

MEDIASET *españa.*



First half 2017 results presentation (January-June 2017)



Madrid, July 26th 2017

MEDIASET ESPAÑA 1H17 RESULTS AT A GLANCE

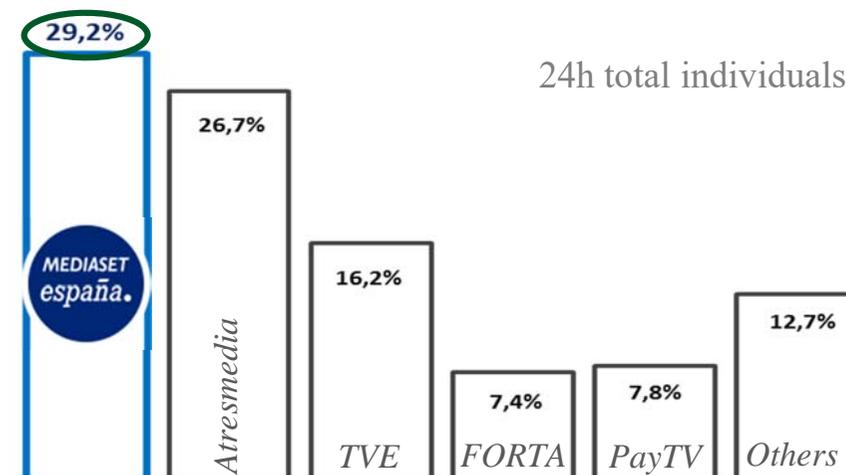
1H17 FINANCIALS

€ Million	1H17	1H16	Var.
Total net revenues	508,5	521,6	-2,5%
Total operating costs	340,5	361,6	-5,8%
EBITDA adj*	168,0	160,0	5,0%
<i>EBITDA margin</i>	33,0%	30,7%	+2,4pp
EBIT	159,2	150,1	6,1%
<i>EBIT margin</i>	31,3%	28,8%	+2,5pp
NET PROFIT	125,7	117,7	6,8%
EPS*	0,38 €	0,35 €	0,03 €
Free Cash Flow	138,9	130,0	8,9 €
Net cash position	117,9	65,4	52,4 €

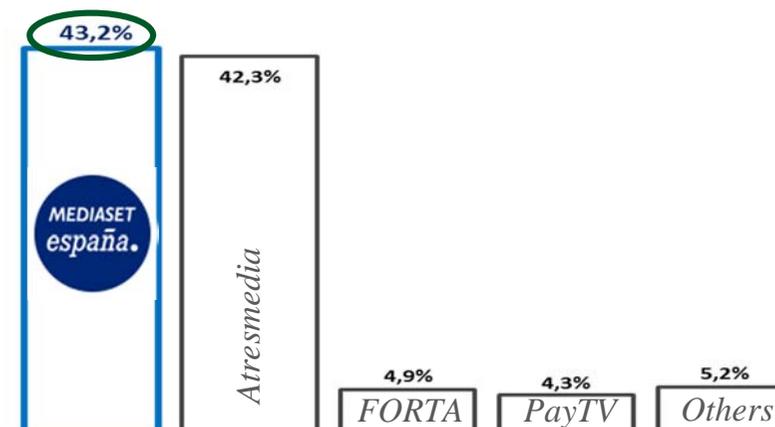
* EBITDA Adj. includes TV rights consumption

** adjusted excluding the treasury stocks owned at June 30th

1H17 AUDIENCE SHARE



1H17 ADVERTISING MARKET SHARE



Source: Kantar media and Infoadex

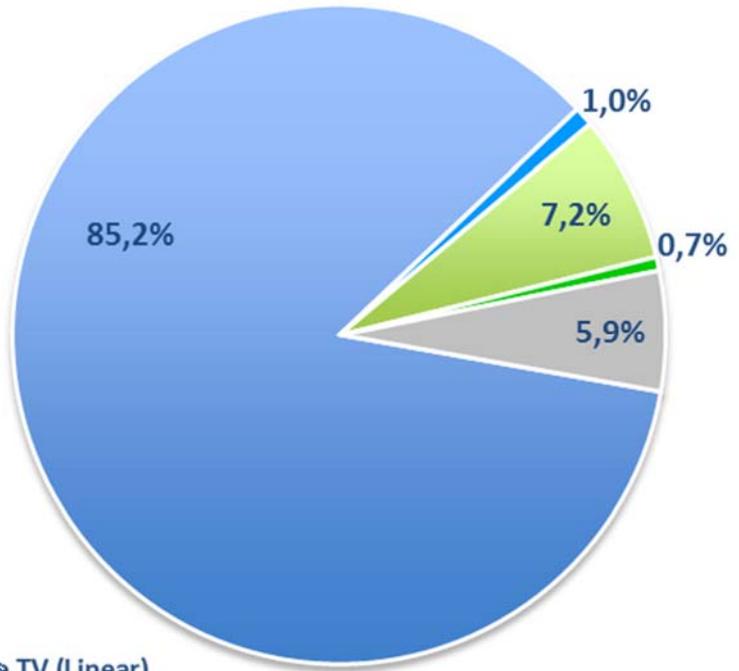


Broadcasting



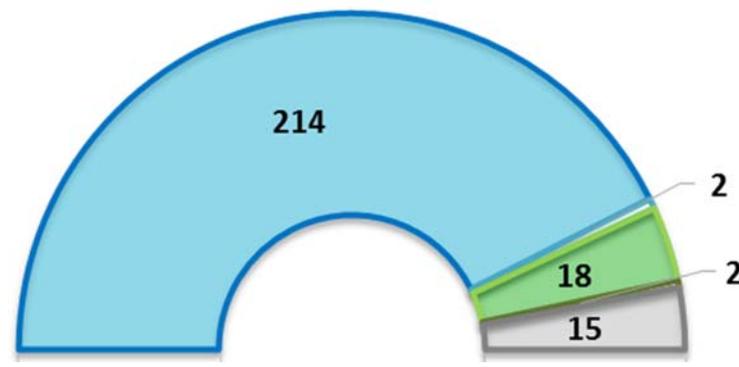
1H17 audiovisual consumption

Total audio-visual consumption: 87% of consumption is Free TV (Linear+Non-Linear+OTT)



- Free TV (Linear)
- Free TV (Non Linear)
- Pay TV (Linear)
- Pay TV (Non Linear)
- Internet

Average minutes per person



- Free TV (Linear)
- Free TV (Non Linear)
- Pay TV (Linear)
- Pay TV (Non Linear)
- Internet

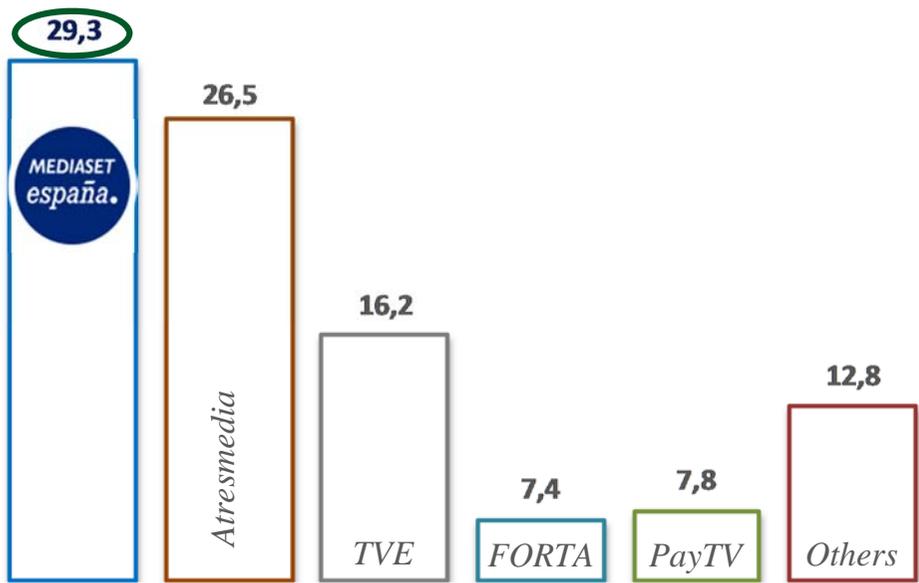
Minutes per day	1H17
TOTAL	251
Free TV (linear)	214
Free TV (nonlinear)	2,4
Pay TV (linear)	18,1
Pay TV (nonlinear)	1,7
Internet video	14,9

Source: Kantar media and ComScore (does not include mobile phones)

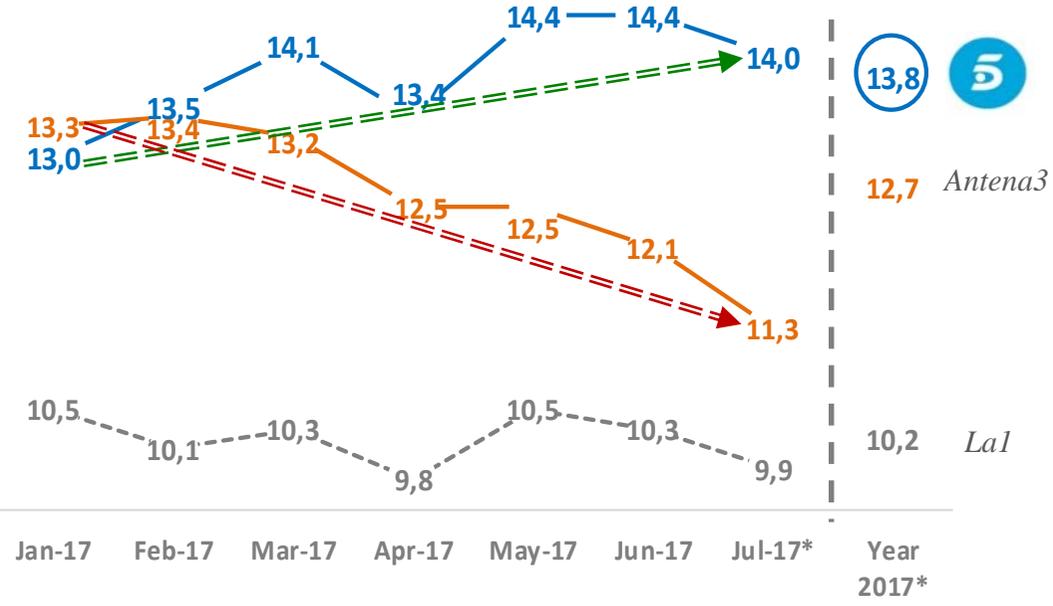
2017 YTD* audience

Mediaset España leads again, both per Group and main channel

YTD* AUDIENCE SHARE PER GROUPS



YTD* AUDIENCE SHARE PER CHANNEL



Source: Kantar media
* Average audience January 1st – July 24th 2017

24h total individuals

Audience

Excellent audience share results both for Mediaset España and Telecinco during the last TV season (September 2016- June 2017)

Mediaset España leads



29.3%*

- 28.8% Prime time
- 29.6% Day time
- 35.9% Young viewers

Most viewed content among young people (13-24Y)



- 44.1% La que se avecina
- 32.6% Big brother
- 32.5% The Voice
- 26.6% Spain Got Talent



Telecinco leads



13.8%*

- 14.1% Prime time
- 13.6% Day time
- 13.5% Young viewers

Most viewed content among young people (25-34Y)



- 37.6% La que se avecina
- 28.5% The Voice
- 28.0% Big brother
- 26.4% Survivors



