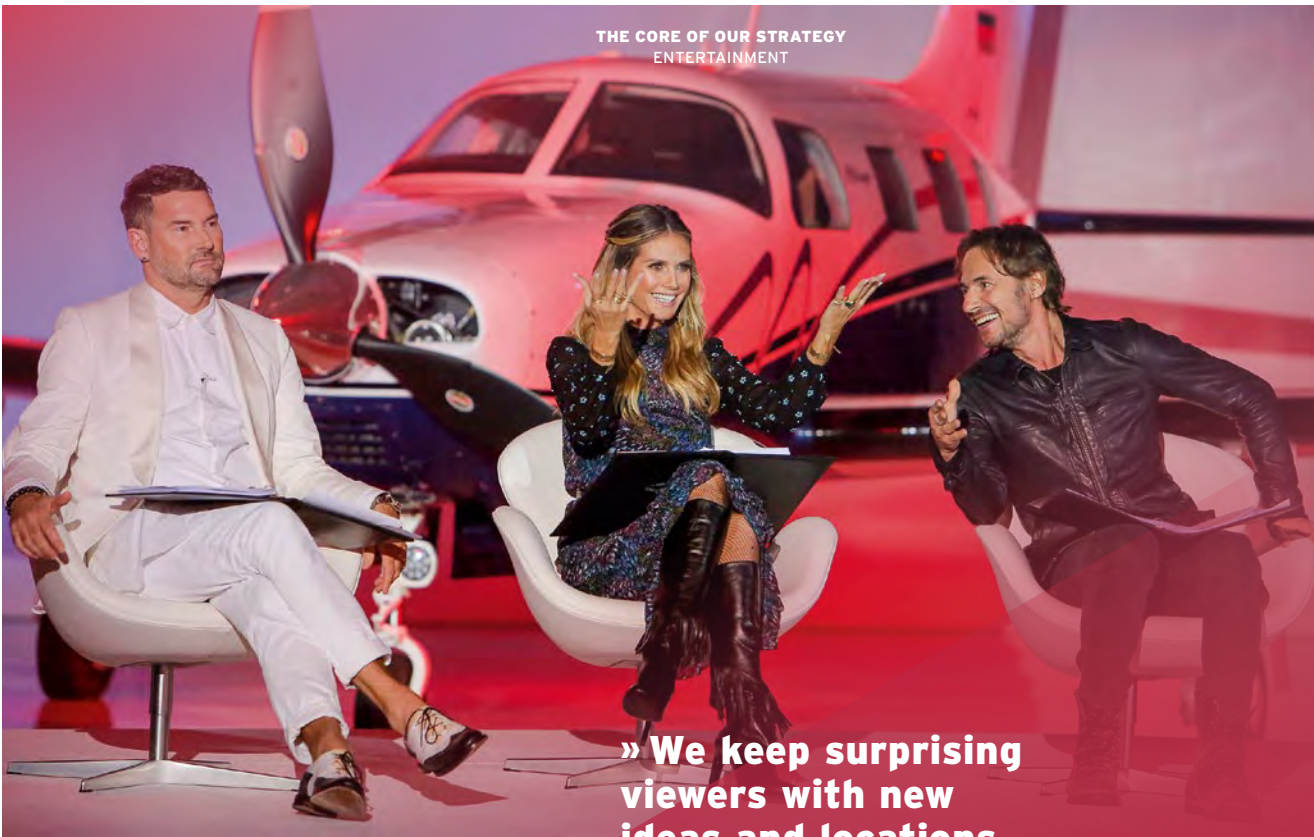
Online businesses spend

73
PERCENT

of their advertising
budgets on TV

700,000 users per minute in Germany. This means that, contrary to public perception, the reach of online video channels is still relatively limited.

Reaching as many viewers as possible in this increasingly fragmented media landscape is more important than ever to today's advertisers. Against this backdrop, the value of TV advertising gains even more weight. Reach is, after all, a decisive factor when it comes to increasing brand awareness and consequently boosting sales. Digital companies appreciate this fact and invest over 70 percent of their total advertising budgets on TV.



