



MEDIASET *españa.*

FULL YEAR RESULTS
January – December 2014

Madrid – 26th February, 2015

CONTENTS:

Financial and operating highlights

1. Profit and loss account
2. Cash flow generation
3. Summary balance sheet
4. Audience share performance

FINANCIAL AND OPERATING HIGHLIGHTS

million €	FY14	FY13
Total net revenues	932,1	826,8
Total operating costs	768,2	739,6
EBITDA adj⁽¹⁾	163,9	87,2
EBITDA margin	17,6%	10,5%
EBIT	144,8	70,2
EBIT margin	15,5%	8,5%
NET PROFIT	59,5	4,2
EPS Adj. ⁽²⁾	0,162 €	0,010 €
Net cash position	265,7	93,5

(1) EBITDA Adj, includes TV rights consumption

(2) Excluding treasury shares at 31st december .

For the financial year 2014 **Mediaset España** records an **adjusted EBITDA of €163.9 million**, up **87.9%** compared to year end 2013. **EBIT** line improves even more by **106.3%** compared to the same period last year, and reaches **€144.8 million**.

- Total **net revenues** for 2014 amount to **€932.1 million**, with **net advertising revenues** of **€855.7 million** and **€76.4 million "Other income"**.
- **Infoadex** reports that the **television advertising market** grew by **11.0%** in 2014 whereas the **total advertising market** grew by **6.4%**. **Mediaset España** improves its market share up to **44.2%** with an increase of **0.5 points** compared to the same period last year.
- **Mediaset España's** operating margin is **17.6%**, **7.1 points** ahead of the margin in **2013 (10.5%)**.
- **Net Profit** amounts to **€59.5 million** versus **€4.2 million in 2013**. **Net profit** includes the one off impact of the sale of DTS and the tax credit adjustment, without such one offs the **Net Profit** would have been **€112.1 million**, a **12.0%** over Total Net Revenues.
- **Mediaset España's Operating Free Cash Flow** is **€144.7 million** which represents an **88.3% of EBITDA**. The **Net cash Position** is **€265.7 million**, an increase of **€172.2 million** compared to last year.
- **Mediaset España** increases its audience rating in 2014 to a **30.7%** in **24 hours total day total individuals**, the **highest rating ever achieved by a broadcaster in Spain**, which is **1.7 points** above the same period last year.
- **Mediaset España's** web sites are leading the audiences amongst the television broadcasters with more than **32.4 million unique users in December**, and an average of **311.9 million page views** and **117.1 million videos** viewed per month.
- On the 24th of July **Mediaset España** re-purchased **34.583.221 of its own shares** for the amount of **€307.51 million**. As at 31st of December 2014 the company holds **9.66%** of treasury stocks, a total of **39.284.862 shares**.

1. PROFIT AND LOSS ACCOUNT

Table 1: Consolidated Profit and Loss Account

<i>Millions of €</i>	2014	2013	% change
TOTAL NET REVENUES	932,09	826,82	12,7%
Rights Amortisation	(199,22)	(173,93)	14,5%
Personnel	(106,19)	(104,85)	1,3%
Other operating costs	(462,81)	(460,85)	0,4%
TOTAL COSTS	(768,22)	(739,63)	3,9%
Adjusted EBITDA	163,87	87,19	87,9%
Other amortisations, provisions	(11,12)	(9,02)	23,2%
Amortisation PPA	(8,00)	(8,00)	-
EBIT	144,75	70,17	106,3%
Equity Cons. Results and Depr. Fin. Assets	(59,19)	(69,19)	-
Financial results	(0,01)	(3,27)	-
Pre-tax profit	85,55	(2,28)	-
Income taxes	(29,99)	6,18	-
Minority interests	3,93	0,26	-
Net profit	59,49	4,16	-

1.1. Revenues

Table 2: Revenues

Millions of €	2014	2013	% change
Gross advertising revenues	889,20	802,24	10,8%
- Mediaset España's Media	850,94	767,05	10,9%
- Third Party Media	38,25	35,19	8,7%
Discounts	(33,51)	(35,68)	(6,1%)
Net advertising revenues	855,68	766,56	11,6%
Other revenues	76,40	60,26	26,8%
TOTAL NET REVENUES	932,09	826,82	12,7%

Gross advertising revenues for 2014 amount to **€889.20 million**, an increase of **10.8%** compared to 2013, in line with the television advertising market which grew by **11.0%** as indicated by Infoadex.