Source: Kantar media
* Average audience September 1st 2016– June 30th 2017; 24h total individuals

Audience

Most important and leading programs of the last TV season in Telecinco (September 2016 – June 2017)



25.5% (16pp ahead of its commercial competitor)



19.6% (20.5% in commercial target)



24% (7pp ahead of its commercial competitor & 25.2% in commercial target)



22.1% (26.4% in commercial target)



19.8% (21.8% among young people 25-34Y and 8.6pp ahead of its commercial competitor)



20.9% (8.8pp ahead of its commercial competitor)



15.9% (3.2pp ahead of its commercial competitor)



16.9% (5.3pp ahead of its commercial competitor)

Source: Kantar media
Average audience September 1st 2016 – June 30th 2017; 24h total individuals

Audience

Mediaset España has a strong lineup for the beginning of the new TV season

Reality show/
docu reality



Talent show



Sport



Spanish fiction



Movies



Interviews



Investigations



Dating show



2017: A promising start to the year and new releases in the second half

Historic Spanish box-office results

2017 box-office results

Ranking of the most successful Spanish movies in 2017	Gross Box-office (€)
1 Es por tu bien	9,5m
2 Señor dame paciencia	5,4m*
3 Contratiempo	3,7m
4 El guardián invisible	3,6m
5 El bar	2,9m

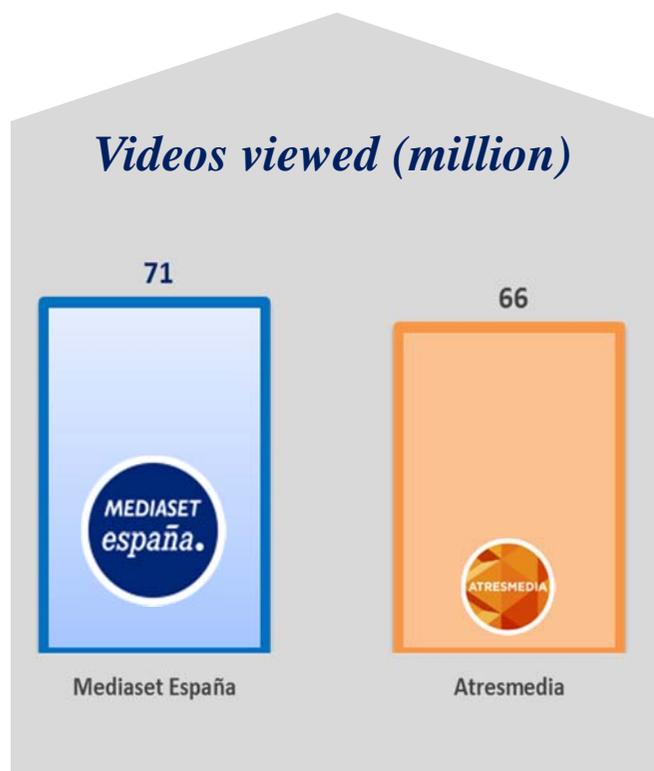


Ranking of the most successful Spanish movies	Gross Box-office (€)	Year
1 8 apellidos vascos	57,7m	2014
2 The Impossible	42,3m	2012
3 8 apellidos catalanes	36,2m	2015
4 Los Otros	27,2m	2001
5 A monster calls	26,5m	2016
6 The Orphanage	25,0m	2007
7 La gran aventura de Mortadelo y Filemón	22,8m	2003
8 Torrente 2	22,1m	2001
9 Ágora	21,3m	2009
10 Mar adentro	19,8m	2004
11 Torrente 4	19,3m	2011
12 Las aventuras de Tadeo Jones	18,1m	2012

€ Million

Source: Rentrak as of July 24th 2017; only movies released in 2017; Telecinco Cinema's movies in bold

Mediaset España leads once more, with great loyalty rates



	<i>Video viewing ranking per media company</i>	<i>Total minutes (million)</i>	<i>Minutes per unique viewer</i>	<i>Video per unique viewer</i>
1	MEDIASETespaña.	285	168	42
2	ATRESMEDIA	237	108	30
3	rtve	205	154	9

Source: Comscore
 Data: average January to June 2017

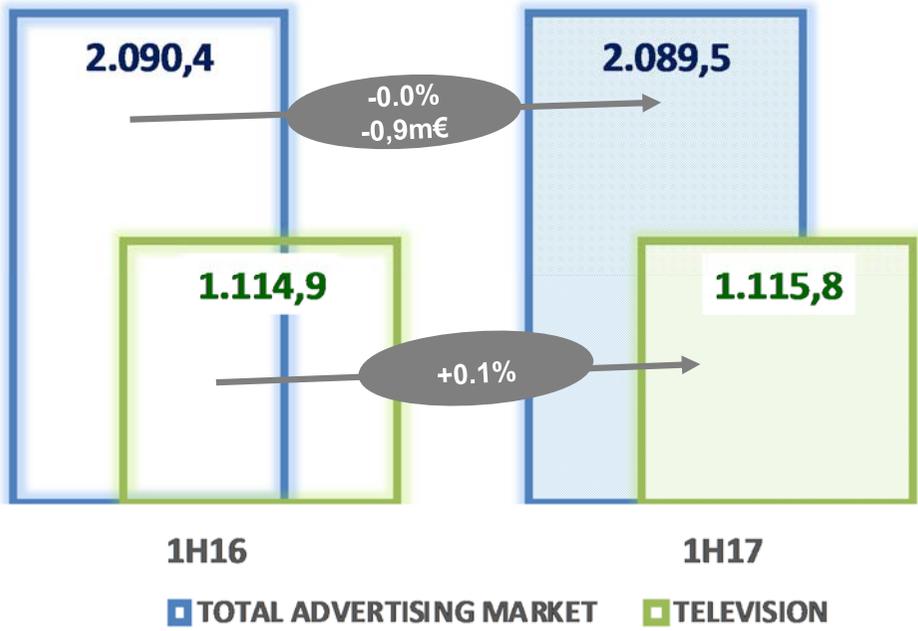


Advertising

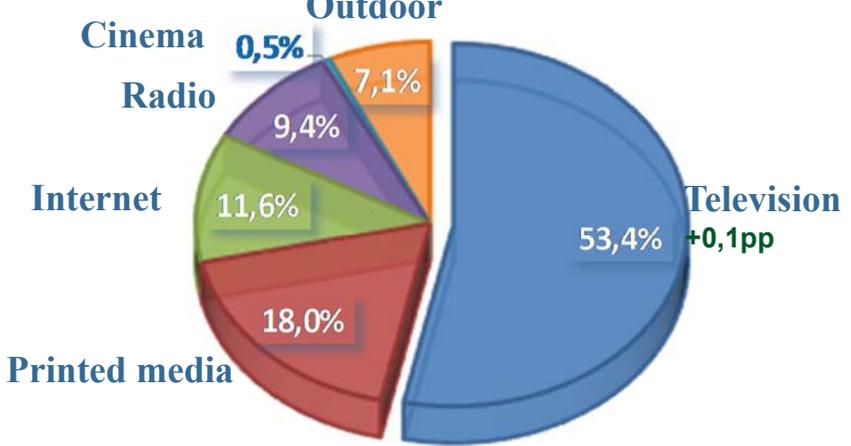


1H17 Total advertising market

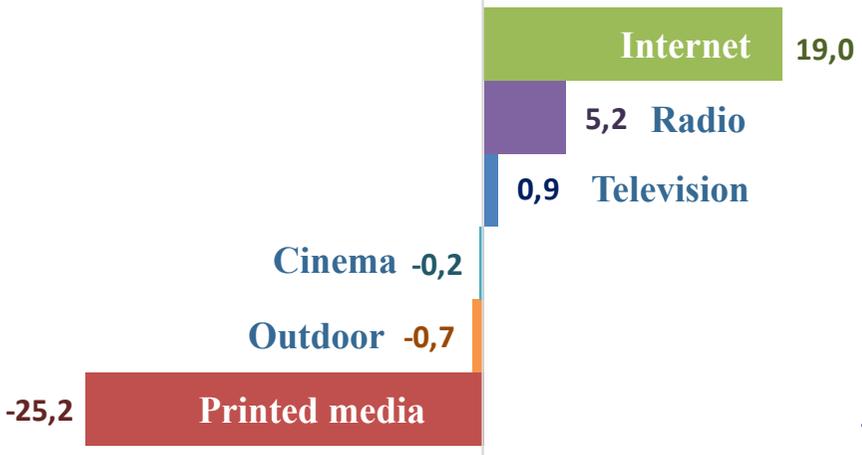
Advertising market evolution



Market share per media



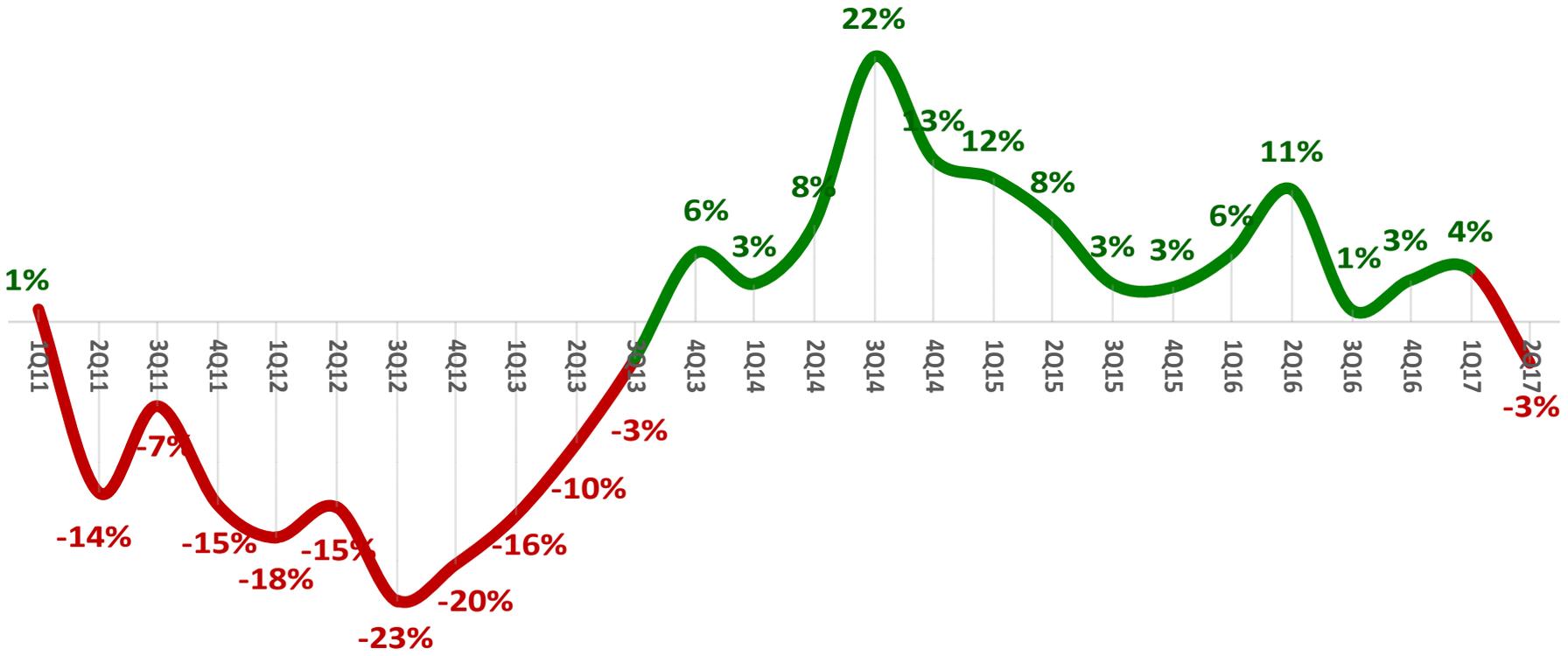
Performance by media 1H17 vs. 1H16 (m€)



