



MEDIASETespaña.



FIRST HALF RESULTS

January – June 2015

Madrid –July 29th, 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 €	1H2015	1H2014
Total net revenues	478,5	468,0
Total operating costs	359,0	379,9
EBITDA adj⁽¹⁾	119,5	88,1
EBITDA margin	25,0%	18,8%
EBIT	111,0	80,1
EBIT margin	23,2%	17,1%
NET PROFIT	97,8	21,4
EPS ADJ	0,27	0,05
Free Cash Flow	105,1	58,8
Net cash position	244,8	152,7

(1) EBITDA Adj, includes TV rights consumption

Mediaset España has significantly increased its operating margins, recording an **adjusted EBITDA of €119.5 million** in the first six months of 2015, that is a **36% higher** than the adjusted EBITDA for the same period 2014. **Mediaset España** also records an **EBIT, €111.0 million, 39% higher** than the first half 2014 (**€80.1 million**).

- Total net revenues for the first half 2015 amount to **€478.5 million**, with net advertising revenues of **€454.0 million** and **€24.6 million** "Other income".
- Infoadex reports that the **television advertising market** grew in the six months to June 2015 by **9.9%** while the total advertising market grew by **7.0%**. **Mediaset España's** market share, as per Infoadex, stands at **43.2%** for the six month period.
- **Mediaset España's** operating margin for January-June 2015 is **25.0%**, **6.2 points greater** than the same period last year (**18.8%**).
- **Net profit** for the first half of 2015 amounts to **€97.8 million**, more than four and a half times the result of the same period 2014 (**€21.4 million**).
- **Mediaset España** maintains a debt-free balance sheet and a positive net cash position of **€244.8 million** as of **30th June 2015**.
- **Mediaset España** paid **€47.5 million** in dividends on May 4th 2015 and carried out a share **buy-back** program for the amount of **€71.6 million** in the first six months of the year.
- **Mediaset España** has improved its audience share for the first half of the year to **31,4%** in 24 hours **total individuals**, that is **1,2 points** above the first half 2014 mark, in spite of the demanding **comparison** with last year, due to the football **World Cup**.
- **Mediaset España** continues to lead the Internet audience in June 2015, reaching **33.7 million unique users** and **310.3 million page views** and it is the reference video provider on the internet with more than **95.8 million videos downloaded** for that month.
- **Mediaset España** has applied for **two** out of the **six channels** in the beauty contest last month of May. The final channel allocation will be known at the end of 2015.

1. PROFIT AND LOSS ACCOUNT

Table 1: Consolidated Profit and Loss Account

Millions of €	1H2015	1H2014	% change
TOTAL NET REVENUES	478,53	467,99	2,3%
Rights Amortisation	(84,00)	(100,91)	(16,8%)
Personnel	(51,18)	(52,17)	(1,9%)
Other operating costs	(223,82)	(226,87)	(1,3%)
TOTAL COSTS	(359,00)	(379,94)	(5,5%)
Adjusted EBITDA	119,53	88,05	35,7%
Other amortisations, provisions	(4,55)	(3,96)	15,0%
Amortisation PPA	(4,00)	(4,00)	0,0%
EBIT	110,97	80,09	38,6%
Equity Cons. Results and Depr. Fin. Assets	16,25	(59,28)	-
Financial results	0,27	(0,85)	-
Pre-tax profit	127,49	19,96	-
Income taxes	(29,85)	1,14	-
Minority interests	0,19	0,27	(27,9%)
Net profit	97,83	21,37	-

The **net profit** in the first half of **2015** amounted to **€97.83 million**, **4.6 times the Net Profit in 2014** and represents a margin of **20.4%** over **Total Net Revenues** which is **15.9 points** better, compared to the margin for the same period 2014 (**4.6%**).