» We keep surprising viewers with new ideas and locations. That's precisely what makes us so successful. «

ELISABETH SOFESO

The Program Manager at ProSiebenSat.1 TV Deutschland has worked on the casting show since as far back as 2014.



DISTRIBUTION

Making TV content accessible whenever and wherever is a firm feature of the ProSiebenSat.1 strategy. "Today, our viewers want to be able to enjoy ProSiebenSat.1 content via the greatest number of channels and in the maximum number of places - preferably whenever they feel like it," says Nicole Agudo Berbel, Chief Distribution Officer & EVP Digital Publishing. No other medium can establish as wide a reach across all target audiences within as short a time as TV can. At the same time, young viewers in particular are also making increasing use of digital offerings streamed via a smartphone or tablet. This is why, together with colleagues from digital publishing and TV, Agudo Berbel develops strategies for airing ProSiebenSat.1 programs on various media platforms with a view to achieving the greatest possible overall reach. Consequently, when a new ProSiebenSat.1 prime-time program is planned, the TV and digital teams put their heads together from the start to ensure that the show will be a high-reach, multimedia experience. "To do that, we evaluate each and every program to determine what content to exploit when and on which platform. In other words, when is the broadcast scheduled? When do we upload content to our website and when will it be available in the apps? And when is it best to make content available to our distribution partners such as cable network operators and mobile service providers?" says Agudo Berbel.

IT'S A WRAP.

Friday, May 26, 2017. The stage at the Arena Oberhausen is still covered in the confetti shower from the finale the night before when Marco Kunze and his digital team hold their morning meeting, already fine-tuning new ideas for the next season's online execution. Once again, Elisabeth Sofeso will soon be jetting off to see Heidi Klum to discuss new highlights and story lines for the show. And Kerstin Bensch is already brainstorming innovative campaign concepts for the next year with the first advertising clients.

Never a truer word was spoken:
There's always another #GNTM coming up.

»For fashion and lifestyle brands targeting young women, there is no more beneficial format in Germany.«

KERSTIN BENSCH
Senior Product Manager
at SevenOne AdFactory.
The ProSiebenSat.1 subsidiary
develops and markets ad
specials for #GNTM.



PACKING A
**PROMOTIONAL
PUNCH**

Whether they're welcoming gifts when the models move into the mansion, prizes for winning challenges, or in the form of a highly coveted modeling job, promotional products are part of "Germany's next Topmodel" and feed into the show's storyline. The concept is unique in German television. ProSiebenSat.1 advertising clients benefit from not only the program's enormous reach but also the appeal that's perfectly tailored to their products' target group: If you want to speak to trend-savvy young women, it's hard to beat "Germany's next Topmodel." What's more, thanks to our 360-degree approach to marketing, the show doesn't just reach this target group through TV but touches all aspects of their lives.

LET'S GET

TITAN

TITAN advertised on GNTM for the first time in the 12th season. Right from the first episode, the wheeled suitcases made an appearance on the catwalk at Kassel airport before all of the top 50 candidates were gifted the brand's luggage - naturally in the appropriate team color of black or white.

DANIEL WELLINGTON

Since 2015, Daniel Wellington's watch gift sets have thrilled the candidates who move into the model mansion. In season 11, there was also a sponsored casting marathon: The candidate who managed to arrive on time for all her appointments received a watch by the brand.

MAYBELLINE NEW YORK

Over the past eleven years, Maybelline New York's advertising partnership with GNTM has taken the most varied forms - from chock-full makeup cases for all the candidates on their arrival at the mansion, through castings for modeling jobs, to styling tips from Boris Entrup.

GILLETTE VENUS

Since season 5, the Gillette Venus casting and job have been a firm feature of the show. Each year, the candidates give their all in the hopes of becoming the new face of the advertising campaign for women's razors. What's more, when the participants move into the mansion, the latest Gillette Venus products are on hand for them to use.

OPEL

Also in season 12, SevenOne AdFactory devised a spectacular concept for the show's longstanding partner Opel: Casting winner Carina appeared in various virtual-reality ads that were flanked by traditional TV and online advertising, product placement, and an editorial competition.



