

MEDIASET *españa.*

FULL YEAR RESULTS *January – December 2013*

Madrid - *February 27th*, 2013

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FINANCIAL AND OPERATING HIGHLIGHTS

million €	2013	2012
Total net revenues	826,8	886,7
Total operating costs	739,6	821,8
EBITDA adj⁽¹⁾	87,2	64,9
EBITDA margin	10,5%	7,3%
EBIT	70,2	48,8
EBIT margin	8,5%	5,5%
NET PROFIT	4,2	50,1
NET PROFIT ADJ.⁽²⁾	49,3	65,3
EPS ADJ	0,12 €	0,16 €
Net cash position	93,5	73,7

(1) EBITDA Adj, includes TV rights consumption

(2) Adjusted Net profit excludes all impacts from non-cash items like PPA amortization (on Cuatro and DTS) and impairment of affiliated companies

- **Mediaset España maintains its leadership with a 43.7% share of the TV advertising market and records an adjusted EBITDA in 2013 of €87.2 million, 34% higher than the EBITDA of 2012 and an EBIT 44% higher than that of 2012.**
- Mediaset España **improves operating margins to 10.5% (EBITDA adj)** and to **8,5% (EBIT)** thanks to the Group's ability and flexibility to adapt to market conditions, **reducing operating costs by 9.8%** in 2013.
- As of 31 December 2013 Mediaset España maintains a **debt-free balance sheet** with a **positive net cash position of €93.5 million**.
- According to the latest **Infoadex** report, overall ad spending during 2013 has fallen - 8.0% over 2012, with a decline in **TV adverting investment of -6.2%**.
- **Total Net Revenues** in 2013 reached **€826.8 million**, with net advertising revenues of €766.6 million and €60.3 million "Other Revenues", the latter lower than in 2012 primarily due to lower revenues coming from cinema.
- The **Adjusted Net Profit** in 2013 amounted to **€49.3 million**.
- Mediaset España with its wide TV offer maintains its **audience leadership with an audience of 29.0% total-individuals (total day), new historic record of the Group**.
- Mediaset España continues to **lead the Internet audience** in 2013, reaching **18.7 million unique users and 175 million pages viewed**.

1. PROFIT AND LOSS ACCOUNT

Table 1: Consolidated Profit and Loss Account

Millions of €	2013	2012	% change
TOTAL NET REVENUES	826,82	886,73	(6,8%)
Rights Amortisation	(173,93)	(210,47)	(17,4%)
Personnel	(104,85)	(109,26)	(4,0%)
Other operating costs	(460,85)	(502,06)	(8,2%)
Adjusted EBITDA	87,19	64,94	34,3%
Other amortisations, provisions	(9,02)	(8,14)	10,8%
Amortisation PPA	(8,00)	(8,00)	-
EBIT	70,17	48,80	43,8%
Equity Cons. Results and Depr. Fin. Assets	(69,19)	7,50	-
Financial results	(3,27)	(3,97)	(17,7%)
Pre-tax profit	(2,28)	52,33	-
Income taxes	6,18	(2,79)	-
Minority interests	0,26	0,60	-
Net profit	4,16	50,14	-
Adjusted Net profit	49,31	65,34	(24,5%)

The **Adjusted Net Profit** in 2013 amounted to **€49.31 million**, a 6.0% margin over Net Revenues.

The €45.15 million difference between the Net Profit and the adjusted Net Profit is due to the impact of the amortisation of PPA in Cuatro and DTS Distribuidora de Televisión Digital, S.A. (DTS), following the allocation of the final purchase price to the various assets of the acquired entities as well as to the result of the impairment test carried out on the participated company Canal+ in application of the international accounting standards.

1.1. Revenues

Table 2: Revenues

Millions of €	2013	2012	% change
Gross advertising revenues	802,24	857,33	(6,4%)
- Mediaset España's Media	767,05	827,22	(7,3%)
- Third Party Media	35,19	30,10	16,9%
Discounts	(35,68)	(50,61)	(29,5%)
Net advertising revenues	766,56	806,71	(5,0%)
Other revenues	60,26	80,01	(24,7%)
TOTAL NET REVENUES	826,82	886,73	(6,8%)

Gross advertising revenues in 2013 reached €802.24 million, a decrease of 6.4%, in line with the market.

