

10 AÑOS *en bolsa.*

MEDIASET *españa.*



FIRST NINE MONTHS RESULTS

January – September 2014

Madrid – 29th October, 2014

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 €	9M2014	9M2013
Total net revenues	658,2	583,9
Total operating costs	561,4	526,4
EBITDA adj⁽¹⁾	96,8	57,6
EBITDA margin	14,7%	9,9%
EBIT	84,2	45,4
EBIT margin	12,8%	7,8%
NET PROFIT	25,2	22,1
EPS	0,069 € ⁽²⁾	0,054 €
Net cash position	205,7	85,5

(1) EBITDA Adj, includes TV rights consumption

(2) Excluding treasury shares at 30th september 2014.

Mediaset España keeps increasing its operating margins and records an **adjusted EBITDA of €96.8 million** for the nine months to September 2014, which is an increase of **68%** compared to the same period last year. The **EBIT** line also improves by **85.4%** compared to the same period last year, and reaches **84.2 million**.

- Total net revenues for the first nine months of 2014 amount to **€658.2 million**, with net advertising revenues of **€599.6 million** and **€58.6 million** "Other income".
- **Infodex** reports that the **television advertising market** grew by **9.9%** in the first nine months to September 2014 whereas the **total advertising market** grew by **4.9%**. **Mediaset España** improves its market share up to **44.4%** with an increase of **0.7 points** compared to the same period last year.
- **Mediaset España's** operating margin for the first nine months of 2014 is **14.7%**, compared to the **9.9%** of the same period last year.
- Adjusted **net profit** for the first nine months of 2014 amounts to **€34.8 million**.
- **Mediaset España** maintains a debt-free balance sheet and a positive net cash position of **€205.7 million** as of **30th September 2014** and free cash flow of **€92.7 million**.
- **Mediaset España** gains audience share in the third quarter, and registers **30.6%** in 24 hours **total individuals**, that is **1.7 points** above the same period last year. Football and basketball World Cups, in house and external fiction successes and a sound program offer are the main factors of Mediaset's audience improvement.
- **Mediaset España** continues to lead Internet audiences in **September** reaching **27.7 million unique users** and **318.9 million page views** and more than **90.9 million video** downloaded for that 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 30th of September the company holds **9.72%** of treasury stock shares, a total of **39.547.887 shares**.

1. PROFIT AND LOSS ACCOUNT

Table 1: Consolidated Profit and Loss Account

Millions of €	9M2014	9M2013	% change
TOTAL NET REVENUES	658,16	583,94	12,7%
Rights Amortisation	(144,50)	(108,96)	32,6%
Personnel	(80,41)	(77,68)	3,5%
Other operating costs	(336,45)	(339,72)	(1,0%)
TOTAL COSTS	(561,35)	(526,37)	6,6%
Adjusted EBITDA	96,80	57,57	68,1%
Other amortisations, provisions	(6,64)	(6,18)	7,4%
Amortisation PPA	(6,00)	(6,00)	-
EBIT	84,17	45,39	85,4%
Equity Cons. Results and Depr. Fin. Assets	(58,57)	(13,42)	-
Financial results	(0,63)	(1,59)	-
Pre-tax profit	24,97	30,38	(17,8%)
Income taxes	(0,11)	(8,37)	-
Minority interests	0,35	0,13	-
Net profit	25,21	22,14	13,9%
Adjusted Net profit	34,81	33,54	3,8%

The **Adjusted Net profit** for the first nine months of **2014** amounted to **€34.81 million** representing a margin of **5.3%** over net revenues.

The difference of **€9.60 million** between **Adjusted Net Profit** and **Net Profit** is due to the amortization of the **PPA of Cuatro and DTS** as a result of the final allocation of the purchase price to assets and liabilities of the company. In the case of **DTS**, the impact is just for **the six months period to June 30th** as the sale of the stock took place immediately thereafter.

