

MEDIASET*españa.*



FIRST NINE MONTHS RESULTS
January – September 2015

Madrid – 28th October, 2015

CONTENTS:

- Financial and operating highlights
- 1) Profit and loss account
- 2) Cash flow generation
- 3) Summary balance sheet
- 4) Audience share performance
- 5) Media for Equity

FINANCIAL AND OPERATING HIGHLIGHTS

million €	9M15	9M14
Total net revenues	674,7	658,2
Total operating costs	-530,3	-561,4
EBITDA adj⁽¹⁾	144,4	96,8
EBITDA margin	21,4%	14,7%
EBIT	131,4	84,2
EBIT margin	19,5%	12,8%
NET PROFIT	113,8	25,2
EPS ADJ ⁽²⁾	0,32	0,07
Free Cash Flow	161,7	92,7
Net cash position	205,7	205,7

(1) EBITDA Adj, includes TV rights consumption

(2) Adjusted excluding the treasury stocks owned at September 30th.

Mediaset España reaches an **adjusted EBITDA** of **€144.4 million** for the first nine months of the year that is **49.1% better than 2014 (€96.8 million)**. **EBIT** is also higher by **56.1%** compared to the same period last year, reaching **€131.4 million**.

- **Total Net Revenues** for the first nine months of 2015 amount to **€674.7 million**, with Net Advertising revenues of **€634.5 million** and **€40.2 million** of "Other income".
- **Infoadex** reports that the **television advertising market** grew by **8.0%** in the **first nine months** to September 2015 whilst **total advertising market** grew by **6.4%**. It also estimates a **market share** of **43.4%** for **Mediaset España** in the same period.
- **Mediaset España's** operating margin for the first nine months of 2015 is **21.4%**, an increase of **6.7pp** compared to the same period last year (**14.7%**).
- In the **nine months to September 2015 Net Profit** amounts to **€113.8 million**, four and a half times the number of 2014 (**€25.2 million**).
- **Mediaset España** maintains a debt-free balance sheet and a positive net cash position of **€205.7 million** as of **30th September 2015** and generated a free cash flow in the period, of **€161.7 million**.
- **Mediaset España** paid **€47.5 million** in dividends on **May 4th 2015** and acquired, to September 30th, treasury stock for the amount of **€170.3 million**. Treasury stock as at **September 30th** stands at **3.7%**, i.e. **13.4 million shares**. On **October 20th** the company completed its share **buyback plan** and acquired **15.2 million shares**, **4.2%** of the share capital.
- **Mediaset España's** audience share for the **first nine months** of the year is **31.3%** in 24 hours **total individuals** that is **0.7 points** above the same period last year (**30.6%**).
- In September **Mediaset España** reaches an Internet audience of **33.6 million unique users**, **393.1 million page views** and more than **99.6 million video** downloads for that month.
- In October **Mediaset España** has been **awarded 1 HD** channel in the recently held beauty contest.

1. PROFIT AND LOSS ACCOUNT

Table 1: Consolidated Profit and Loss Account

Millions of €	9M2015	9M2014	% change
TOTAL NET REVENUES	674,68	658,16	2,5%
Rights Amortisation	(131,37)	(144,50)	(9,1%)
Personnel	(78,15)	(80,41)	(2,8%)
Other operating costs	(320,79)	(336,45)	(4,7%)
TOTAL COSTS	(530,31)	(561,35)	(5,5%)
Adjusted EBITDA	144,37	96,80	49,1%
Other amortisations, provisions	(6,95)	(6,64)	4,7%
Amortisation PPA	(6,00)	(6,00)	0,0%
EBIT	131,41	84,17	56,1%
Equity Cons. Results and Depr. Fin. Assets	15,74	(58,57)	(126,9%)
Financial results	(0,01)	(0,63)	(99,1%)
Pre-tax profit	147,15	24,97	-
Income taxes	(33,55)	(0,11)	-
Minority interests	0,23	0,35	(34,7%)
Net profit	113,83	25,21	-

The **Net profit** for the first nine months of **2015** amounted to **€113.83 million** representing a margin of **16.9%** over total net revenues. This is the **best nine month margin** since the **beginning of the crisis**.

1.1. Revenues

Table 2: Revenues

Millions of €	9M2015	9M2014	% change
Gross advertising revenues	659,24	628,27	4,9%
- Mediaset España's Media	626,52	601,60	4,1%
- Third Party Media	32,72	26,67	22,7%
Commission	(24,79)	(28,69)	(13,6%)
Net advertising revenues	634,45	599,58	5,8%
Other revenues	40,22	58,58	(31,3%)
TOTAL NET REVENUES	674,68	658,16	2,5%

Gross advertising revenues for the first nine months of the year amounted to a total of **€659.24 million**, an increase of **4.9%** compared to the same period 2014.