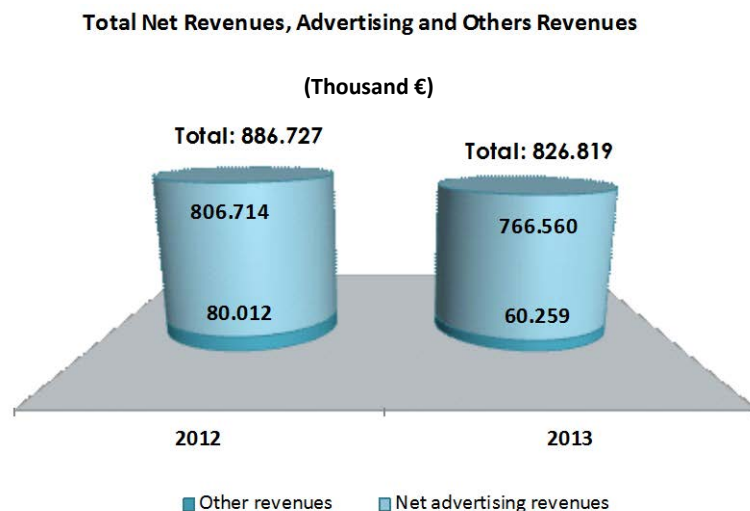
Gross advertising revenues from our media, which include advertising revenues from the Group's channels; TELECINCO, CUATRO, FACTORIA DE FICCION, LA SIETE, BOING, DIVINITY, ENERGY and NUEVE, as well as advertising from Internet and teletext, reached €767.05 million.

The **advertising revenues from third parties** reached €35.19 million, an increase of €5.09 million (+16.9%) coming from higher advertising revenues from other platforms that are not owned by the Group, such as pay-TV, thematic channels, and the Internet, as well as outdoor advertising (iWall).

Net advertising revenues after commissions reached €766.56 million.

"Other revenues", which mainly include the sale of coproduction film rights, gambling and merchandising rights amounted to €60.26 million. This figure decreased compared to 2012, year in which there were significant revenues from the films "The Impossible" and "Tadeo Jones", released in the last quarter of 2012.

Finally, **Total Net Revenues** as of 31 December 2013 amounted to €826.82 million.



1.2. Operating costs

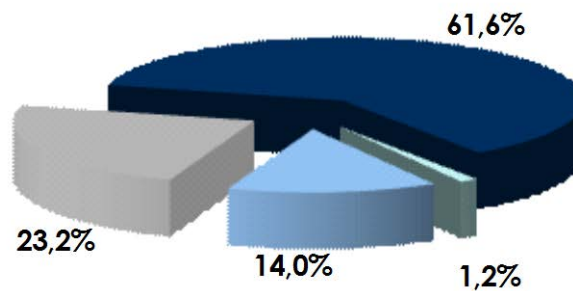
Total operating costs amounted to €748.65 million in 2013, representing a decrease of €81.27 million (-9.8%) over 2012, despite having one more channel and having broadcasted the Confederations Cup and the Eurobasket.

This decrease is mainly due to lower costs in sports rights (principally the "UEFA EURO 2012"), and from the movie "The impossible", and also thanks to the company's ability to adapt its cost base to the reality of the market, which has led to achieving significant savings in the grid.

Table 3: Operating costs

Millions of €	2013	2012	% change
Personnel costs	104,85	109,26	(4,0%)
Rights amortisation	173,93	210,47	(17,4%)
Other operating costs	460,85	502,06	(8,2%)
Other amortisation and provisions	9,02	8,14	10,8%
Total Operating Costs	748,65	829,92	(9,8%)
Amortisation PPA	8,00	8,00	-
TOTAL COSTS	756,65	837,92	(9,7%)

Operating Costs



■ Personnel ■ Rights amortisation ■ Other operating costs ■ Other amortisations, Provisions

Since the acquisition of Cuatro, and due to the deterioration of the advertising market, the Group has strengthened the cost control policies, reducing operating costs in 2013 by €220.79 million (22.8%) on a cumulative basis in the last three years.

million €	2010*	2011	2012	2013	Var.
Operating Costs	969,44	824,12	829,93	748,65	-22,8%