1.1. Revenues

Table 2: Revenues

Millions of €	9M2014	9M2013	% change
Gross advertising revenues	628,27	564,49	11,3%
- Mediaset España's Media	601,60	540,11	11,4%
- Third Party Media	26,67	24,38	9,4%
Discounts	(28,69)	(26,26)	9,2%
Net advertising revenues	599,58	538,23	11,4%
Other revenues	58,58	45,71	28,2%
TOTAL NET REVENUES	658,16	583,94	12,7%

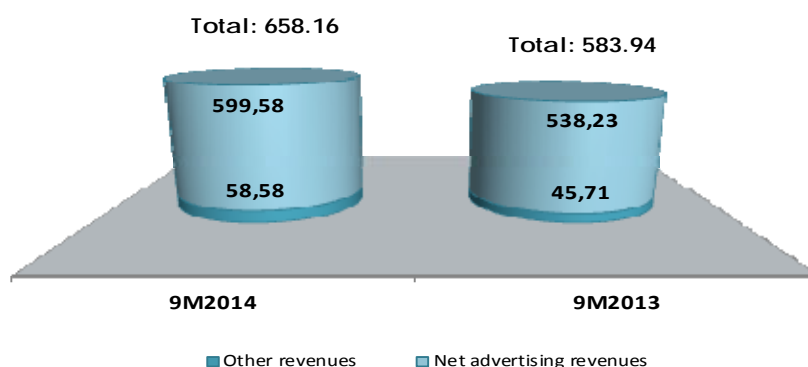
Gross advertising revenues for the first nine months of the year amounted to a total of **€628.27 million**, an increase of **11.3%** compared to the same period last year, outperforming the television advertising market that grew by **9.9%** as indicated by Infoadex.

Mediaset España's Multiplex Gross advertising revenues, (which includes the income of the Group's 6 channels; TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY and ENERGY, as well as the revenues of **internet and teletext**) reaches a total of **€601.60 million**, that is **€61.49 million** more than 2013, an increase of **11.4%**. From the 1st of January to 6th of May, the date on which the channels were closed, **La Nueve** and **La Siete** contributed also to the revenue base.

The third party media advertising revenues increased by **9.4%** vs. same period last year and reached **€26.67 million**. **Net advertising revenues** after discounts increased by **11.4%** totaling **€599.58 million**.

Other Income Revenues amounted to **€58.58 million**, an increase of **28.2%** with respect to 2013. The number includes the sale and distribution of film rights, co-production, merchandising and game revenues among others. The **Ocho apellidos vascos** and **El Niño** movies, released in March and August respectively, have represented big box office successes, thus contributed significantly to the revenues under this caption. Finally, **Net Revenues** up to 30th September 2014 totals **€658.16 million** a **12.7%** increase versus the **same period of 2013**.

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



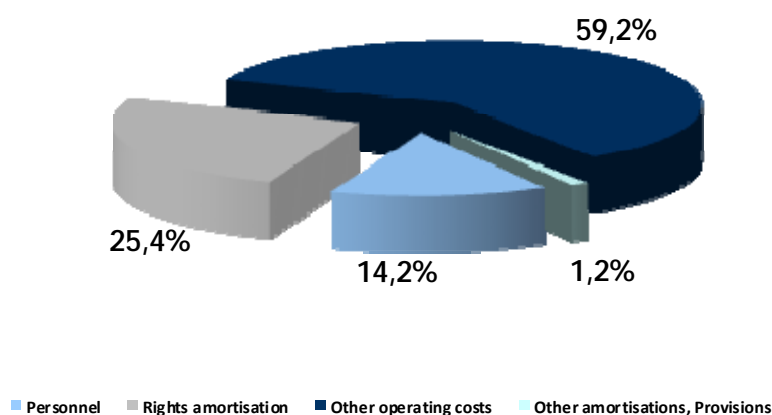
1.2. Operating costs

Total operating costs for the first nine months of 2014 amounted to **€567.99 million** a **6.7%** increase compared to the same period of 2013, a good performance in costs considering the **events of football and basketball World Cups** of this year.

Table 3: Operating costs

Millions of €	9M2014	9M2013	% change
Personnel costs	80,41	77,68	3,5%
Rights amortisation	144,50	108,96	32,6%
Other operating costs	336,45	339,72	(1,0%)
Other amortisation and provisions	6,64	6,18	7,4%
Total Operating Costs	567,99	532,55	6,7%
Amortisation PPA	6,00	6,00	-
TOTAL COSTS	573,99	538,55	6,6%

Operating Costs



Mediaset España continues to apply its cost control policy so that in the first nine months of 2014 operational costs are **20.1% lower** than the same period in 2010, which resulted in a saving of **€ 142.66 million** in comparison with the same period 2010 (2010 pro-forma basis).

million €	9M2010*	9M2011	9M2012	9M2013	9M2014	Var.
Operating Costs	710,65	592,86	596,13	532,55	567,99	-20,1%