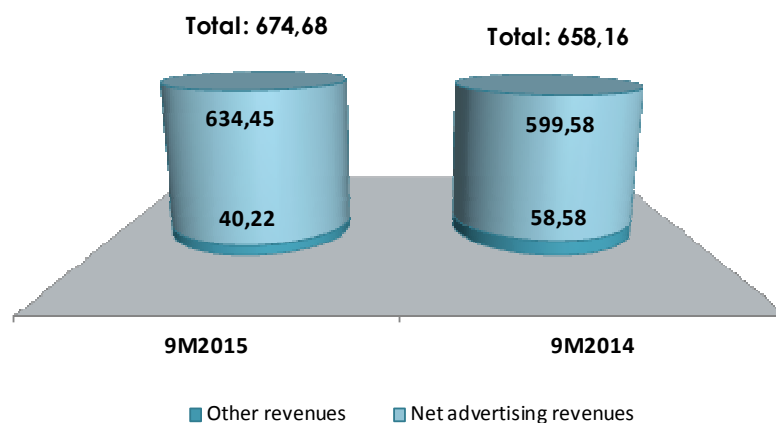
Mediaset España's Media Gross advertising revenues, (which include the income of the Group's 6 channels: TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY and ENERGY, as well as the **internet and teletext** revenues) reach a total of **€626.52 million**, that is **€24.92 million** more than 2014, an increase of **4.1%**.

Mediaset España has gained market share throughout the quarters, recording: **43.0%** in the **first quarter**, **43.4%** in the **second quarter** and **43.8%** in the **third quarter**.

The **third party media advertising revenues** increased by **22.7%** vs. same period last year and reached **€32.72 million**. **Net advertising revenues** after discounts increased by **5.8%** totaling **€634.45 million**.

Other Income Revenues, which include the sale and distribution of film rights, co-production, merchandising and game revenues among others, amounted to **€40.22 million**, compared to **€58.58 million** in 2014. The difference is mainly due to the number of film releases: in the first nine months of 2015 there was just one release: **Capture the Flag** (August) whilst there were **two releases** in 2014: **Ocho apellidos vascos** (March) and **El Niño** (August).

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



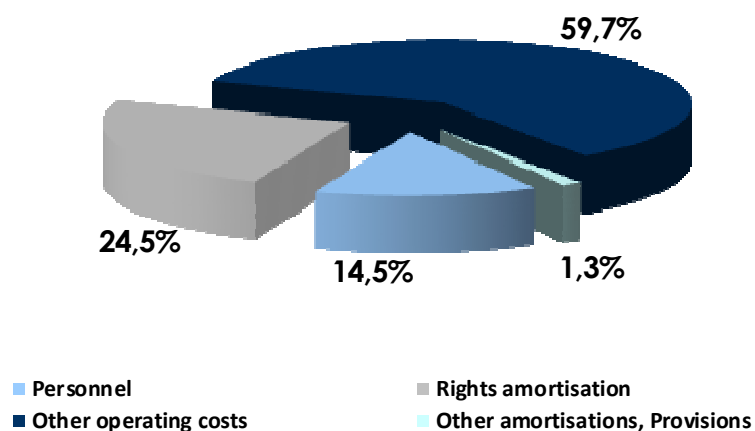
1.2. Operating costs

Total operating costs for the first nine months of 2015 amounted to **€537.26 million**, a **5.4%** reduction compared to 2014, producing savings of **€30.73 million** in the period. Most of the **cost savings** come from lower **programming** and **retransmission** costs.

Table 3: Operating costs

Millions of €	9M2015	9M2014	% change
Personnel costs	78,15	80,41	(2,8%)
Rights amortisation	131,37	144,50	(9,1%)
Other operating costs	320,79	336,45	(4,7%)
Other amortisation and provisions	6,95	6,64	4,7%
Total Operating Costs	537,26	567,99	(5,4%)
Amortisation PPA	6,00	6,00	-
TOTAL COSTS	543,26	573,99	(5,4%)

Operating Costs



Mediaset España continues with its traditional cost control, and for the first nine months 2015 its cost base is a **24.4% lower** than in 2010, whilst currently operating 6 channels compared to the 4 channels in operation at the end of 2010.

million €	9M2010*	9M2011	9M2012	9M2013	9M2014	9M2015	Var.
Operating Costs	710,65	592,86	596,13	532,55	567,99	537,26	-24,4%