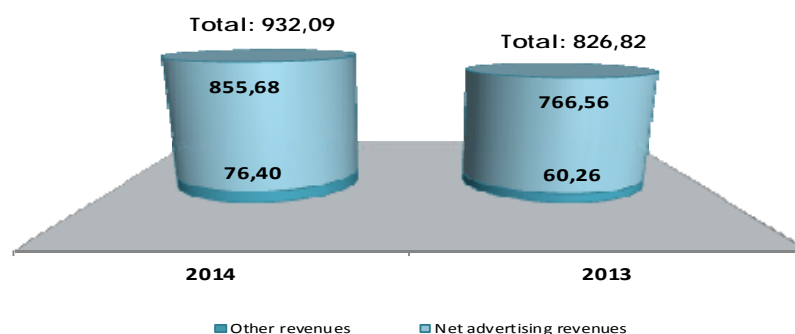
Mediaset España's Multiplex Gross advertising revenues for 2014 add up to **€850.94 million** and include the advertising revenues from television, internet and teletext of the Group's 6 channels; TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY and ENERGY, that is **€83.89 million** better than 2013, an increase of **10.9%**. From the 1st of January to 6th of May 2014, the date on which the channels were closed, **Nueve** and **La Siete** also contributed to the revenue base. The **Third party media revenue increased by 8.7%** compared to last year, reaching a total of **€38.25 million**, and mainly includes, the **advertising sales** for various **Pay Tv channels, Internet** and **e-walls**.

Net advertising revenues after discounts increased by **11.6%** totaling **€855.68 million**.

Other Income amounted to **€76.40 million**, an increase of **26.8%** with respect to 2013. These revenues include the **sale and distribution of film rights, co-production, merchandising and gaming revenues** among others. The movies: **"Ocho apellidos vascos"** and **"El Niño"** released in March and August 2014 respectively, have represented huge box office successes and contributed significantly to the revenues under this caption.

Finally, **Net Revenues** amount to a total of **€932.09 million**, that is **€105.27 million** more than in 2013, an increase of a **12.7%**.

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



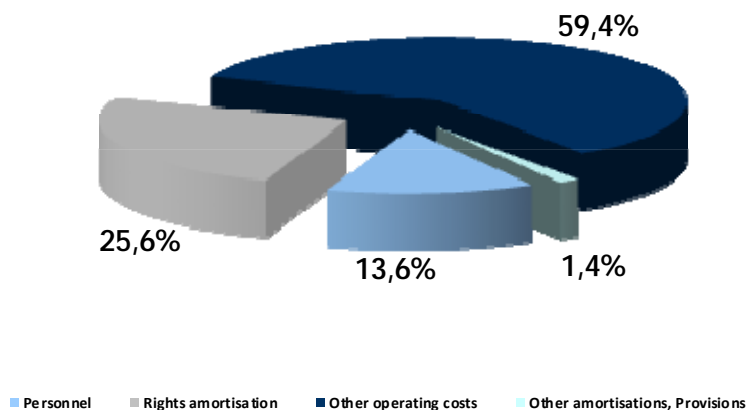
1.2. Operating costs

Total operating costs for 2014 amount to **€779.33 million**, an increase of **4.1%** compared to **2013** and include the **football and basketball World Cups**, broadcasted in June-July and September respectively.

Table 3: Operating costs

Millions of €	2014	2013	% change
Personnel costs	106,19	104,85	1,3%
Rights amortisation	199,22	173,93	14,5%
Other operating costs	462,81	460,85	0,4%
Other amortisation and provisions	11,12	9,02	23,2%
Total Operating Costs	779,33	748,65	4,1%
Amortisation PPA	8,00	8,00	-
TOTAL COSTS	787,33	756,65	4,1%

Operating Costs



Mediaset España maintains its policy of cost control and in the last four years has managed to reduce its **operating costs** substantially producing savings of **€190.11 million** in the period, which is a **19.6%** reduction.

million €	2010*	2011	2012	2013	2014	Var.
Operating Costs	969,44	824,12	829,93	748,65	779,33	-19,6%