1.1. Revenues

Table 2: Revenues

Millions of €	1H2015	1H2014	% change
Gross advertising revenues	473,20	446,50	6,0%
- Mediaset España's Media	449,74	426,44	5,5%
- Third Party Media	23,46	20,06	17,0%
Commission	(19,25)	(20,43)	(5,8%)
Net advertising revenues	453,95	426,08	6,5%
Other revenues	24,58	41,92	(41,4%)
TOTAL NET REVENUES	478,53	467,99	2,3%

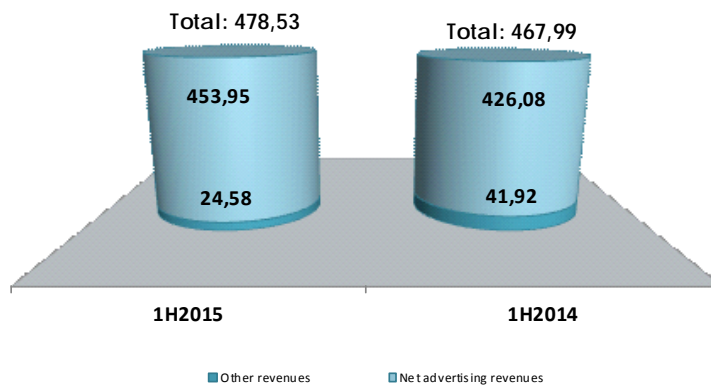
Gross advertising revenues for the first half 2015 amounted to a total of **€473.20 million**, an increase of **6.0%** compared to the same period 2014 and that is taking into account the tough **comparison** due to the **football World Cup** that took place in June and July 2014.

Mediaset España's Multiplex Gross advertising revenues, which include the income of the Groups 6 channels: TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY and ENERGY, as well as the Internet and Teletext advertising reaches a total of **€449.74 million**, this is **5.5%** better than the same period 2014. **The third party media advertising revenues** increased by **17.0%** vs. same period last year and reached **€23.46 million**. Sales commission reduced by **5.8%** in the period to **€19.25 million**.

Net advertising revenues after commission increased by **6.5%** totaling **€453.95 million**. **Other Income Revenues** amounted to **€24.58 million**, a reduction in comparison to 2014 due to the fact that there has been **no film releases in the first half 2015** whilst in the first half 2014 we premiered the exceptionally successful film **Ocho Apellidos Vascos**.

Net Revenues for the six months to June 2015 totals **€478.53 million** a **2.3%** higher than the same period 2014.

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



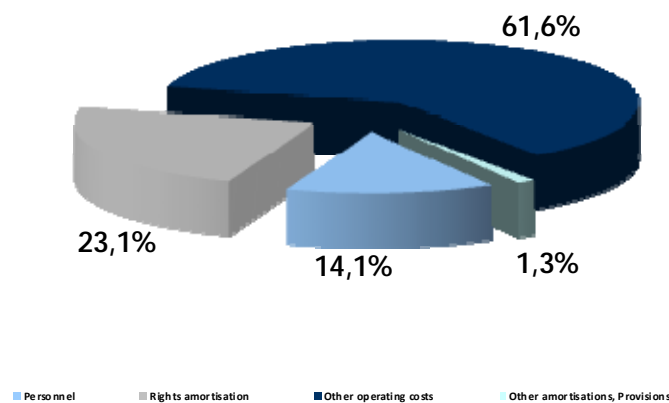
1.2. Operating costs

Total operating costs for the period January-June 2015 amounted to **€363.55 million**, a substantial saving (-5,3%) in comparison with same period 2014, mainly due to the savings of the football World Cup in 2014, less movie costs and the traditional cost control policy carried out by the company.

Table 3: Operating costs

Millions of €	1H2015	1H2014	% change
Personnel costs	51,18	52,17	(1,9%)
Rights amortisation	84,00	100,91	(16,8%)
Other operating costs	223,82	226,87	(1,3%)
Other amortisation and provisions	4,55	3,96	15,0%
Total Operating Costs	363,55	383,90	(5,3%)
Amortisation PPA	4,00	4,00	-
TOTAL COSTS	367,55	387,90	(5,2%)

Operating Costs



Mediaset España strong cost control policy has led the company to reduce its operating cost by **28.4%** in comparison to the same period 2010, producing as a result savings of **€143.83 million** (2010 pro-forma basis).

million €	1H2010*	1H2011	1H2012	1H2013	1H2014	1H2015	Var.
Operating Costs	507,38	421,86	437,98	375,87	383,90	363,55	28,4%