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

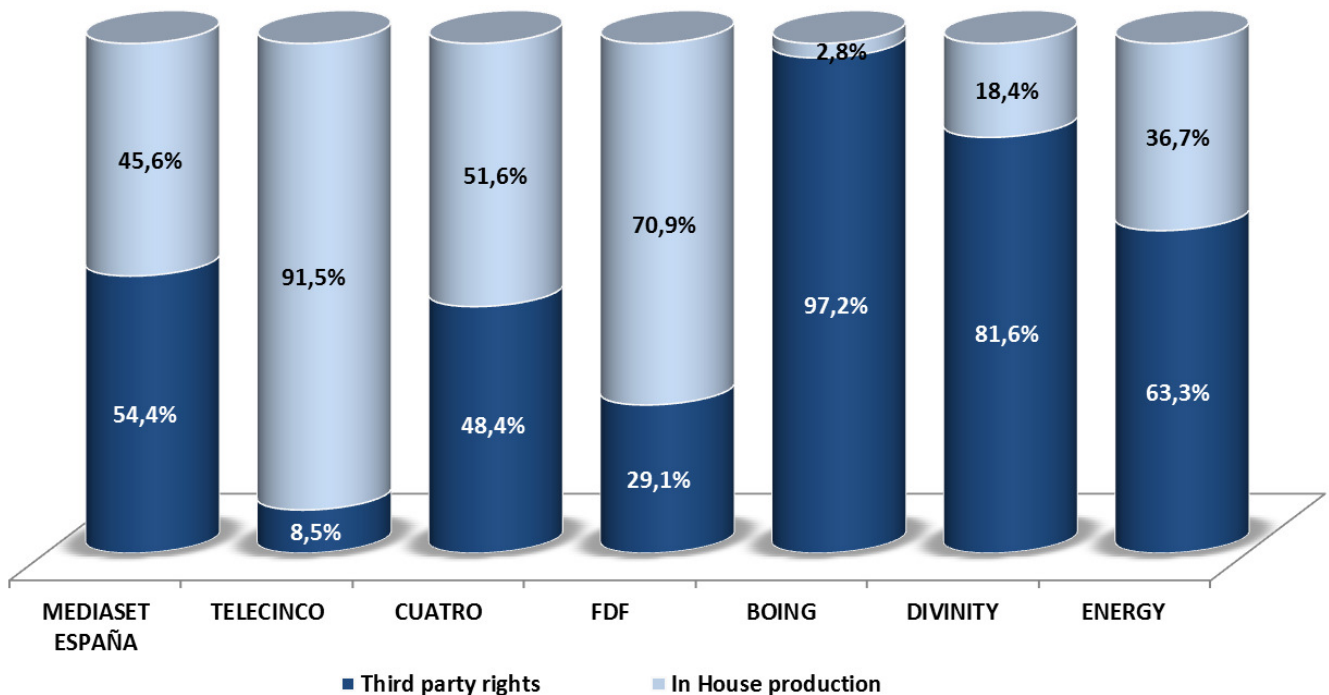
Content

In the nine months to September 2015, the **Mediaset España Group** allocated a **45.6%** of its total programming hours to **in house production**, with **third party rights** reaching **54.4%** of the total of broadcasting hours.

In the first nine months of the year the **TELECINCO** channel has allocated **91.5%** of programming hours to in-house production and **8.5%** of programming to **third party rights**, in line with the same period of last year (**93.0%** in-house production and **7.0%** third party).

Cuatro allocated **51.6%** of its grid to in-house production and **48.4%** to external production compared to **57.6%** in-house production and **42.4%** third party rights from same period **2014**.

As per the other channels, in case of **FACTORIA DE FICCION**, **70.9%** of its broadcasting hours are in-house produced whilst **29.1%** are third party, **BOING** are **97.2%** third party and **DIVINITY** has a mix of **18.4%** in house and **81.6%** third party. Finally **ENERGY** has a **36.7%** in house production and **63.3%** third party rights.



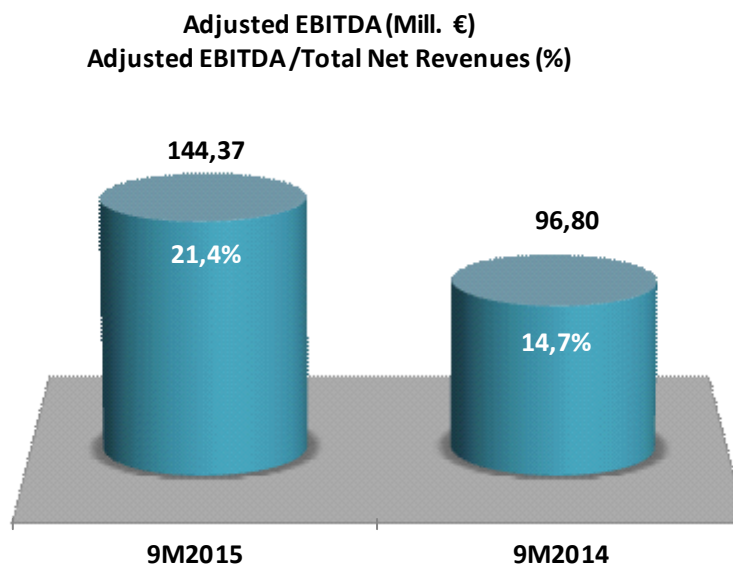
1.3. Operating profit and margins

The **gross operating profit, (adjusted EBITDA)**, amounts to **€144.37 million** which is an increase of **€47.57 million** over the same period last year, equivalent to **49.1% growth** compared to same period **2014**. The **EBITDA margin** also improved to **21.4% of net revenues (6.7pp better than 2014, 14.7%)**.