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

Content

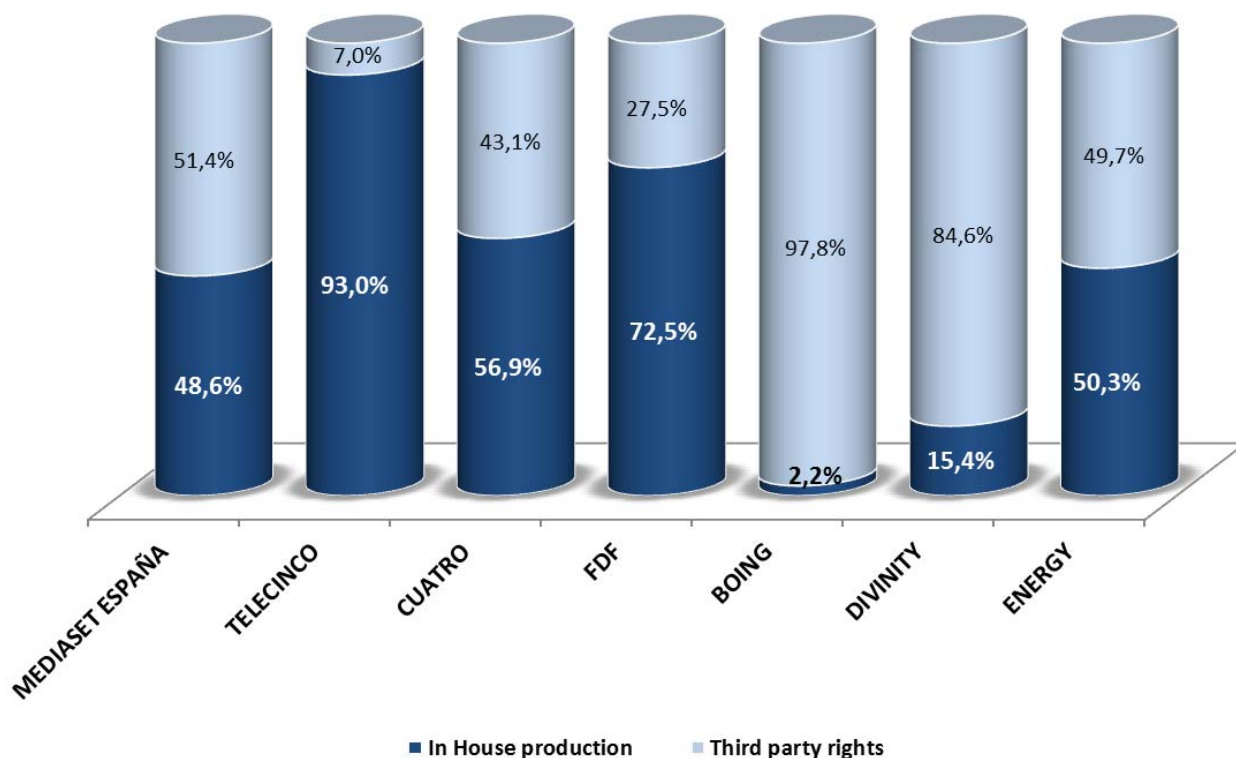
Mediaset España operated eight channels, until the 6th of May, the date on which we were obliged to shut down two of them pursuant the Supreme Court ruling, (**nine channels where shut in total** for the market as a whole). These channels were **La Siete** and **La Nueve**, both of them predominantly devoted to in house production.

During **2014**, the number of hours destined to **third party rights** broadcasts were **51.4% versus 43.4% from the previous year**. **In house production** has changed from **56.6% in 2013** to **48.6% in 2014** after the close of the channels **La Siete** and **Nueve**.

In the case of the **TELECINCO** channel, the mix of hours in 2014 remains almost the same in comparison with 2013 allocating **93.0%** of programming hours to **in-house production** and **7.0%** to **third party rights**, versus **93.3% in house** and **6.7% third party** respectively last year.

Cuatro allocated **56.9%** of its grid to **in-house production** and **43.1%** to **external production** compared to **2013** where **61.7% was in-house** production and **38.3%** was **third party**.

As per the other channels, in the case of **FACTORIA DE FICCION**, **72.5%** of its broadcasting hours are in-house produced whilst **27.5%** is third party, **BOING** numbers are **97.8%** third party and **DIVINITY** has a mix of **15.4%** in house and **84.6%** third party. Finally **ENERGY** has a **50.3%** in house production and **49.7%** third party rights.



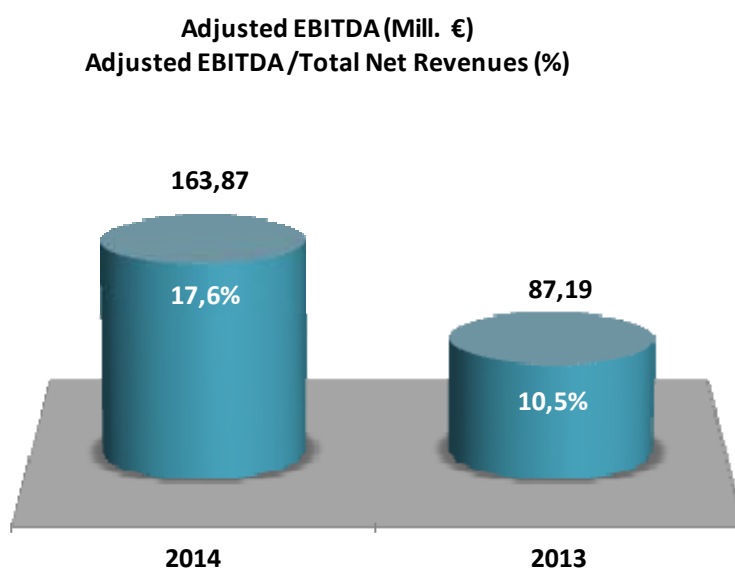
1.3. Operating profit and margins

The **gross operating profit, (adjusted EBITDA)**, amounts to **€163.87 million** in 2014 and represents **an increase of €76.68 million** compared to 2013, that is **87.9% higher**. The **EBITDA margin** also improved up to **17.6%** of net revenues, **7.1 points higher than 2013**.