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

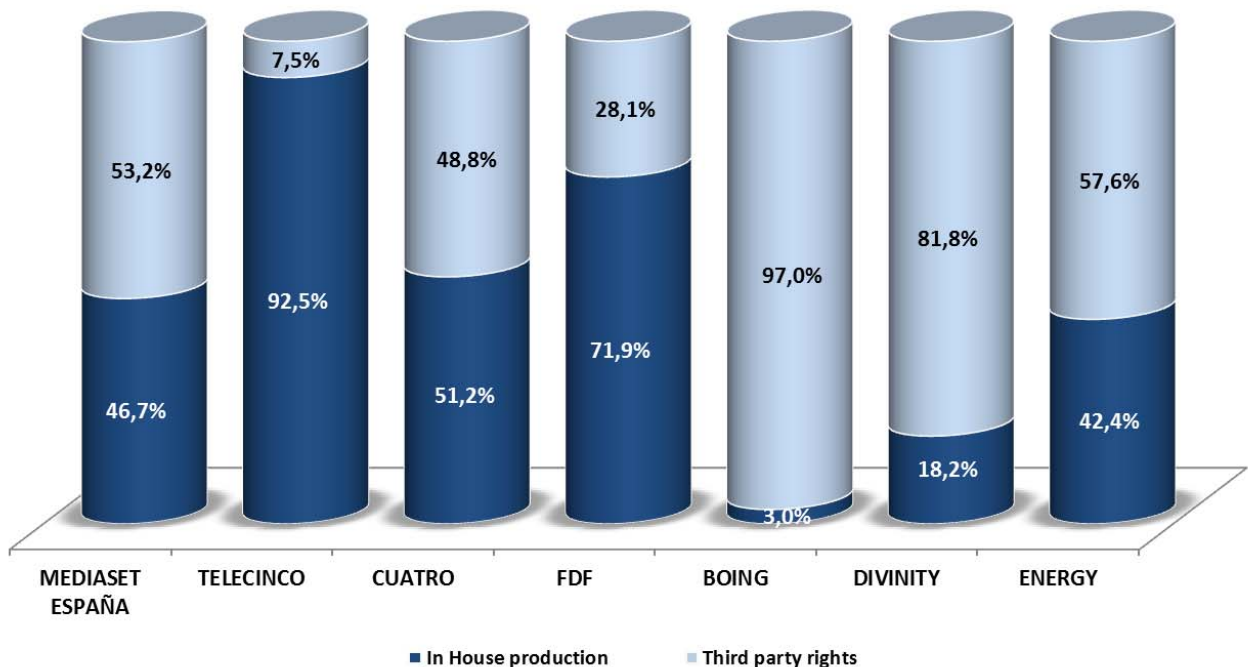
Content

Mediaset España has operated **6 channels** in the **first half 2015** and overall devoted **46.7%** of its broadcasted hours **to in house production** and **53.2%** to **third party rights**. Taking into account **the main two channels, Telecinco** and **Cuatro**, the **in house production** will account for the **72.5%** of the broadcasted hours, whilst **third party** will account for a **27.5%**.

In the first six months of the year the **TELECINCO** channel has allocated **92.5%** of programming to in-house production and **7.5%** of programming to third parties, in line with the same period last year (**93.6%** of in-house production and **6.4%** of third party).

For the same period, **Cuatro** allocated **51.2%** of its grid to in-house production and **48.8%** to external production versus the **58.0%** of in-house production and **42.0%** of third party for the first semester last year.

As per the other channels, **FACTORIA DE FICCION**, **71.9%** of its contents represents in-house production compared to **28.1%** of third party rights, **BOING** takes almost all of its contents, **97.0%** from third parties, **DIVINITY** has **18.2%** in house production whilst third party production adds up to an **81.8%**, **ENERGY** has a **42.4%** in house production and **57.6%** third party rights.



1.3. Operating profit and margins

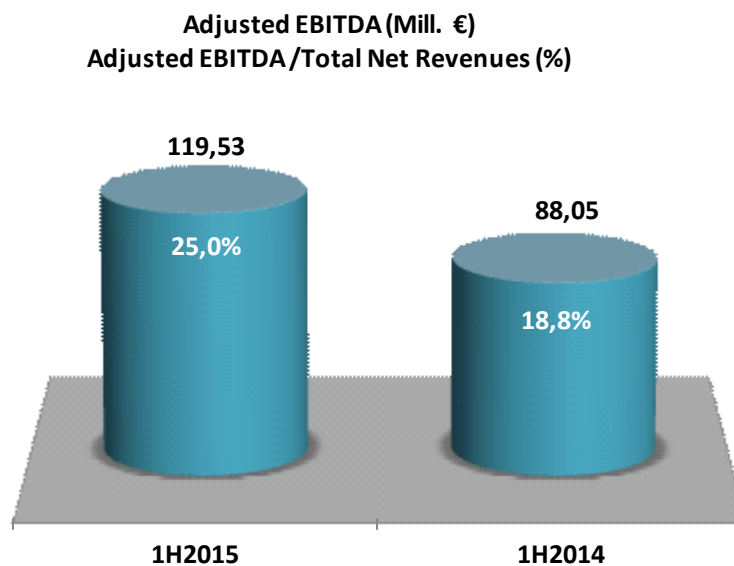
The **gross operating profit, adjusted EBITDA**, totaling **€119.53 million**, represents a **35.7%** increase compared to the same period 2014 (**€88.05 million**) and represents a margin of a **25.0%** over **Total Net Revenues**.

