

MEDIASET *españa.*



FIRST QUARTER RESULTS *January – March 2016*

Madrid – May 4th, 2016

CONTENTS:

Financial and operating highlights

1. Profit and loss account
2. Cash flow generation
3. Summary balance sheet
4. Audience share performance
5. Internet
6. Media for Equity

FINANCIAL AND OPERATING HIGHLIGHTS

million €	1Q16	1Q15	Var.
Total net revenues	230,7	220,7	4,6%
Total operating costs	160,0	174,0	-8,1%
EBITDA adj⁽¹⁾	70,8	46,7	51,6%
EBITDA margin	30,7%	21,2%	9,5pp
EBIT	65,6	42,1	55,7%
EBIT margin	28,4%	19,1%	9,3pp
NET PROFIT	50,1	36,4	37,8%
Net Profit margin	21,7%	16,5%	5,2pp
EPS ⁽²⁾	0,149 €	0,099 €	50,4%
Net cash position	168,1	299,6	

(1) EBITDA Adj, includes TV rights consumption

(2) Excluding treasury shares at 31st march.

Mediaset España records an **adjusted EBITDA** of **€70.8 million** in the first quarter 2016, an increase of **51.6%** compared to the same period last year. In terms of **EBIT**, the figure reaches **€65.6 million** which is a growth of **55.7%** compared to the first quarter **2015 (€42.1 million)**.

- Total **net revenues** for first quarter 2016 amount to **€230.7 million**, of which **€214.1 million** are **net advertising revenues** and **€16.7 million "Other income"**.
- **Infoadex** reports that the **television advertising market** grew **5.6%** in the first **quarter 2016**, compared to the **3.3%** of the **total advertising market**. It also **discloses a 42.8%** market share for **Mediaset España**.
- **Mediaset España's** gross operating margin (**EBITDA**) reaches **30.7%**, **9.5pp** ahead of the **first quarter 2015** margin (**21.2%**).
- **Net Profit** for the quarter amounts to **€50.1 million**, which is **37.8% better** than last's year net profit, **€36.4 million**. The **Net Profit** margin reaches **21.7%** in the period, that is an increase of **5.2 pp.** compared to the same period last' year margin (**16.5%**).
- **Mediaset España's Operating Free Cash Flow** for the period is **€67.6 million**, that is an increase of **€18.0 million** compared to first quarter 2015 (**€49.6 million**) and represents **95.6% of the EBITDA** for the period. The **Net cash Position** as at 31st March 2016 is **€168.1 million**.
- In the first quarter 2016 **Mediaset España** reached an audience of **29.4%** in **24 hours total day total individuals**.
- **Mediaset España's** registers an average of **319.5 million page views**, **28.6 million unique browsers** and **87.6 million videos** streamed, monthly average in the first quarter 2016.
- As at 31st of March 2016, **Mediaset España** held **8.09% of treasury shares**, which equals **29.631.367** shares. The **AGM** that took place on **April 13th 2016** approved the cancellation of **29.457.794 shares** and therefore a capital reduction followed.

1. PROFIT AND LOSS ACCOUNT

Table 1: Consolidated Profit and Loss Account

	1Q2016	1Q2015	% change
TOTAL NET REVENUES	230,74	220,68	4,6%
Rights Amortisation	(45,88)	(37,51)	22,3%
Personnel	(24,80)	(25,88)	(4,2%)
Other operating costs	(89,29)	(110,61)	(19,3%)
.			
TOTAL COSTS	(159,98)	(174,00)	(8,1%)
Adjusted EBITDA	70,77	46,68	51,6%
Other amortisations, provisions	(3,20)	(2,57)	24,7%
Amortisation PPA	(2,00)	(2,00)	0,0%
EBIT	65,56	42,11	55,7%
Equity Cons. Results and Depr. Fin.	(0,80)	4,97	-
Financial results	(0,55)	0,56	-
Pre-tax profit	64,22	47,64	34,8%
Income taxes	(14,16)	(11,31)	25,2%
Minority interests	0,08	0,05	55,2%
Net profit	50,13	36,38	37,8%

Net Profit reaches **€50.13 million**, an increase of **€13.75 million** compared to the same period last year this is a **37.8% improvement**.

1.1. Revenues

Table 2: Revenues

	1Q2016	1Q2015	% change
Gross advertising revenues	222,23	216,54	2,6%
- Mediaset España's Media	215,42	204,62	5,3%
- Third Party Media	6,81	11,92	(42,9%)
Commission	(8,18)	(8,82)	(7,3%)
Net advertising revenues	214,05	207,72	3,0%
Other revenues	16,69	12,97	28,7%
TOTAL NET REVENUES	230,74	220,68	4,6%

As per Infoadex, the television advertising market grew in the first quarter 2016 by 5.6%, compared to the 3.3% of the total advertising market. The advertising performance in this quarter has been good despite the difficult comp with the same period last year (+11.8% growth in first quarter 2015 for the television advertising market) and the fact that Easter Holiday fell in this first quarter 2016 (in 2015 Easter Holidays fell in the second quarter of the year).

Mediaset España's Media Gross advertising revenues for the first three months 2016 reached **€215.42 million** and include the advertising revenues from television, internet and teletext of the Group's 6 channels: TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY and ENERGY, and represents a 5.3% increase, in line with the advertising television market in the quarter, and **€10.80 million higher** compared to the same period 2015 (**€204.62 million**).