€ Million
 Source: Infoadex

Total TV advertising market

*Total TV investment quarterly evolution 2011-2017**

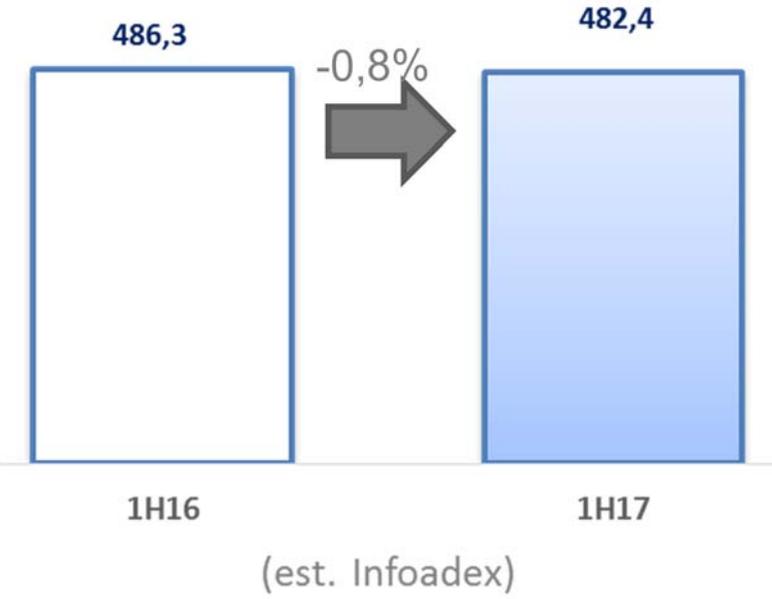


Source: Infoadex

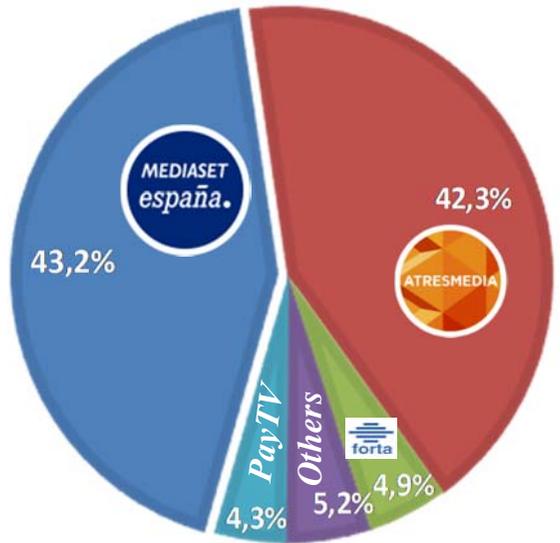
* vs. same period of the previous year

1H17 Mediaset España's advertising revenues & share

TV advertising revenues as per Infoadex estimates



TV Advertising market share



MEDIASETespaña. TV Commercial strategy

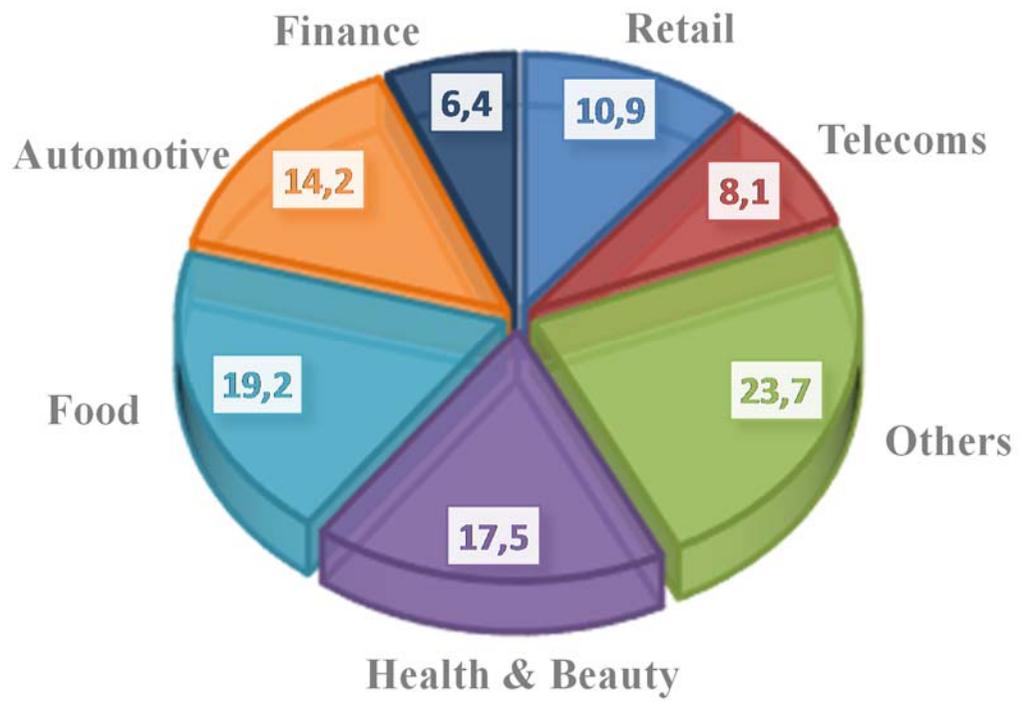
	Audience	Var %	Seconds	GRP (20'')	C/GRP's*
1H17	29.2%	-4.3%	+3.3%	-4.0%	+5.6%
2Q17	29.7%	-6.3%	+4.7%	-7.3%	+7.3%

€ Million

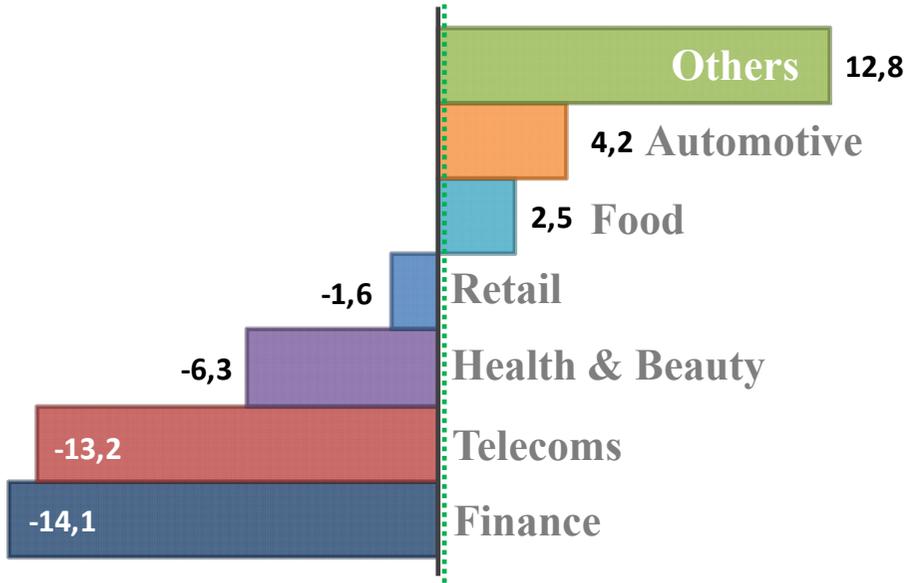
Source: Infoadex, Kantar media and Publiespaña
 * Excluding the impact of the EURO CUP 2016 and, just for Q2, the impact of the Easter week

1H17 TV advertising market by sectors

*Sector breakdown
 (% on total adv. Sales)*



*Sector growth (%)
 (1H17 vs. 1H16)*



1H17 TV market evolution: +0.1%

Source: Publiespaña



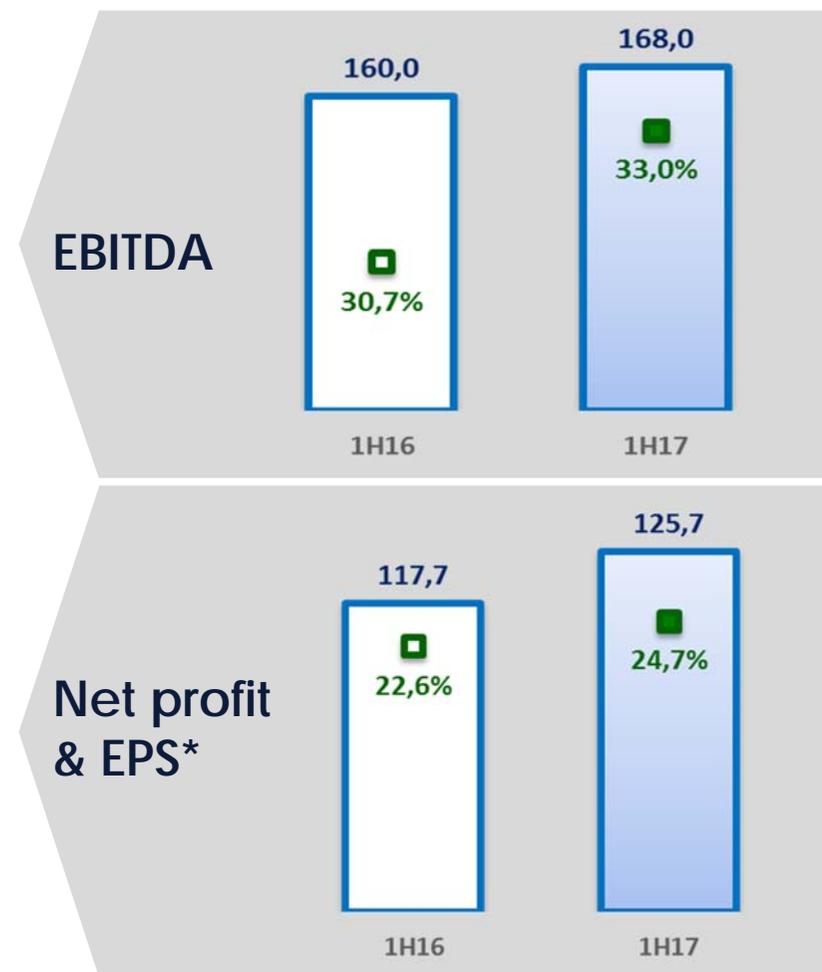
Financial results



1H17 consolidated financial results

Growing margins and profitability

€ Million	1H17	1H16	VAR %
Net advertising revenues	480,6	489,1	-1,7%
Other revenues	28,0	32,5	-13,9%
Total net revenues	508,5	521,6	-2,5%
Total operating costs	340,5	361,6	-5,8%
Personnel	52,4	51,9	1,0%
TV rights amortisation	74,4	92,6	-19,6%
Other operating costs	213,7	217,1	-1,6%
EBITDA adj (1)	168,0	160,0	5,0%
PPA Amortisations	4,0	4,0	-
Amortisations & depreciations	4,8	5,9	-18,1%
EBIT	159,2	150,1	6,1%
Pre-Tax profit	159,5	150,7	5,8%
Net profit reported	125,7	117,7	6,8%
Adjusted EPS*	0,38 €	0,35 €	7,5%
EBITDA adj/ Total net revenues	33,0%	30,7%	+2,4pp
EBIT/ Total net revenues	31,3%	28,8%	+2,5pp
ADJUSTED NET PROFIT/ Total net revenues	24,7%	22,6%	+2,2pp