Net operating profit (EBIT) reaches **€144.75 million**, and **doubles** the figure from **2013** of **€70.17 million**.

Table 4: Margins

Millions of €	2014	2013
Total net revenues	932,09	826,82
Adjusted EBITDA	163,87	87,19
Adjusted EBITDA Margin	17,6%	10,5%
EBIT	144,75	70,17
EBIT Margin	15,5%	8,5%
Net Profit	59,49	4,16
Net Profit Margin	6,4%	0,5%



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 loss of **€59.19 million** mainly due to the impact of the sale of the **22% stake in DTS** in July. The terms of the sale were as follows: **€295.0 million** for the 22% stake in DTS plus **€30.0 million** for the waving of preemptive and tag along rights. Should Telefonica finally acquire the 56% of DTS, **Mediaset España** would get an additional **€10.0 million** and **up to €30.0 million** depending on the new net subscriptions in the four years from the date when Telefonica takes control of DTS.

1.5. Profit for the period January –December 2014

Pre-tax profit for 2014 is **€85.55 million**, while **Net Profit** after **taxes and minority interests** reaches **€59.49 million** (**€4.16 million** for 2013).

The **Net Profit** includes the **tax credit adjustment** and the sale impact of **DTS**, should we exclude both impacts, the **Net Profit** would have been **€112.06 million**, which is a **12,0%** margin on **Total Revenues**.

¹ Companies consolidated by the equity method are: Editora Digital de Medios, S.L (50%), Pegaso Television Inc. (43,7%), Netsonic, S.L. (38% indirect shareholding), A.I.E. (Furia de titanes 2) (34% indirect shareholding), Supersport TV, S.L. (30%), , Big Bang Media S.L. (30%), Producciones Mandarina S.L. (30%), La Fábrica de la Tele S.L. (30%), Aproz Imagen S.L. (3%), 60DB Entertainment, S.L. (30%), Megamedia TV, S.L. (30% indirect shareholding) and DTS Distribuidora de Televisión Digital, S.A. (22% up until 04th of July 2014).

2. CASH FLOW GENERATION

The **Operating Free Cash Flow** increases by **€133.72 million** versus **2013 (€144.67 million** in 2014 against **€10.95 million** in 2013).

As part of the buyback program on July 24th **Mediaset España** acquired from **Prisa**, **8.5%** of the social capital. The number of shares involved was **34.583.221**, for a total amount of **€307.51 million**. This acquisition was financed with the proceeds of the sale of the **22% stake in DTS**.

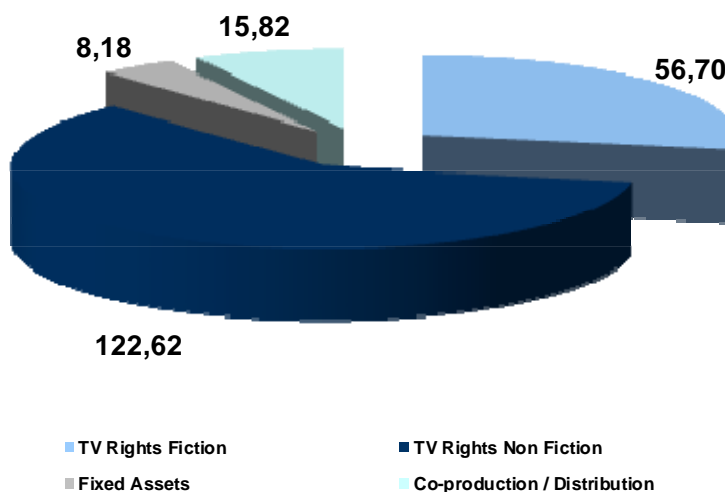
Table 5: Cash Flow

Millions of €	2014	2013	Change in millions of €
Net profit (without minority interests)	55,56	3,90	51,66
Amortisation:	216,49	192,00	24,49
- Rights	199,22	173,93	25,29
- Other	17,27	18,08	(0,81)
Provisions	1,78	(1,06)	2,83
Other	82,75	57,61	25,15
OPERATING CASH FLOW	356,58	252,45	104,13
Investment in rights	(195,14)	(179,08)	(16,06)
Investments, other	(8,18)	(6,63)	(1,55)
Change in working capital	(8,59)	(55,80)	47,21
OPERATING FREE CASH FLOW	144,67	10,95	133,72
PRISA stock purchase	(307,51)	0,00	(307,51)
Change in Equity	9,94	6,58	3,36
Financial investments	323,23	(0,59)	323,82
Dividends received	1,90	2,83	(0,92)
Dividend payments	0,00	0,00	0,00
Net Cash Change	172,23	19,76	152,47
INITIAL FINANCIAL POSITION	93,48	73,72	19,76
FINAL FINANCIAL POSITION	265,71	93,48	172,23

Total net investment as of 31st of December 2014 reached **€203.32 million** versus **€185.70** million from last year.

