

# MEDIASET *españa.*



## FIRST HALF RESULTS

*January – June 2017*

Madrid – July 26<sup>th</sup>, 2017

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## FINANCIAL AND OPERATING HIGHLIGHTS

million €	1H2017	1H2016	Var (%)
Total net revenues	508,5	521,6	-2,5%
Total operating costs	340,5	361,6	-5,8%
<b>EBITDA Adj. <sup>(1)</sup></b>	<b>168,0</b>	<b>160,0</b>	<b>5,0%</b>
EBITDA margin	33,0%	30,7%	
<b>EBIT</b>	<b>159,2</b>	<b>150,1</b>	<b>6,1%</b>
EBIT margin	31,3%	28,8%	
<b>NET PROFIT</b>	<b>125,7</b>	<b>117,7</b>	<b>6,8%</b>
EPS Adj. <sup>(2)</sup>	0,38 €	0,35 €	
<b>Net cash position</b>	<b>117,9</b>	<b>65,4</b>	<b>52,4</b>
<b>Free Cash - Flow</b>	<b>138,9</b>	<b>130,0</b>	<b>8,9</b>

(1) EBITDA Adj, includes TV rights consumption

(2) Excluding treasury shares at 30st June

In the first half 2017, **Mediaset España** registered an **adjusted EBITDA of €168.0 million**, and an **EBIT of €159.2 million**, which is an increase of **5.0% and 6.1% respectively**, compared to the same period 2016.

- **Total net revenues** are **€508.5 million**, with **net advertising revenues** of **€480.6 million** and "Other revenues" of **€28.0 million**.
- **Infoadex** reports a small growth of the **television advertising market** in the **first half 2017** of **0.1%** while the **total advertising market** is **flat** compared to the same period last year. **Mediaset España**, as per Infoadex figures, **leads with a market share of 43.2%**.
- **Mediaset España's EBITDA margin** for the period increases to **33.0%**, **2.4 pp greater** than the **same period 2016** (30.7%).
- **Net profit** amounts to **€125.7 million**, this is **6.8% better** than the same period 2016 (€117.7 million).
- **Mediaset España's net cash position**, as at **30<sup>th</sup> June 2017**, is **€117.9 million**, this is **after the payment** of the **dividend** (€175.7 million) and **buy-back program** of €25.4 million in the period. **Free cash flow generation** in the first half 2017 is **€138.9 million** (an increase of **€8.9 million** compared to the same period last year).
- **Mediaset España's** audience share during the **first half 2017**, in **24 hours total individuals** is **29.2%** with a **30.7% commercial target**.
- In the first half 2017, **Mediaset España** registered a **monthly average of 11.9 million unique multiplatform users**, **180 million page views** and **71.1 million videos streamed** (Source: ComScore, Video PC Only).
- **Mediaset España** paid both, an ordinary dividend and extraordinary dividend on May 9<sup>th</sup>, a **total of €0.52 per share** and a total amount of **€175.7 million**.
- The **total treasury shares** acquired in the period is **2.210.810** for a total amount **€25.4 million**, representing **0.66%** of the share capital.

## 1. PROFIT AND LOSS ACCOUNT

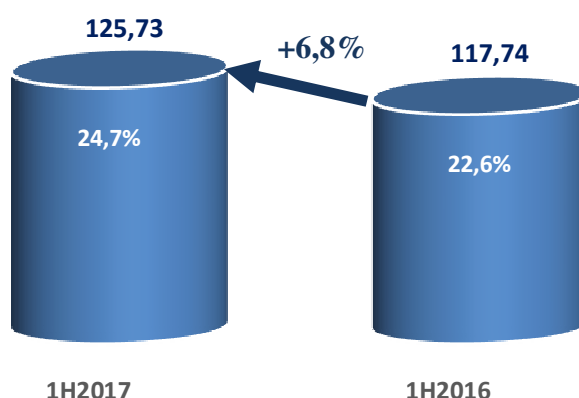
**Table 1: Consolidated Profit and Loss Account**

	1H2017	1H2016	Var (%)
<b>TOTAL NET REVENUES</b>	<b>508,53</b>	<b>521,58</b>	<b>(2,5%)</b>
Rights Amortisation	(74,39)	(92,57)	(19,6%)
Personnel	(52,44)	(51,94)	1,0%
Other operating costs	(213,66)	(217,08)	(1,6%)
<b>TOTAL COSTS</b>	<b>(340,49)</b>	<b>(361,59)</b>	<b>(5,8%)</b>
<b>Adjusted EBITDA</b>	<b>168,04</b>	<b>159,99</b>	<b>5,0%</b>
Other amortisations, provisions	(4,81)	(5,87)	(18,0%)
Amortisation PPA	(4,00)	(4,00)	-
<b>EBIT</b>	<b>159,23</b>	<b>150,13</b>	<b>6,1%</b>
Equity Cons. Results and Depr. Fin. Assets	0,98	0,96	2,4%
Financial results	(0,72)	(0,40)	-
<b>Pre-tax profit</b>	<b>159,49</b>	<b>150,68</b>	<b>5,8%</b>
Income taxes	(34,00)	(33,11)	2,7%
Minority interests	0,24	0,17	-
<b>Net profit</b>	<b>125,73</b>	<b>117,74</b>	<b>6,8%</b>

**Net Profit** for the **first half 2017** is **€125.73 million**, which is an **increase of 6.8%** in comparison with the **same period 2016** (€117.74 million) and represents **earnings per share** of **€0.38** (excluding treasury shares).

**Mediaset España** first half **net profit** has more than doubled (**2.02x**) since **2009** (€62.20 million) and in **2017** it records **its best first half** net profit since then.

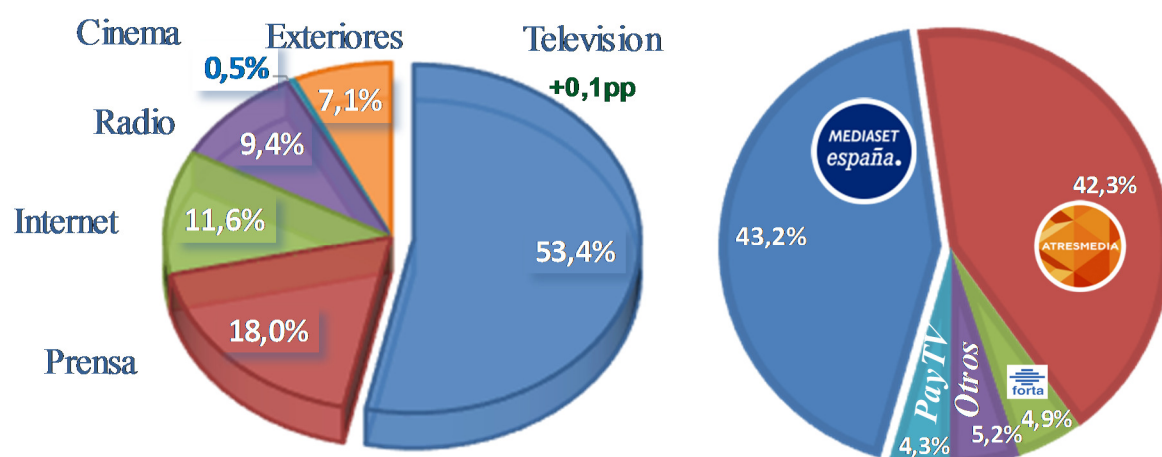
Adjusted Net Profit (mill. €)  
Adjusted Net Profit / Total Net Revenues (%)



## 1.1. Revenues

**Infoadex** reports that the **total conventional advertising market**, in the first half 2017, stands at **€2.089.50 million**, which is flat (-€0.9 million) compared to the same period **2016 (€2,090.40 million)**. **The TV advertising market** had a **flattish evolution** in the period with an increase of **0.9m€ (+0.1%)** to **€1,115.80 million**. **TV confirmed its leadership** among the conventional media with a share of **53.4% over the total expenditure** (+0.1pp vs the same period of 2016).

