
FIRST HALF 2018 RESULTS

January – June 2018

MEDIASET*españa.*



Madrid – July 25th, 2018

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Conference Call / Web cast details

25th July 2018 at 18:30 CET (17:30 UK Time)

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<https://edge.media-server.com/m6/p/orc88jgm>

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



I. FINANCIAL AND OPERATING HIGHLIGHTS

mill. EUR	2Q2018	2Q2017	Var (%)	IH2018	IH2017	Var (%)
Total net revenues	278,30	268,11	3,8%	507,87	508,53	(0,1%)
Total operating costs	(186,37)	(181,25)	2,8%	(348,73)	(340,49)	2,4%
EBITDA Adj. ⁽¹⁾	91,93	86,85	5,8%	159,15	168,04	(5,3%)
EBITDA margin	33,0%	32,4%		31,3%	33,0%	
EBIT	88,73	82,47	7,6%	152,33	159,23	(4,3%)
EBIT margin	31,9%	30,8%		30,0%	31,3%	
NET PROFIT	72,07	65,14	10,6%	125,25	125,73	(0,4%)
EPS ⁽²⁾	0,22	0,19		0,38	0,37	
Net cash position				80,13	117,86	0,0%
Free Cash - Flow				133,19	138,88	0,0%

(1) EBITDA Adj. includes TV rights consumption

(2) excluding any treasury shares as at 30.06

- **Total net revenues** in the **second quarter 2018** amount to **€278.3 million (+3.8%)**, with **net advertising revenues** totaling **€265.4 million** and **Other Revenues €12.9 million**.
- **Infodex** reported that the **TV advertising market** grew in the **second quarter 2018** by **+1.6%** with **Mediaset España** obtaining a **44.2% market share** in the quarter, **+90 bp**.
- **Mediaset España's** registers an **EBITDA of €91.9 million** and **margin of 33.0%** in the quarter, and **EBIT of €88.7 million** and an **EBIT margin of 31.9%** (margin calculated as a percent of net revenues).
- **Net profit in the second quarter 2018** reaches **€72.1 million**, an increase of **10.6%** compared to the same quarter 2017.
- **Mediaset España Net Cash position** as at **30th June 2018** is **€80.1 million** and **Free Cash Flow** in the period equals **€133.2 million**.
- **Mediaset España** lead audiences in **the first half 2018** with a **29.1% audience share** and a **31.2% commercial target**, both in total Individuals total day.
- In the period **January-May**, **Mediaset España** registered a **monthly average of 11.9 million unique users/viewers** and **180.1 million videos streamed**. (Source ComScore, multiplatform June data not available)
- **Mediaset España** distributed a **dividend of €0.60 gross per share, a total of €197.5 million**, paid on **May 3rd**.

2. OPERATING KPI's

2.1 TV CONSUMPTION

Minutes	2018				2017			
	Linear	Guests	Time Shift	Total	Linear	Guests	Time Shift	Total
TV Consumption 2018								
Q1	240	13	6	259	243	4	4	251
Q2	220	11	6	237	222	13	4	239
YTD (30.06.2018)	230	12	6	248	232	9	4	245

The daily average total **TV consumption per person per day**, in the first half **2018 adds to 248 minutes**, this is **four hours and eight minutes per person/ per day, 3 more minutes** than the same period last year.

In the first **half 2018, linear TV consumption, amounted to 230 minutes** and represents **92.7% of the TV consumption**, still on pre-crisis levels (**1H2007 linear TV 230 minutes**).

Guest TV consumption, measured since **March 2017**, represents a **4.8% of the total TV consumption** in the first half **2018** and adds to **12 minutes per person/per day**.

Time Shift, the TV consumption within the **seven days after first broadcast, totals 6 minutes** in the **first six months 2018**, which represents a **2.4% on the total TV consumption**.

The **average daily viewers**, total day, in the period stands at **7.04 million people**.

2.2 AUDIENCE SHARE

	IH2018		IH2017	
	Total Individuals	Commercial Target	Total Individuals	Commercial Target
MEDIASET ESPAÑA				
Total Day	29,1%	31,2%	29,2%	30,6%
Prime Time	29,5%	31,0%	28,7%	29,2%
TELECINCO				
Total Day	14,2%	13,4%	13,8%	12,8%
Prime Time	15,1%	14,0%	14,0%	12,2%
CUATRO				
Total Day	6,4%	7,8%	6,2%	7,3%
Prime Time	6,5%	8,4%	6,4%	8,1%
DIVINITY				
Total Day	2,1%	2,5%	2,3%	3,0%
Prime Time	1,9%	2,0%	2,0%	2,3%
BOING				
Total Day	1,2%	0,9%	1,3%	0,9%
Prime Time	1,0%	0,8%	1,1%	0,8%
ENERGY				
Total Day	1,7%	1,9%	2,0%	2,2%
Prime Time	1,8%	1,8%	2,2%	2,3%
BE MAD tv				
Total Day	0,6%	0,8%	0,5%	0,8%
Prime Time	0,5%	0,7%	0,4%	0,6%
FDF				
Total Day	3,0%	3,8%	3,0%	3,8%
Prime Time	2,8%	3,4%	2,7%	3,1%

In the first half 2018, the Mediaset España Group has led audiences with a **29.1% audience share** and a **31.2% commercial target** both in **total individuals total day**, this is an advantage of **+2.4 pp** over its nearest competitor.