Net operating profit (EBIT) equals **€131.41 million**, this is an increase of **56.1%** over the net profit same period 2014. **Net operating profit margin** equals **19.5%** over 2015 **total net revenues, (12.8% in 2014)**.

Table 4: Margins

<i>Millions of €</i>	9M2015	9M2014
Total net revenues	674,68	658,16
Adjusted EBITDA	144,37	96,80
<i>Adjusted EBITDA Margin</i>	<i>21,4%</i>	<i>14,7%</i>
EBIT	131,41	84,17
<i>EBIT Margin</i>	<i>19,5%</i>	<i>12,8%</i>
Net Profit	113,83	25,21
<i>Net Profit Margin</i>	<i>16,9%</i>	<i>3,8%</i>



1.4. Financial result and equity consolidated companies

Financial income represents a net expense of **€0.01 million**.

The result from the **equity consolidated companies**¹ shows a gain of **€15.74 million** that includes, amongst others the gain from the exit of **La Nevera Roja**, **€5.44 million and 10 million** earn out from **Telefonica**, after the regulatory approval of the acquisition of **Prisa's** stake in **DTS**. Also included in the consolidation perimeter is the **40%** stake in the Catalanian local television, **8Tv**.

1.5. Profit for the period January –September 2015

Pre-tax profit for the **first nine months** of the year is **€147.15 million**. **Net Profit** after **taxes and minority interest** for the same period reaches **€113.83 million** which is **four and a half times** the net profit of **2014 (€25.21 million)**.

¹ Companies consolidated by the equity method are: Pegaso Television Inc. (43.7%), A.I.E. (Furia de titanes 2) (34% indirect shareholding), Supersport TV, S.L. (30%), Producciones Mandarina S.L. (30%), La Fábrica de la Tele S.L. (30%), , Megamedia TV, S.L. (30% indirect shareholding) y EDICA 8TV (40%).

2. CASH FLOW GENERATION

The **Operating Free Cash Flow** for the first nine months of 2015 is **€161.71 million**, an increase of **€68.99 million** compared to the same period **2014**.

During the nine months to September 2015, **Mediaset España** distributed a dividend of **€47.54 million** and acquired **treasury stock** for the amount of **€170.25 million**, out of which **€166.34 million** belongs to the buyback program approved by the board of directors on May 8th. The said buyback program was completed on October 20th for the final amount of **€169.96 million**.

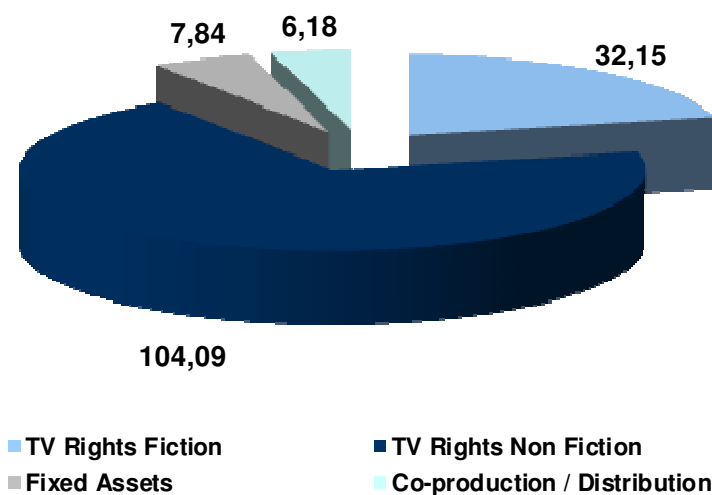
Table 5: Cash Flow

Millions of €	9M2015	9M2014	Change in millions of €
Net profit (without minority interests)	113,60	24,86	88,75
Amortisation:	144,11	157,08	(12,97)
- Rights	131,37	144,50	(13,12)
- Other	12,74	12,59	0,15
Provisions	0,18	0,05	0,13
Other	20,78	61,29	(40,50)
OPERATING CASH FLOW	278,68	243,28	35,40
Investment in rights	(142,43)	(150,81)	8,38
Investments, other	(7,84)	(4,13)	(3,71)
Change in working capital	33,30	4,37	28,92
OPERATING FREE CASH FLOW	161,71	92,72	68,99
Own stock purchase	(170,25)	(307,51)	137,26
Change in Equity	0,91	3,86	(2,95)
Financial investments/disinvestments	(6,93)	321,21	(328,14)
Dividends received	2,10	1,90	0,19
Dividend payments	(47,54)	0,00	(47,54)
Net Cash Change	(60,01)	112,18	(172,19)
INITIAL FINANCIAL POSITION	265,71	93,48	172,23
FINAL FINANCIAL POSITION	205,70	205,66	0,04

Total net investment as of 30th of September 2015 reached **€150.27million**.