The **Third party media revenue** registers **€6.81 million** in the first quarter 2016, and represents a decrease of **€5.11 million** compared to the first quarter last year. This revenue line mainly includes the advertising sales for various Pay TV channels, Internet, e-walls, NetSonic and 8Tv, the latter since July 2015, and in 2016 TNT channel and 13TV since March. The reason for the revenues variation, in this first quarter, is the finalization of the distribution agreement of the DTS contract as of 31.12.2015, when up until that date; **Mediaset España** commercialised the advertising space for Canal+. The company is working towards enhancing this revenue line through new contracts.

The **Total Gross Advertising revenues** reach, in the first quarter 2016, **€222.23 million** compared to the **€216.54 million** from the same period 2015, this is a **2.6% growth** in the period.

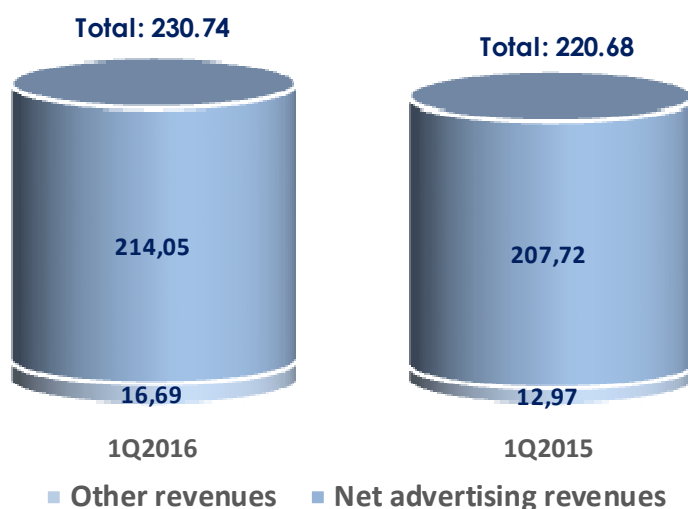
Net advertising revenues after commissions reached **€214.05 million**, in the quarter this is an increase of **3.0%** compared to same period 2015 (**€207.72 million**).

Other Income, these revenues include the **sale and distribution of film rights, co-production, merchandising and gaming revenues** among others. For the first three months 2016, has reached **€16.69 million**, which is an increase of **28.7%** compared to the first quarter 2015 (**€12.97**).

This increase is due to the **excellent performance of the revenues** from the **cinema and gaming activities**. With regards to the cinema business, **Mediaset España** released the film **“Cien años de perdón”** on the 4th March which topped the Box office in its first weekend, and obtained almost **900,000 spectators at the end of March**. Also worth a mention is the film **“Ocho apellidos catalanes”**, which was released October 2015, and contributed to this line of business with its box office takings during the first few weeks of January 2016.

Finally, **Net Revenues** amount to a total of **€230.74 million** that is an increase of **4.6%** in comparison with 2015 first quarter (**€220.68 million**).

Total Net Revenues, Advertising and Others Revenues (mill. €)

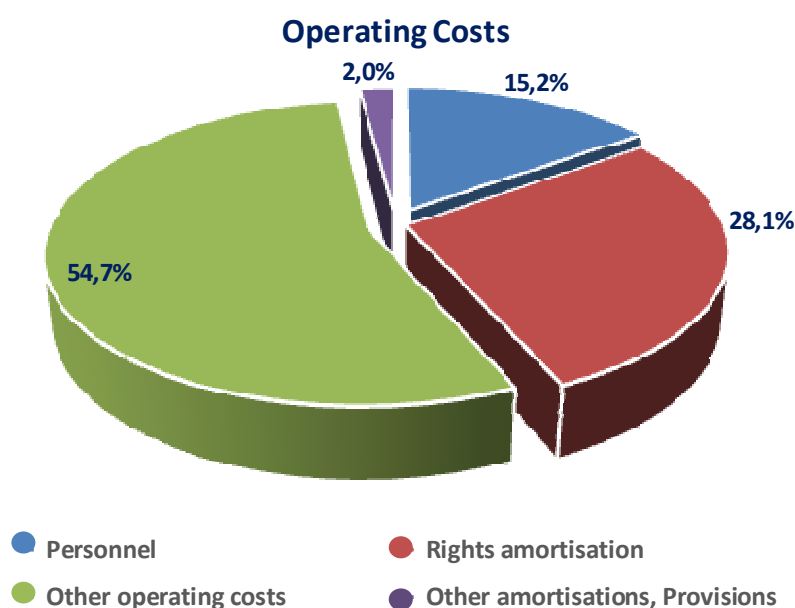


1.2. Operating costs

Total operating costs for the first quarter 2016 was **€163.18 million**, this is **7.6% less** costs than the same period 2015 (**€176.57 million**), and a total savings of **€13.39 million**. The lower operating costs are due to savings in **programming costs**.

Table 3: Operating costs

	1Q2016	1Q2015	% change
Personnel costs	24,80	25,88	(4,2%)
Rights amortisation	45,88	37,51	22,3%
Other operating costs	89,29	110,61	(19,3%)
Other amortisation and provisions	3,20	2,57	24,7%
Total Operating Costs	163,18	176,57	(7,6%)
Amortisation PPA	2,00	2,00	-
TOTAL COSTS	165,18	178,57	(7,5%)



Mediaset España keeps **reducing its operating cost base**, and has achieved savings for the amount of **€67.28 million (-29.2%)** in the quarter, compared to same period **2010**, even though we are currently operating two more channels.

million €	1Q2010*	1Q2011	1Q2012	1Q2013	1Q2014	1Q2015	1Q2016	Var.
Operating Costs	230,46	205,02	195,60	175,80	175,73	176,57	163,18	-29,2%

* Pro-forma consolidated P&L accounts under IFRS of Mediaset España Group and Sogecuatro's Group