**As per Infoadex** in the first half 2017, **Mediaset España** had a **TV market share of 43.2%** compared to the same period last year, **43.6%** in spite of the difficult comp due to the **Eurocup2016**, **Mediaset España's** market share **stands +0.9pp ahead** of its nearest competitor. This is the **largest gap achieved** in the **first half in the last 3 years** (2014 was the largest difference when broadcasted the 2014 Brazil Football world cup).



**Table 2: Revenues**

	1H2017	1H2016	Var (%)
<b>Gross advertising revenues</b>	<b>500,98</b>	<b>507,97</b>	<b>(1,4%)</b>
- Mediaset España's Media	491,10	491,21	(0,0%)
- Third Party Media	9,87	16,76	(41,1%)
Commission	(20,43)	(18,90)	8,1%
<b>Net advertising revenues</b>	<b>480,55</b>	<b>489,08</b>	<b>(1,7%)</b>
Other revenues	27,98	32,50	(13,9%)
<b>TOTAL NET REVENUES</b>	<b>508,53</b>	<b>521,58</b>	<b>(2,5%)</b>

**Total gross advertising revenues** for the first half 2017 total **€500.98 million**, compared to the same period **2016 (€507.97 million)**. A breakdown of which is as follows:

- **Mediaset España's Media Gross advertising revenues**, include advertising revenues from, internet, teletext and the **Group's 7 channels: TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY, ENERGY and BE MAD**. This revenue line amounts to **€491.10 million** in the first half 2017, which is flat compared to the same period 2016 (€491.21 million).

**Mediaset España** recorded a **very good performance** in its *Mediaset España'* media revenues in the **first half 2017**, despite the **difficult comp** in the period, with the **Euro2016** and the flat performance of the **advertising market**.

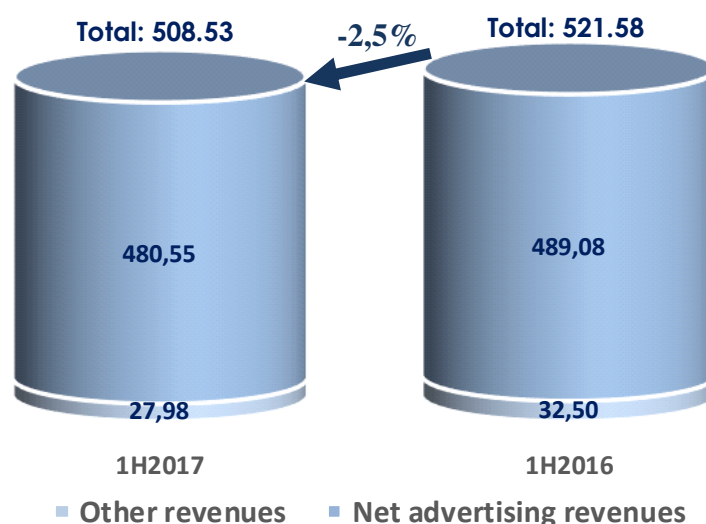
- **Third party media revenues**, include the **advertising sales** for a **regional free-TV, various pay-tv channels, internet and e-Walls**. In the first half 2017 the sales totaled, **€9.87 million**. This compares to the **€16.76 million** from the same period 2016 where the difference is due to the **termination of some of the free and pay TV channels contracts** as well as a one off positive adjustment in the second quarter 2016.

**Net advertising revenues**, which are the **gross revenues net of commission**, reach **€480.55 million** in the first half 2017, compared to **€489.08 million** from the **same period 2016**.

The **other revenues** line includes revenues from the **Internet, sale of rights and movie activities** amongst others. In the period **January to June 2017**, these revenues were **€27.98 million**, in comparison with the **€32.50 million for the January-June 2016** period. This difference is mainly due to less movie activity with just one release in the period, **"Es por tu bien"**, compared to the 2 releases in the same period 2016: **"Cien años de perdon"** y **"Kiki el amor se hace"**.

**Total net revenues** for the first half **2017** amount to **€508.53 million** compared to **€521.58 million** for the same period 2016.

**Total Revenues, Advertising and Others Revenues (mill €)**



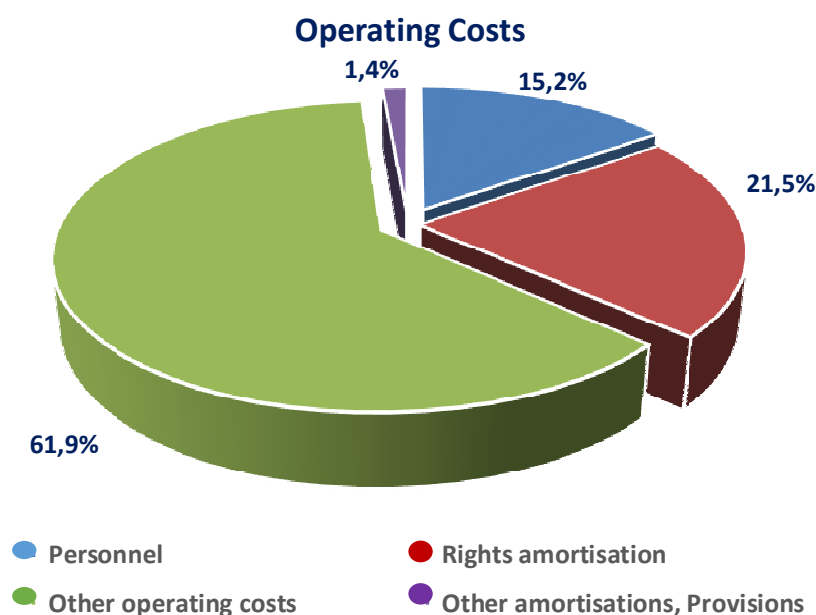
## 1.2. Operating costs

Total operating costs for the period January-June 2017 (€345.29 million), have come down by €22.16 million which is a **6.0% reduction** compared to the same period 2016 (€367.45 million).

These costs **include** some €20.00 million **general savings** in all areas, **especially in relation to the programming grid**, thanks to the **savings related to the lack of sports rights** (last year we broadcasted 18 EURO CUP 2016 matches in this period) and our **strong cost control policy**. Our **business model shows great flexibility** once again, enabling the company to optimize its cost expenditure in function of the audience share achieved and the market conditions.

**Table 3: Operating costs**

	1H2017	1H2016	Var (%)
Personnel costs	52,44	51,94	1,0%
Rights amortisation	74,39	92,57	(19,6%)
Other operating costs	213,66	217,08	(1,6%)
Other amortisation and provisions	4,81	5,87	(18,0%)
<b>Total Operating Costs</b>	<b>345,29</b>	<b>367,45</b>	<b>(6,0%)</b>
Amortisation PPA	4,00	4,00	-
<b>TOTAL COSTS</b>	<b>349,29</b>	<b>371,45</b>	<b>(6,0%)</b>



**Mediaset España cost base in the first half 2017 (€345.29 million) is 31.9% lower** than the same period 2010 (€507.38 million). This implies **savings of €162.09 million** despite having two more channels than in 2010.

million €	1H2010*	1H2011	1H2012	1H2013	1H2014	1H2015	1H2016	1H2017	Var.
Operating Costs	507,38	421,86	437,98	375,87	383,90	363,55	367,45	345,29	-31,9%