Net operating profit (EBIT) amounts to **€110.97 million**, representing an increase of **38.6%** to the same period last year and a margin of **23.2%** over **2015 total net revenues**.

Mediaset España presents the best margins since the acquisition of **Cuatro**.

Table 4: Margins

Millions of €	1H2015	1H2014
Total net revenues	478,53	467,99
Adjusted EBITDA	119,53	88,05
<i>Adjusted EBITDA Margin</i>	<i>25,0%</i>	<i>18,8%</i>
EBIT	110,97	80,09
<i>EBIT Margin</i>	<i>23,2%</i>	<i>17,1%</i>
Net Profit	97,83	21,37
<i>Net Profit Margin</i>	<i>20,4%</i>	<i>4,6%</i>



1.4. Financial result and equity consolidated companies

Financial income represents a net income of **€0.27 million**.

The result from the **equity consolidated companies**¹ shows a positive result of **€16.25 million** which includes, amongst others: the gain from the exit of **La Nevera Roja** investment, from our **Media for Equity** business, in February 2015 for the amount of **€5.44 million and €10.00 million** earn out from **Telefonica** after approval of the acquisition of Prisa' stake in **DTS** by the regulator.

1.5. Profit for the period January –June 2015

Pre-tax profit for the first six months of the year is **€127.49 million**.

After taxes for the amount of **€29.85 million**, **Net income** reaches **€97.83 million**, which is 4.6 times 2014 results, and represents a margin of **20.4%** over **total net income**, which is **15.9 points** greater than the margin of 2014 (**4.6%**).

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 S.L. (30%), Megamedia TV, S.L. (30% indirect shareholding), Edica 8TV (40,0%).



2. CASH FLOW GENERATION

The **Operating Free Cash Flow** for the period **January to June 2015** amounts **€105.13 million**, a number very close to the **EBIT** of the period (**€110.97**), representing an increase of **€46.34 million** over the same period last year.

With regard to the change in the **Net Cash Position** in the period, **-€20.89 million**, we should consider both: the dividend payment of **€47.54 million** and the acquisition of **€71.64 million** of treasury shares, under the current buyback programme.