During the first **nine months of 2015**, the investment in third party rights amounted to **€104.09 million** while for Spanish fiction and Co-production & Distribution the amounts were **€32.15 million** and **€6.18 million** respectively. Finally the investment in fixed assets (tangible and intangible) reached **€7.84 million**.

Net investments 9M2015
€150.27 million



3. BALANCE SHEET

Table 6: Summary Balance Sheet

<i>Millions of €</i>	September 2015	December 2014
Tangible assets	576,84	569,55
- Financial	316,24	303,61
- Non Financial	260,60	265,94
Audiovisual rights and Pre-payments	239,55	228,64
- Third parties	193,34	182,49
- Fiction	24,22	25,74
- Co-production / Distribution	21,98	20,41
Pre-paid taxes	143,35	164,78
TOTAL NON-CURRENT ASSETS	959,74	962,97
Current assets	200,00	246,36
Financial investments and cash	225,04	277,09
TOTAL CURRENT ASSETS	425,04	523,45
TOTAL ASSETS	1.384,78	1.486,42
Shareholders`equity	1.084,94	1.189,41
Non-current provisions	9,49	9,68
Non-current payables	8,41	10,43
Non-current financial liabilities	17,55	11,15
TOTAL NON-CURRENT LIABILITIES	35,46	31,26
Current payables	262,58	265,51
Current financial liabilities	1,80	0,24
TOTAL CURRENT LIABILITIES	264,38	265,75
TOTAL LIABILITIES	1.384,78	1.486,42

Our Balance Sheet reflects a **sound financial position** and a **strong cash balance**.

The **Equity** of the group is **down by €104.47 million**, due mainly to the Treasury Shares acquisitions carried out in the company's buyback program and to the distribution of an ordinary dividend.

4. AUDIENCE SHARE PERFORMANCE²

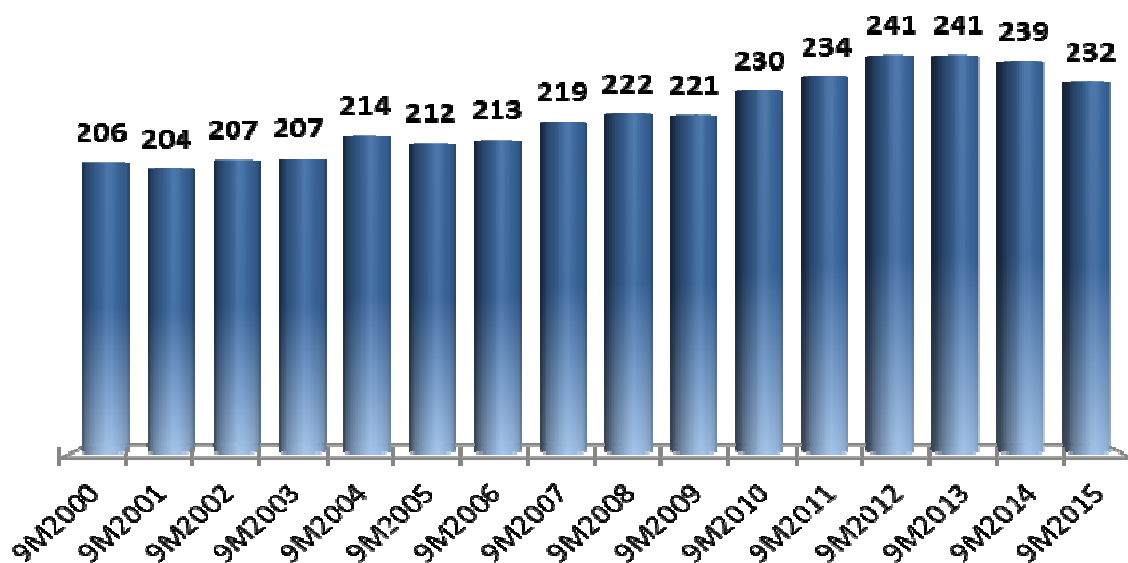
4.1. TV Consumption

Years	Minutes	Thousands
9M2000	206	5.524
9M2001	204	5.546
9M2002	207	5.641
9M2003	207	5.668
9M2004	214	6.067
9M2005	212	6.075
9M2006	213	6.144
9M2007	219	6.391
9M2008	222	6.540
9M2009	221	6.729
9M2010	230	6.997
9M2011	234	6.425
9M2012	241	7.368
9M2013	241	7.300
9M2014	239	7.278
9M2015	232	7.164

The average television consumption in the first nine months of **2015** is almost 4 hours and it is slightly decreasing in comparison with previous years. The daily average viewers reach **7.16 million**, which is a similar level to previous quarters.