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

## Content

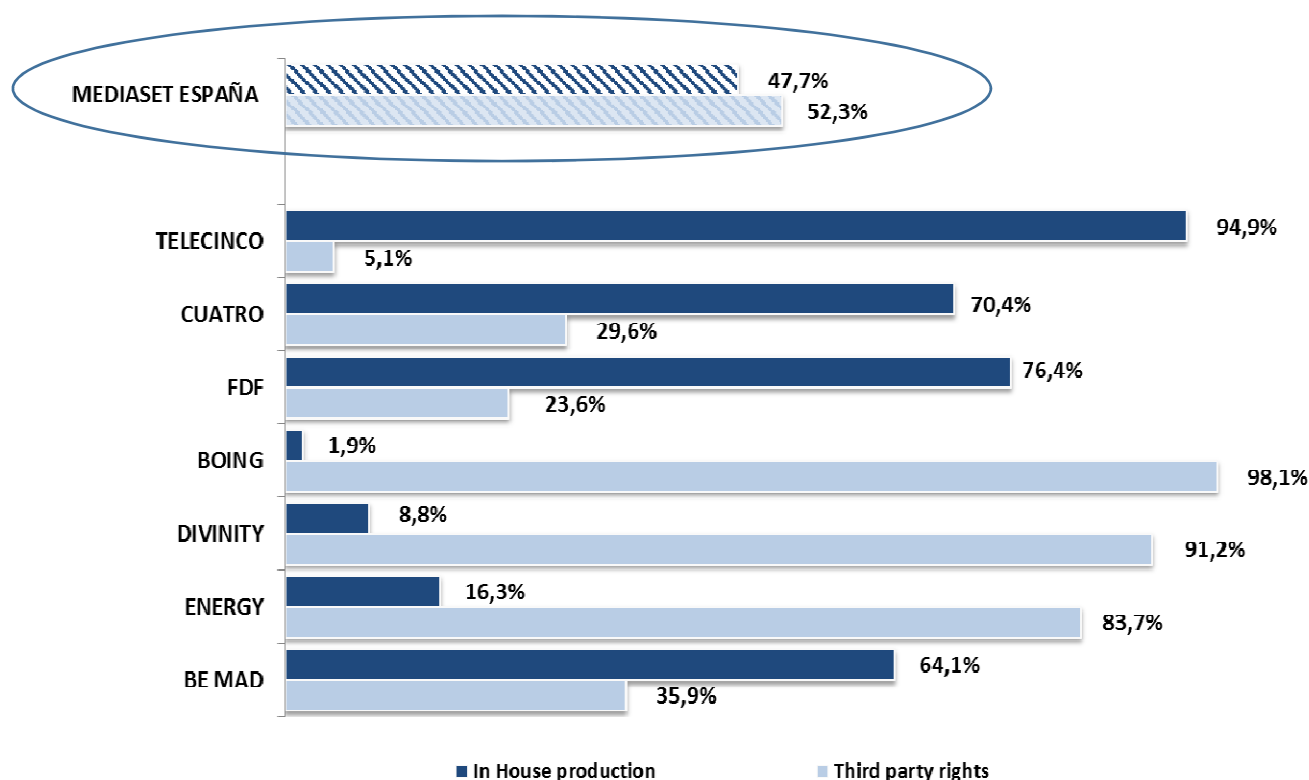
**Mediaset España** operates 7 channels in the **first half 2017**. During this period, **47.7%** of the broadcasted hours were **in-house production**, and **52.3% third party rights**. This is a substantial increase **(+4.6 pp)** in the **In-house-production** compared to the same period last year **(43.1%)** mainly due to the **Be Mad** and **Cuatro** channels, where in-house production increased by **36.1 pp** and **15.6 pp** respectively.

The **TELECINCO** channel dedicated **94.9%** of its broadcasted hours to **in-house production** whilst **5.1%** was allocated to **third party rights**. This compares to the **93.6% of in-house production** and **6.4% of third party rights** of the same period last year.

**CUATRO** allocated **70.4% of its broadcasting hours to in-house production**, which is a significant increase, **+15.6pp** compared to the same period last year **(54.8%)** whilst **29.6% of the broadcasted hours** in the period was **third party rights**, (45.2% vs same period 2016).

**Telecinco** and **Cuatro** channels, combined, have **83.1%** of their **broadcasted hours devoted to in-house production**, versus **16.9% of third party rights**. This compares to the combined **75.0% of in-house production** from the same period 2016, an increase of **+8.1pp** in 2017 with respect to 2016.

The rest of the channels have the following allocation: **FACTORIA DE FICCION**, dedicated **76.4%** of its broadcasted hours to **in-house production** compared to **23.6%** of **third party rights**, **BOING** designates the majority of its broadcasted hours, **98.1%**, to **third party rights**, **DIVINITY** has **8.8%** **in-house production** whilst **third party** production amounts to **91.2 %**. **ENERGY** has **16.3%** in house production and **83.7% of third party**, **BE MAD** allocated **64.1%** of its broadcasted hours to **in-house production** and **35.9%** to **third party rights**.





## 1.3. Operating profit and margins

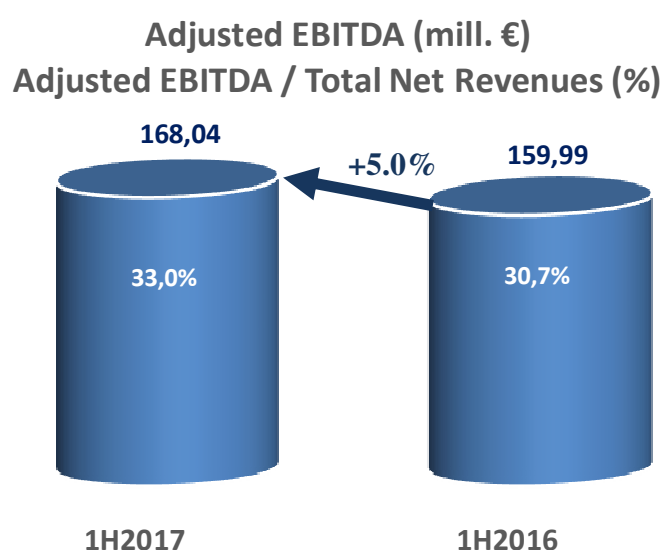
**Mediaset España** gross operating profit, **adjusted EBITDA**, amounts to a total of **€168.04 million** in the first half 2017, which is an increase of **€8.05 million, +5.0%**, compared to the same period 2016 (€159.99 million). In the first half 2017 **Mediaset España** has achieved an **adjusted EBITDA** margin over **total net revenues** of **33.0%**, which is an increase of **2.4pp** compared to the period January-June 2016, 30.7%, once again demonstrating the company's focus on efficiency.

**Net operating profit (EBIT)** reaches a total of **€159.23 million**, an increase of **6.1%** compared to the same period 2016 (€150.13 million), with a margin of **31.3% over first half 2017 total net revenues**, **2.5pp** better than same period 2016 (28.8%).

**Mediaset España** obtains the second best quarterly **EBITDA** in the last **35 quarters**, the best quarter was 1Q2017.

**Table 4: Margins**

	1H2017	1H2016
Total net revenues	508,53	521,58
Adjusted EBITDA	168,04	159,99
Adjusted EBITDA Margin	33,0%	30,7%
EBIT	159,23	150,13
EBIT Margin	31,3%	28,8%
Net Profit	125,73	117,74
Net Profit Margin	24,7%	22,6%





## 1.4. Financial result and equity consolidated companies

The **equity consolidated companies**<sup>1</sup> line for the period **January to June 2017** shows a **€0.98 million gain**, compared to **€0.96 million** from the same period last year.