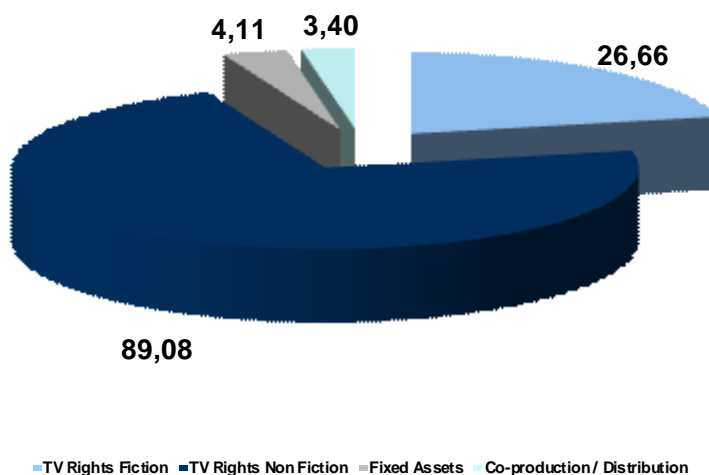
Table 5: Cash Flow

Millions of €	1H2015	1H2014	Change in millions of €
Net profit (without minority interests)	97,64	21,10	76,54
Amortisation:	92,50	109,21	(16,71)
- Rights	84,00	100,91	(16,91)
- Other	8,51	8,30	0,20
Provisions	0,05	(0,35)	0,39
Other	21,19	43,10	(21,91)
OPERATING CASH FLOW	211,38	173,07	38,31
Investment in rights	(119,14)	(120,72)	1,59
Investments, other	(4,10)	(2,74)	(1,36)
Change in working capital	16,98	9,18	7,80
OPERATING FREE CASH FLOW	105,13	58,78	46,34
Own stock purchase	(71,64)	0,00	(71,64)
Change in Equity	(1,70)	2,05	(3,74)
Financial investments/disinvestments	(6,92)	(3,51)	(3,41)
Dividends received	1,78	1,90	(0,12)
Dividend payments	(47,54)	0,00	(47,54)
Net Cash Change	(20,89)	59,22	(80,11)
INITIAL FINANCIAL POSITION	265,71	93,48	172,23
FINAL FINANCIAL POSITION	244,82	152,70	92,12

Total net investment as of 30th of June 2015 reached **€123.25 million**.

During the first six months of 2015, the investment in third party rights amounted to **€89.08 million**, in Spanish fiction **€26.66 million** and in co-productions/distribution **€3.40 million** while investments in tangible and intangible fixed assets were **€4.11 million**.

Net investments 1H2015 €123.25 million



3. BALANCE SHEET

Table 6: Summary Balance Sheet

Millions of €	June 2015	December 2014
Tangible assets	577,66	569,55
- Financial	316,45	303,61
- Non Financial	261,21	265,94
Audiovisual rights and Pre-payments	263,78	228,64
- Third parties	214,95	182,49
- Fiction	26,38	25,74
- Co-production / Distribution	22,45	20,41
Pre-paid taxes	141,88	164,78
TOTAL NON-CURRENT ASSETS	983,32	962,97
Current assets	240,76	246,36
Financial investments and cash	265,19	277,09
TOTAL CURRENT ASSETS	505,95	523,45
TOTAL ASSETS	1.489,27	1.486,42
Shareholders` equity	1.165,05	1.189,41
Non-current provisions	8,84	9,68
Non-current payables	8,58	10,43
Non-current financial liabilities	18,67	11,15
TOTAL NON-CURRENT LIABILITIES	36,09	31,26
Current payables	286,40	265,51
Current financial liabilities	1,72	0,24
TOTAL CURRENT LIABILITIES	288,12	265,75
TOTAL LIABILITIES	1.489,27	1.486,42

The **Total Current assets** in our balance sheet include the necessary cash to complete the company' buy-back program. As at 30th June 2015, the outstanding amount of the program is, approximately, **€120 million**.

The **liquidity ratio** for the first six months to June 2015 is **176%** versus the **197%** for the same period 2014, the reduction is due to the own shares acquired in the period and the dividend payment made on May 4th.