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

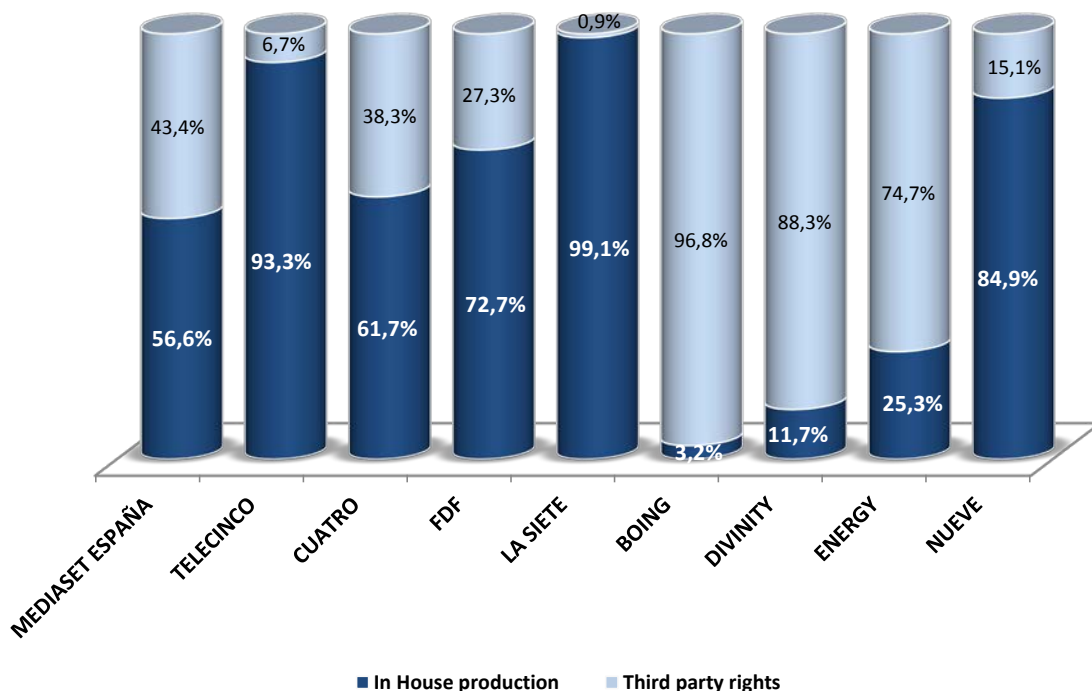
Content

The Group's in-house production continues to dominate the network's programming in terms of broadcasting hours. At a group level, 56.6% was produced in-house versus 43.4% of external production.

In 2013, 93.3% of broadcasted programmes on the main channel TELECINCO were produced in-house and the remaining 6.7% were external productions (compared to 94.4% and 5.6% in 2012).

The proportion for the CUATRO channel is 61.7% of in-house and 38.3% by third parties.

As per the other channels, 99.1% of LA SIETE grid is in-house production content, FACTORIA DE FICCION has 72.7% in-house versus 27.3% third parties, DIVINITY 11.7% of production is in-house and 88.3% third parties rights, ENERGY 25.3% of production is in-house and 74.7% third parties rights, NUEVE 84.9% of production is in-house and 15.1% third parties rights, and BOING is almost entirely third party rights (96.8%).



1.3. Operating profit and margins

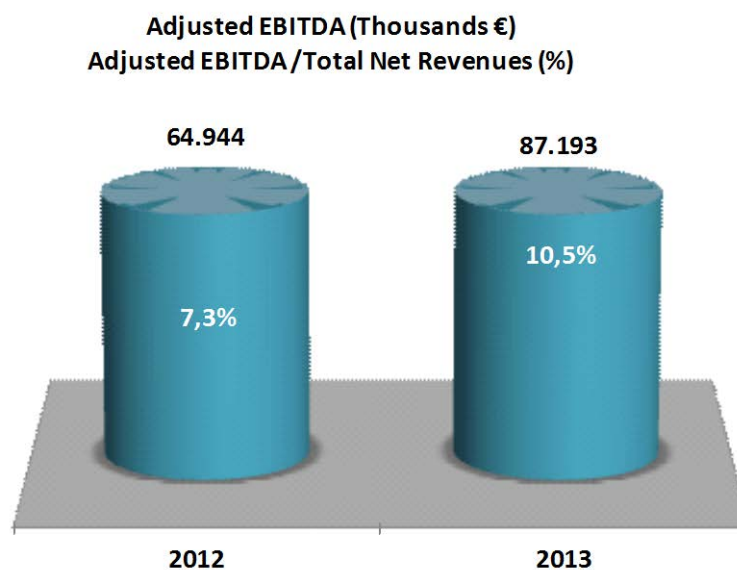
Adjusted EBITDA reached €87.19 million, an increase of €22.25 million (34.3%), with a margin of 10.5% over net revenues, which represents a gain of 3.2 points versus the margin achieved in 2012.