In **2014**, the investment in **third party rights** amounted to **€122.62 million** while for **Spanish fiction** and **Co-production & Distribution** the amounts were **€56.70 million** and **€15.82 million** respectively. Finally, the investment in fixed assets (tangible and intangible) reached **€8.18 million**.

Net investments 2014 €203.32 million



3. BALANCE SHEET

Table 6: Summary Balance Sheet

Millions of €	2014	2013
Tangible assets	569,55	962,86
- Financial	303,61	686,80
- Non Financial	265,94	276,06
Audiovisual rights and Pre-payments	228,64	235,54
- Third parties	182,49	183,33
- Fiction	25,74	35,14
- Co-production / Distribution	20,41	17,07
Pre-paid taxes	164,78	186,29
TOTAL NON-CURRENT ASSETS	962,97	1.384,69
Current assets	246,36	236,39
Financial investments and cash	277,09	113,53
TOTAL CURRENT ASSETS	523,45	349,92
TOTAL ASSETS	1.486,42	1.734,61
Shareholders`equity	1.189,41	1.431,38
Non-current provisions	9,68	10,38
Non-current payables	10,43	10,06
Non-current financial liabilities	11,15	0,01
TOTAL NON-CURRENT LIABILITIES	31,26	20,45
Current payables	265,51	262,73
Current financial liabilities	0,24	20,05
TOTAL CURRENT LIABILITIES	265,75	282,78
TOTAL LIABILITIES	1.486,42	1.734,61

Mediaset España's Balance Sheet reflects the sound financial position of the company, with a good balance between the company's **current assets** and **current liabilities** all of which has resulted in an improved **liquidity ratio (197% in 2014 versus 123.7% in 2013)**.

The **audiovisual rights** in the balance show the combination of different types productions which **optimise the programming needs** of the company, providing **great flexibility** to make changes should programming needs change.

The **Equity** of the Group is down by **€241.97** million mainly explained by the acquisition of **8.5%** of treasury stock in **July** for the amount of **€307.51 million**.

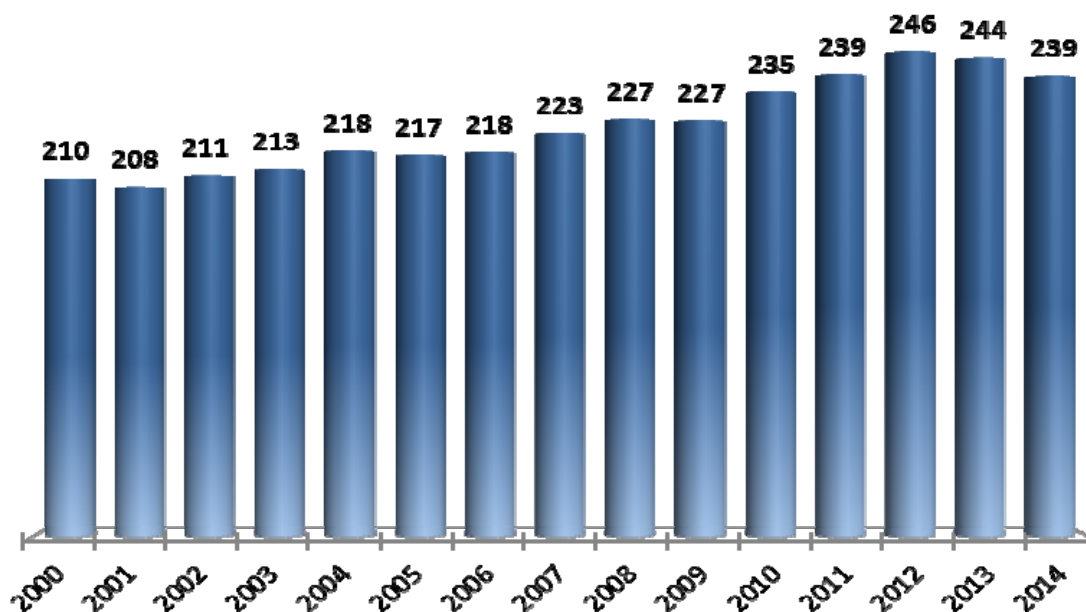
4. AUDIENCE SHARE PERFORMANCE²

4.1. TV Consumption

Years	Minutes	Thousands
2000	210	5.642
2001	208	5.664
2002	211	5.759
2003	213	5.830
2004	218	6.170
2005	217	6.210
2006	217	6.275
2007	223	6.506
2008	227	6.691
2009	226	6.848
2010	234	7.149
2011	239	7.319
2012	246	7.513
2013	244	7.401
2014	239	7.366

The average television consumption for **2014** is almost **4** hours per person per day, a figure reducing steadily as **unemployment data improves**, whilst the **average number of viewers** remains **strong** and stands at **7.37 million viewers a day** in 2014.