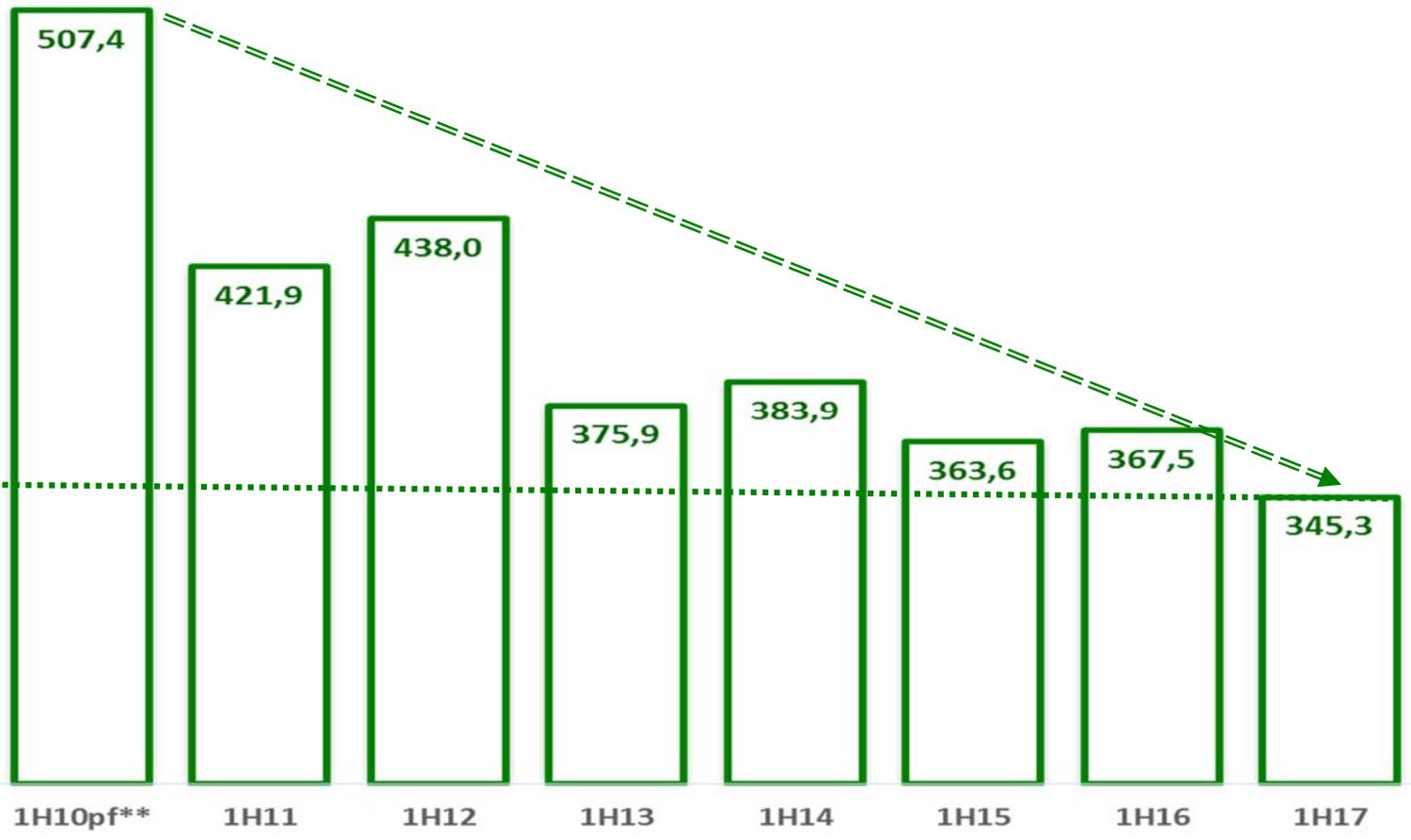


(1) EBITDA Adj, includes TV rights consumption

* adjusted excluding the treasury stocks owned at June 30th

1H cost management

162m€ (-32%) savings in 7 years



Thanks to our **strong cost control policy and flexible business model** Mediaset España continues to achieve **excellent results** in cost management

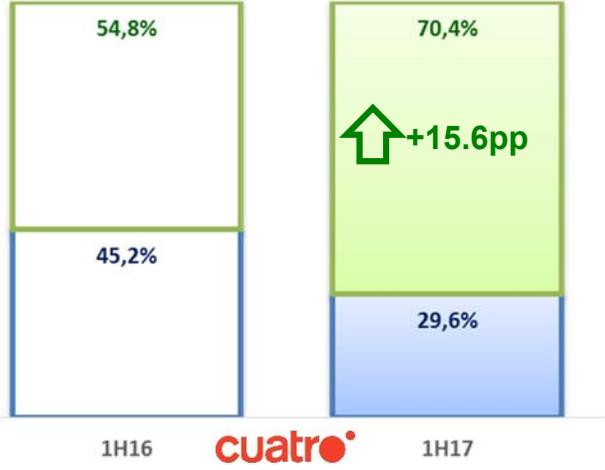
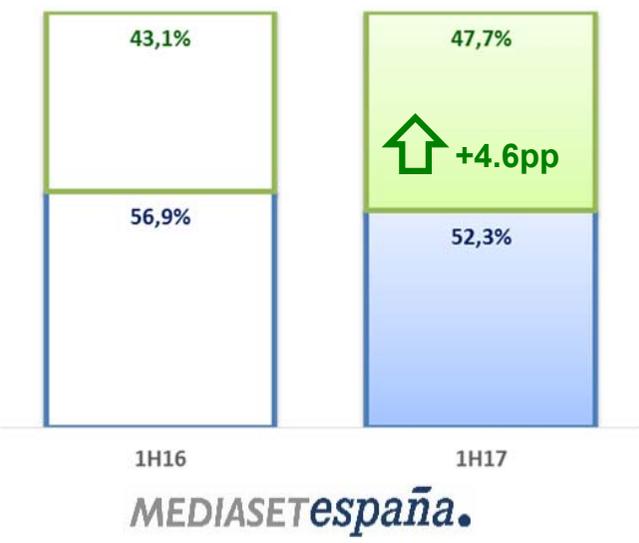
€ Million

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

1H17 Group's programming mix

In-house production vs. library in terms of broadcasted hours

Among our 2 main channels in-house production is **83%** (vs. 75% in 1H16)



In-house production
 Third party rights

1H EBITDA margin evolution

Highest 1H EBITDA margin (both in absolute and relative value) since 2008*



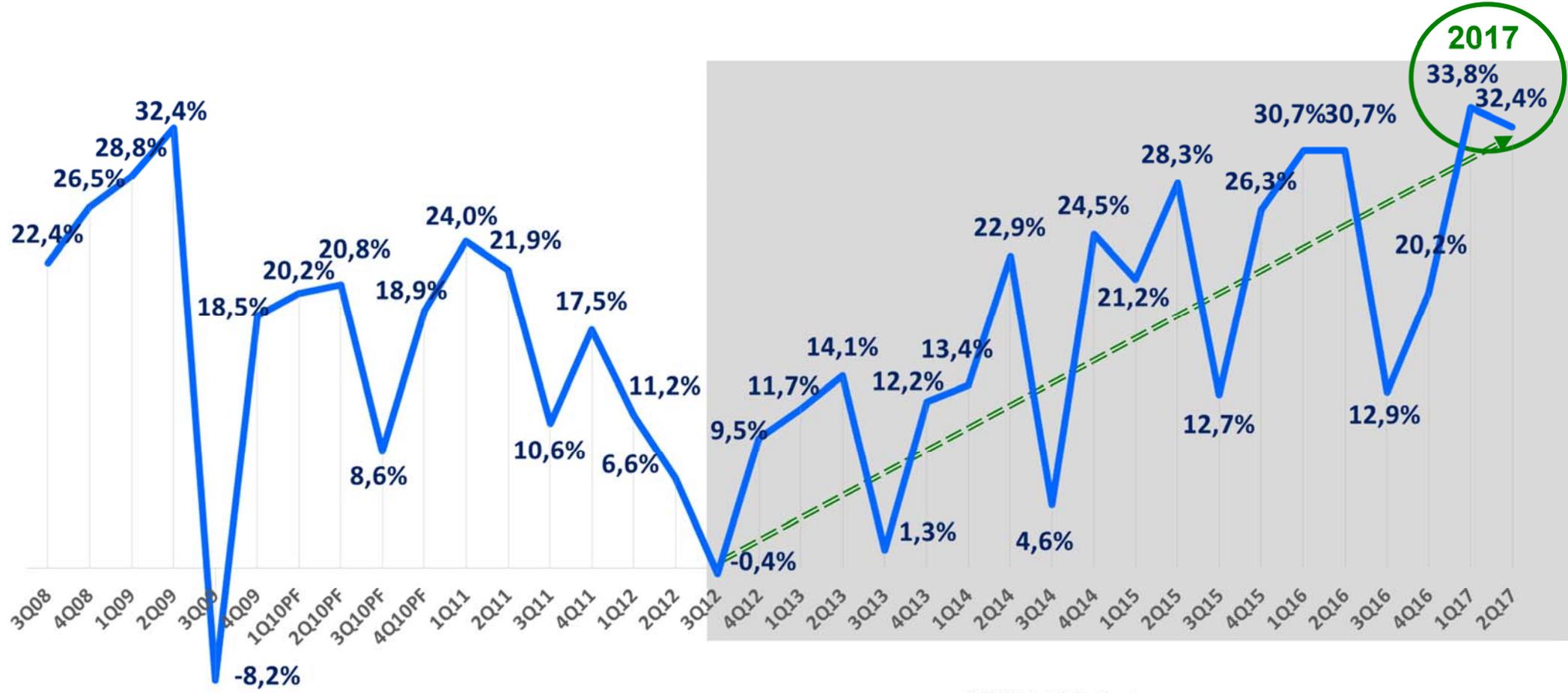
Mediaset España's high operational leverage allows a **strong margin expansion** when the TV advertising market grows