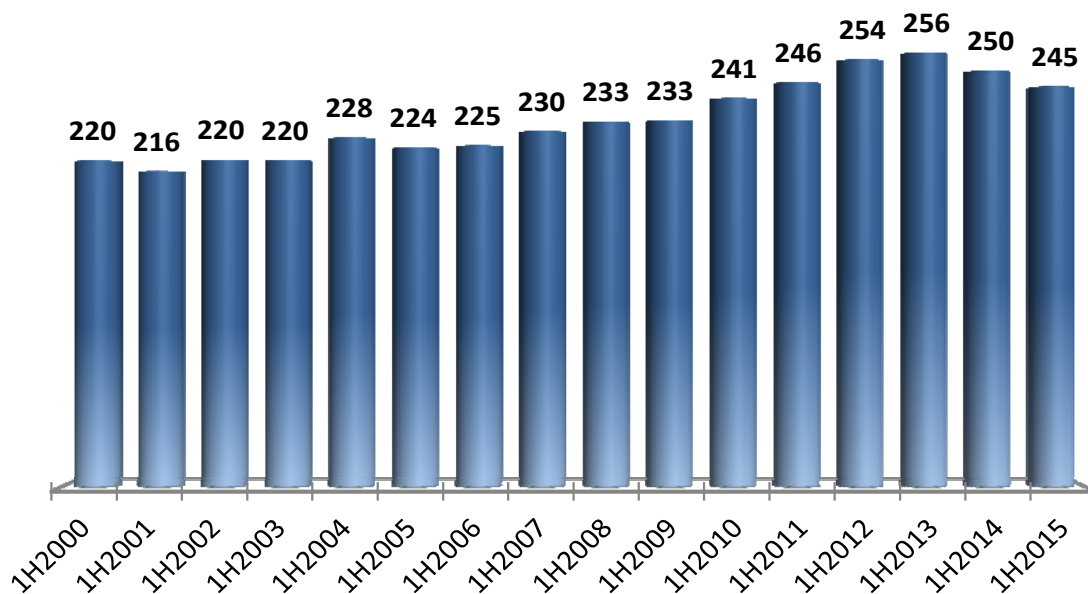
4. AUDIENCE SHARE PERFORMANCE²

4.1. TV Consumption

Years	Minutes	Thousands
1H2000	220	5.897
1H2001	216	5.891
1H2002	220	6.006
1H2003	220	6.018
1H2004	228	6.434
1H2005	224	6.419
1H2006	225	6.486
1H2007	230	6.697
1H2008	233	6.866
1H2009	233	7.091
1H2010	241	7.338
1H2011	246	7.520
1H2012	254	7.757
1H2013	256	7.830
1H2014	250	7.705
1H2015	245	7.749

The average television consumption undergoes a decrease of five minutes in the first half 2015, compared to same period 2014, in line with the trend of the last semesters, mainly due to an improvement in unemployment. However the average TV consumption, **4.1 hours per day per person**, remains strong.

Mediaset España's most successful programs are very popular amongst internet users, achieving good records that help to provide further exposure of its contents, **gaining more viewers in second screening** and increasing its contents demand.



² Source: Kantar Media

4.2. Group

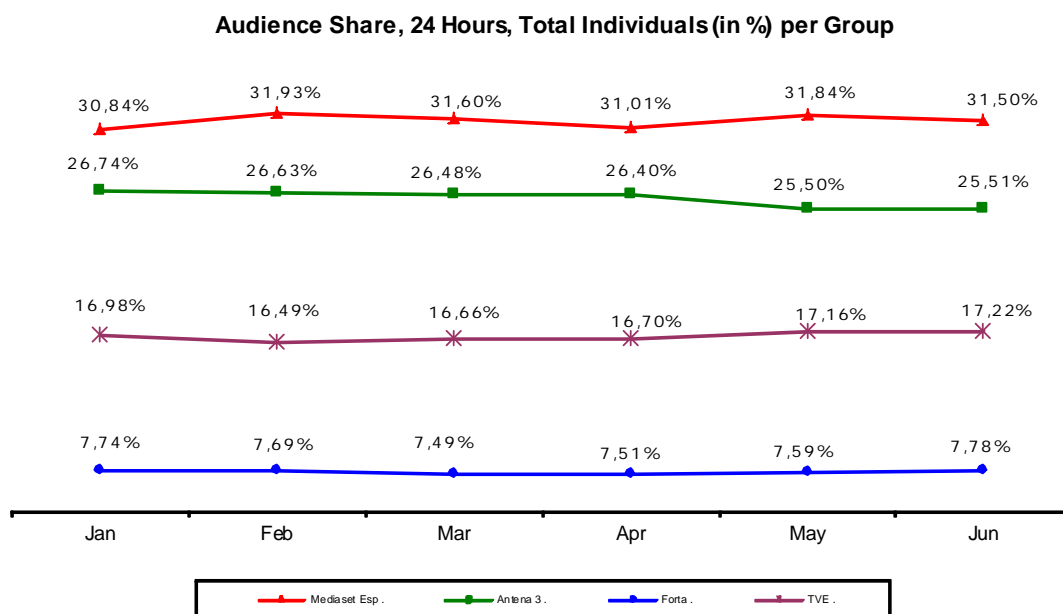
Table 7: January-June 2015 average audience share for Mediaset España

		1H2015	1H2014
Total Individuals	Total Day	31,4%	30,2%
	PRIME TIME	30,5%	29,2%
	DAY TIME	31,9%	30,6%
Commercial Target	Total Day	33,5%	32,3%
	PRIME TIME	31,7%	30,5%
	DAY TIME	34,4%	33,2%

Mediaset España closed the first half of 2015 with **31.4%** audience share in total individual total day and has achieved its best **historical record for a semester**, operating two less channels than 2014 and **5.1 points** ahead of its nearest competitor.