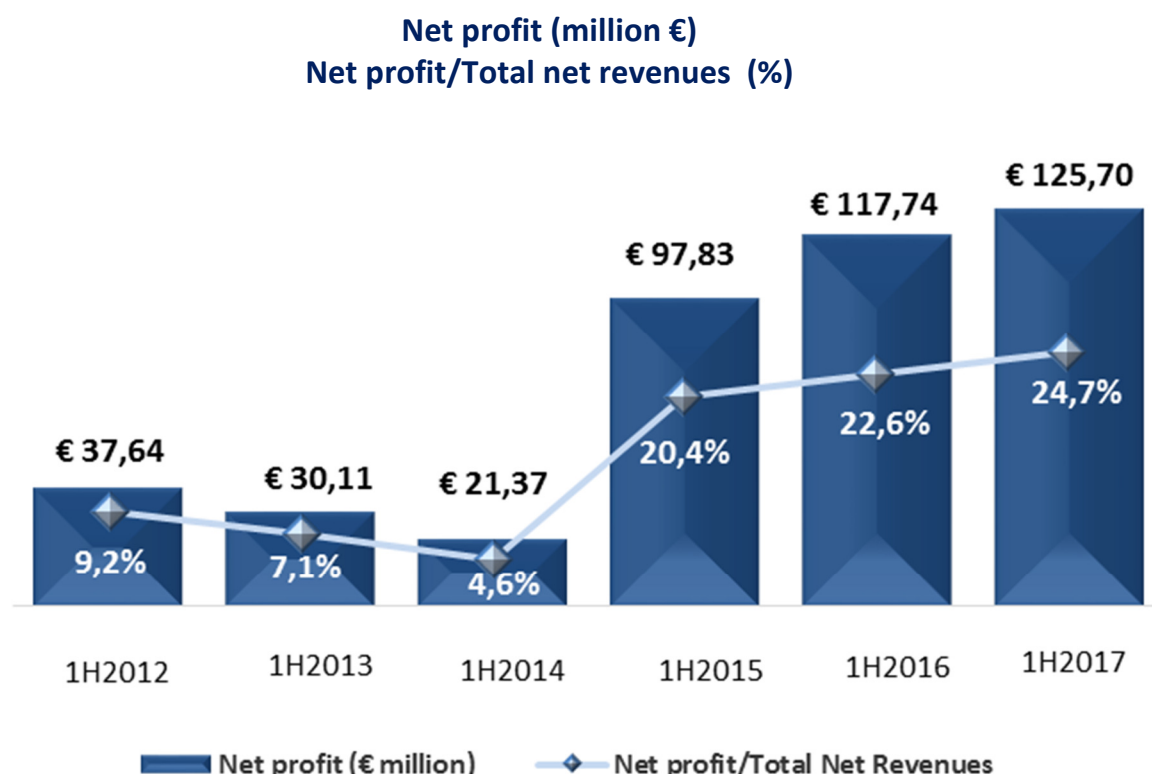
**Financial results** in the first half 2017 represent a **net expense of €0.72 million**.

## 1.5. Profit for the first half 2017

**Pre-tax profit** for the period **January-June 2017** is **€159.49 million** compared to **€150.68 million** in the same period 2016, an increase of **€8.81 million (+5.8%)**.

**Net Profit** for the period, after taxes, was **€125.73 million** compared to the **€117.74 Net Profit** in the same period 2016, **€7.99 million higher**, representing an **increase of 6.8%**.

**Mediaset España's net profit margin**, for the first half 2017, **risers to 24.7%**, an increase of **2.1pp** compared to the same period 2016 (22.6%). Since the **first half 2012**, **Mediaset España** has managed to **increase its first half net profit margin by 15.5pp**.



<sup>1</sup> Companies consolidated by the equity method are: Pegaso Television Inc. (43.7%), A.I.E. (Furia de titanes 2) (34.0% indirect shareholding), Supersport TV, S.L. (30.0%), Producciones Mandarina S.L. (30.0%), La Fábrica de la Tele S.L. (30.0%), Megamedia TV, S.L. (30.0% indirect shareholding), Edica 8Tv S.A.(34.7%) Aunia (50% indirect shareholding) S.L, Alea Media S.A (40%) and Melodía Producciones S.L (40%).

## 2. CASH FLOW GENERATION

The **operating free cash flow** for the first six months **2017** is **€138.88 million**, compared to **€130.01 million** for the same period 2016 representing an increase of **€8.87 million**.

**Mediaset España** increases its **net cash position** in the first half 2017 by **€52.42 million** compared to the same period 2016, which brings the **net cash position** at the end of the period to **€117.86 million** after paying **€175.72 million dividends** and investing **€25.36 million** buy-back.

**Mediaset España** paid dividends against its 2016 results and reserves on **May the 9<sup>th</sup>**, a total amount of **€175.72 million**, a **103% pay out**, verifying once more the **priority** towards its **shareholder remuneration policy**.

As part of its **shareholders** remuneration, **Mediaset España** is currently carrying out a **share buyback program**, approved by the Board of Directors in February and ratified by the AGM in April, for a total investment of **€100 million**. The plan **started on May 17<sup>th</sup>**, and up until June 30<sup>th</sup> **the company has acquired** a total of **2.210.810 shares** representing an investment of **€25.36 million**, equivalent of **0.66% of the share capital**.

Table 5: Cash Flow

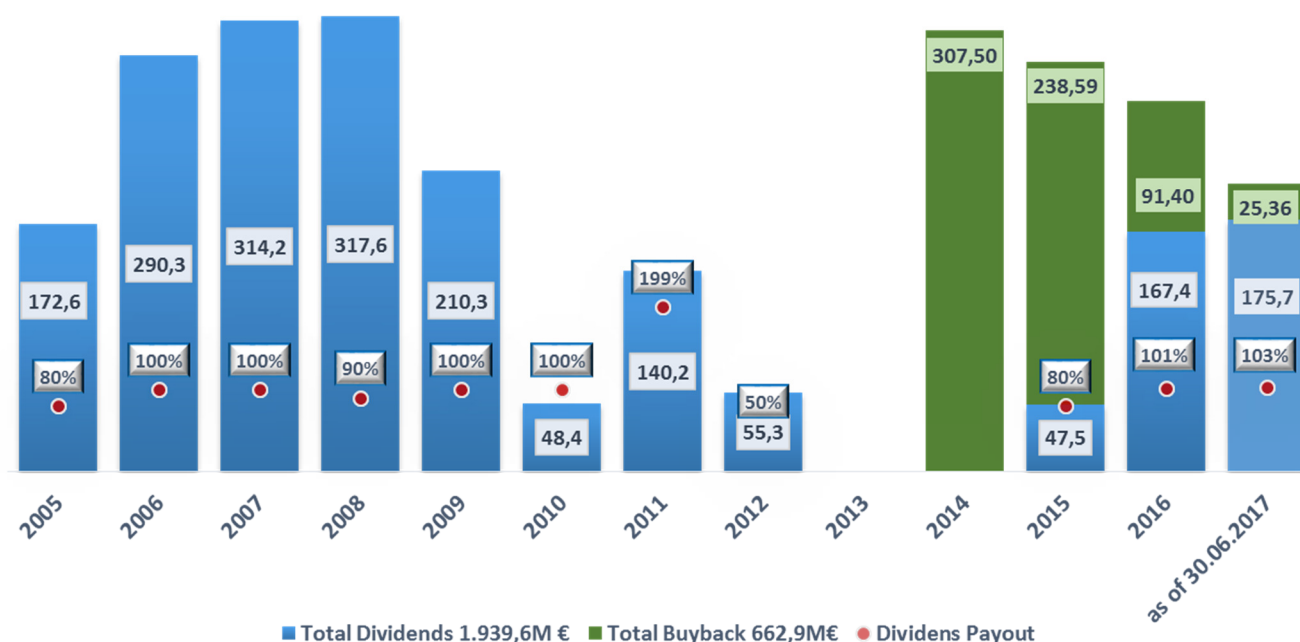
	1H2017	1H2016	Var (€)
Net profit (without minority interests)	125,49	117,57	7,93
Amortisation:	83,39	101,45	(18,06)
- Rights	74,39	92,57	(18,18)
- Other	9,00	8,88	0,12
Provisions	(0,82)	0,97	(1,79)
Other	12,63	21,70	(9,08)
<b>OPERATING CASH FLOW</b>	<b>220,69</b>	<b>241,69</b>	<b>(21,00)</b>
Investment in rights	(122,06)	(131,52)	9,46
Investments, other	(5,87)	(5,12)	(0,75)
Change in working capital	46,13	24,96	21,17
<b>OPERATING FREE CASH FLOW</b>	<b>138,88</b>	<b>130,01</b>	<b>8,87</b>
Own stock purchase	(25,36)	(91,40)	66,04
Change in Equity	2,16	1,50	0,66
Financial investments/disinvestments	(1,40)	(1,34)	(0,06)
Dividends received	1,85	1,67	0,18
Dividend payments	(175,72)	(167,40)	(8,32)
Net Cash Change	(59,59)	(126,97)	67,38
<b>INITIAL FINANCIAL POSITION</b>	<b>177,45</b>	<b>192,41</b>	<b>(14,96)</b>
<b>FINAL FINANCIAL POSITION</b>	<b>117,86</b>	<b>65,44</b>	<b>52,42</b>

**Mediaset España's cash conversion rate equals 82.7%: free cash flow (€138.88 million) and EBITDA (€168.04million), an excellent conversion of the gross operating profit (EBITDA) into cash, once again transforming business into cash at a high rate.**