* EBITDA Adj./Total net revenues

€ Million

EBITDA margin evolution

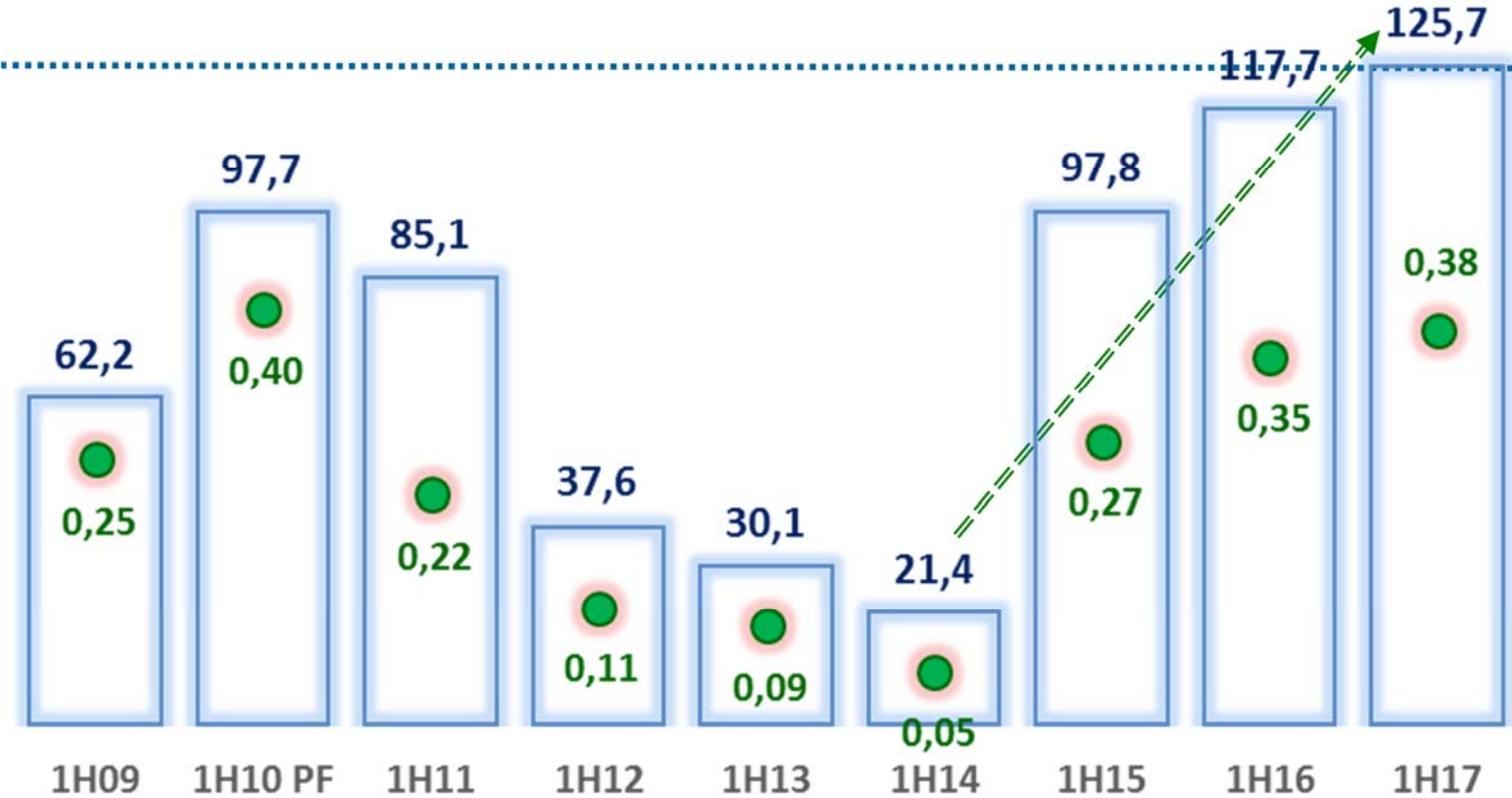
2nd highest EBITDA margin of the last 35 quarters*



* EBITDA Adj./Total net revenues

1H net profit evolution

Highest 1H net profit & second best EPS since 2008*



Mediaset España's business model allows a **solid net profit evolution. EPS* is growing even faster** thanks to the buyback programs completed over the last few years

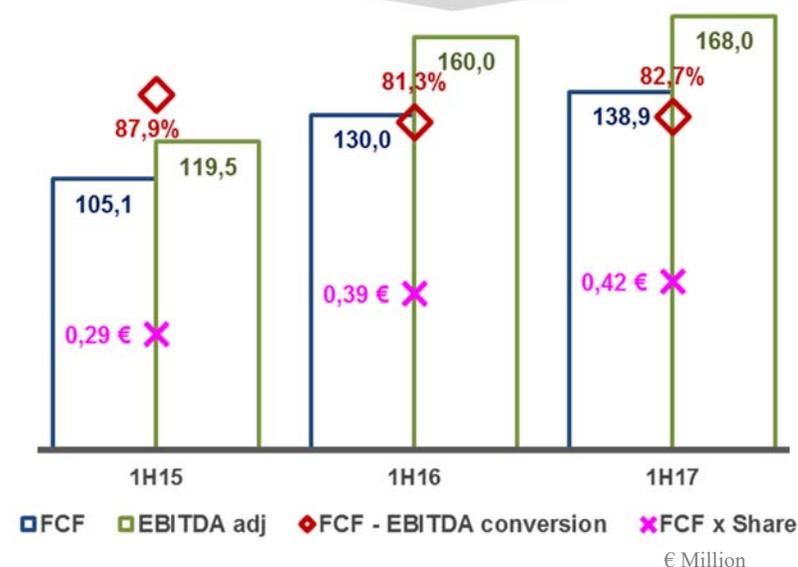
Net profit: € Million
 * EPS (€) adjusted excluding treasury shares as of June 30th

1H17 consolidated cash flow

High free cash flow generation

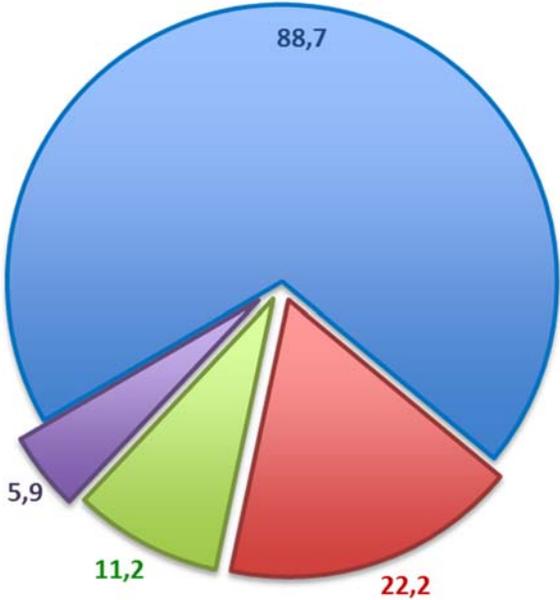
€ Million	1H17	1H16	Diff. in € million
Initial cash position	177,4	192,4	-15,0
Free cash flow	138,9	130,0	8,9
Cash flow from operations	220,7	241,7	-21,0
Net investments	-127,9	-136,6	8,7
Change in net working capital	46,1	25,0	21,2
Change in equity	2,2	1,5	0,7
Financial Investments	-26,8	-92,7	66,0
Dividends received	1,9	1,7	0,2
Dividend payments	-175,7	-167,4	-8,3
Total net cash flow	-59,6	-127,0	67,4
Final net cash position	117,9	65,4	52,4
Free cash flow/EBIT	87,2%	86,6%	

The golden rule of MES: being intensive in content production permits **high free cash flow conversion**



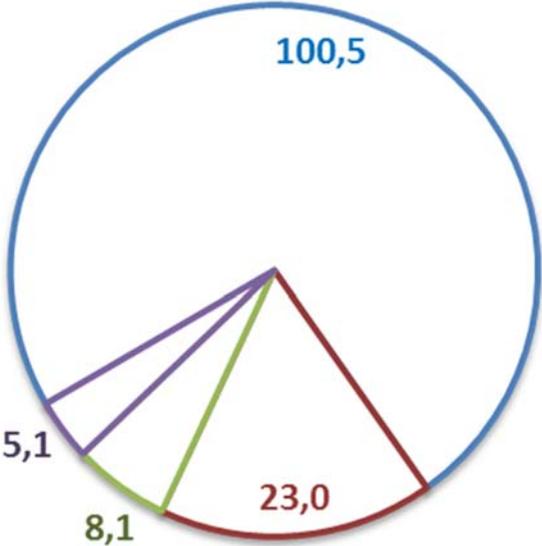
1H net investments

**Total net investment
1H17: €127.9**



- TV Rights Non-Fiction
- TV Rights - Fiction
- Co-production/Distribution
- Tangible & intangible fixed assets

**Total net investments
1H16: €136.6**

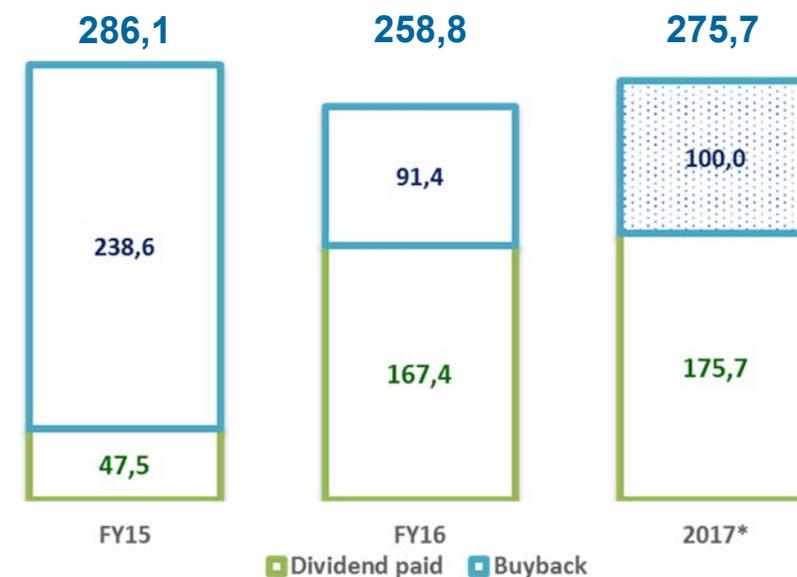


€ Million

2017 balance sheet

€ Million	1H17	FY16
Fixed assets	568,7	580,9
-Financial	312,3	321,1
-Non financial	256,4	259,9
Audiovisual rights and pre-payments	219,0	171,9
-TV, third party rights	164,0	132,5
-TV, Spanish fiction rights	28,8	20,6
-Co-production / distribution	26,3	18,9
Tax credit	100,9	113,0
TOTAL NON-CURRENT ASSETS	888,7	865,8
Current assets	235,4	243,7
Financial investments and cash	133,2	193,3
TOTAL CURRENT ASSETS	368,6	436,9
TOTAL ASSETS	1.257,3	1.302,7
SHAREHOLDERS' EQUITY	909,9	983,3
Non-current provisions	9,4	9,2
Non-current payables	14,2	11,8
Non-current financial liabilities	7,6	13,7
TOTAL NON-CURRENT LIABILITIES	31,2	34,7
Current payables	308,5	282,6
Current financial liabilities	7,7	2,2
TOTAL CURRENT LIABILITIES	316,2	284,8
TOTAL LIABILITIES	1.257,3	1.302,7

Solid balance and generous shareholders remuneration



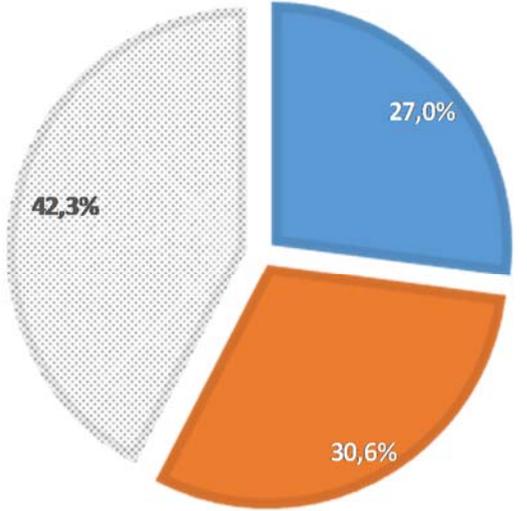
* Buyback started on May 17th; as of June 30th the company had invested €25,4m in buying own shares