In this period, Mediaset España has broadcasted the **2018 FIFA World Cup Russia** starting on **June 14th**, a **total of 50 matches**, of which, **17 matches** were broadcast in **Telecinco**, **27 matches** on **Cuatro**, registering both excellent audience records: **43.4% (5.4 million viewers)** and **21.7% (2.6 million viewers)**, respectively. **Bemad** broadcasted **4 matches**, **Energy** and **Mitele**, the Group's OTT platform, **one match each**. The **Spanish national team** has reached an outstanding average record of **69.1% audience share** in the period, this is **11.2 million viewers** in the **three matches** played in June.

The **Telecinco** channel registered, in the first half 2018, **14.2% audience share** and **13.4% commercial target** in **total individual's total day**, an advantage of **+1.9 pp** and **+1.4 pp** in respect to its nearest competitor. In **Prime Time** the audience reached **15.1%** and **commercial target 14.0%**.

In addition to the **Football 2018 World Cup** audience results, the **Telecinco channel** has been very successful with **entertainment programs** such as **Survivor**, which registered an average **audience in the period of 29.2% and 3.3 million viewers**, **The Voice Kids 21.4% audience share and 2.7 million viewers**, **Got Talent 17.6% and 2.2 million viewers**, amongst others.

Also the audience registered with the **in-house fiction series delivered very good records** in the period: **“El Accidente” achieved a 15.5% audience share (2.5 million viewers)**, whilst **“La Verdad” stood at 14.2% audience share (2.2 million viewers)**.

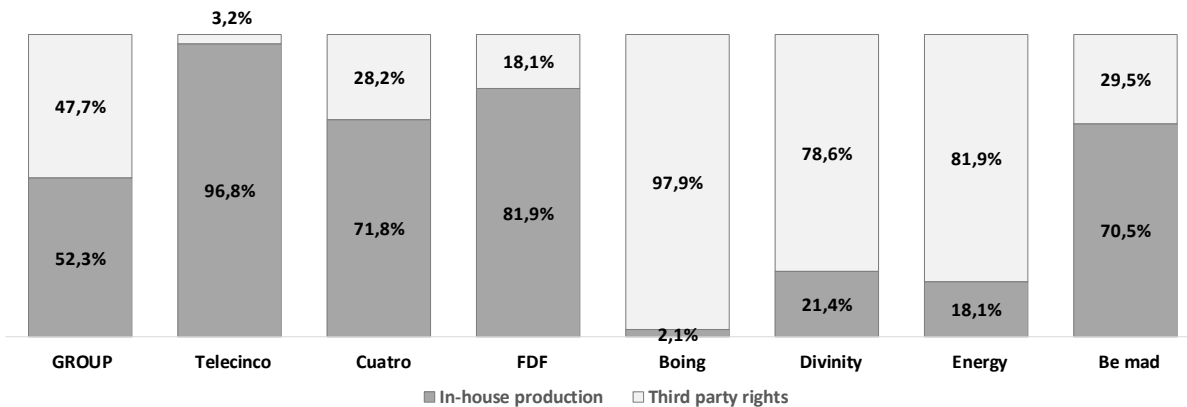
Cuatro obtained an audience, **in total individual’s total day of 6.4% share**, compared to **6.9% of its nearest competitor**, whilst in commercial target **Cuatro registers 7.8% commercial target** and overtakes its nearest competitor by **+0.5** (vs 7.3% commercial target) .

Some of the most popular **Cuatro in house programs** in the period were:” **Planeta Calleja”** which, in the first **six months 2018**, achieved **10.5% audience share, 2.1 million viewers** and registers a **commercial target of 12.9%**. **“Chester” 7.8% audience share and 9.4% commercial target audience**. Also **“First Dates”**, a daily access prime time program, **registers an audience of 7.2% and a 10.3% commercial target in the 25-34 years old group**.