**Mediaset España's remuneration paid to its shareholders by way of dividends since the company's listing up until June 30<sup>th</sup> amounts to €1,939.58 million, whilst the remuneration paid to shareholders through the buyback programs up until June 30<sup>th</sup> is €662.85 million.**

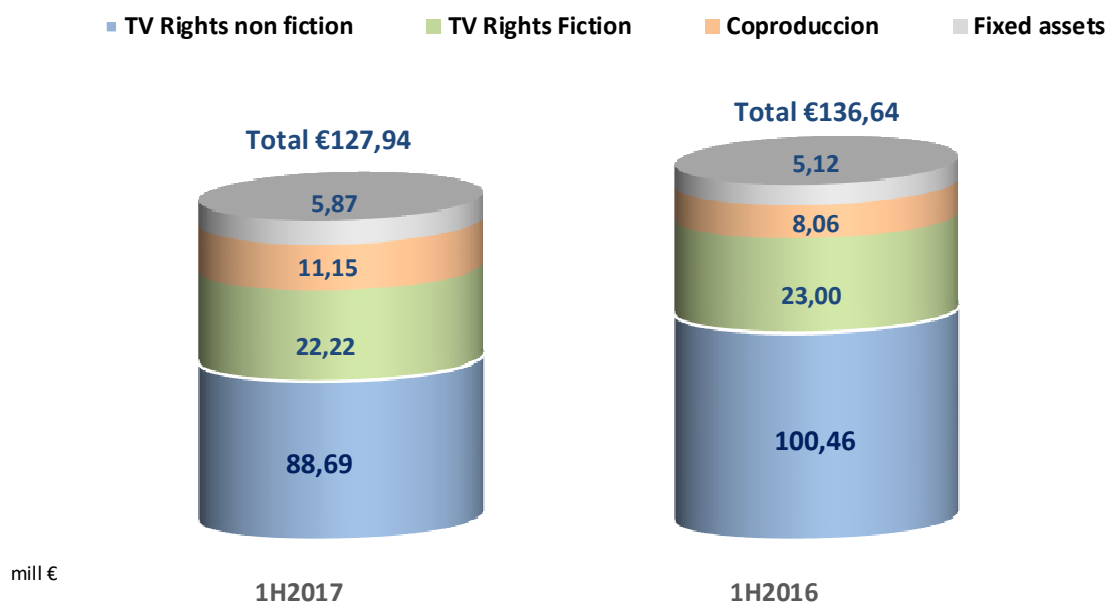
The combined remuneration paid to shareholders totals €2,602.43 million.

## DIVIDEND SINCE LISTING & BUYBACK PROGRAMS



**Total net investment** for the period January-June 2017 reached **127.94 million**, compared **€136.64** million, from the same period last year

During this period, **Mediaset España** invested a total of **€88.69 million** in **third party rights**, **€22.22million** in **local fiction**, and **€11.15 million** in **co-production/distribution** whilst investment in **tangible and intangible assets** was **€5.87 million**.



## 3. BALANCE SHEET

**Table 6: Summary Balance Sheet**

	June 2017	December 2016
<b>Tangible assets</b>	<b>568,71</b>	<b>580,92</b>
- Financial	312,32	321,06
- Non Financial	256,39	259,86
<b>Audiovisual rights and Pre-payments</b>	<b>219,03</b>	<b>171,90</b>
- Third parties	164,02	132,45
- Fiction	28,76	20,58
- Co-production / Distribution	26,26	18,87
<b>Pre-paid taxes</b>	<b>100,93</b>	<b>112,95</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>888,67</b>	<b>865,77</b>
Current assets	235,39	243,67
Financial investments and cash	133,22	193,26
<b>TOTAL CURRENT ASSETS</b>	<b>368,61</b>	<b>436,93</b>
<b>TOTAL ASSETS</b>	<b>1.257,28</b>	<b>1.302,70</b>
<b>Shareholders`equity</b>	<b>909,86</b>	<b>983,29</b>
Non-current provisions	9,38	9,15
Non-current payables	14,17	11,84
Non-current financial liabilities	7,62	13,66
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>31,18</b>	<b>34,66</b>
Current payables	308,50	282,59
Current financial liabilities	7,74	2,16
<b>TOTAL CURRENT LIABILITIES</b>	<b>316,24</b>	<b>284,75</b>
<b>TOTAL LIABILITIES</b>	<b>1.257,28</b>	<b>1.302,70</b>

**Mediaset España** has an **adequate balance** between **current assets and current liabilities**, as shown by its liquidity ratio of **1.17x**.

The **audiovisual rights** in the balance sheet show an **adequate mix of quality and quantity** fit for serving the programming needs of the Group.

The **Shareholder Equity** reduction of **€73.43 million** is due to the dividend payment of **€175.72 million** on May the 9<sup>th</sup> and the **purchase of treasury shares** of **€25.36 million** carried out in this second quarter.

## 4. AUDIENCE SHARE PERFORMANCE<sup>2</sup>

### 4.1. TV Consumption

Halves	1H Average TV			TV Viewers ('000)
	Linear	Non linear*	Total TV consumption	
1H00	220		220	5.897
1H01	216		216	5.891
1H02	220		220	6.006
1H03	220		220	6.018
1H04	228		228	6.434
1H05	224		224	6.419
1H06	225		225	6.486
1H07	230		230	6.697
1H08	233		233	6.866
1H09	233		233	7.091
1H10	241		241	7.338
1H11	246		246	7.520
1H12	254		254	7.757
1H13	256		256	7.830
1H14	250		250	7.705
1H15	245	2	247	7.749
1H16	240	4	244	7.402
1H17	232	4	236	7.400

The daily average **TV consumption**, linear TV and non-linear TV, in **the first half 2017** is **236 minutes**, this is **three hours and fifty six minutes per person/ per day**.

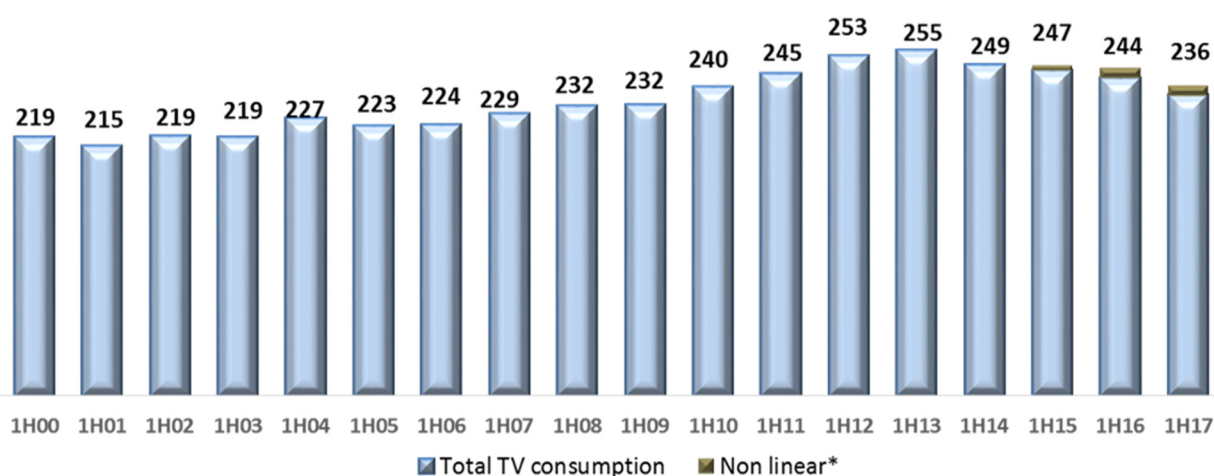
The **Linear TV** consumption, **232 minutes per person per day**, remains above pre-crisis levels, (230 minutes/per person per day in 2007) and represents **98.3% of the total daily average TV consumption**. The average **daily TV viewers** stands at **7.4 million people in the period**.

Since **March 2017**, Kantar Media measures the TV consumption of “**guest**” (friends, family etc. visiting homes). The **TV consumption increases**, including guests, by **5.8% in the first half 2017**, mostly in the youngest targets. The figures on the left **do not include** the guest TV consumption.