2017 buyback plan

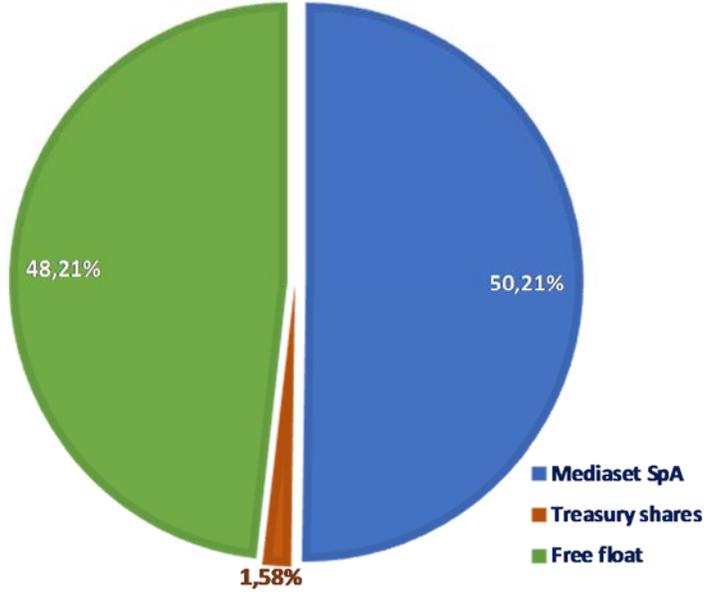
Date	Share n.	Average price	Total amount
May 17 th to June 30 th 2017	2,365,810	€11.4323	€27,046,704.91
July 3 rd to July 21 st	2,941,456	€ 10.4190	€30,646,978.50
Total to date*	5,307,266	€10.8707	€57,693,682.41

**Shareholders structure
as of July 21st**
total shares issued:
336,717,490

Buyback execution to date*



■ May 17-Jun 30 ■ July 3 -21 ■ To be executed



Information as of Jul 21st as communicated to the CNMV



Back-up



1H17 consolidated P&L account (I)

Growing margins and profitability

€ Million

	1H17	1H16	Var %
Gross Advertising Revenues	501,0	508,0	-1,4%
- Mediaset España's medias	491,1	491,2	0,0%
- Third party's medias	9,9	16,8	-41,1%
Commission	-20,4	-18,9	8,1%
Net Advertising revenues	480,6	489,1	-1,7%
Other Revenues	28,0	32,5	-13,9%
TOTAL NET REVENUES	508,5	521,6	-2,5%
Personnel	52,4	51,9	1,0%
TV Rights amortisation	74,4	92,6	-19,6%
Other operating costs	213,7	217,1	-1,6%
<i>Total operating costs (1)</i>	<i>340,5</i>	<i>361,6</i>	<i>-5,8%</i>
EBITDA adj*	168,0	160,0	5,0%
EBITDA adj*/NET REVENUES	33,0%	30,7%	+2,4pp



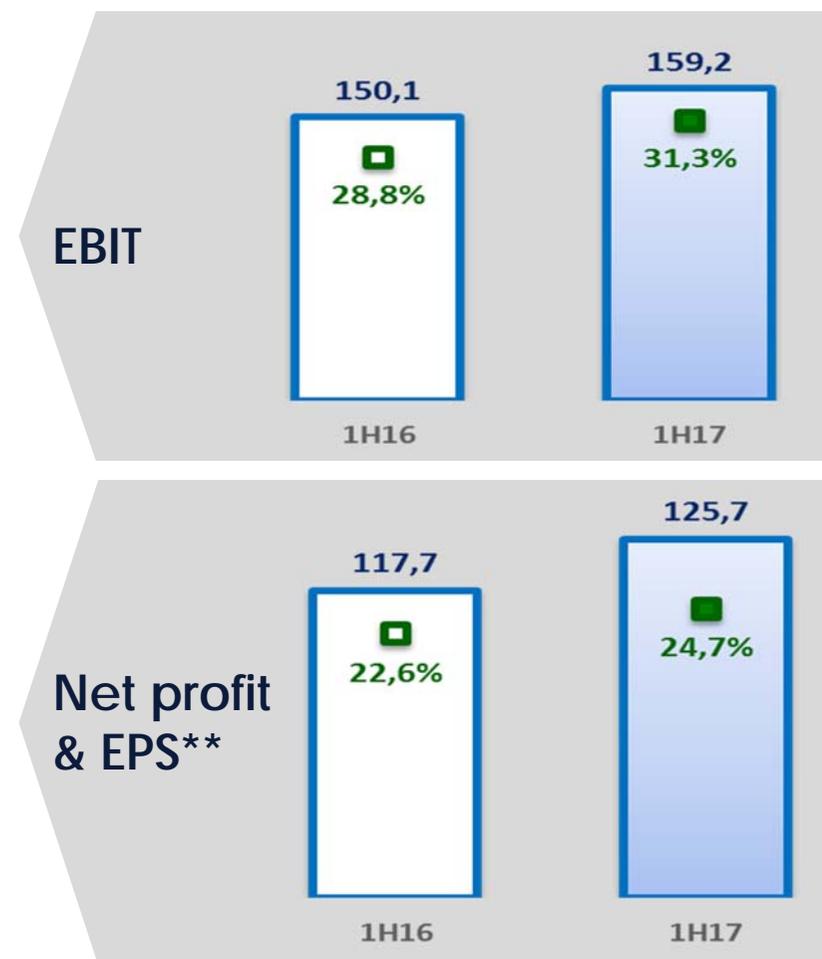
*EBITDA Adj, includes TV rights consumption

1H17 consolidated P&L account (II)

Growing margins and profitability

€ Million

	1H17	1H16	Var %
EBITDA adj*	168,0	160,0	5,0%
PPA amortisation (2)	4,0	4,0	0,0%
Depreciation tangible assets & provisions (3)	4,8	5,9	-18,1%
Total Costs (1+2+3)	349,3	371,5	-6,0%
EBIT	159,2	150,1	6,1%
EBIT/NET REVENUES	31,3%	28,8%	+2,5pp
Equity consolidated results	1,0	1,0	
Financial results	-0,7	-0,4	
EBT	159,5	150,7	5,8%
Income taxes	-34,0	-33,1	2,7%
Minority interest	0,2	0,2	
NET PROFIT	125,7	117,7	6,8%
Adjusted EPS**	0,38 €	0,35 €	7,5%
NET PROFIT/TOTAL NET REVENUES	24,7%	22,6%	+2,2pp



*EBITDA Adj, includes TV rights consumption

** adjusted excluding the treasury stocks owned at June 30th

2Q17 consolidated P&L account (I)

Growing profitability

€ Million

	2Q17	2Q16
Gross Advertising Revenues	265,6	285,7
- Mediaset España's medias	260,9	275,8
- Third party's medias	4,7	10,0
Discounts	-10,9	-10,7
Net Advertising revenues	254,7	275,0
Other Revenues	13,4	15,8
TOTAL NET REVENUES	268,1	290,8
Personnel	26,4	27,1
TV Rights Amortisation	40,0	46,7
Other Operating Costs	114,8	127,8
<i>Total costs (1)</i>	<i>181,3</i>	<i>201,6</i>
EBITDA adj*	86,9	89,2
EBITDA adj*/Net revenues	32,4%	30,7%



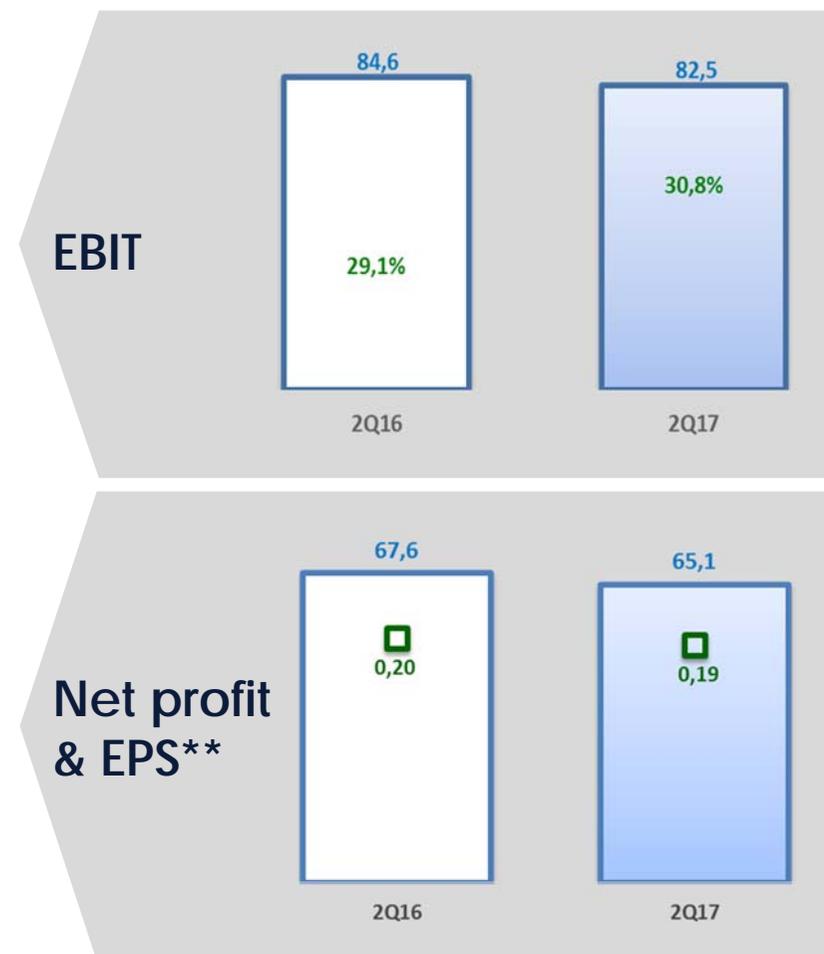
*EBITDA Adj, includes TV rights consumption

2Q17 consolidated P&L account (II)