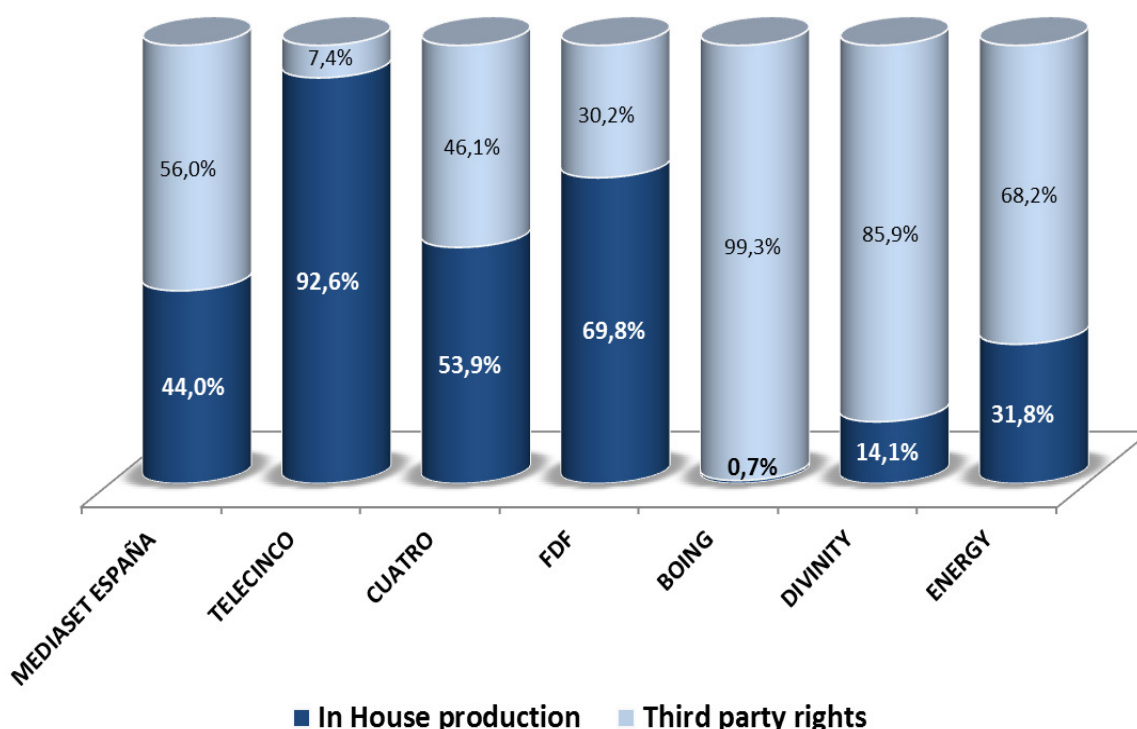
Content

Mediaset España operated **six channels** in the **first quarter 2016** and has allocated during this period **44%** of the broadcasted hours to **in house production** and **56%** to **third party rights**, compared to the **47.4%** and **52.6%** from same period last year, respectively.

In the same period, **TELECINCO** dedicated **92.6%** of its broadcasting hours to **in-house production**, in line with the same period last year (**92.1%**), whilst the remaining **7.4%** of the hours were allocated to **third party rights** (compared to **7.9%** last year).

CUATRO allocated **53.9%** of the programming hours to **in house production**, and **46.1%** to **third party rights**, this compares to the allocation of **50.8%** and **49.2%** respectively, from the same period last year.

As per the other channels, in the case of **FACTORIA DE FICCION**, **69.8%** of its broadcasting hours are **in-house** produced whilst **30.2%** is third party, **BOING** dedicates almost of all of its broadcasting hours to **third party**, **99.3%** and **DIVINITY** has a mix of **14.1%** in house and **85.9%** third party. Finally **ENERGY** has a **31.8%** in house production and **68.2%** third party rights.



1.3. Operating profit and margins

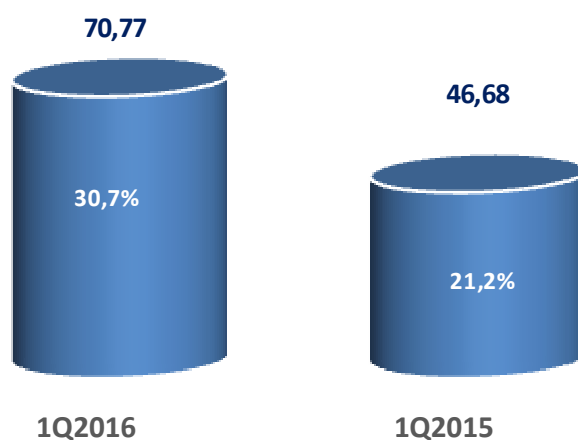
Mediaset España has substantially improved, in the first quarter 2016, its **Gross Operating profit, (adjusted EBITDA)**, to **€70.77 million**, an increase of **51.6%** (**€24.09 million**) compared to 2015. The **Adjusted EBITDA margin** reached, in the same period, **30.7%** of net revenues, **9.5 pp. higher than 2015 (21.2%)**. **Mediaset España** margins have expanded by **19.4 pp** in last the four years (2012 first quarter EBITDA margin **11.2%**).

The **Net Operating Profit (EBIT)**, in the first quarter 2016, reaches **€65.56 million** that is an **EBIT margin of 28.4%**, an improvement of **9.3 pp** compared to the same period **2015 (19.1%)**.