The reduction in the number of minutes from **peak level (241 minutes)** to current level, **232 minutes**, is due to the improvement of the economy and the reduction of unemployment.

Time shift audiences, measured within 7 days, currently represent a very small percentage over the total audience share, **1.2% for September**. This is not included in the TV consumption figures shown in the table.



² Source: Kantar Media

4.2. Group

Table 7: January-September 2015 average audience share for Mediaset España

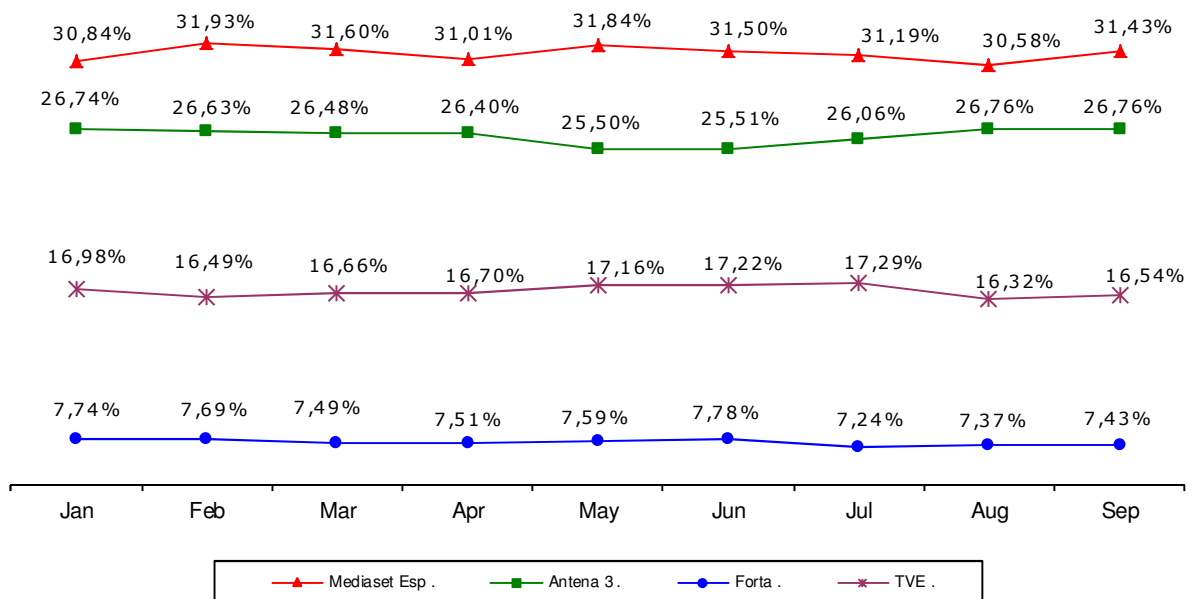
		9M2015	9M2014
Total Individuals	Total Day	31,3%	30,6%
	PRIME TIME	30,3%	29,5%
	DAY TIME	31,8%	31,1%
Commercial Target	Total Day	33,4%	32,7%
	PRIME TIME	31,6%	31,0%
	DAY TIME	34,2%	33,5%

For the period January-September 2015 **Mediaset España** achieved a share of **31.3%** in total individuals total day and which is **0.7 pp.** better than last year (**30.6%**), besides the difficult comps due to the **World Cup 2014**.

Regarding the commercial target audience share, **Mediaset España** reached a share of **33.4%** in the period, representing an improvement of **0.7 points** over the same period last year.

In September **Mediaset España** achieves a great performance in its **DTT channels** with a share of **9.2%** versus the **5.7%** achieved by its nearest competitor, a difference of **3.5 points**.