Mediaset España and its comprehensive range of contents are also offered on devices such as tablets, mobiles and PCs. The company has also developed its own platform, **MiTele** where users have a wide range of **programs, series, movies, sports** etc... available to watch either live or on demand. Interaction of the contents between **television and internet** has proved to be very successful, with social networks promoting the consumption of television contents and attracting new viewers from the most visited forums.



² Source: Kantar Media

4.2. Group

Table 7: January-December 2014 average audience share for Mediaset España

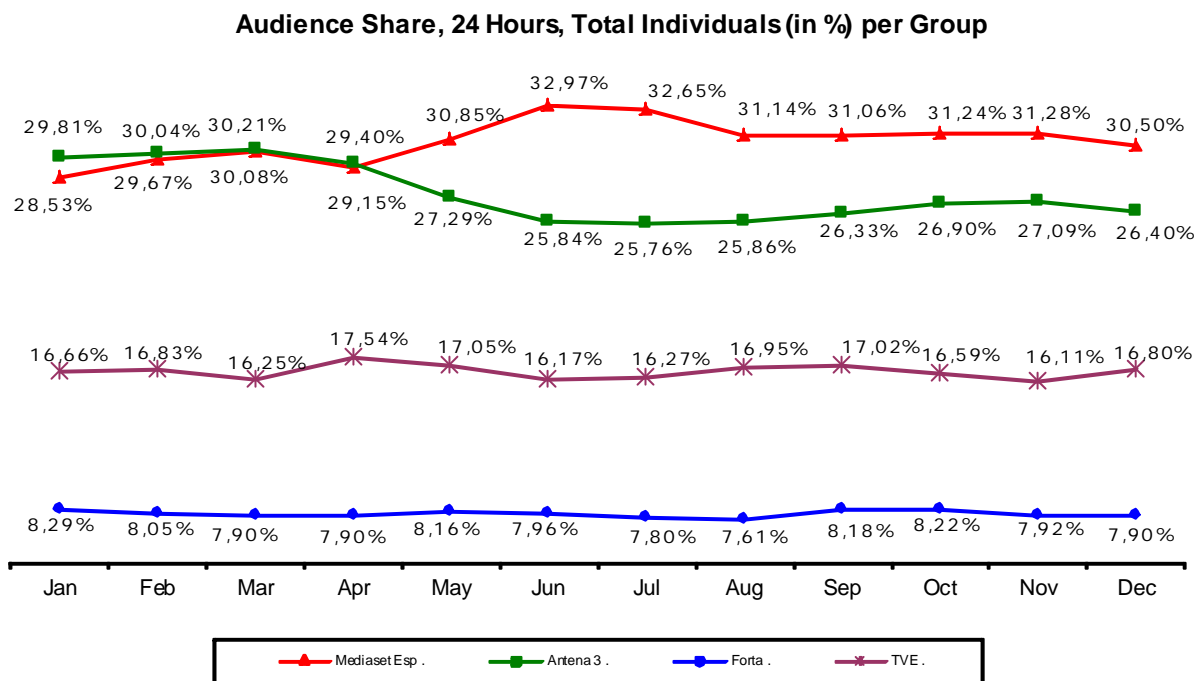
		2014	2013
Total Individuals	Total Day	30,7%	29,0%
	PRIME TIME	29,6%	27,3%
	DAY TIME	31,2%	29,8%
Commercial Target	Total Day	32,9%	31,0%
	PRIME TIME	31,0%	28,7%
	DAY TIME	33,7%	32,2%

Mediaset España achieved a **30.7%** share of in total individuals total day in 2014, which is the best record in history for a commercial broadcasting group.

Regarding the commercial target audience share, the group **Mediaset España** reached a **32.9%** share in the period, which is a record in the history of commercial television groups, and represents an improvement of **1.9 points** over the same period last year.

In Prime Time, **Mediaset España** records a **29.6%** audience share, which is its **highest record since 2008** (when it achieved **29.9%**).

In 2014 the **Mediaset España** group, achieves a great performance on its **DTT channels** reaching a **9.4%** share versus the **6.9%** achieved by its direct competitor, a difference of **2.5 points**.