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

Content

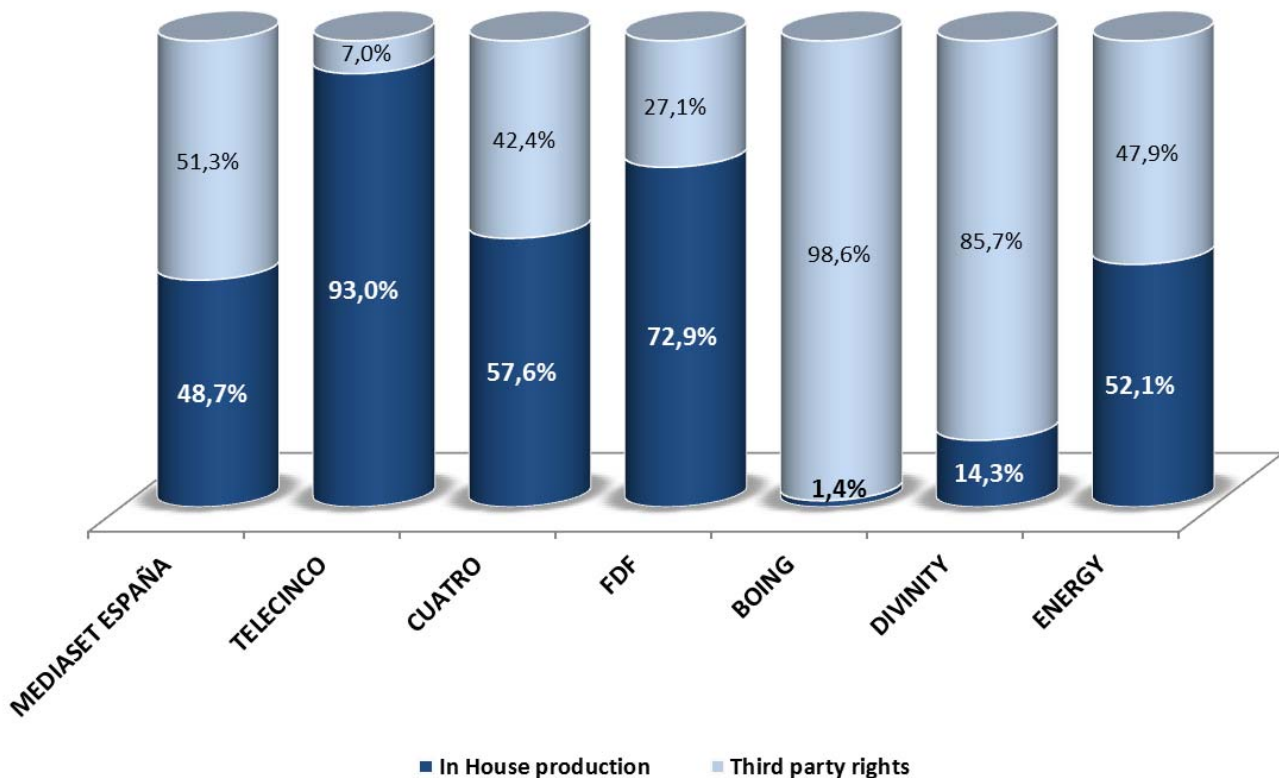
Mediaset España operated eight channels until the 6th of May, when the government shut down two (nine channels were shut in total for the market as a whole), pursuant the Supreme Court ruling. These channels were **La Siete** and **La Nueve**, both of them predominantly devoted to in house production.

During the first nine months of 2014, **Mediaset España Group** allocated a **51.3%** of its total programming hours to **third party rights**, whereas in **house production** was allocated a **48.7%**.

In the first nine months of the year the **TELECINCO** channel has allocated **93.0%** of programming hours to in-house production and **7.0%** of programming to third parties, in line with the same period of last year (**93.3%** of in-house production and **6.7%** of third party).

Cuatro allocated **57.6%** of its grid to in-house production and **42.4%** to external production versus the **63.3%** of in-house production and **36.7%** of third party for last year.

As per the other channels, in case of **FACTORIA DE FICCION**, **72.9%** of its number of hours of broadcasting is in-house produced whilst **27.1%** is third party, **BOING** numbers are **98.6%** third party and **DIVINITY** has a mix of **14.3%** in house and **85.7%** third party. Finally **ENERGY** has a **52.1%** in house production and **47.9%** third party rights.