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



4.3. Main Channels

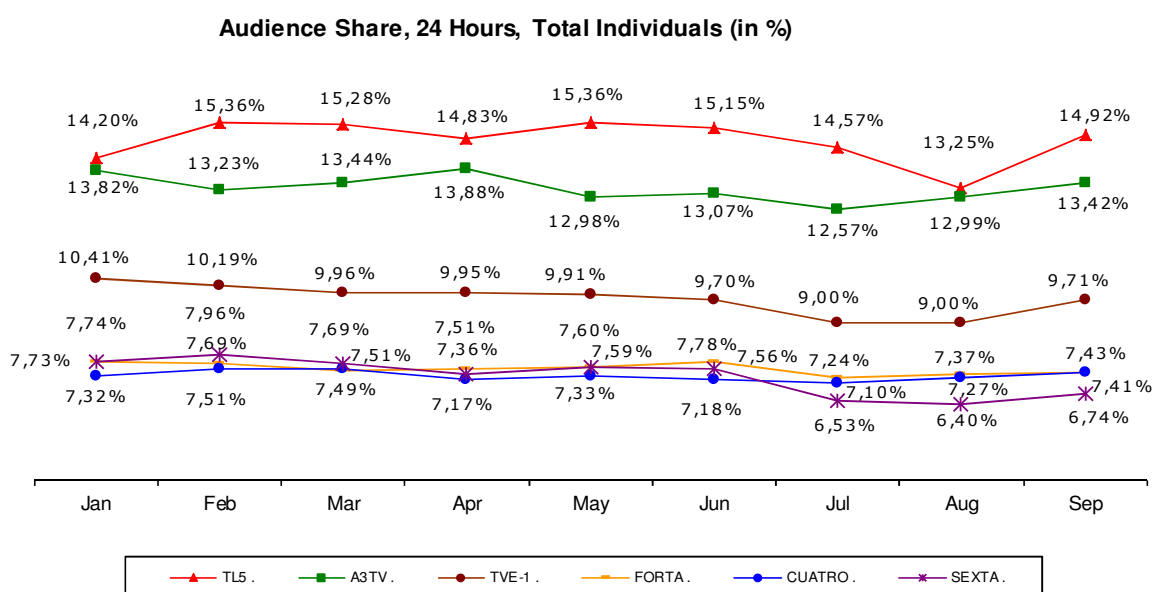
Table 8: January- September 2015 average audience share for Telecinco and Cuatro

		TL5		CUATRO	
		9M2015	9M2014	9M2015	9M2014
Total Individuals	Total Day	14,8%	14,5%	7,3%	6,5%
	PRIME TIME	15,3%	15,4%	6,6%	5,8%
	DAY TIME	14,6%	14,1%	7,7%	6,9%
Commercial Target	Total Day	14,3%	13,9%	8,4%	7,9%
	PRIME TIME	14,1%	14,5%	8,0%	7,2%
	DAY TIME	14,4%	13,6%	8,6%	8,3%

For the period **January-September 2015**, the Telecinco channel reached an average of **14.8% share**, in total individual's total day, an improvement of **0.3 points** with respect to **2014**. Regarding the commercial target audience share, **Telecinco** achieved a **14.3% share** in the first nine months 2015, which is an increase of **0.4 pp.** compared to the same period **2014** (13,9%).

The **Cuatro** channel achieved a **7.3%** in total day total individuals and **8.4%** in commercial target, a substantial improvement from last year, **+0.8 points** and **+0.5 points** respectively. In "prime time"³, Telecinco **leads total individuals**, with an average share of **15.3%** 2.2 points higher than its nearest competitor.

In the month of **September** the Telecinco channel has successfully launched: **The Voice Kids**, in its second edition it has **achieved over 4 million viewers** for every broadcast and **Big Brother** that started its **16th edition** registering a **25.3% share**. The **Eurobasket** final is in the top 10 most watched programs of the year with a **44.5% share**, also during **September** the two **European Motorbike** races had more than **2 million viewers** each.