The **targeted channels obtained a total of 8.5% audience share** in the period **whilst achieving 9.9% in commercial target**. The audience of the different channels at **the end of June** was as follows: **FDf** channel reached a **3.0% audience share in Total Individuals**, while in its target of **13 to 24 year olds** it achieved an **8.2% audience share** and in **25 to 34 year olds 5.7%**. The **Divinity** channel had a **3.1% audience share** in its **target of women 16 to 44 years old**, while in **Total Individuals** its share is **2.1%**. The **Energy** channel achieves a **1.7% audience in Total Individuals** and in its target, men **25 to 54 years old** achieves **1.6%**. **Boing**, the children’s channel, has an audience share in **Total Individuals** of **1.2 %** while in its target of **4 to 12 year olds** it has managed to multiply its record almost **nine-fold** reaching **10.5% audience share**. **Be Mad** registers an audience of **0.6%** whilst its **target of 25-34 year old men achieves a 1.1% share**.

2.3 CONTENT MIX

Mediaset España has increased its average **in-house production** broadcasted hours, in the **first half 2018** by **4.6 pp** to **52.3%** in comparison with the same period last year (**47.7%**). This is in line with the **strategy of the Group for attending the stronger demand for local contents**. The distribution of **in-house and third party** broadcasted hours, in the **first half 2018**, was as follows:



Source: Kantar Media

The **two main channels, Telecinco and Cuatro** combined, had devoted **84.7% of their broadcasted hours to in-house production in the first half 2018**, which is an **increase of 1.6 pp** in comparison with the same period last year (**83.1%**).

With regard to the rest of the channels, the **greatest change in the mix** in the period is shown by the **Divinity and Be Mad channels**. **Divinity** is the one that has **changed its mix the most, with a 21.4% in-house production in first half 2018**, compared to **8.8% in the same period 2017**. This is an **increase of 12.6 pp** in the **in-house production broadcasted hours** in the period. **Be Mad** on the other hand, has **increased its in-house broadcasted hours to 70.5%**, from the **64.1%** of the same period last year, this is an **increase of 6.4 pp**.

The **increase in in-house production**, is as **result of the highly demanded local contents** and the **excellent audience** results achieved by them. **Mediaset España's** expertise and know-how together with a **well-diversified portfolio of production companies**, allows the **Group** to maintain **high levels of local production**.

2.4 ASSOCIATED COMPANIES

In order to **meet the high in-house production broadcasting hours**, **Mediaset España** participates in the **capital of 7 production companies**. This allows the **Group** to **meet its broadcasting needs**, in the required time and place, **having the first option** for new formats, as well as **benefiting from the agreements** these production companies reach with third **parties as content suppliers**. Details of **the aforementioned participated companies**, as at **30th of June 2018**, is as follows:

Producciones Mandarin (30.0%), **La Fábrica de la Tele** (30.0%), **Megamedia TV** (30.0%), **Alea Media** (40%), **Melodía Producciones** (40.0%), **SúperSport** (30.0%) and **Bulldog** (30.0%).

2.5 INTERNET

In the months January-May 2018, the **internet video consumption** (multiplatform since March 2017) reached **31.3 minutes per person/per day** for **total Individuals**, and **represents 11.0%** of the **total daily average audiovisual consumption**, reaching **86.0 minutes per person/per day** in the **18-24 year old group**.

The **highly demanded Mediaset España contents** registered **very good records in users and video consumption**. In the period **January-May 2018**, **Mediaset España** obtained **a monthly average of 11.9 million unique users** and **180.1 million videos streamed**, (multiplatform) all in a **content safe environment** both for **users and advertisers**. Also **Mediaset España** registered a monthly average of **197.2 million pages viewed** in the first half 2018.

	Total Unique users (000)	Total Page Viewed (million) ⁽¹⁾	Videos (000) ⁽²⁾	Minutes (million) ⁽³⁾
June 2018	na	na	na	na
May 2018	11.867	197.580	200.907	720
April 2018	13.097	219.009	209.052	780
March 2018	12.777	213.316	180.876	785
February 2018	10.929	171.403	154.460	852
January 2018	10.713	184.836	155.352	1.018

Source: Comscore. All data Multiplatform.

*June data is not available (na) at the date of this report.

The **strong synergies** among the **TV and digital media**, have once again been proved, on this occasion with the **2018 Russian Football World Cup**. **Mediaset España** developed its own **site for the World Cup, with a wide offer that included**: football matches streamed on **Mitele and Mediaset Sport**, both Mediaset España apps, **highlights of the match, goals etc**, The site for the **World Cup 2018** achieved **3.1 million of unique users** and **933 thousand videos streamed**. **Mitele; Mediaset España** app, registered **1.6 million downloads** since the start of the **Russia World Cup**. (Source: company data)

Within the **social networks**, the **2018 World Cup** has been very popular too, with **7.6 million comments, 9 million viewings** and nearly **20 million comments** (Source: company data).