**Non-linear\*** consumption for the first half 2017 is **4 minutes per person/per day**, and represents a **1.7%** of the **total daily average TV consumption**.

\* **Non-linear** consumption is the TV consumption within the 7 days following the first broadcasting. No previous measurement available.

### 1H TV Audiovisual Consumption (minutes)



<sup>2</sup> Source: Kantar Media.

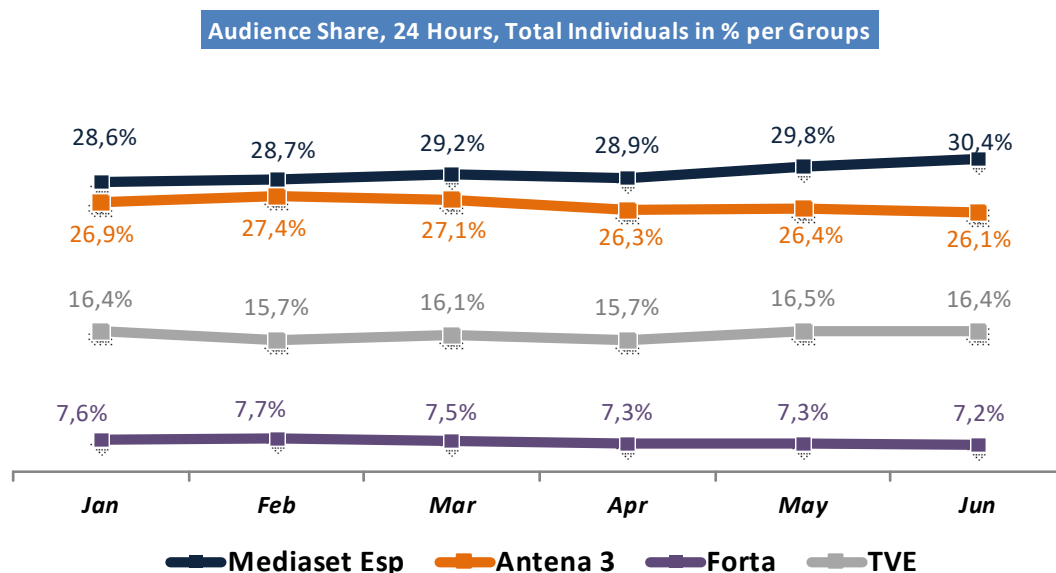
## 4.2. Group audience<sup>3</sup>

**Table 7: 1H2017 average audience share for Mediaset España**

		1H2017	1H2016
Total Individuals	Total Day	29,2%	30,5%
	PRIME TIME	28,7%	30,3%
	DAY TIME	29,5%	30,6%
Commercial Target (*)	Total Day	30,7%	31,6%
	PRIME TIME	29,3%	30,6%
	DAY TIME	31,4%	32,2%

In the **first half 2017** *Mediaset España* obtained, an audience share of **29.2% in total individual total day** and is the most watched media Group of the period, leading the first half audiences since **2010**. In the period **January to June 2017**, *Mediaset España* is 2.5 pp ahead of its nearest competitor.

Regarding the **commercial target**, in this period, *Mediaset España* reached **30.7% in total individual total day**, this is **+0.8pp** against its direct competitor (**28.9%**), leading in all targets with a special advantage in **children and young people aged 13-24 (35.2%)** and **25-34 (32.8%)** respectively.



<sup>3</sup> Prime Time: time slot between 20:30h and 24:00 h.

**In Prime Time<sup>3</sup> total individuals**, *Mediaset España* obtained an audience share of **28.7%** surpassing its nearest competitor by **+1.3pp** and **leading for the third time in a row** in a first half of a year.

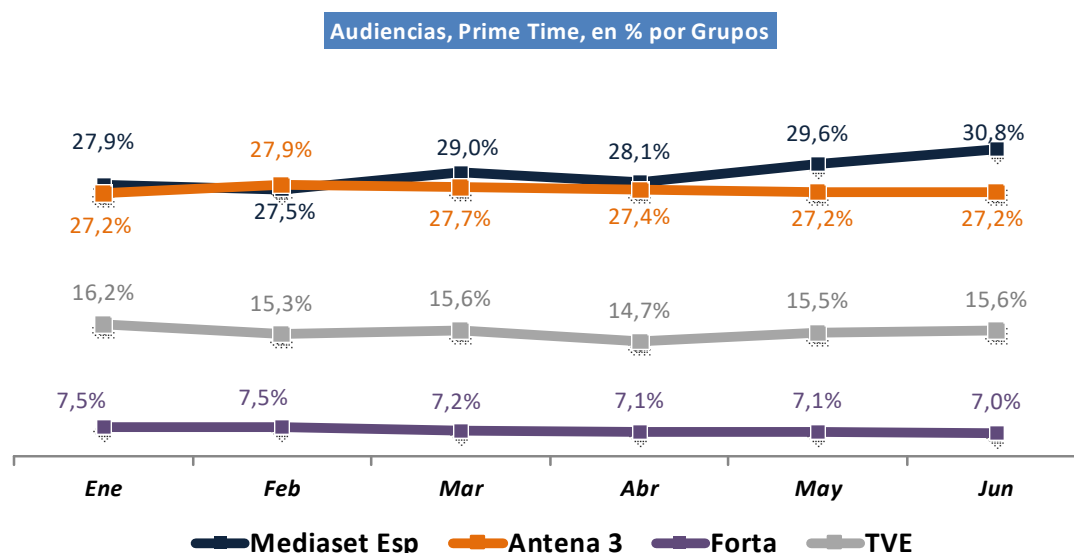
\* **Commercial target 16-59 years old:** individuals 16-59 in populations above 10.000 habitants of all socioeconomic groups except group E2. The New commercial target represents 20.6 million people.

<sup>3</sup> **Prime Time:** time slot between 20:30h and 24:00 h.



**Mediaset España Prime Time Commercial target registers 29.3% in the period January-June 2017.**

**Mediaset España** has shown a **very good trend in the first six months** of the year, where it has **steadily increased its total individual audience** (as shown in the graph below).



## 4.3. Main channels audience

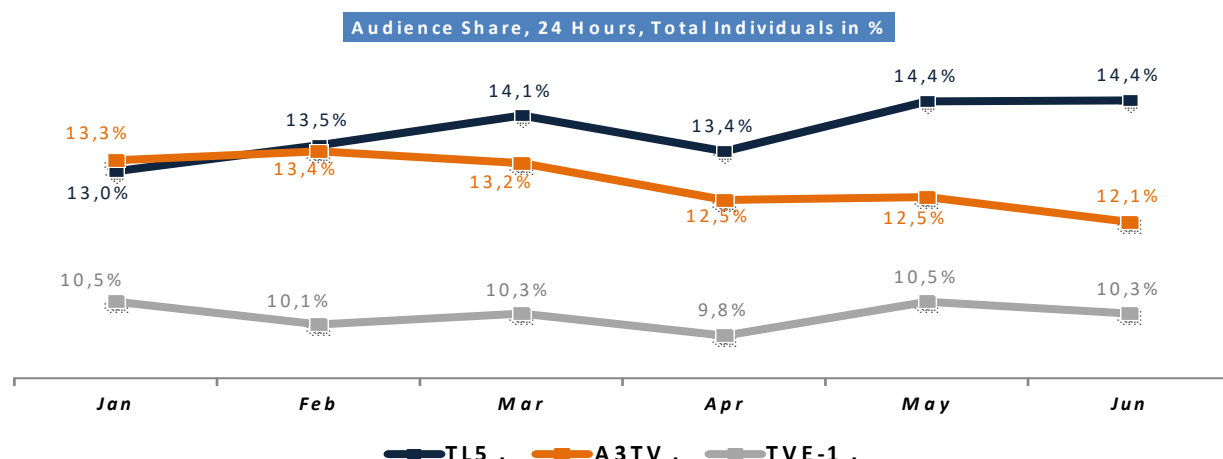
**Table 8: 1H2017 average audience share for Telecinco and Cuatro**

		TL5		CUATRO	
		1H2017	1H2016	1H2017	1H2016
Total Individuals	Total Day	13,8%	15,1%	6,2%	6,7%
	PRIME TIME	14,0%	16,2%	6,4%	5,9%
	DAY TIME	13,8%	14,6%	6,1%	7,0%
Commercial Target (*)	Total Day	12,8%	14,1%	7,3%	7,8%
	PRIME TIME	12,2%	14,6%	8,1%	7,4%
	DAY TIME	13,0%	13,8%	6,9%	8,0%

(\*) New Commercial Target, age group 16-59 years old.