4.3. Main Channels

Table 8: January- December 2014 average audience share for Telecinco and Cuatro

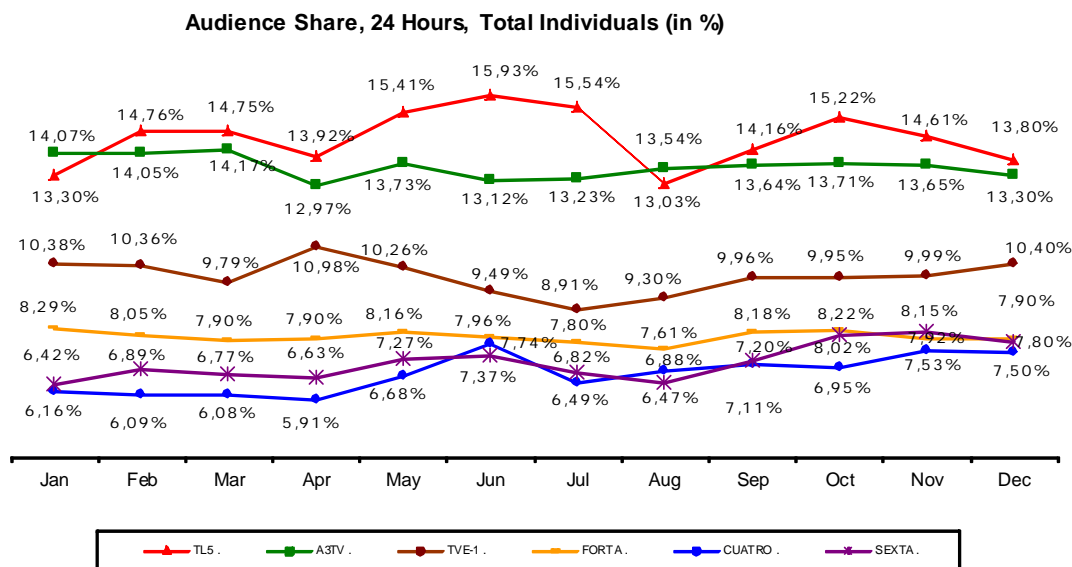
		TL5		CUATRO	
		2014	2013	2014	2013
Total Individuals	Total Day	14,5%	13,5%	6,7%	6,0%
	PRIME TIME	15,2%	13,4%	6,1%	5,6%
	DAY TIME	14,2%	13,5%	7,1%	6,1%
Commercial Target	Total Day	14,0%	12,7%	8,1%	7,3%
	PRIME TIME	14,3%	12,3%	7,4%	6,9%
	DAY TIME	13,8%	12,9%	8,4%	7,4%

The Telecinco channel achieves an average share of **14.5%**, in total individuals total day, showing an improvement of **1 point** with respect 2013 , **0.9 greater** than its direct competitor and is the **best audience record since 2011**. Regarding the commercial target audience share, the Telecinco channel has a **14.0% share** at year end 2014, an **increase of 1.3 points** in respect of **2013** and is leader in the **commercial televisions** for the last twelve years.

The Cuatro Channel achieved a **6.7%** in total individuals total day and **8.1%** in commercial target and registered its **best audience record** since joined the **Mediaset España Group**.

In "prime time"³, Telecinco **leads total individuals**, with an average share of **15.2%** widening the gap with its nearest competitor (**12.9%**).

On a monthly basis, the Telecinco channel has been the most watched channel in **10 out of 12 months in 2014** and registered the best audience for **local fiction** with an **average of 3.4 million viewers** and **18.2% audience share**, in **movies**, The impossible (also produced by Mediaset España) was the most watched movie in the last 20 years and had **6.1 million viewers** and **34.8% audience share**; and the **football** world cup final between Germany Vs Argentina achieved **10.7 million viewers** and **64.9% audience share**, just to mention a few examples.



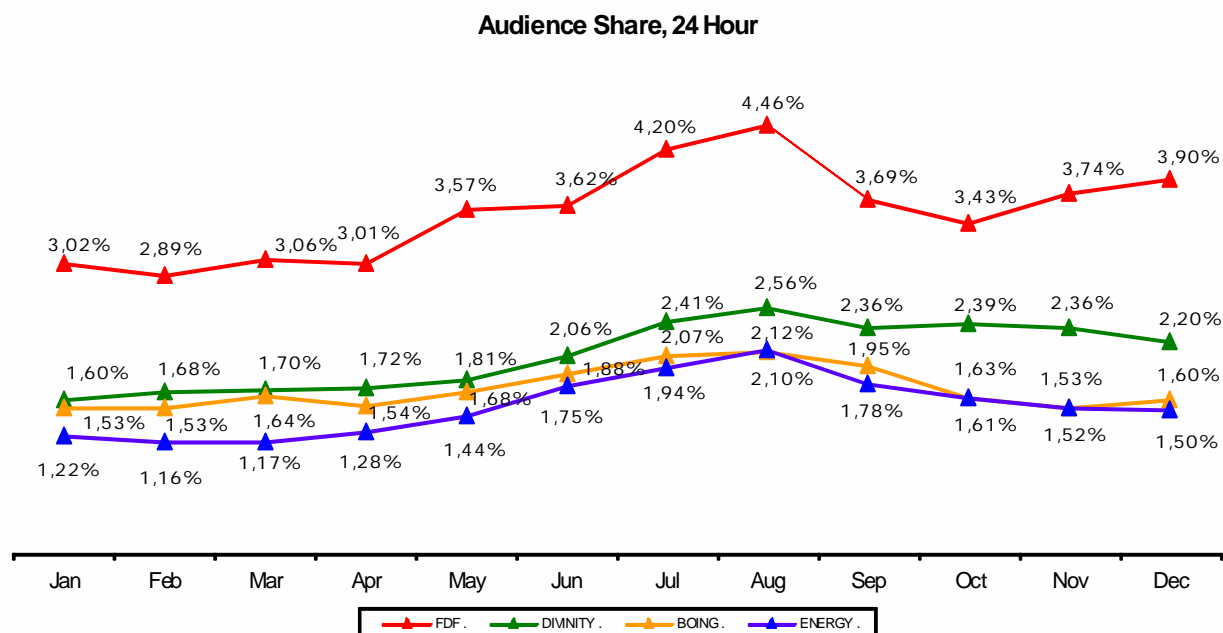
³ Prime Time ; time slot between 20:30H and 24:00 .