THE GNTM LOOK

HARNESSING DIGITAL ADVERTISING TECHNOLOGY FOR INCREASED REVENUES

 **ProSiebenSat.1**
Advertising Platform Solutions

ADVERTISING TECHNOLOGY (ADTECH)



VIRTUALMINDS

AdTech-Holding



Active Agent

Demand-side
platform (DSP)



Premium Programmatic Advertising

Supply-side
platform (SSP)



Data-management
platform (DMP)



Attribution modeling



AdServer



Hosting

ADVERTISING PLATFORMS



Video audience reach



Online video
marketplace



E-commerce
marketer



Performance & social
advertising¹



Pan-European video
marketer



Influencer marketing
platform

Since acquiring a stake in Virtual Minds in 2015, ProSiebenSat.1 has continued to grow its investments in AdTech businesses. AdTech serves as the foundation for programmatic advertising - the data-based, automated, customized buying, selling and selective configuration of advertising space in real time. ProSiebenSat.1 bundles its investments and activities in this field under the Advertising Platform Solutions umbrella. The objective is to build up an ecosystem of leading technology suppliers and platforms to offer advertisers, agencies and publishers a strong, independent alternative to the global players, thus generating additional revenue.

¹As of the publication of the annual report (march 2018) the closing was still pending.

Dr. Jens Mittnacht, Managing Director of ProSiebenSat.1 Advertising Platform Solutions, talks about digital technologies and the future of TV advertising.

For some time now, ProSiebenSat.1 has made increasing use of AdTech solutions. Please explain to us what that means.

MITTNACHT AdTech is the basis for programmatic advertising - data-based, automated ad buying in real time. Unlike in the past, advertising can now be placed without manual booking. At present, the entire AdTech industry is still dominated by companies that provide infrastructure but are also our competitors, such as Google. In order to make us less dependent on these global players and free us to drive innovation ourselves, we invested in Germany's biggest AdTech supplier - Virtual Minds, which is active on both demand and supply-side programmatic advertising - in 2015. Using Virtual Minds, our platforms allow today's advertising clients to identify the perfect spot for their advertising format in milliseconds. Think of it this way: When someone accesses one of our websites, programmatic advertising technology, which operates in the background in tandem with the site, determines which banner to load on the site for this user in the blink of an eye.

That sounds like a business for the future.

MITTNACHT In the digital segment, programmatic advertising already carries significant weight for us today. We are already selling around 50 percent of our display advertising via these systems. What's more, by investing in AdClear and esome in 2017, we acquired companies whose technology will help us to better measure and optimize our advertising clients' overall campaign performance going forward. While we are currently capitalizing on the technology notably in digital advertising, programmatic advertising will in the future also find its way onto big-screen TVs. Here, the keyword is addressable TV.



»Programmatic advertising will in the future also find its way onto big-screen TVs.«

How do you rate addressable TV's strategic importance for ProSiebenSat.1?

MITTNACHT Extremely high. Addressable TV makes it possible for us to exploit the advantages of digital advertising in the world of TV - in other words, to combine TV's reach with the Internet's capacity to target appeals. This means we can selectively target advertisements on Internet-enabled TVs. Thanks to HbbTV technology, we are already in a position to display selected digital ad banners on the latest smart TVs with our SwitchIn formats. The next step is to actually "swap out" advertisements within the context of our ad overlays. The bottom line is that this technology serves everyone involved: For our advertising clients, it means not only reaching their audience quickly and effectively but also homing in on target groups. Our viewers, for their part, will be presented with advertising that is even more informative and relevant for them. We, too, benefit because in addition to traditional ads, we are able to offer our advertising clients additional alternatives and show them exactly how their spending on our channels adds value. In this way, we can tap into additional revenue streams in the TV advertising business.

How will this impact advertising on your stations?

MITTNACHT Initial results are already in. For our client BMW MINI, we designed an addressable TV retargeting campaign in 2017 that was tailored to the consumers who had actually viewed the MINI TV commercial. A little while later, only these specific viewers were shown a SwitchIn XXL - a digital ad banner that is superimposed on the program, recapping the ad's message and acting as a reminder of the brand. As part of an ad overlay test, we also dynamically displayed Johnson & Johnson and MediaMarkt ads during commercial breaks on our ProSieben MAXX station. These are just two of countless ways in which we can place more target-group-specific advertising.