Growing profitability

€ Million

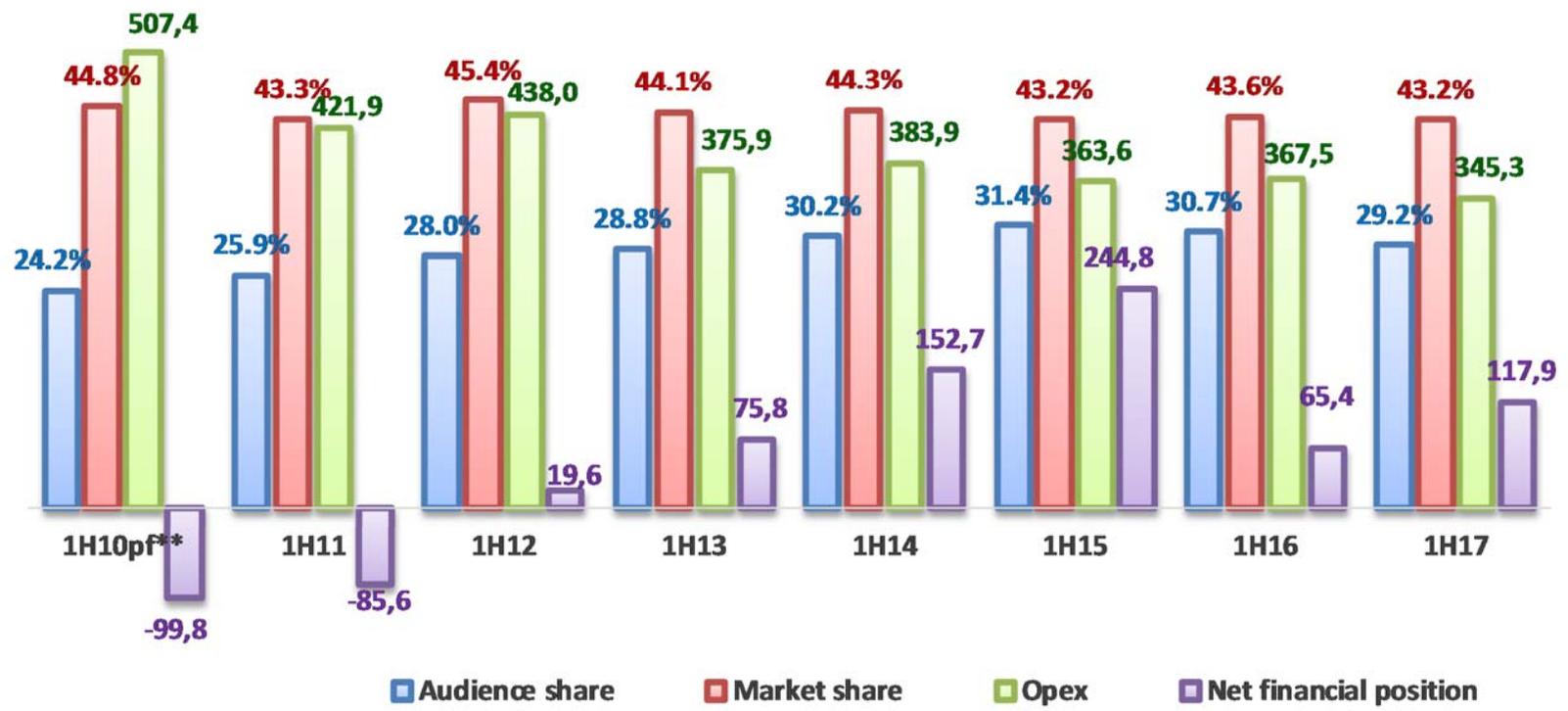
	2Q17	2Q16
EBITDA adj*	86,9	89,2
PPA amortisation (2)	2,0	2,0
Depreciation tangible assets & provisions (3)	2,4	2,7
Total Costs (1+2+3)	185,6	206,3
EBIT	82,5	84,6
EBIT/Net revenues	30,8%	29,1%
Equity Consolidated Results	0,4	1,8
Financial results	-0,6	0,1
EBT	82,3	86,5
Income Taxes	-17,4	-19,0
Minority Interest	0,2	0,1
NET PROFIT	65,1	67,6
EPS Adjusted**	0,19 €	0,20 €
NET PROFIT/TOTAL NET REVENUES	24,3%	23,2%



*EBITDA Adj, includes TV rights consumption

** adjusted excluding the treasury stocks owned at June 30th

1H the virtuous circle of Mediaset España



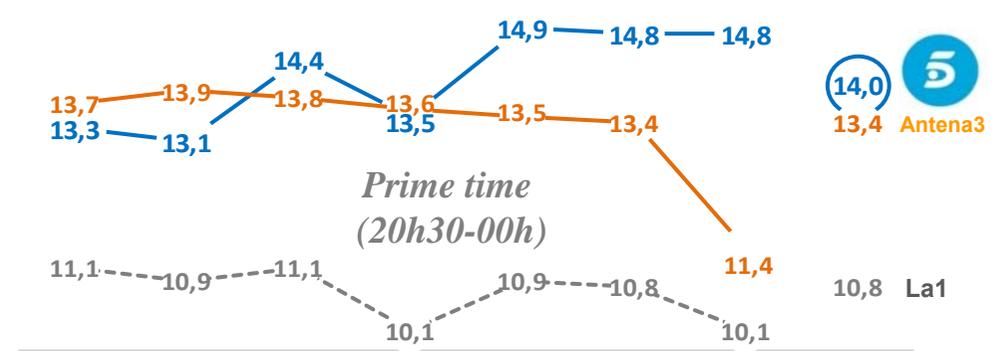
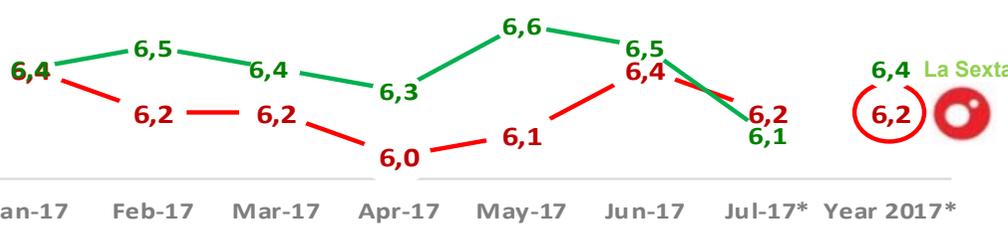
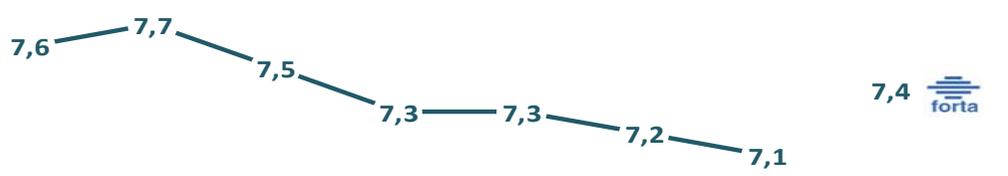
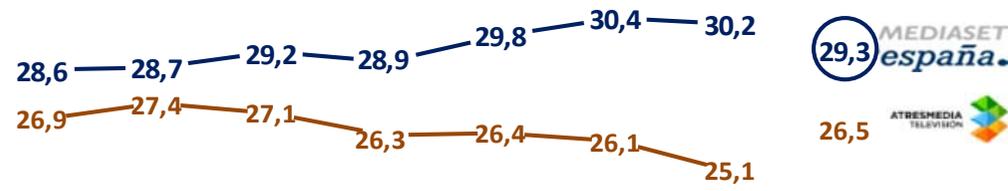
Thanks to its **flexible business model** Mediaset España continues to achieve **remarkable results**: maintaining **audience** and **market share** levels while **reducing costs** and **increasing the net cash position** (with a **generous remuneration for shareholders**)

Source: Kantar media (24h total individual audience share) and Infoadex

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

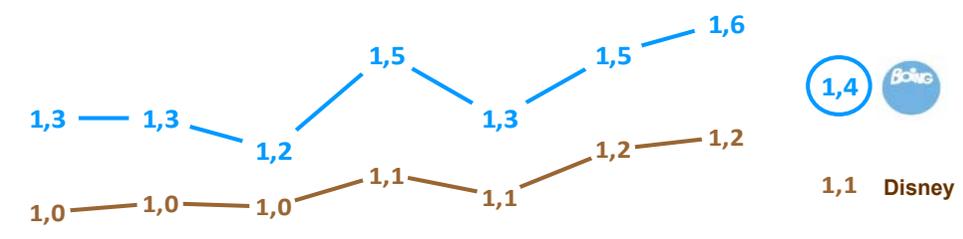
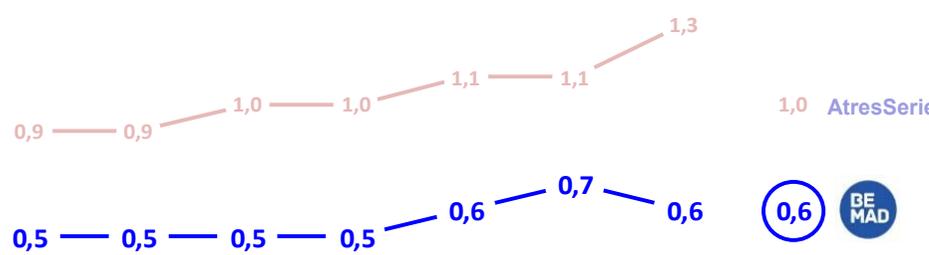
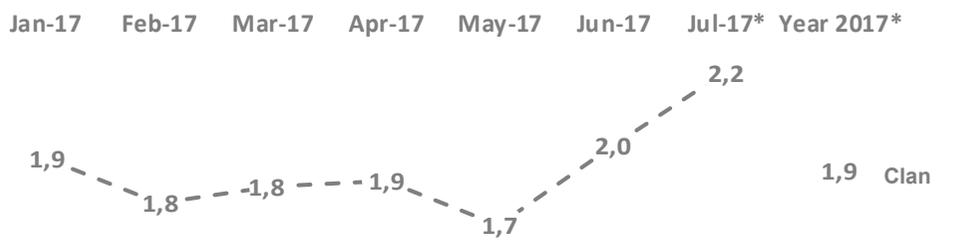
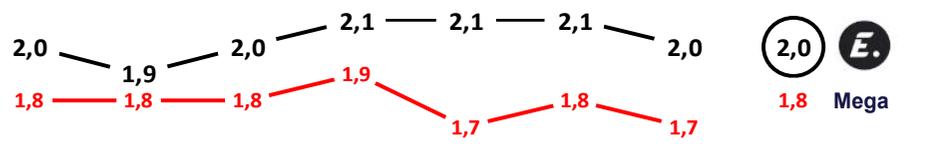
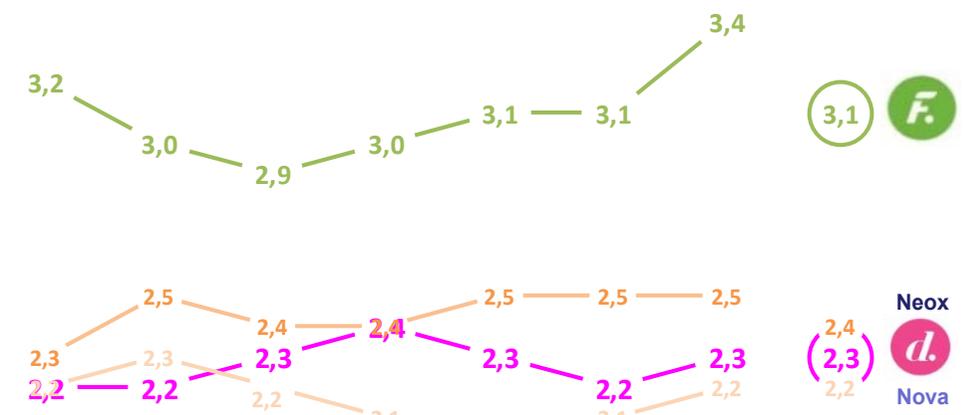
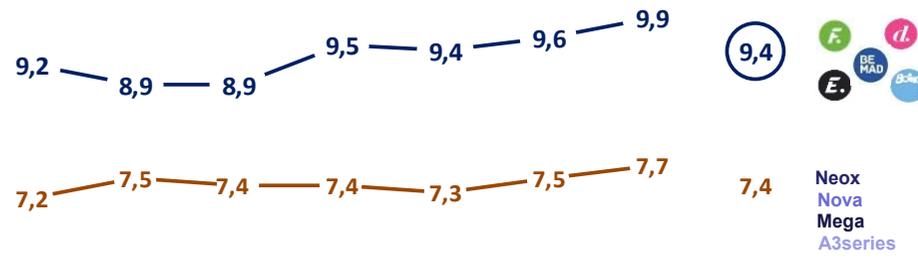
€ Million