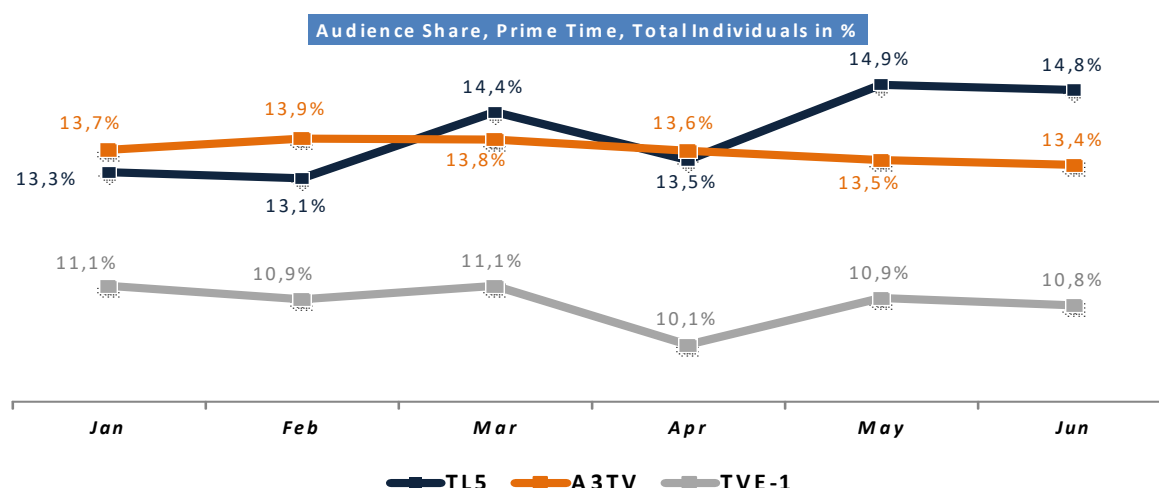
**In total day** the **Telecinco** channel registered **13.8% audience share in total individuals total day**, and leads with **+0.9pp** ahead of its nearest competitor. The **Telecinco** channel has been **leading audiences in the first half since 2014**, and is ahead in the following targets: **women 17.2%, (+3.5pp)**, **young people aged 25-34 13.5%, (+1.7pp)** and the group **54+ years old 16.3% (+2.8pp)**.

\* **Commercial target 16-59 years old:** individuals 16-59 in populations above 10.000 habitants of all socioeconomic groups except group E2. The New commercial target represents 20.6 million people.



The **Telecinco** channel achieves a **commercial target** of **12.8%** in total day, in the first six months 2017, the same record as its main competitor, but **leading in almost all programming slots**.

In the **Prime Time slot**, **Telecinco** channel obtains **14.0%** audience share, and leads all first half year results since 2012, with an advantage in the first half 2017 of **+0.4pp** compared to its nearest competitor, which broadcasted **Champion League** matches in the period.



**Telecinco** channel **Commercial target** in prime time for the first half 2017 is **12.2%**.

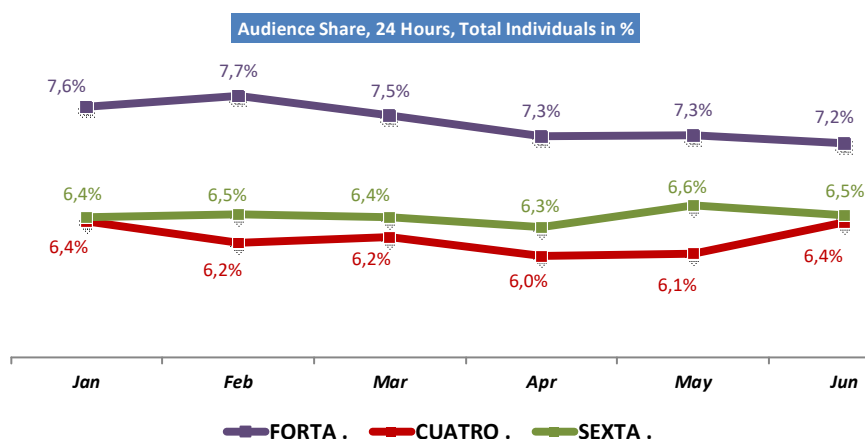
**Telecinco** is the **leading entertainment channel**, where **in-house production** has **lead their programming slots**. In **Prime time** the following programs stand out: **Survivor**, which is the most competitive program in the semester, recording **25.6% audience share** and **2.9 million viewers**, **Got Talent** **20.9%** and **2.8 million viewers** and **Mi casa es la tuya** **15.9%** and **2.4 million viewers**, amongst others.

In **local fiction** two of its productions: **Perdóname Señor** (19.0%, and 2.9 million viewers) leading in its programming slot and **Se quien eres** (15.2% and 2.4 million viewers), are two of the most watched productions in the period.

The film **Ocho apellidos catalanes**, broadcast in simulcast on Telecinco and Cuatro, is the **most watched film** in the period achieving **33.9% audience share** and **5.1 million viewers**.

The **Cuatro** Channel obtained a **6.2%** audience share in **total individuals total day**, reducing the gap with its main competitor, **to the lowest level (0.2pp)** in a period January-June in the last 4 years. **Cuatro** achieves an **excellent conversion (1.2x) to commercial target, 7.3%** which is **+0.4pp ahead its nearest competitor (6.9%)**.

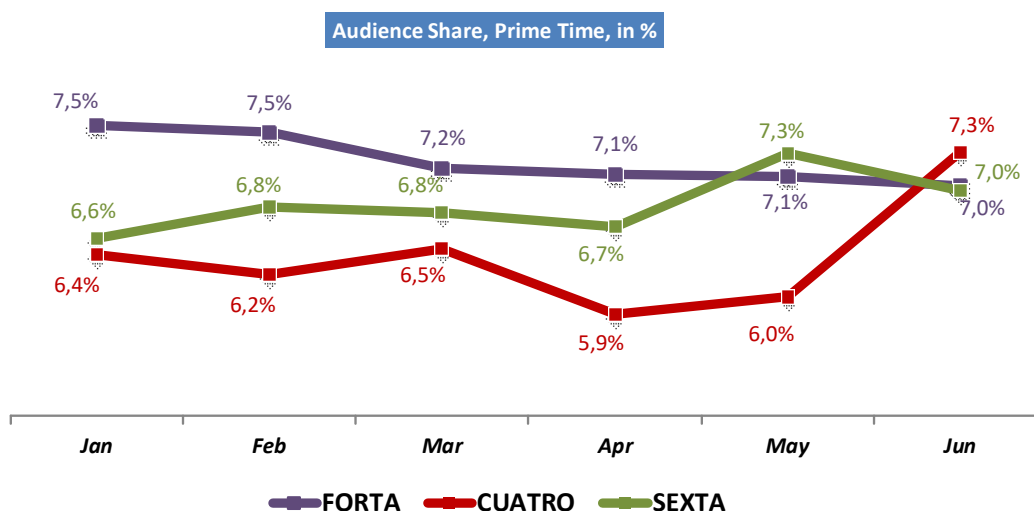
**Cuatro** is the **third private channel amongst viewers under 55**, where it registers an **audience share of 7.2%** against the 6.0% achieved by its direct competitor. **Cuatro also remains the third channel for the 13-34 year olds**, with an audience of **7.4%** vs **6.5%** of its nearest competitor.



**In Prime Time** in the first half 2017 the **Cuatro** channel reached, **6.4% audience share**, which is the **lowest difference with its direct competitor (0.2pp)** in the last 5 years. **Cuatro** increased its audience by **0.5pp vs the first half 2016** this compares to the **1.4pp decline in audience share of its nearest competitor**.