4.4. New Generation Channels

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

2014			
		Total Individuals	Commercial Target
FDF			
	Total Day	3,5%	4,4%
	PRIME TIME	3,2%	3,7%
DIVINITY			
	Total Day	2,1%	2,7%
	PRIME TIME	1,8%	2,2%
BOING			
	Total Day	1,7%	1,2%
	PRIME TIME	1,4%	1,0%
ENERGY			
	Total Day	1,5%	1,9%
	PRIME TIME	1,4%	1,7%

The **FDF** channel reached a **3.5% audience share in Total individuals** while in its target **13 to 24 year olds** it achieved **9.4%** audience share and in the **25 to 34 year olds** it has a **5.3%** audience share. The **Divinity** channel achieves an excellent record in its target of **16 to 44** year old women with **3.5%**, while in **Total individuals** its share is **2.1%**. The **Energy** channel registers a **1.5%** audience in **Total individuals** while in its target, **25 to 44** year old men, improves to **2.5%**. **Boing**, the children's channel, has an audience share in **Total individuals** of **1.7%** while in its target **4 to 12 year olds**, it has managed to multiply its record almost **eightfold** reaching a **13.1%** audience share. The channels **FDF, Divinity and Energy**, all reached their **best audience record in 2014**.



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

4.5. Internet Audience³

Mediaset España webs sites lead the internet audiences against its major competitor and registers a total of **32.4 million unique users in December**, an improvement of **73.4%** compared to 2013. It also registers a **monthly average of 311.9 million pages viewed** and video stream of **117.1 million a month** in 2014.

	Unique Users	Page Viewed	Video Streamed
december 2014	32.414.036	379.268.858	110.122.568
november 2014	34.045.305	467.357.516	101.479.965
october 2014	33.836.246	538.795.681	155.833.595
september 2014	27.681.033	318.897.635	90.991.520
august 2014	20.715.022	206.256.884	49.296.120
july 2014	24.971.013	245.609.091	117.627.454
june 2014	27.043.955	269.447.592	128.583.193
may 2014	25.668.077	310.426.142	131.029.226
april 2014	22.420.779	274.604.904	121.299.403
march 2014	27.016.960	324.591.066	145.233.691
february 2014	21.168.369	230.573.071	139.503.643
january 2014	18.297.184	177.208.484	114.785.872

The **Telecinco.es** site leads in the television business with an average of **8.8 million unique users a month**, whilst **Cuatro.es** site managed an average of **3.9 million unique users a month**.

Currently **Mediaset España** has **5 apps** that managed to produce in 2014 **7.7 million downloads**, from both smartphones and tablets. The most popular downloads were **MiTele 2.8 million**, **“La Voz” 1.4 million** and **“Gran Hermano” 1.4 million downloads**. The **MiTele** platform offers a wide range of contents both **live and on demand** for all devices and has achieved in 2014, **139.9 million video on demand downloads** and **32.1 million live connections** to TV programs through internet.

Mediaset España has **491 official accounts** in between **Facebook, Twitter, Tuenti, Instagram** etc with more than **25.3 million followers** providing more than **56%** of the comments about television within the social media. The **Telecinco** site takes six positions in the **top 10** most commented contents in the social networks, with programs such as **“La Voz Kids”, “Mujeres Hombres y Viceversa” y “Gran Hermano”**. With regards to the **New Generation Channel, Energy** produced **1.2 million comments**, **Divinity 1.0 million comments y FDF 0.4 million comments** and are amongst the most popular in the social networks.

³ Source: OJD Nielsen and ComScore