YTD* audience evolution (24h total individuals)



Source: Kantar media
 * Average audience January 1st – July 24th

YTD* audience evolution (24h total individuals)

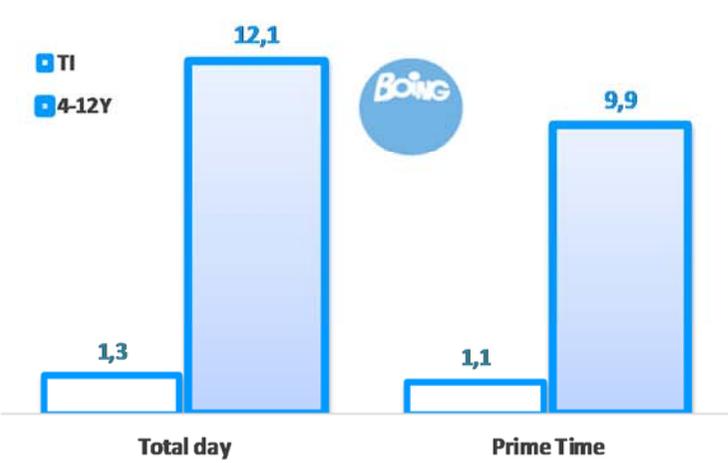


Source: Kantar media
 * Average audience January 1st – July 24th

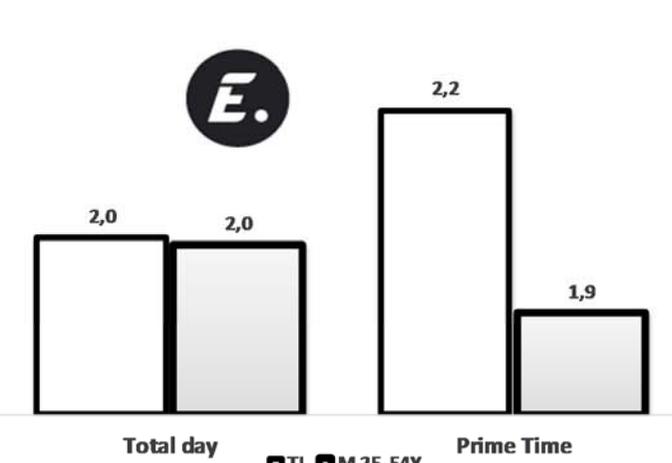
2017 audience: multichannel strategy



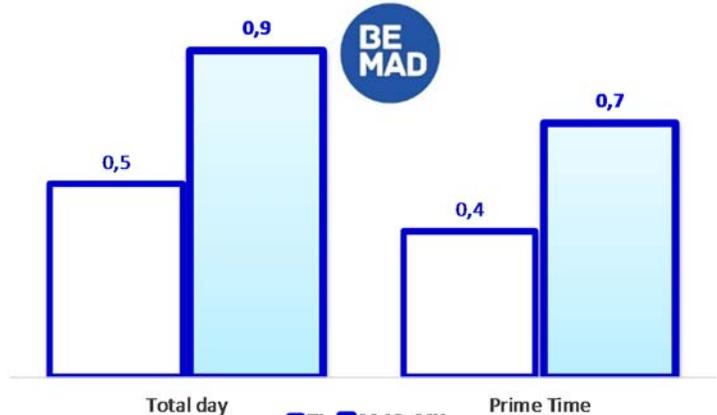
FdF: young adult's channel



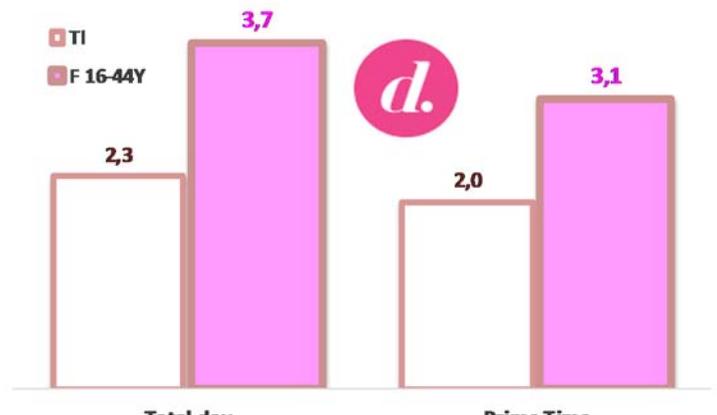
Boing: children's channel



Energy: men's channel



Be Mad: HD channel

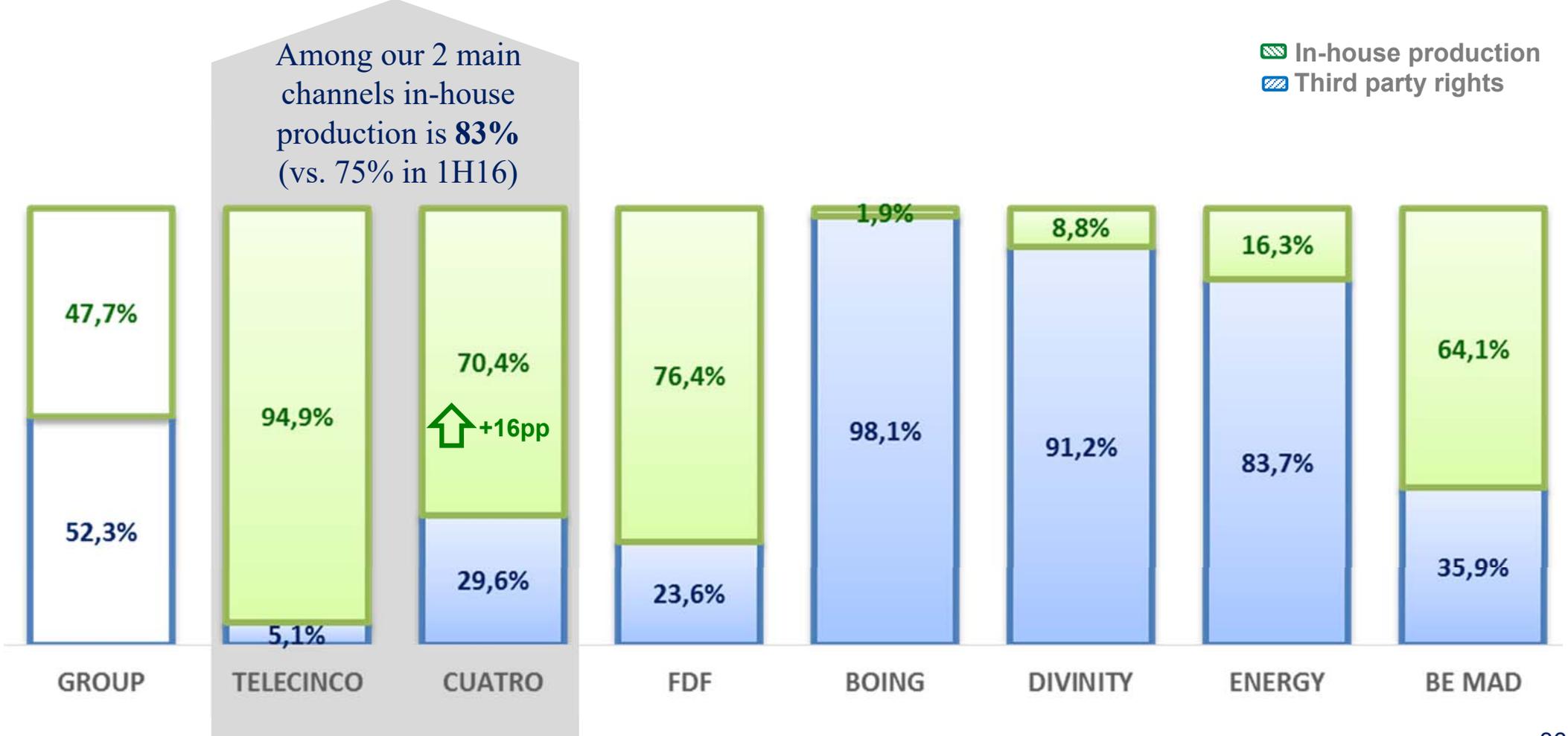


Divinity: ladies' channel

Source: Kantar media
* Average audience January 1st – June 30th

1H17 Group's programming mix

In-house production vs. library in terms of broadcasted hours

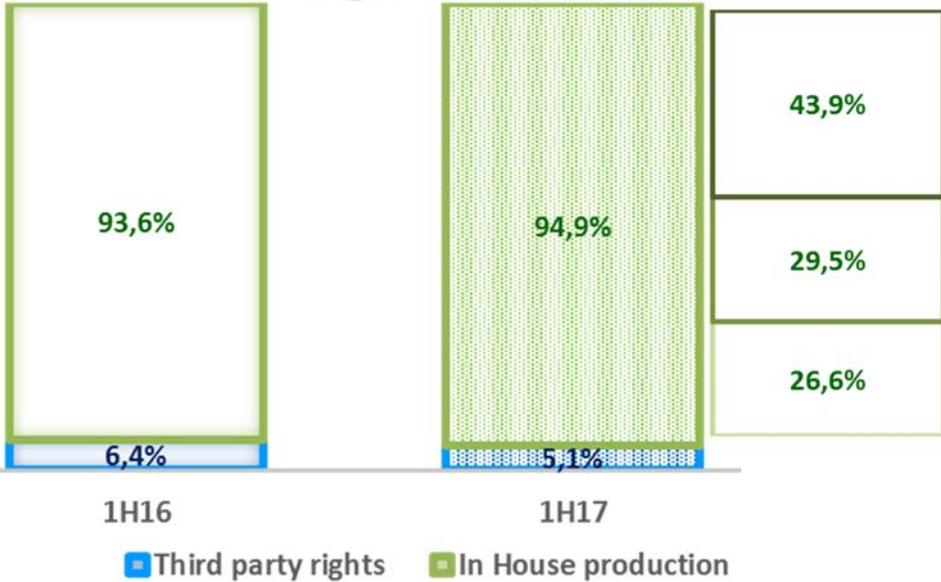


Telecinco's programming mix

In-house production vs. library in terms of broadcasted hours



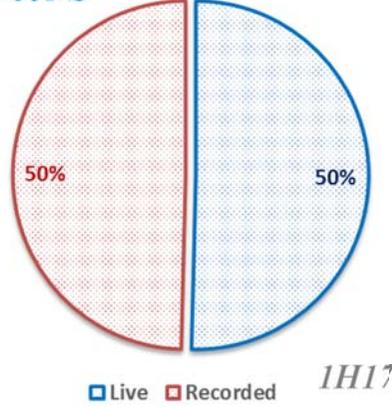
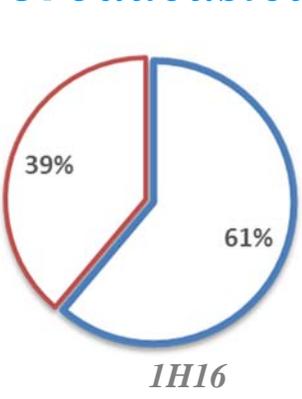
Stable level of in-house production over the years



Production with independent companies
(1H16: 46.7%)

Produced by Mediaset España
(1H16: 22.9%)

Production with participated companies:
(1H16: 30.4%)



- La fábrica de la tele
- Mandarin
- Súper sport

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