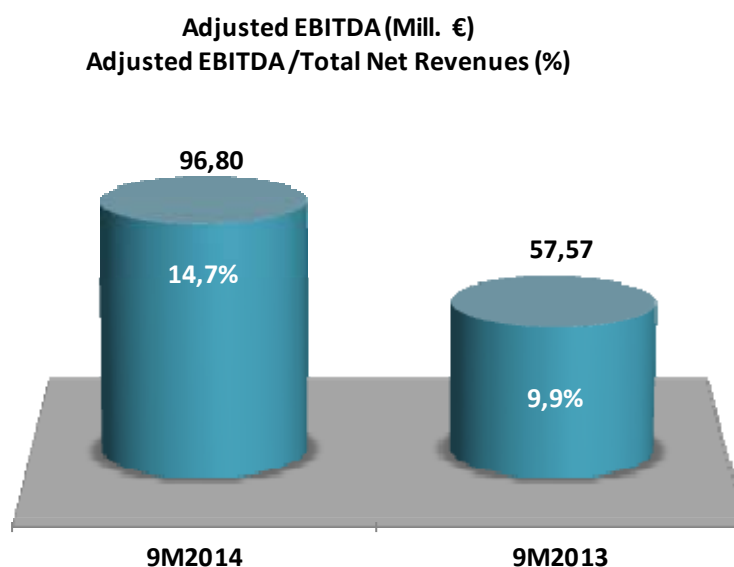
1.3. Operating profit and margins

The **gross operating profit, (adjusted EBITDA)**, amounts to **€96.80 million** and represents an increase of **€39.23 million** over the same period last year, that is **68.1%** higher. The **EBITDA margin** also improved up to **14.7%** of net revenues (**9.9% of last year**).

Net operating profit (EBIT) equals to **€84.17 million**, representing an increase of **85.4%** compared to the first nine months of 2013, representing **12.8%** over 2014 total net revenues, (**7,8%** in 2013).

Table 4: Margins

<i>Millions of €</i>	9M2014	9M2013
Total net revenues	658,16	583,94
Adjusted EBITDA	96,80	57,57
<i>Adjusted EBITDA Margin</i>	<i>14,7%</i>	<i>9,9%</i>
EBIT	84,17	45,39
<i>EBIT Margin</i>	<i>12,8%</i>	<i>7,8%</i>
Net Profit	25,21	22,14
<i>Net Profit Margin</i>	<i>3,8%</i>	<i>3,8%</i>
Adjusted Net Profit	34,81	33,54
<i>Adjusted Net Profit Margin</i>	<i>5,3%</i>	<i>5,7%</i>



1.4. Financial result and equity consolidated companies

Financial income represents a net expense of **€0.63 million**.

The result from the **equity consolidated companies**¹ shows a loss result of **€58.57 million** mainly due to the economic impact of the sale of the **22% of the 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 alone rights. Should Telefonica finally acquire the 56% of DTS, **Mediaset España** would get **€10.0 million** and **up to €30.0 million** depending on the new net subscriptions following the four years from the date when Telefonica takes control of DTS.

1.5. Profit for the period January –September 2014

Pre-tax profit for the **first nine months** of the year is **€24.97 million**. **Net Profit** after **taxes and minority interest** for the same period reaches **€25.21 million** (**€22.14 million** for 2013).

Adjusted net income, excluding the PPA related to Cuatro and to DTS, (in case of the latter, the impact is only up to June the 30th, immediately prior to the sale of the asset) amounts to **€34.81 million** that is a margin of **5.3%** over **total net income**.

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%), Aprox 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** for the first nine months of 2014 is **€92.72 million**, (**€5.86 million** in 2013).