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

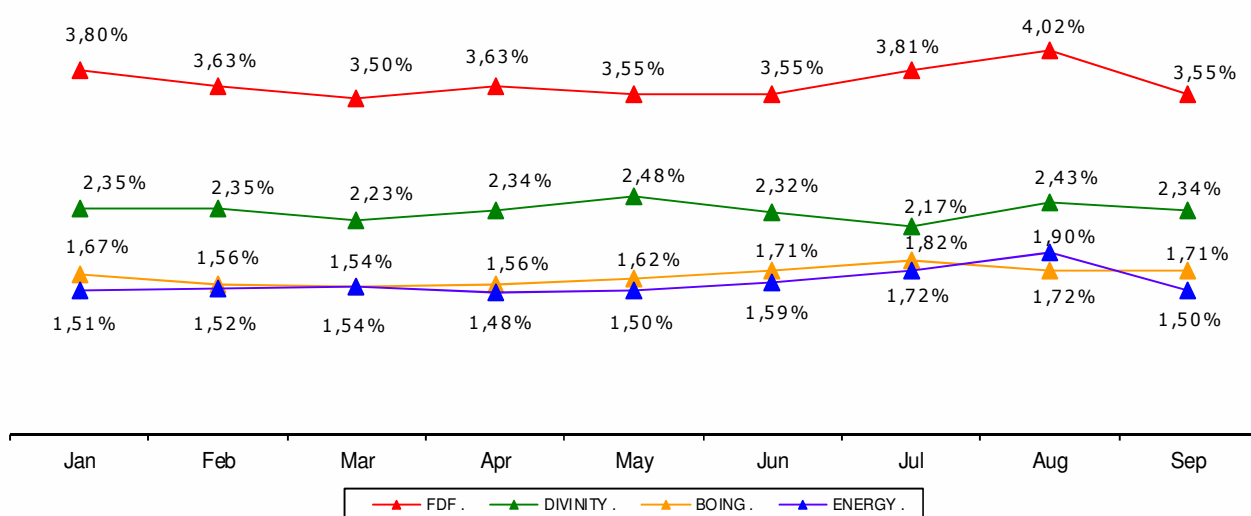
4.4. New Generation Channels

Table 9: January-September 2015 average audience share for New Generation Channels

9M2015			
		Total Individuals	Commercial Target
FDF	Total Day	3,7%	4,4%
	PRIME TIME	3,1%	3,5%
DIVINITY	Total Day	2,3%	3,0%
	PRIME TIME	2,5%	3,0%
BOING	Total Day	1,7%	1,2%
	PRIME TIME	1,4%	1,1%
ENERGY	Total Day	1,6%	2,0%
	PRIME TIME	1,5%	1,9%

FDF channel improves its audience share in Total individuals to 3,7% (+0.2 pp compared to last year) while in its target 13 to 24 it achieved 9.5% audience share and in the 25 to 34 it has a 5.8% audience share (+0.7 pp). Divinity achieves an excellent record in its target of 16 to 44 year old women with 3.7%, while in Total individuals its share is 2.3 %. The Energy channel registers a 1.6% audience in Total individuals while in its target, 25 to 44 year old men, improves to a 2.4%. Boing, the children's channel, has an audience share in Total individuals of 1.7% while in its target of 4 to 12 year olds; it has managed to multiply its record sevenfold reaching a 12.5% audience share.

Audience Share, 24 Hour



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

4.5. Online Audiences³

Mediaset España registers an excellent record in **Unique Users**, an average of **35.0 million** in the period, which is an increase of **46.0% compared to 2014**. **Telecinco.es** site achieves an average of **28.0 million Unique Users**, whilst **Cuatro.es** site reaches **8.0 million**. On average **Mediaset España** obtains **346.8 million Page Views** and **89.2 million Video Stream**.

	Unique Users	Page Viewed	Video Streamed
september 2015	33.622.451	393.137.885	99.568.833
august 2015	28.345.179	268.626.159	61.811.239
july 2015	31.660.644	284.966.042	79.232.316
june 2015	33.678.878	310.258.077	95.826.390
may 2015	34.469.769	333.761.539	103.754.337
april 2015	34.907.590	318.336.515	104.278.752
March 2015	42.972.712	413.462.784	97.670.297
February 2015	36.176.701	398.648.452	79.683.294
January 2015	38.139.054	400.421.299	80.772.404

Fuentes: Omniture -OJD , Comscore (videos streams)

Mediaset España currently has **187 active social accounts** on the internet and still leads the television comments in the social network, in the 9 months to September 2015, **58.0%** of them were related to **Mediaset España** contents. **Mediaset España** reaches **30 million followers** in the social networks, an increase of **25.0%** compared to 2014 (**24 million followers**).

The **Big Brother 16** edition program, on its first episode registered more than **600.000 comments** on Twitter (measured by Kantar Media) being the second most commented on program of the year excluding sports events.

In terms of **Apps**, **Mediaset España** registers a **total of 10.3 million downloads** accumulated to September 2015, with **Mitele** and **GH** being the most popular apps with a total of **4.2** and **2.3 million downloads** respectively.

Mediaset España launched **Radioset.es** in September 2015, a site where the company gathers all its radio contents including programs such as: **Morning Glory**, **Partido a partido**, **Universo Iker** and **Radio Big Brother**. **Radioset.es** complements the audiovisual offer with live audio, streaming and podcast and has **2 million listeners** a month.

³ Source: Omniture and ComsCore.

5. 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 **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 **advertising revenues** generated through the media for equity agreements, are accounted for when accrued and at the time of the **exit from the investment**, we would only account for the profit or loss in the investment, that same financial year.

Mediaset España currently holds various Media for Equity investments: **Wimdu, Westwing, Deporvillage, isalud, Modalia and Byhours** and works towards obtaining further agreements. The company has gone through an investment exit with **La Nevera Roja**, back in February 2015, producing gains of **€5.4 million**.

Mediaset España operates its Media for Equity business through the **Ad4Ventures** brand.