Net operating profit (EBIT) grew by 43.8% to €70.17 million with a margin of 8.5% over net revenues, which is 3.0 points higher than the one reached in 2012.

In 2013, Mediaset España improved operating margins thanks to the effectiveness of the business model and strict cost management which helped to offset lower advertising revenues without affecting the leadership in audiences of neither the Group's channels nor the TV advertising market share.

Table 4: Margins

Millions of €	2013	2012
Total net revenues	826,82	886,73
Adjusted EBITDA	87,19	64,94
<i>Adjusted EBITDA Margin</i>	<i>10,5%</i>	<i>7,3%</i>
EBIT	70,17	48,80
<i>EBIT Margin</i>	<i>8,5%</i>	<i>5,5%</i>
Net Profit	4,16	50,14
<i>Net Profit Margin</i>	<i>0,5%</i>	<i>5,7%</i>
Adjusted Net Profit	49,31	65,34
<i>Adjusted Net Profit Margin</i>	<i>6,0%</i>	<i>7,4%</i>



1.4. Financial result and equity consolidated companies

Financial income represents a net expense of €3.27 million.

On the other hand, the result from the **equity consolidated companies¹** and from the **depreciation of financial assets** shows a negative result of €69.19 million, including the impact of the amortisation of intangibles resulting from the purchase price allocation of DTS and the write-down (net of tax) of the investment as a result of impairment test carried out by the Group in compliance with the international accounting standards.

1.5. Profit for the period January – December 2013

Pre-tax profit as of 31 December 2013 is negative by €2.28 million while **net profit after taxes and minority interests**, reached €4.16 million.

Adjusted net income amounted to €49.31 million, excluding the net impact of the amortisation of intangibles arising from the purchase price allocation of Cuatro and of DTS and of the result of the impairment test in DTS. This represents an adjusted net income margin of 6.0% of total net income.

¹ Companies consolidated by the equity method are: 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), DTS Distribuidora de Televisión Digital, S.A. (22%).



2. CASH FLOW GENERATION

The **Operating Free Cash Flow** for 2013 is €10.95 million despite the weak advertising spending activity during the year.

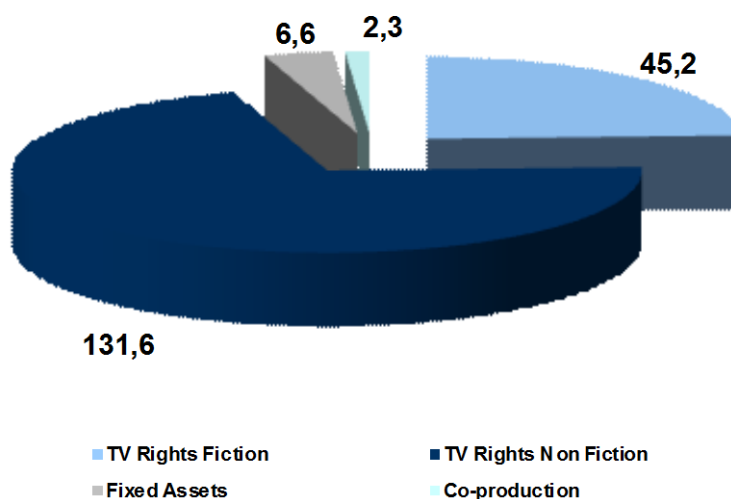
Table 5: Cash Flow

Millions of €	2013	2012	Change in millions of €
Net profit (without minority interests)	3,90	49,54	(45,65)
Amortisation:	192,00	226,41	(34,41)
- Rights	173,93	210,47	(36,54)
- Other	18,08	15,94	2,13
Provisions	(1,06)	0,21	(1,27)
Other	57,61	(3,43)	61,04
OPERATING CASH FLOW	252,45	272,74	(20,29)
Investment in rights	(179,08)	(183,08)	4,00
Investments, other	(6,63)	(8,90)	2,27
Change in working capital	(55,80)	(40,55)	(15,25)
OPERATING FREE CASH FLOW	10,95	40,21	(29,26)
Change in Equity	6,58	1,22	5,36
Financial investments	(0,59)	38,99	(39,58)
Dividends received	2,83	22,10	(19,28)
Dividend payments	0,00	(55,26)	55,26
Net Cash Change	19,76	47,27	(27,51)
INITIAL FINANCIAL POSITION	73,72	26,45	47,27
FINAL FINANCIAL POSITION	93,48	73,72	19,76

Total net investment as of 31 December 2013 reached €185.70 million.