Table 4: Margins

	1Q2016	1Q2015
Total net revenues	230,74	220,68
Adjusted EBITDA	70,77	46,68
Adjusted EBITDA Margin	30,7%	21,2%
EBIT	65,56	42,11
EBIT Margin	28,4%	19,1%
Net Profit	50,13	36,38
Net Profit Margin	21,7%	16,5%

Adjusted EBITDA (mill. €)
Adjusted EBITDA / Total Net Revenues (%)



1.4. Financial result and equity consolidated companies

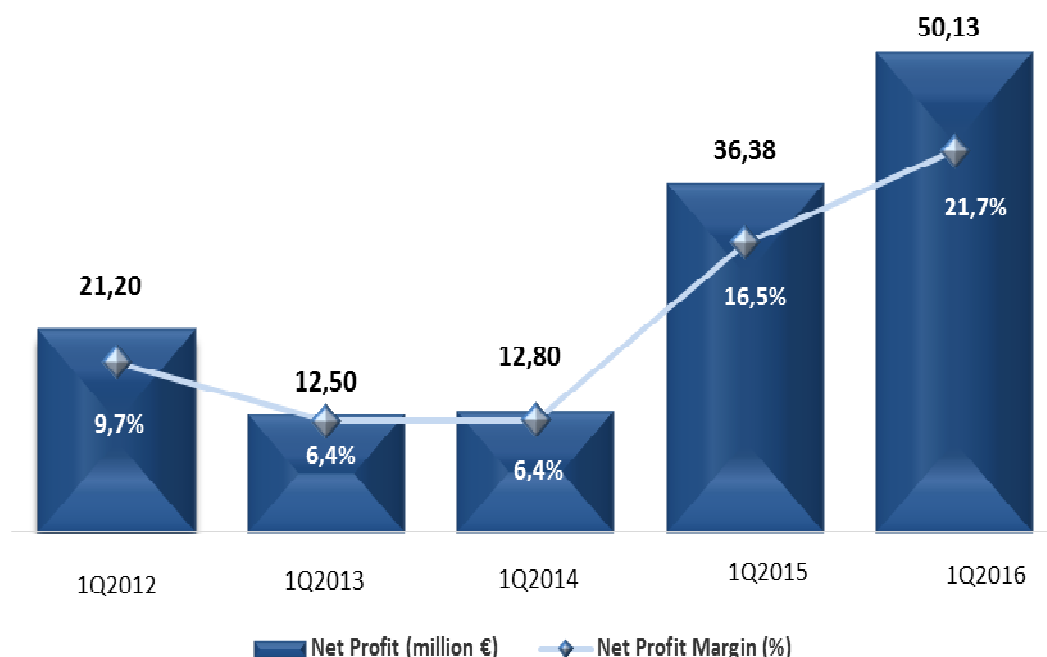
Financial income represents a net expense of **€0.55 million**.

The result from the **equity consolidated companies**¹ for the first quarter 2016 was **€0.80 million** loss. The variation in comparison with 2015 is due to the gain obtained from the exit of La Nevera Roja in February last year.

1.5. Profit for the period January –March 2016

Mediaset España records a **Pre-tax profit** in the first three months 2016 of **€64.22 million**, while **Net Profit** after **taxes and minority interests** increases to **€50.13 million** from **€36.38 million** in the same period 2015, an increase of **37.8%**.

The **Net Profit** margin, reaches **21.7%** over **Total Revenues** in the quarter, an expansion of **12 pp.** compared to first quarter **2012 (9.7%)**.



¹ Companies consolidated by the equity method are: Pegaso Television Inc. (43,7%), A.I.E. (Furia de titanes 2) (34%), Supersport TV, S.L. (30%), Producciones Mandarina S.L. (30%), La Fábrica de la Tele S.L. (30%), Megamedia TV (30%), S.L. ,EDICA 8TV (40%) and Aunia (50%).

2. CASH FLOW GENERATION

The **Operating Free Cash Flow** reaches, in the first quarter 2016, **€67.64 million** compared to **€49.60 million** in 2015, an increase of **€18.04 million**.

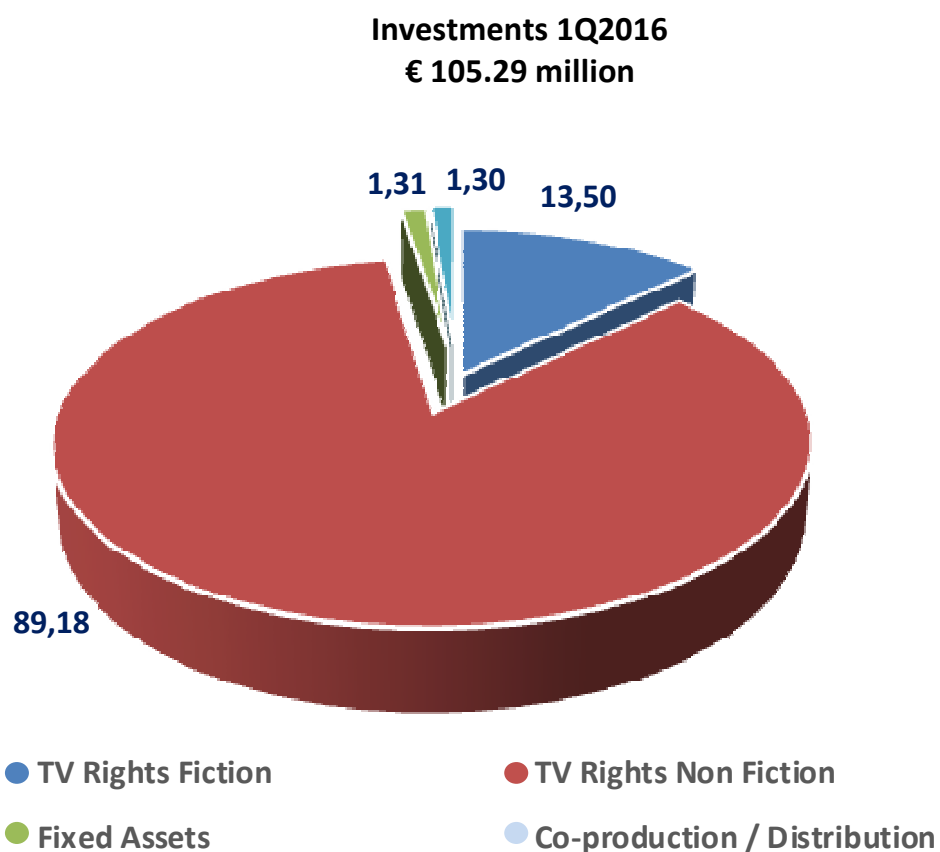
From **January to March 2016**, **Mediaset España** has purchased **treasury shares** for the amount of **€91.40 million**. These acquisitions relate to the **buyback program approved** by the board of the company, with the final intention of cancelling the shares purchased. The buyback program ended on **February 20th 2016**.