Regarding the commercial target audience share, **Mediaset España** reached a share of **33.5%** in the period, representing an **improvement of 1.2 points** compared to same period 2014 and **5.4 points ahead** of its nearest competitor.

Mediaset España and its wide program offer have led audiences throughout the period, with programs such **El Principe**, the fictional series has achieved an average of **24% audience share** and **4.6 million viewers**, **La Voz**, finishes its season in June with an average of **24% audience share** and **3.5 million viewers**, and **Programa de Ana Rosa**, the morning magazine, leads with a **19.9% audience share**, just to mention a few.



4.3. Main Channels

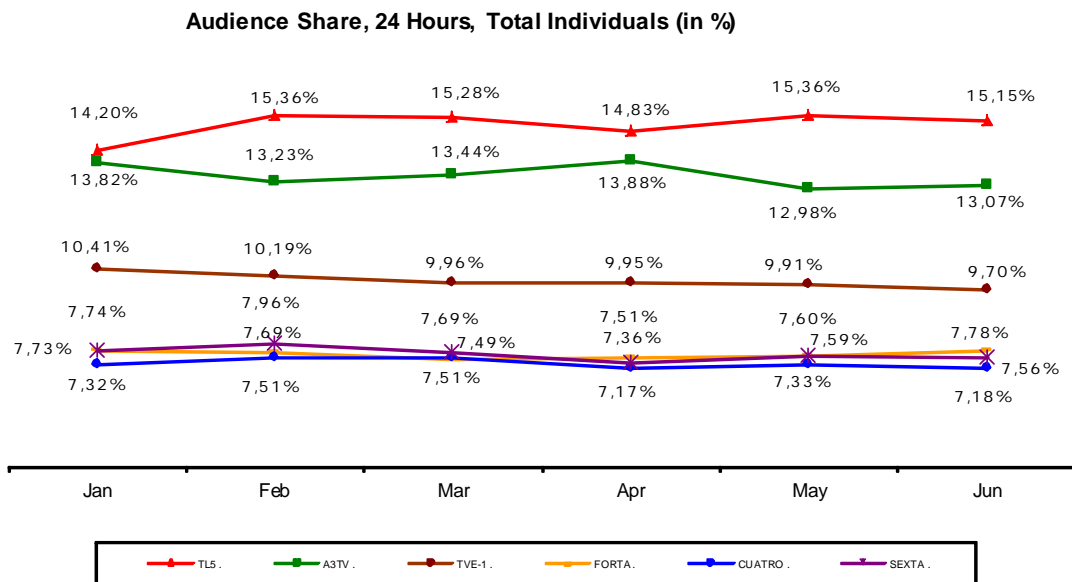
Table 8: January- June 2015 average audience share for Telecinco and Cuatro

		TL5		CUATRO	
		1H2015	1H2014	1H2015	1H2014
Total Individuals	Total Day	15,0%	14,6%	7,3%	6,4%
	PRIME TIME	15,6%	15,6%	6,6%	5,7%
	DAY TIME	14,8%	14,2%	7,7%	6,8%
Commercial Target	Total Day	14,5%	14,0%	8,5%	7,8%
	PRIME TIME	14,4%	14,7%	7,9%	7,0%
	DAY TIME	14,6%	13,7%	8,8%	8,2%

The **Telecinco** channel reached, an average of **15.0% share**, in the first half 2015, in total individuals total day, an improvement of **0.4 points** with respect 2014. Regarding the commercial target audience share, Telecinco has a **14.5% share** for the first half of the year, an increase of **0.5 points** compared to 2014.

The **Cuatro** Channel achieved a **7.3%** in total day total individuals and **8.5%** in commercial target, significantly improving the records from the same period 2014: **+0.9 points in Total Individuals audience share** and **+0.7 points in commercial target**.

In "prime time"³, Telecinco leads total individuals, with an average share of **15.6%** same record as first half 2014 whilst commercial target is **14.4%**.