During 2013, the investment in third party rights amounted to €131.57 million, in Spanish fiction €45.20 million and in co-productions €2.30 million while investments in tangible and intangible fixed assets were €6.63 million.

Net investments 2013
€185.7 million



3. BALANCE SHEET

Table 6: Summary Balance Sheet

<i>Millions of €</i>	2013	2012
Tangible assets	962,86	1.047,62
- Financial	686,80	759,78
- Non Financial	276,06	287,84
Audiovisual rights and Pre-payments	235,54	230,85
- Third parties	183,33	180,85
- Fiction	35,14	30,43
- Co-production / Distribution	17,07	19,57
Pre-paid taxes	186,29	176,43
TOTAL NON-CURRENT ASSETS	1.384,69	1.454,91
Current assets	236,39	219,50
Financial investments and cash	113,53	92,76
TOTAL CURRENT ASSETS	349,92	312,26
TOTAL ASSETS	1.734,61	1.767,17
SHAREHOLDERS' EQUITY	1.431,38	1.420,90
Non-current provisions	10,38	24,32
Non-current payables	10,06	6,84
Non-current financial liabilities	0,01	0,01
TOTAL NON-CURRENT LIABILITIES	20,45	31,16
Current payables	262,74	296,06
Current financial liabilities	20,05	19,04
TOTAL CURRENT LIABILITIES	282,78	315,10
TOTAL LIABILITIES	1.734,61	1.767,17

Our Balance Sheet reflects a very healthy match between long and short term assets and liabilities as well as an excellent liquidity ratio between current receivables and payables.

The evolution of the **library** shows adaptability within the different categories and in line with the business' strategy of the Group.

The **current assets and liabilities** are indicative of an adequate management of the amounts owed by clients and the amounts due to suppliers.

The **Net financial position** reached €93.48 million as of 31 December 2013. The financial position of the Group is strong, certainly a relevant factor considering the difficulties in the financial markets.

4. AUDIENCE SHARE PERFORMANCE²

4.1. TV Consumption

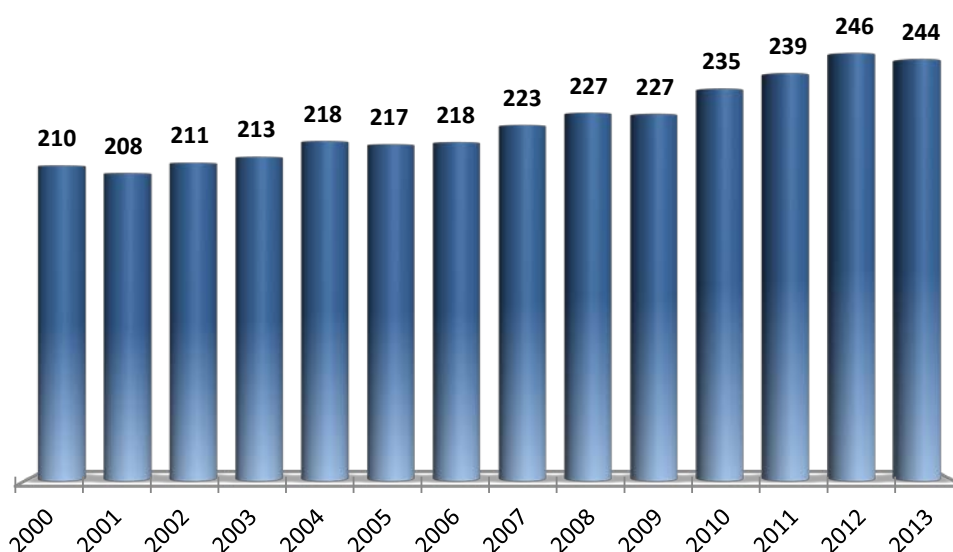
Years	Minutes	Thousands
2000	210	5.642
2001	208	5.664
2002	211	5.759
2003	213	5.830
2004	218	6.170
2005	217	6.210
2006	218	6.275
2007	223	6.506
2008	227	6.691
2009	227	6.848
2010	235	7.149
2011	239	7.319
2012	246	7.513
2013	244	7.401

The average TV consumption decreased in 2013 compared to 2012, reaching 4 hours and 4 minutes per person per day, with a daily average of 7.4 million viewers.