Table 5: Cash Flow

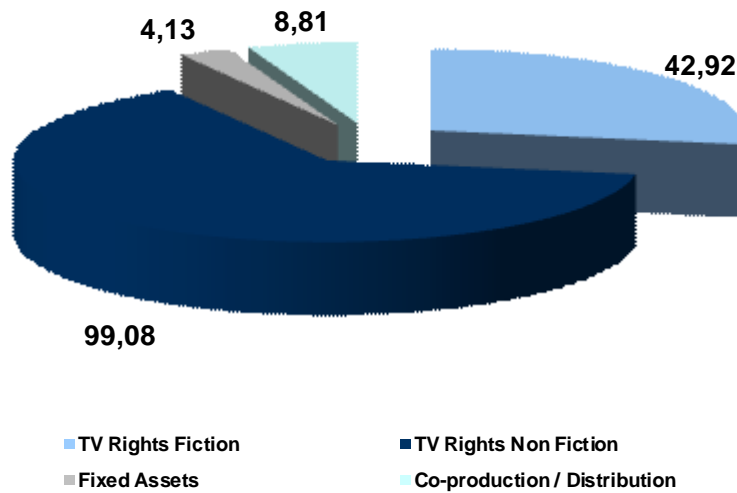
Millions of €	9M2014	9M2013	Change in millions of €
Net profit (without minority interests)	24,86	22,01	2,85
Amortisation:	157,08	122,46	34,62
- Rights	144,50	108,96	35,54
- Other	12,59	13,50	(0,92)
Provisions	0,05	(1,32)	1,38
Other	61,29	7,96	53,33
OPERATING CASH FLOW	243,28	151,10	92,18
Investment in rights	(150,81)	(144,64)	(6,16)
Investments, other	(4,13)	(4,61)	0,49
Change in working capital	4,37	4,01	0,36
OPERATING FREE CASH FLOW	92,72	5,86	86,86
PRISA stock purchase	(307,51)	0,00	(307,51)
Change in Equity	3,86	5,42	(1,56)
Financial investments	321,21	(0,69)	321,90
Dividends received	1,90	1,14	0,76
Dividend payments	0,00	0,00	0,00
Net Cash Change	112,18	11,73	100,45
INITIAL FINANCIAL POSITION	93,48	73,72	19,76
FINAL FINANCIAL POSITION	205,66	85,45	120,21

Total net investment as of 30th of September 2014 reached **€154.93million**.

During the first **nine months of 2014**, the investment in third party rights amounted to **€99.08 million** while for Spanish fiction and Co-production & Distribution the amounts were **€42.92 million** and **€8.81 million** respectively. Finally the investment in fixed assets (tangible and intangible) reached **€4.13 million**.

Net investments 9M2014

€154.93 million



3. BALANCE SHEET

Table 6: Summary Balance Sheet

<i>Millions of €</i>	September 2014	December 2013
Tangible assets	571,88	962,86
- Financial	305,37	686,80
- Non Financial	266,51	276,06
Audiovisual rights and Pre-payments	239,22	235,54
- Third parties	195,40	183,33
- Fiction	25,67	35,14
- Co-production / Distribution	18,15	17,07
Pre-paid taxes	187,21	186,29
TOTAL NON-CURRENT ASSETS	998,31	1.384,69
Current assets	206,90	236,39
Financial investments and cash	217,05	113,53
TOTAL CURRENT ASSETS	423,94	349,92
TOTAL ASSETS	1.422,25	1.734,61
SHAREHOLDERS' EQUITY	1.152,62	1.431,38
Non-current provisions	10,51	10,38
Non-current payables	10,98	10,06
Non-current financial liabilities	11,06	0,01
TOTAL NON-CURRENT LIABILITIES	32,55	20,45
Current payables	236,74	262,73
Current financial liabilities	0,33	20,05
TOTAL CURRENT LIABILITIES	237,08	282,78
TOTAL LIABILITIES	1.422,25	1.734,61

Our Balance Sheet reflects a **healthy match** between **current assets** and **liabilities**, while the **liquidity ratio** is improving significantly from December 2013. All of it attests to the soundness of the financial position of the company.

The composition of the **library** indicates that we dispose of all the contents necessary to meet the strategic objectives of the Group in the programming area.

The **Net equity** of the Group is down by **€278.76** million mainly explained by the acquisition of **8.5%** of own shares in July for the amount of **€307.51 million**.