In terms of **commercial target**, **Cuatro** registers a share of **8.1%** surpassing its nearest competitor (7.4%) **by 0.7pp** in the period. **Cuatro** also increased its commercial target in comparison with the first half 2016 (+0.7pp), whilst its direct competitor fell by 1.8pp in the same period.

Amongst the most successful format in the period there is **El Xef**, **First dates**, **Cuarto Milenio**, **Proyecto bullying** etc..



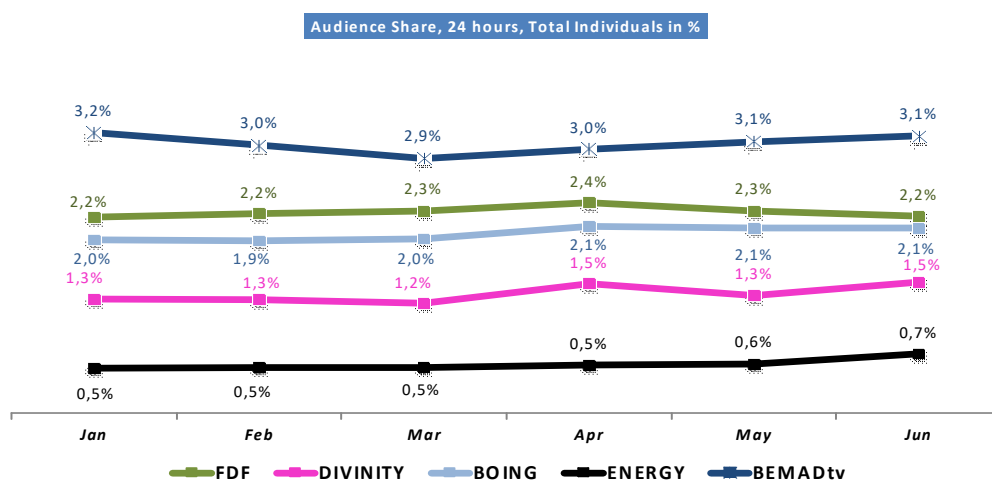
## 4.4. Targeted channels

**Table 9: 1H2017 average audience share for the targeted channels**

1H2017			
		Total Individuals	Commercial Target *
<b>DIVINITY</b>			
	Total Day	2,3%	3,0%
	PRIME TIME	2,0%	2,3%
<b>BOING</b>			
	Total Day	1,3%	0,9%
	PRIME TIME	1,1%	0,8%
<b>ENERGY</b>			
	Total Day	2,0%	2,2%
	PRIME TIME	2,2%	2,3%
<b>BEMADtv**</b>			
	Total Day	0,5%	0,8%
	PRIME TIME	0,4%	0,6%
<b>FDF</b>			
	Total Day	3,0%	3,8%
	PRIME TIME	2,7%	3,1%

The audience share of *Mediaset España's* targeted channels, in the first half 2017, was 9.2% in Total Day whilst this group of channels attains 10.7% in commercial target, +1.8pp and +1.4pp ahead of its nearest competitor (7.4 % and 9.3% respectively).

The FDF channel reached a 3.0% audience share in Total Individuals, while in its target of 13 to 24 year olds it achieved an 8.4% audience share and in 25 to 34 year olds 5.2%. The Divinity channel had a 3.7% audience share in its target of women 16 to 44 years old, while in Total Individuals its share is 2.3%. The Energy channel achieves a 2.0% audience in Total Individuals and in its target, men 25 to 54 years old achieves 2.0%. Boing, the children's channel, has an audience share in Total Individuals of 1.3% while in its target of 4 to 12 year olds it has managed to multiply its record nine-fold reaching 12.1% audience share. Be Mad registers an audience of 0.5% whilst its target men 13-44 years old achieve a 0.9% share.



\* commercial target 16-59 years old: individuals 16-59 in populations above 10.000 habitants of all socioeconomic groups except group E2. The New commercial target represents 20.6 million people.

\*\*BeMad commenced emissions April 21st 2016.

## 5. Internet

In the first half 2017 the internet video consumption (PC only) reached **14.9 minutes per person/per day** for **total Individuals**, and represents **5.9%** of the **total daily average audiovisual consumption**. This consumption reached **22.1 minutes** in the **25-34 year old group**.

In the first half 2017 **Mediaset España** registered a **monthly average** of **11.9 million unique users/viewers** (multiplatform), **180 million pages viewed** and **71.1 million videos streamed** (all figures monthly averages).

	Total Unique users (000)	Total Page Viewed (million) <sup>(1)</sup>	Videos (000) <sup>(2)</sup>	Minutes (million) <sup>(3)</sup>
June 2017	11.044	164	75.496	1.050
May 2017	11.836	188	87.377	1.217
April 2017	11.636	181	85.328	1.221
March 2017	12.702	211	83.007	1.644
February 2017	12.235	174	65.049	1.303
January 2017	12.006	159	30.358	1.050

Source: Comscore

(1) Multiplatform PC +Mobile (restated)

(3) Minutes in Multiplatform

(2) Video PC Only. Due to a technical issue, videos in January and February are exceptionall lower.

In the first half 2017, **Mediaset España** has also confirmed its leadership in internet, where it remains the **media group** with the **largest number of video streamed in the period**. It also enjoys the **best Video/unique viewer ratio**, with **42 videos per unique user** as well as a **very good loyalty rate** with an average of **168 minutes per unique viewer**, well ahead of the **second best performing player** (154 minutes per unique viewer). (Source: Comscore)

Regarding the internet sites, **Telecinco.es** records, an average of **8.1 million unique users** (multiplatform) in the first half 2017, well ahead of its nearest competitor, whilst **Cuatro**, on the other hand registers **3.8 million unique users** for the same period. (Source: ComScore multiplatform).

As at **30<sup>th</sup> June 2017**, Mediaset **España's apps**, register a **total of 14.5 million downloads**, leading the ranking: **Mitele 6.6 million**, **GH 3.5 million** and **The Voice 1.8 million downloads**.

At the end of the first half 2017 **Mediaset España** had almost **200 active accounts** on the main social networks: **Facebook, Twitter and Instagram**. In the same period the company registered **22.5 million comments**, which represents **58.9% of the total television related comments** on social networks, a clear indication of the great **popularity of Mediaset España's contents on social networks**.

**Mitele app** is present in the **Smart TVs** through commercial agreements with the main players in this market. At the end of **June 2017**, **Mitele** is present on **1.4 million connected Smart TVs**.

In the months **January-June 2017**, **Radioset** registers an average of almost **0.96 million unique visitors** and it is amongst the three most popular digital radios in the territory.

## 6. Media for Equity

**Mediaset España** is working with a number of start-ups through **Media for Equity** agreements, carried out by **Ad4Ventures**, the venture capital arm of **Mediaset España**. **Ad4ventures** aim is to invest in the most promising companies, following a well-defined **financial and investment criteria**.

At the end of **June 2017**, **Ad4Ventures** manages a portfolio of 10 companies, including: **Cornerjob**, **Deporvillage**, **Westwing** and **21 Buttons**.

## 7. Relevant Facts 2017

In the first half 2017, the following relevant facts were published:

Date	Relevant Fact
26/06/2017	Shares Buy-Back June 19-23, 2017.
19/06/2017	Shares Buy-Back June 12-16, 2017.
12/06/2017	Shares Buy-Back June 5-9, 2017.
05/06/2017	Shares Buy-Back May 29 June 2, 2017.
29/05/2017	Shares Buy-Back May 22-26, 2017.
22/05/2017	Shares Buy-Back May 17-19, 2017.
05/05/2017	Ordinary and Extraordinary Dividend Payment.
27/04/2017	Interim Financial Information 1T2017.
24/04/2017	Notice and Agenda of AGM.
24/03/2017	Call for AGM and proposed resolutions.
24/02/2017	Annual Corporate Governance Report.
24/02/2017	Board of Director's Annual Remuneration Statement.
23/02/2017	Financial Information FY2016.
23/02/2017	Dividend, BuyBack program and call for the AGM.

More information available from our investor web site:

<http://www.mediaset.es/inversores/en/>

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