The decrease in the upward trend of recent years would be a reflection of the stabilization of unemployment. However, consumption remains strong thanks to increased DTT offer with specific content for each viewer, along with new multiscreen strategies supported by social networks. The online content attracts audiences to enhance the TV experience and reinforce the loyalty of viewers with its programs.

The viewer behavior demonstrates the power of television content, whatever the screen; smartphones, tablets, smart TVs.

TV Consumption



² Source: Kantar Media

4.2. Group

Table 7: January-December 2013 average audience share for Mediaset España

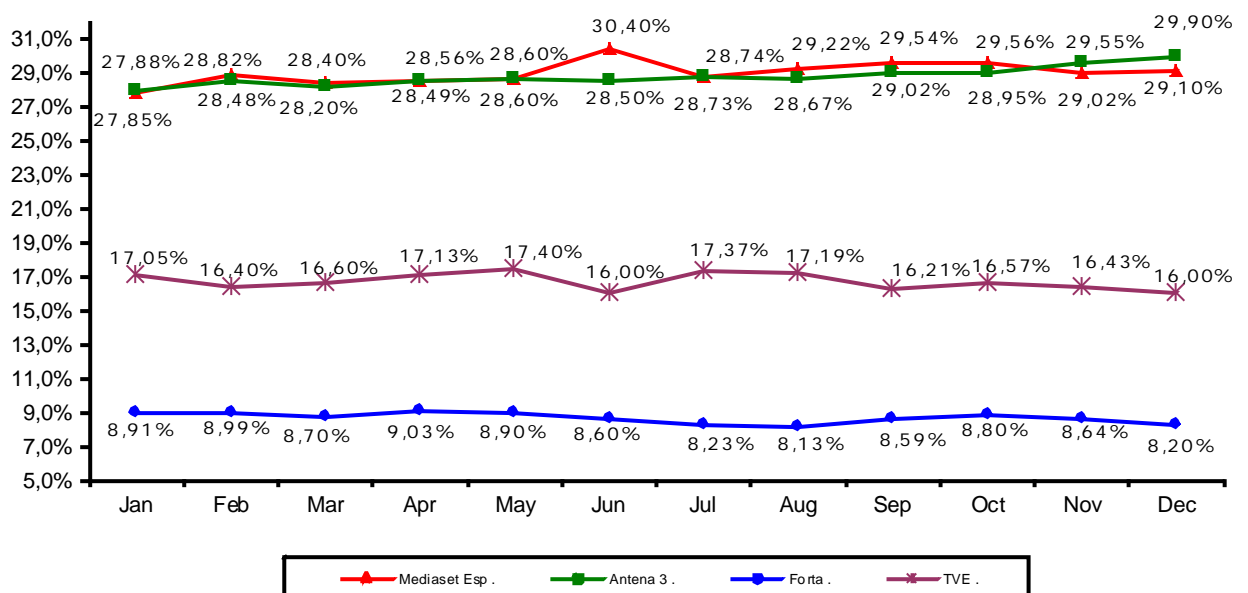
		2013	2012
Total Individuals	Total Day	29,0%	28,1%
	PRIME TIME	27,3%	27,4%
	DAY TIME	29,8%	28,5%
Commercial Target	Total Day	31,0%	30,4%
	PRIME TIME	28,7%	29,3%
	DAY TIME	32,2%	30,9%

Mediaset España closes 2013 as television group leader with an audience share in total-individuals (total day) of 29.0%.

Regarding the audience share in commercial target (total day), Mediaset España reached 31.0%, representing a historical record for the Group, both in total-individuals (total day) and in commercial target.

The most watched programs of 2013, broadcasted in Telecinco, were the penalties and the extra time of the Confederations Cup match "Spain - Italy" with 13.6m and almost 12m viewers respectively.