4. AUDIENCE SHARE PERFORMANCE²

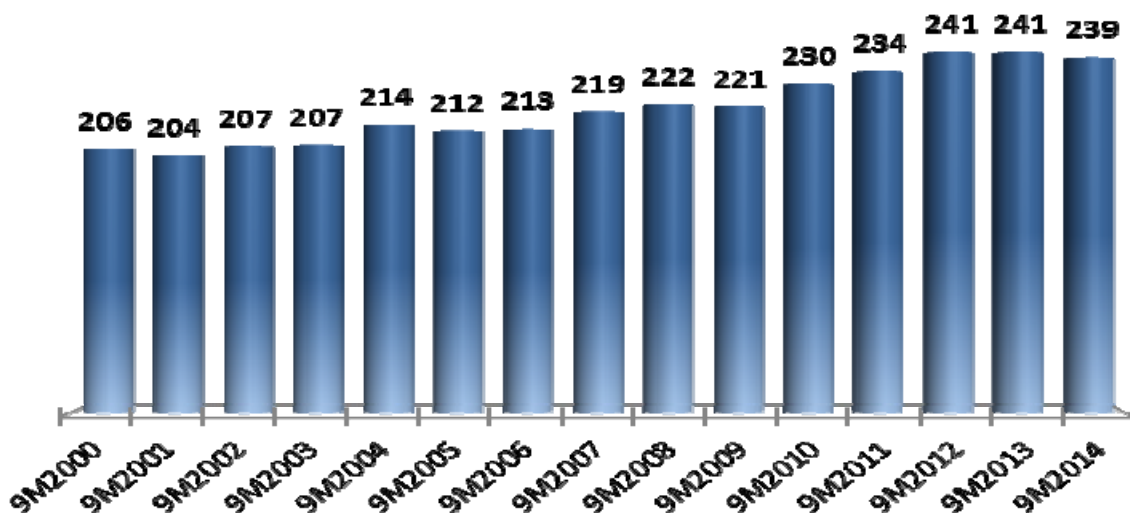
4.1. TV Consumption

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

The average television consumption in the first nine months **2014** is almost 4 hours and remains in line with previous years, with a daily average of **7.28 million viewers**.

Mediaset España comprehensive contents offer, for example in-house fiction, movies, programs, talk shows, realities, sports etc. reaches all profiles of audiences and are amongst the viewers most valued contents.

New technologies provide a new way of demanding and consuming television contents that have been proved very successful in platforms such as internet, mobiles, tablets, etc. proving once again that content is key. In this respect Social Networks, play a very important role as users can interact amongst themselves as well as with the program and provide a higher rate of loyalty that translates into better audience records.



² Source: Kantar Media

4.2. Group

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

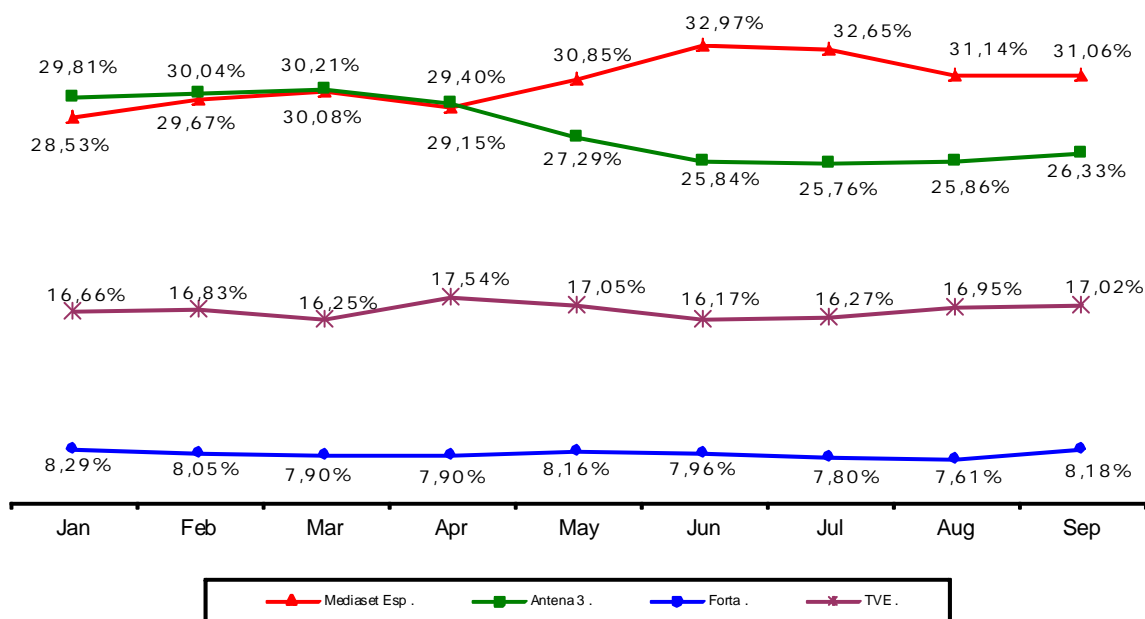
		9M2014	9M2013
Total Individuals	Total Day	30,6%	28,9%
	PRIME TIME	29,5%	27,1%
	DAY TIME	31,1%	29,7%
Commercial Target	Total Day	32,7%	30,9%
	PRIME TIME	31,0%	28,6%
	DAY TIME	33,5%	32,0%

For the period January-September 2014 **Mediaset España** achieved a share of **30.6%** in total individuals total day and records **it's best-ever September (31.1%** share, **1.6** points above September 2013) outperforming its nearest competitor by **4.7** points.