Table 5: Cash Flow

	1Q2016	1Q2015	change €
Net profit (without minority interests)	50,05	36,33	13,72
Amortisation:	50,33	41,75	8,57
- Rights	45,88	37,51	8,37
- Other	4,45	4,24	0,20
Provisions	0,75	0,31	0,44
Other	10,67	13,84	(3,18)
OPERATING CASH FLOW	111,80	92,24	19,56
Investment in rights	(103,98)	(83,27)	(20,71)
Investments, other	(1,30)	(0,66)	(0,65)
Change in working capital	61,13	41,29	19,84
OPERATING FREE CASH FLOW	67,64	49,60	18,04
Own stock purchase	(91,40)	(17,82)	(73,58)
Change in Equity	0,61	(2,41)	3,02
Financial investments/disinvestments	(1,13)	4,50	(5,64)
Dividends received	0,00	0,00	0,00
Dividend payments	0,00	0,00	0,00
Net Cash Change	(24,28)	33,88	(58,16)
INITIAL FINANCIAL POSITION	192,41	265,71	(73,30)
FINAL FINANCIAL POSITION	168,13	299,59	(131,46)

The total investment as at 31st March 2016 reached **€105.29 million** versus **€83.93** million from the same period last year. The difference is due mainly to an **increase of purchases of third party rights**.

In **this period**, the total amount invested in **third party rights** was to **€89.18 million** while for Spanish **fiction** the invested amount was **€13.50 million** and **Co-production & Distribution** **€1.30 million**. Finally, the investment in **fixed assets (tangible and intangible)** reached **€1.31 million**.



3. BALANCE SHEET

Table 6: Summary Balance Sheet

	March 2016	December 2015
Tangible assets	578,32	581,11
- Financial	318,21	317,82
- Non Financial	260,11	263,29
Audiovisual rights and Pre-payments	258,83	201,24
- Third parties	220,70	163,82
- Fiction	25,55	22,80
- Co-production / Distribution	12,57	14,62
Pre-paid taxes	125,57	134,51
TOTAL NON-CURRENT ASSETS	962,71	916,86
Current assets	222,06	257,74
Financial investments and cash	187,23	211,55
TOTAL CURRENT ASSETS	409,29	469,29
TOTAL ASSETS	1.372,00	1.386,15
Shareholders' equity	1.029,17	1.069,90
Non-current provisions	10,81	10,39
Non-current payables	9,38	8,48
Non-current financial liabilities	17,84	7,54
TOTAL NON-CURRENT LIABILITIES	38,03	26,41
Current payables	303,53	278,22
Current financial liabilities	1,27	11,61
TOTAL CURRENT LIABILITIES	304,80	289,84
TOTAL LIABILITIES	1.372,00	1.386,15

Mediaset España's Balance Sheet shows a healthy match between **current assets** and **current liabilities**, and a **very strong cash position**. Due to that fact, the company registers a strong **liquidity ratio** of **134.3%** in the first quarter 2016, although **€167.40 million** are **earmarked** for dividend distribution (paid April 19th).

The Audio-visual Rights in the balance sheet reflects the right level of investments to cover the company's programming needs.

The **Equity** of the Group is down by **€40.73 million** compared to **December 2015**. This mainly is due to the **treasury shares** purchased following the **company's buyback program**, the amount of which exceeds the net profit figure of the period.