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



4.3. Main Channels

Table 8: January-December 2013 average audience share for Telecinco and Cuatro

		TL5		CUATRO	
		2013	2012	2013	2012
Total Individuals	Total Day	13,5%	13,9%	6,0%	6,0%
	PRIME TIME	13,4%	14,4%	5,6%	5,7%
	DAY TIME	13,5%	13,7%	6,1%	6,1%
Commercial Target	Total Day	12,7%	13,6%	7,3%	7,4%
	PRIME TIME	12,3%	14,1%	6,9%	7,0%
	DAY TIME	12,9%	13,4%	7,4%	7,6%

In 2013, the Telecinco channel reached a 13.5% average audience share in total-individuals (total day).

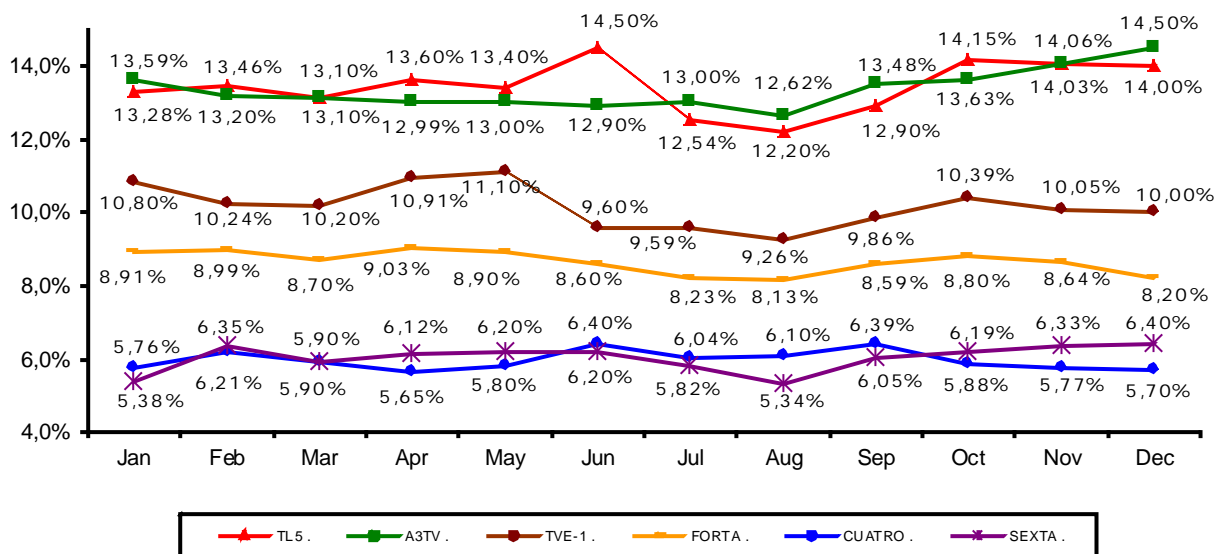
Regarding the audience share in commercial target (total day), Telecinco has an average of 12.7%.

In 2013 Telecinco was the leading channel most days of the year, 54.8%: 200 out of 365 days a year.

Cuatro reaches an audience share of 6.0% total-individuals (total day) and 7.3% in commercial target.

Telecinco continues to lead in prime time³ total-individuals with an average of 13.4%. Cuatro reaches a share of 5.6% in prime time total-individuals.

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



³ Prime time: Time slot with the highest television consumption of the day, from 20:30 to 24:00.