Regarding the commercial target audience share, **Mediaset España** reached a share of **32.7%** in the period, representing an improvement of **1.8** points over the same period last year.

In September **Mediaset España** achieves a great performance in its **DTT channels** with a share of a **9.8%** versus the **5.5%** achieved by its direct competitor, a difference of **4.3** points.

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



4.3. Main Channels

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

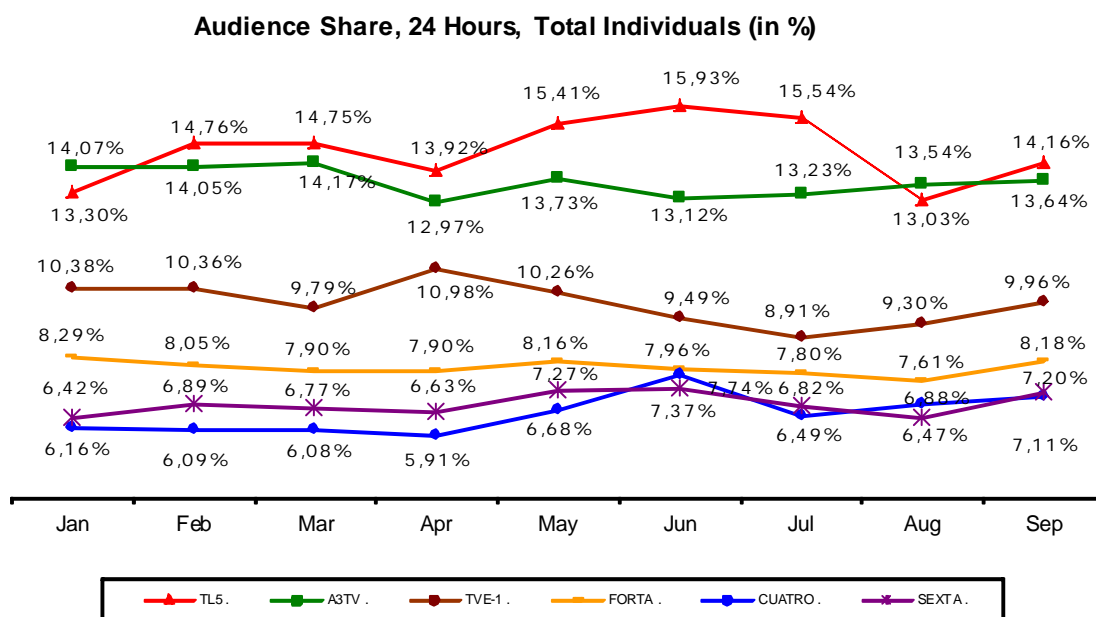
		TL5		CUATRO	
		9M2014	9M2013	9M2014	9M2013
Total Individuals	Total Day	14,5%	13,3%	6,5%	6,0%
	PRIME TIME	15,4%	13,1%	5,8%	5,8%
	DAY TIME	14,1%	13,3%	6,9%	6,1%
Commercial Target	Total Day	13,9%	12,5%	7,9%	7,3%
	PRIME TIME	14,5%	12,0%	7,2%	7,2%
	DAY TIME	13,6%	12,7%	8,3%	7,4%

For the period January-September 2014, the Telecinco channel reached, an average of **14.5% share**, in total individuals total day, an improvement of **1.2 points** with respect 2013 and **0.9 greater** than its direct competitor. Regarding the commercial target audience share, Telecinco has a **13.9% share** to 30th September 2014, an increase of **1.4** points in respect of 2013.

The Cuatro Channel achieved a **6.5%** in total day total individuals and **7.9%** in commercial target.

In "prime time"³, Telecinco **leads total individuals**, with an average share of **15.4%** **2.5** points higher than its nearest competitor.

In the month of **July** the twenty most watched television programs were **Mediaset España's**; at the top the Football World Cup final Germany vs. Argentina with **12.7 million** viewers and **67.6%** share. Also local fiction achieved good records like **El Chiringuito de Pepe**, with **3 million viewers** and **17.9%** audience share on average for the period July to September 2014.