4. AUDIENCE SHARE PERFORMANCE²

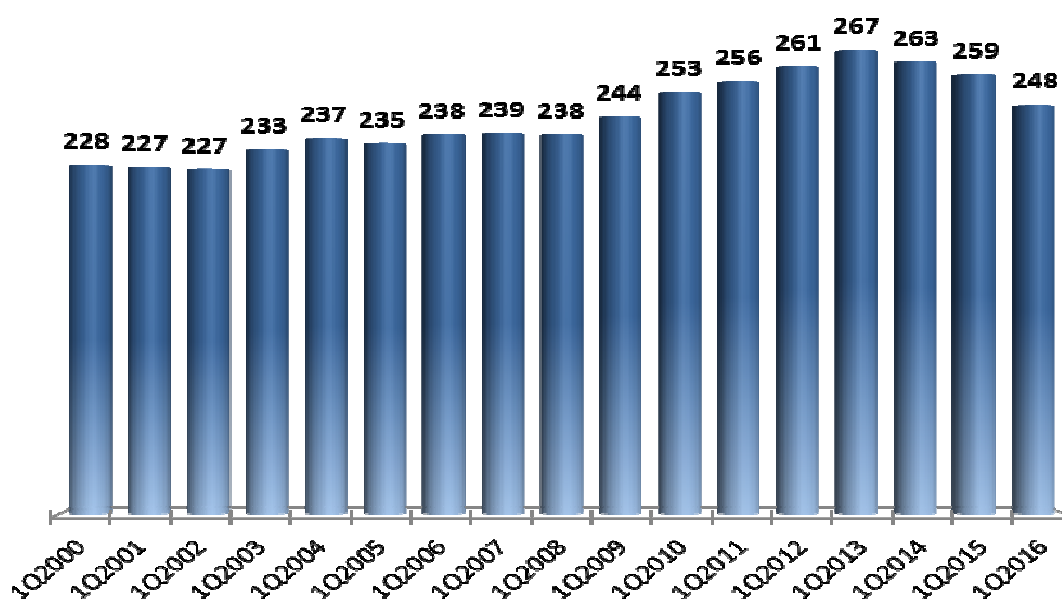
4.1. TV Consumption

Years	Minutes	Thousands Viewers
1Q2000	228	6.327
1Q2001	227	6.327
1Q2002	227	6.189
1Q2003	233	6.380
1Q2004	237	6.689
1Q2005	235	6.734
1Q2006	238	6.870
1Q2007	239	6.958
1Q2008	238	7.029
1Q2009	244	7.411
1Q2010	253	7.696
1Q2011	256	7.825
1Q2012	261	7.984
1Q2013	267	8.171
1Q2014	263	8.097
1Q2015	259	7.989
1Q2016	248	7.676

In the **first quarter 2016**, television consumption continued showing very high numbers despite a slight flex due to the improvement of the economy, which has a positive impact on the business. The **average daily television consumption** remains above **4 hours per person per day** (248 minutes), and it is **one of the largest in Europe**.

On the other hand, the **daily average viewers** reach **7.68 million** remaining quite strong compared to previous years.

The **non-linear TV consumption**, in the first quarter 2016, was on average, **4 minutes per person per day**.



² Source: Kantar Media

4.2. Group

Table 7: January-March 2016 average audience share for Mediaset España

		1Q2016	1Q2015
Total Individuals	Total Day	29,4%	31,4%
	PRIME TIME	28,7%	30,4%
	DAY TIME	29,8%	31,9%
Commercial Target	Total Day	30,7%	33,2%
	PRIME TIME	29,0%	31,3%
	DAY TIME	31,6%	34,2%

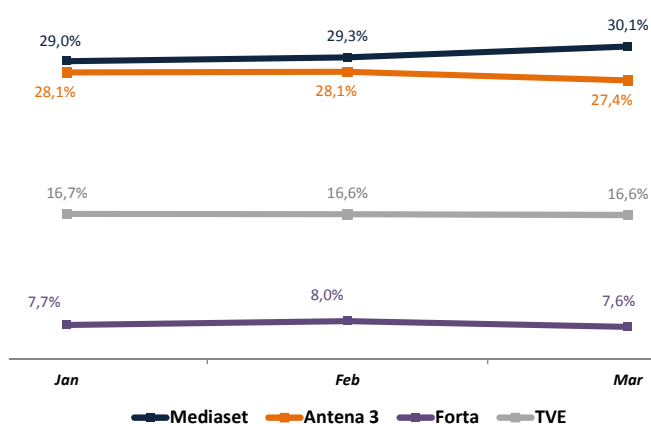
Mediaset España achieved a **29.4%** share of in **total individual's total day** in the **first three months 2016**, that is **1.5 pp** ahead of its direct competitor, despite the lack of premium sports events and operating the same number of channels.

In Prime Time³, **Mediaset España** records a **28.7%** audience share in the first quarter 2016 surpassing its direct competitor **(+0.2pp)**.

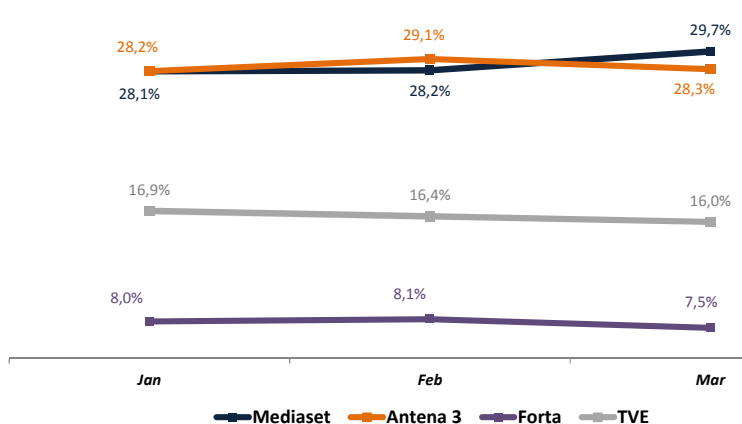
Regarding the **commercial target** audience share, the group **Mediaset España** reached a **30.7%** share in the period in **total day**, and a **29.0%** in **Prime Time**.

In first quarter 2016 the **Mediaset España Group**, achieves an outstanding performance on its **DTT channels** reaching **8.4%** share, **1.3 pp** above its nearer competitor **(7.1%)**, operating the same number of channels.