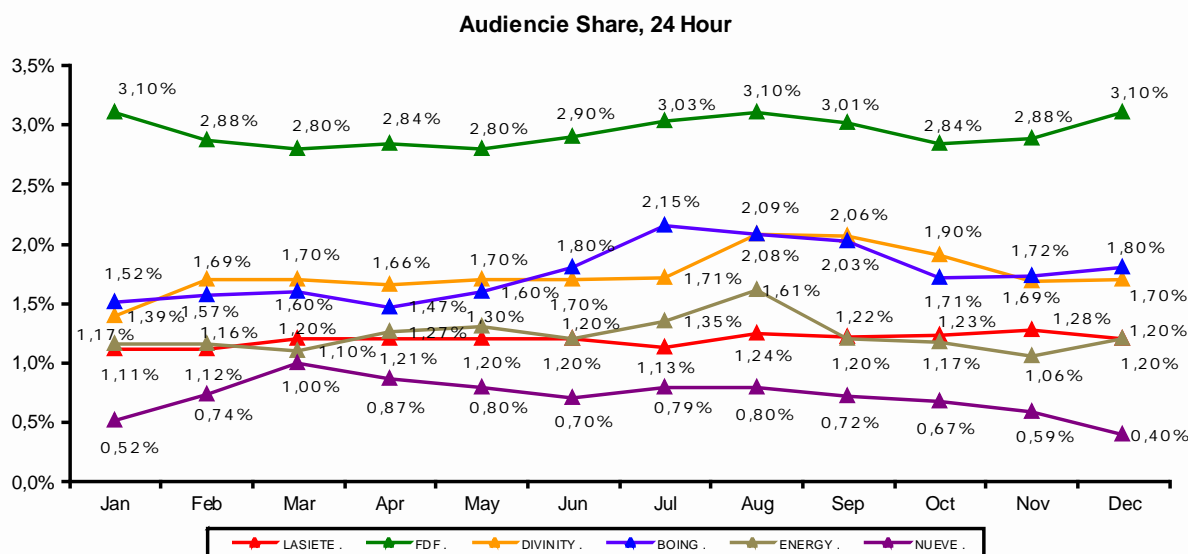
4.4. New Generation Channels

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

2013			
		Total Individuals	Commercial Target
LASIETE			
	Total Day	1,2%	1,4%
	PRIME TIME	1,3%	1,5%
FDF			
	Total Day	2,9%	3,7%
	PRIME TIME	2,7%	3,3%
DIVINITY			
	Total Day	1,7%	2,4%
	PRIME TIME	1,4%	1,8%
BOING			
	Total Day	1,7%	1,2%
	PRIME TIME	1,3%	0,9%
ENERGY			
	Total Day	1,2%	1,6%
	PRIME TIME	1,1%	1,3%
NUEVE			
	Total Day	0,7%	0,8%
	PRIME TIME	0,5%	0,6%

In 2013, Mediaset España has completed its television offering with the launch of the channel "NUEVE", a TV channel targeted at females. Mediaset España broadens the offer according to its multi-channel strategy with a focus on developing the personality of each channel, by gender or by product, delivering excellent results in its core target. Boing, in its target audience of children between 4-12 years old, reached an audience of 13.5%, FDF, Divinity and Energy more than doubled their audience shares in their respective targets and La Siete and Nueve also increase their shares in their respective targets.

In the year, total audience for new generation channels add up a total share of 9.6%, and 11.1% in commercial target, reaching an historical record.



4.5. Internet Audience⁴

Mediaset España leads the Internet audience against its major competitors in 2013. The websites of the group lead both in unique users and page views.

During 2013 we had over 1,400 million page viewed, this means that the monthly average is around 115 million, which represents an increase of 30% from January to December in our websites.

Mediaset España maintains the leadership in Internet, in unique users 11 out of the 12 months of the year with a record 18.7 million unique users in December. The number of videos streamed during the year with more than 1,069 million videos viewed represents 50% of the videos distributed between television websites in Spain in 2013. Mediaset España ranks as the first Spanish Group in the number of videos viewed on the Internet, with an average of 89 million videos viewed per month.

	Unique Users	Page Viewed	Video Streamed
December 2013	18.698.943	175.636.817	104.133.000
November 2013	17.244.162	168.362.724	68.726.000
October 2013	17.132.328	180.535.598	88.947.000
September 2013	18.477.944	308.692.003	79.483.000
August 2013	14.217.936	250.946.237	71.097.000
July 2013	14.959.694	263.255.220	84.159.000
June 2013	16.687.524	353.542.177	116.914.000
May 2013	18.483.679	433.667.636	203.678.000
April 2013	18.521.114	438.461.808	76.131.000
March 2013	16.505.912	437.818.610	66.237.000
February 2013	15.168.202	358.681.987	56.554.000
January 2013	14.368.973	262.403.273	47.475.000

The different brands of the group have also produced over 5 million downloads of applications on smartphones and tablets, with the app "Mitele", "Tadeo Jones: Train Crisis", "The Voice", "Big Brother", "Mujeres y hombres y viceversa", "Mediaset MotoGP", "La noche de Jose Mota" and "Pasapalabra" as the most downloaded.

Mediaset España has also led social TV in 2013. The group has generated more than half of the comments on television on social networks. The Group has led all the social impact of the year and has accumulated over 53 million entries. The Voice and Big Brother 14, both broadcasted on Telecinco, have been leaders in social impact programs during 2013. The final of The Voice, with 752,311 comments on social networks, is the most talked-about TV program in Spain and Big Brother 14 accumulated over twelve million mentions on social networks.

⁴ Source: OJD Nielsen and ComScore