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

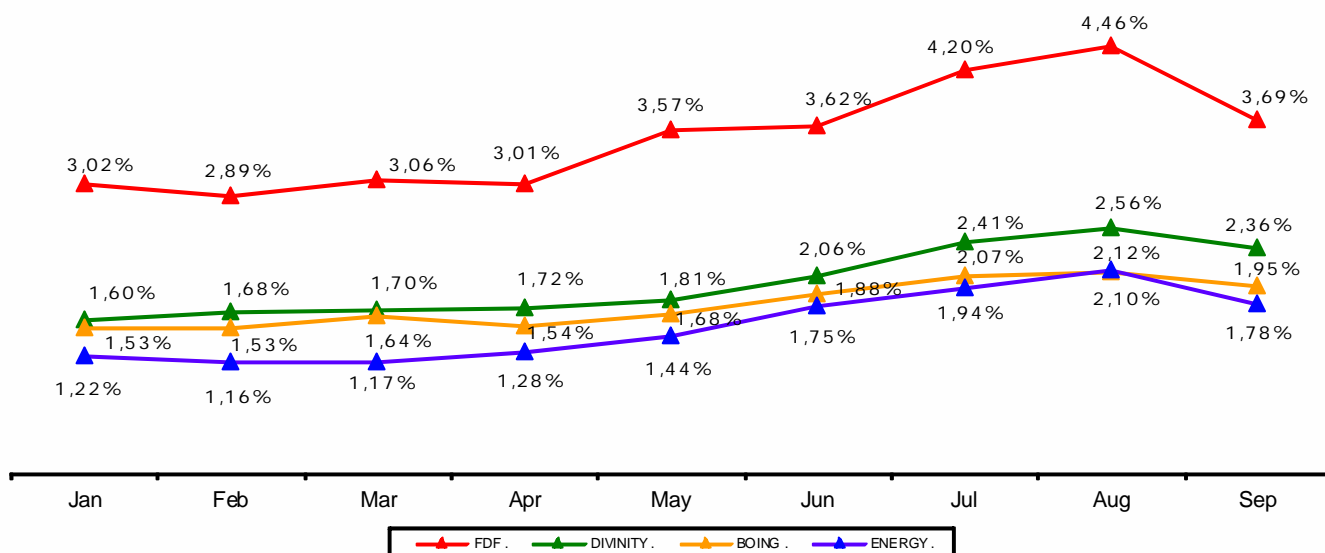
4.4. New Generation Channels

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

9M2014			
		Total Individuals	Commercial Target
FDF			
	Total Day	3,5%	4,3%
	PRIME TIME	3,1%	3,7%
DIVINITY			
	Total Day	2,0%	2,6%
	PRIME TIME	1,7%	2,1%
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%

FDF channel reached a **3.5% audience share in Total individuals** while in its target **13 to 24** it achieved **9.3%** audience share and in the **25 to 34** it has a **5.1%** audience share. **Divinity** achieves an excellent record in its target of women **16 to 44** with **3.4%**, while in **Total individuals** its share is **2.0%**. The **Energy** registers a **1.5%** audience in **Total individuals** while in its target, men **25 to 44**, improves to a **2.5%**. **Boing**, the children's channel, has an audience share in **Total individuals** of **1.7%** while in its target **4 to 12**, it has managed to multiply its record almost **eightfold** reaching a **13.5%** audience share.

Audience Share, 24 Hour



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

4.5. Internet Audience³

Mediaset España leads the internet audience against its major competitors, and keeps improving its performance compared to last year. In September, **Unique Users** grew by a **49.8%** to **27.67 million**, with total page views of **318.89 million** and **90.99 million** for the video streaming.

	Unique Users	Page Viewed	Video Streamed
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

Mediaset España has more than **500 profiles**, programs and series in **Facebook** and **Twitter** with more than **24 million followers**. During the month of September, there were **8.8 million comments** on the social networks relating to television contents, **62%** of those comments belonged to **Mediaset España** programs, well ahead in comparison with the volume from its nearest competitor.

Moreover, the three most commented programs in September on the social networks were **Mujeres Hombres y viceversa**, **Gran Hermano** and the **Basketball World Cup** all of those are **Mediaset España** programmes and coming in fourth position the champion football match. Also, during **Prime time hours**, **32%** of the comments in **Twitter** are related to television programs.

In terms of Apps, **Mediaset España** currently has **5 contents apps**: **MiTele**, **Mediaset Sport**, **Gran Hermano**, **Moto GP** and **La Voz** with more than **5.5 million downloads** amongst them and also has **2 commercial apps**: **MIO** and **Mujeres hombres y viceversa** with more than **1.2 million downloads**. In total more than **6.7 million downloads**, **66%** of which through **Android** platform, **29%** through Apple and **4%** through other platforms.

³ Source: OJD Nielsen and Comscore