Audience Share, 24 Hours, Total Individuals in% per Group



Audience Share, Prime Time, in% per Group



³ Prime Time ; time slot between 20:30H and 24:00

4.3. Main Channels

Table 8: January- March 2016 average audience share for Telecinco

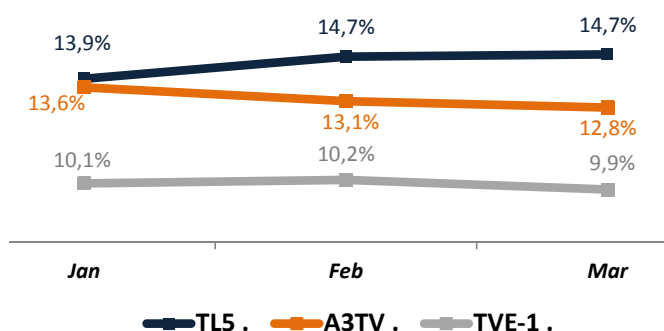
TL5		1Q2016	1Q2015
Total Individuals	Total Day	14,4%	14,9%
	PRIME TIME	14,8%	15,3%
	DAY TIME	14,2%	14,7%
Commercial Target			
	Total Day	13,6%	14,0%
	PRIME TIME	13,3%	13,6%
	DAY TIME	13,7%	14,2%

Telecinco achieves, in the first quarter 2016, an average **audience share of 14.4%, in total individual's total day**, obtaining 19 consecutive months of leadership and is **1.2pp ahead** its direct competitor. Regarding the **commercial target**, the **Telecinco** channel registers a **13.6% share** and is the channel that leads in the most targets

In "prime time"³, **Telecinco** records a **14.8% audience share** in total individuals, and **13.3% commercial target**.

Some of the most popular **Telecinco** programmes in this quarter were: the last season of **El Principito**, a very successful **in-house fiction** that achieved over **4 million viewers** and **23.4%** audience share in **the first quarter 2016**. The premier of very **popular international formats**, such as **Got Talent**, that in its 6 broadcasts, obtained **3.1 million viewers**, **20.0% audience share in the period**. **Telecinco** also remained committed to the format "**Big Brother Vip**" that have obtained very good results in the past and continues to do so. In this new edition, in the **first quarter 2016** it achieved an average of **2.9 million viewers** and **23.6% audience share**.

Audience Share, 24 Hours, Total Individuals in %



Audience Share, Prime Time, Total Individuals in %

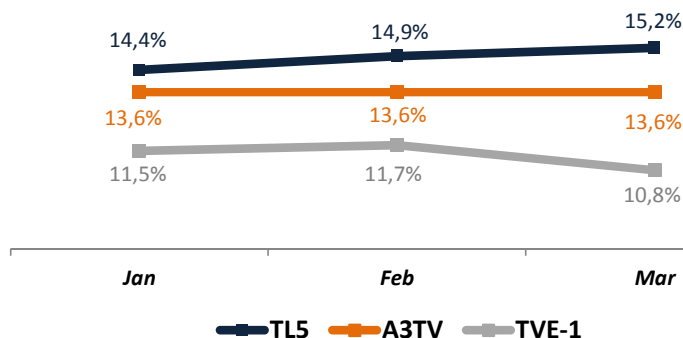


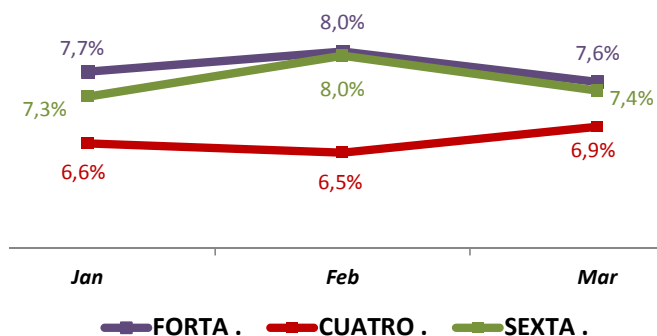
Table 9: January- March 2016 average audience share for Cuatro

		CUATRO	
		1Q2016	1Q2015
Total Individuals	Total Day	6,7%	7,4%
	PRIME TIME	6,0%	6,7%
	DAY TIME	6,9%	7,8%
Commercial Target			
	Total Day	7,7%	8,7%
	PRIME TIME	7,4%	8,3%
	DAY TIME	7,8%	8,9%

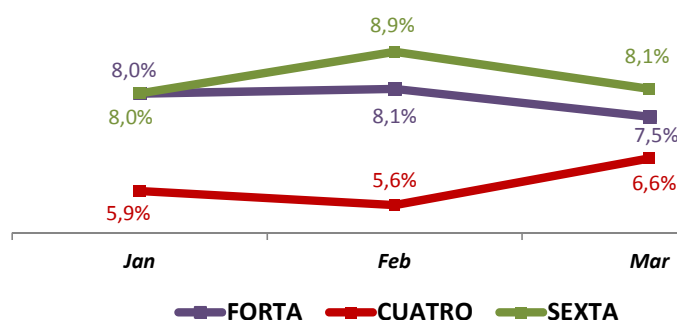
Cuatro achieved in the first quarter 2016, **6.7%** audience share in **total individual's total day** and **7.7%** in commercial target.

The in house production has proved to be very successful in **Cuatro**, with the premier of “**El Xef**” a docu-reality that achieved an average of **1.9 million viewers** and obtained a **9.5% audience share**. Also the **Cuarto Milenio** programme obtained **9.0% audience share** and obtained its best record of the season. In prime time the **third party series Castle** achieves an average of **8.1% audience share** in March.