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

4.4. New Generation Channels

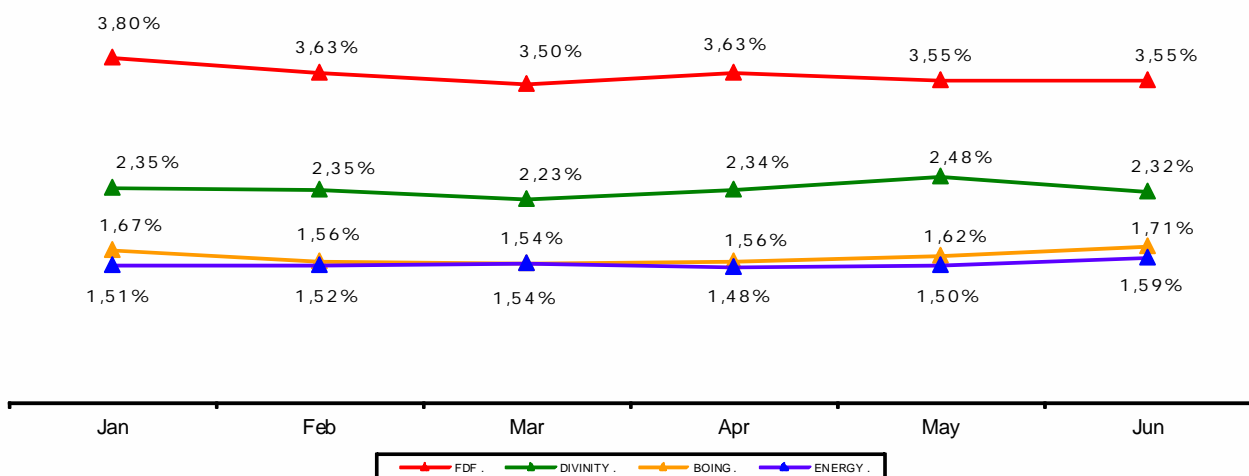
Table 9: January-June 2015 average audience share for New Generation Channels

1H2015			
		Total Individuals	Commercial Target
FDF	Total Day	3,6%	4,4%
	PRIME TIME	3,1%	3,6%
DIVINITY	Total Day	2,3%	3,0%
	PRIME TIME	2,5%	3,0%
BOING	Total Day	1,6%	1,2%
	PRIME TIME	1,3%	1,0%
ENERGY	Total Day	1,5%	1,9%
	PRIME TIME	1,5%	1,7%

In the first six months of the year, the audience share of the new generation channels represents a total of **9.0%** and a **10.5%** commercial target.

FDF channel reached a **3.6% audience share in Total individuals** while in its target **13 to 24 years old** it achieved **9.3%** audience share and in the **25 to 34 years old** it has a **5.8%** audience share. **Divinity** channel increases its audience in its target of women **16 to 44 years old** to **3.8%**, while in **Total individuals** its share is **2.3%**. The **Energy** channel, achieves a **1.5%** audience in **Total individuals** while in its target, men **25 to 44** achieves **2.3%**. **Boing**, the children's channel, has an audience share in **Total individuals** of **1.6%** while in its target **4 to 12 years old**; it has managed to multiply its record almost **eightfold** reaching a **12.4** audience share.

Audience Share, 24 Hour



4.5. Internet Audience³

Mediaset España achieves excellent results on its webs, in terms of **unique users** (average of **36.7 million** users per month), **video streamed** (with an average of **93.7 million video** per month) and **page viewed** (**362.5 million pages** per month), for the period **January to June 2015**.

	Unique Users	Page Viewed	Video Streamed
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

Sources: OJD Nielsen, Comscore (videos streams).

Mediaset España has led the comments in the social networks in the first half of the year with over **28 million mentions**, well ahead of its nearest competitor (11 million) and generated more than **55% of the comments** related to television on the internet. Within **Mediaset España** Group, **Telecinco** website leads the generalist televisions with **24 million comments** and has three out of the **5 top** mentioned programs amongst the **most commented** on the web (**GH Vip 10.5 million comments**, two of its programs, and **La Voz 2.7 million comments**, both on their latest edition).

Mediaset España has accounts in the main social networks (currently in use 193 accounts) where the most popular programs are: **La que se avecina 1.7 million followers**, **La Voz 1.7 million**, **Mujeres Hombres y viceversa 1.1 million** all of these in **Facebook** whilst in **Twitter** the most popular accounts are: **@telecincoes 880.403 followers**, **@cuatro 577.117 followers** and **@lavoztelecinco 502.719**.

Also **Mediaset España** apps have proved to be very popular amongst internet users, with a total of **9.6 million download** to **June 2015**. Most popular ones are **Mitele with 3.8 million downloads**, **Gran Hermano 2.0 million** and **la Voz 1.6 million downloads**.

³ Source: OJD Nielsen and ComsCore