Audience Share, 24 Hours, Total Individuals in %



Audience Share, Prime Time, in %

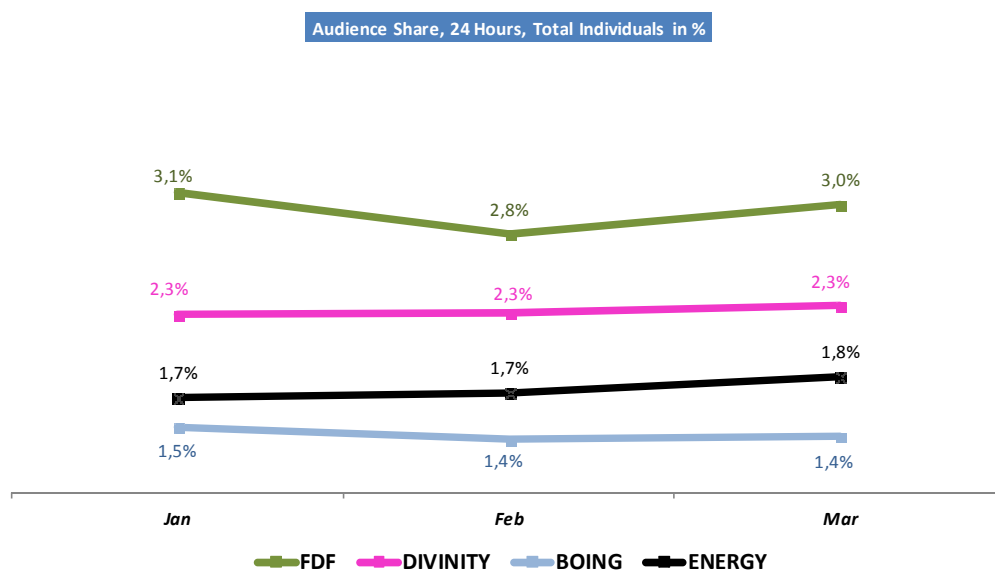


4.4. New Generation Channels

Table 10: January-March 2016 average audience share for New Generation Channels

1Q2016			
		Total Individuals	Commercial Target
FDF	Total Day	3,0%	3,7%
	PRIME TIME	2,7%	3,1%
DIVINITY	Total Day	2,3%	2,9%
	PRIME TIME	2,1%	2,5%
BOING	Total Day	1,4%	1,0%
	PRIME TIME	1,1%	0,8%
ENERGY	Total Day	1,7%	1,8%
	PRIME TIME	1,9%	1,8%

FDF reached a **3.0% audience share in total individuals total day** while in its target **13 to 24 year olds** achieved **8.1%** audience share and in the **25 to 34** a **5.0%** audience share. **Divinity** achieves an excellent mark in its target of **16 to 44** year old women with **3.5%**, while in **Total individuals** its share is **2.3%**. **Energy** registers a **1.7%** audience in **Total individuals** while in its target, **25 to 54** year old men, it improves to **2.0%**. **Boing**, the children's channel, has an audience share in **Total individuals** of **1.4%** while in its target **4 to 12 year olds** it has managed to multiply its rating almost **nine fold** reaching a **12.0%** audience share.



5 Internet

Mediaset España has registered, in the first quarter 2016, a **monthly average of 28.6 million unique browsers** and **319.5 million page views** (as per OJD/Nielsen). It has streamed, in the same period, a monthly average of **87.6 million videos** well ahead of its nearest competitor (73.0 million videos) (source ComsCore and only PC).

	Unique Browsers	Page Viewed	Video Streamed
march 2016	28.129.202	330.822.216	79.529.492
february 2016	29.514.837	332.956.010	93.858.895
january 2016	28.112.516	294.625.352	89.478.249

The **Telecinco.es** site continues leading in internet within its sector, with an average of **8.0 million unique users a month**, (vs. 5.7 million Antenatres) whilst **Cuatro.es** site has registered an average of **3.2 million** (vs. 2.8 million La Sexta) (source ComsCore only pc). The market tool **Omniture** (all devices) measures that **35.2%** of the videos streamed in the first quarter 2016, related to **Mediaset España's live programs**.

Mediaset España registers a total of **11.8 million app downloads** to March 31st 2016, which is an increase of **32.6%** compared to the same period last year, when the company registered **8.7 million** downloads. **Mediaset España** most popular downloads are **Mitele** with **4.8 million**, **Big Brother** **3.0 million** and **The Voice** **1.7 million** downloads, **MediasetSport** and **Moto GP** with **0.6 million** and **0.4 million** downloads respectively.

Mediaset España currently has **180 active social accounts** amongst the major providers: **Facebook**, **Twitter**, and **Instagram** with a total of **33.7 million followers**. **Mediaset España** registers in the first quarter 2016 **10.6 million comments**, this is **55.3%** of the total comments on television on the social networks. The **most commented** programme in the first three months 2016 has been **"Big Brother"** that registers **6 million** comments in the quarter.

Radioset the is site where **Mediaset España** gathers all its radio contents, and with just 6 months from its release, has managed to consolidate the second **position** within the radio sites in the first quarter 2016. It registers an average unique visitors **for the period of 1.2 million**, positioning itself ahead of the well known radio station such as **Cope.es**, **EuropaFM.com** y **OndaCero.es**, only behind **CadenaSer.com** (source: ComsCore).

6 Media for Equity

Mediaset España is working with a number of start-ups through **Media for Equity** agreements, with the aim of investing in the most promising companies, following well defined **financial and investment criteria**. **Mediaset España** designs tailor made solutions for start-ups who see the potential benefits of television, and offer advertising space in exchange for a **stake in the company** or **performance based cash campaigns**. The majority of our investments were closed in 2015 so **Mediaset España** doesn't expect major exits in 2016, but in the case of good exit opportunities the company won't rule those out.

Mediaset España has closed some investments with German companies and is working together with other European broadcasters to obtain access to relevant North American and Asian start-ups.

Mediaset España currently holds various **Media for Equity** investments: **Wimdu**, **Westwing**, **Deporvillage**, **isalud**, **Modalia**, **Byhours** and **Cornerjob**, and works towards obtaining further agreements. The company has sold its stake in **La Nevera Roja**, in February 2015, obtaining a healthy profit.

The Group operates its **Media for Equity** business through the **Ad4Ventures** Company.