It is worth mentioning that the **digital cover for the program Survivors**, in its most popular TV edition, included: **programs streamed live** in the site **Telecinco.es** and **Mitele**, **additional videos and exclusive content** from the program location, **Honduras**, as well as a **live connection with the presenter** through social networks. Also achieved a **high audience engagement on the voting of the program** through the internet site, **almost 2 million votes**, it is a clear proof of the **important synergies among the TV and the digital media**.

The **new Mediaset España HbbTV platform** (addressable TV) was **launched on June 14th** under the brand **LOVEStv**. The platform is **currently operating under a test environment** and expected to increase its reach as television sets incorporate the required tech specification and connectivity.

3. PROFIT AND LOSS ACCOUNT

mill. EUR	2Q2018	2Q2017	Var (%)	IH2018	IH2017	Var (%)
Gross Advertising Revenues	277,64	265,60	4,5%	502,27	500,98	0,3%
Mediaset España's Media	271,71	260,94	4,1%	491,16	491,10	0,0%
Third Party Media	5,93	4,66	27,3%	11,10	9,87	12,4%
Commission	(12,28)	(10,90)	12,7%	(21,80)	(20,43)	6,7%
Net advertising revenues	265,36	254,70	4,2%	480,47	480,55	(0,0%)
Other revenues	12,93	13,41	(3,6%)	27,41	27,98	(2,0%)
Total Net Revenues	278,30	268,11	3,8%	507,87	508,53	(0,1%)
Rights Amortisation	(24,47)	(40,03)	(38,9%)	(55,43)	(74,39)	(25,5%)
Personnel	(25,88)	(26,42)	(2,0%)	(51,59)	(52,44)	(1,6%)
Other operating costs	(136,01)	(114,80)	18,5%	(241,71)	(213,66)	13,1%
Total Costs	(186,37)	(181,25)	2,8%	(348,73)	(340,49)	2,4%
EBITDA	91,93	86,85	5,8%	159,15	168,04	(5,3%)
<i>EBITDA Margin</i>	33,0%	32,4%		31,3%	33,0%	
Other amortisations, provisions	(1,20)	(2,39)	(49,6%)	(2,81)	(4,81)	(41,5%)
Amortisation PPA	(2,00)	(2,00)	0,0%	(4,00)	(4,00)	0,0%
EBIT	88,73	82,47	7,6%	152,33	159,23	(4,3%)
<i>EBIT Margin</i>	31,9%	30,8%		30,0%	31,3%	
Equity Cons. Results and Depr. Fin. Assets	5,93	0,43	-	10,28	0,98	-
Financial results	0,06	(0,56)	-	(0,16)	(0,72)	(77,8%)
Pre-tax Profit	94,71	82,34	15,0%	162,45	159,49	1,9%
Income taxes	(22,64)	(17,41)	30,1%	(37,20)	(34,00)	9,4%
Minority interests	0,00	0,20	-	0,00	0,24	-
Net Profit	72,07	65,14	10,6%	125,25	125,73	(0,4%)
<i>Net Profit Margin</i>	25,9%	24,3%		24,7%	24,7%	
EPS (excluding Treasury shares)	0,22	0,19		0,38	0,37	

Infoadex reports that the **total conventional advertising market**, in the **first half 2018**, stands at **€2,171.6 million**, which is an **increase of +0.6%** compared to the same period 2017. The **TV advertising market** in the same period registered a **1.0% reduction to a total of €1,104.3 million**. Beside the **market evolution in the first half 2018**, **Mediaset España** managed to maintain its level of revenues. In the **first half 2018**, **Mediaset España** obtained, as per **Infoadex**, a **market share of 43.6%**, (**€481.5 million**) compared to the **43.2%** from the **same period 2017**, an increase on its **share of +40 bp**.

For the **second quarter 2018**, **Infoadex** reports that the **total conventional advertising market** grew by **2.7%** to **€1,210.8 million** and the **TV advertising market** by **+1.6%**, to **€602.7 million**. For this **second quarter 2018** **Infoadex** estimates a market share for **Mediaset España** of **44.2%**, **+90 pp** compared to the **same period 2017** and representing revenues of **€266.5 million (+3.7%)**.

The **Gross Advertising Revenues** in the **second quarter 2018** amount to **€277.64 million**, which is an increase of **4.5%** compared to the same period last year. A **breakdown** of the aforementioned revenues is as follows:

- **Gross Advertising Revenues of Mediaset España's Media** include advertising revenues from, **Internet, Teletext** and the **Group's 7 TV channels: TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY, ENERGY and BE MAD** and amounted to a **total of €271.71 million in the quarter**. This is an increase of **+4.1%** compared to the **same period last year**, due to the broadcast of the **World Cup matches**, a total of **50 matches among the Group Channels**.

Mediaset España achieves the most watched ad spots in the **month of June** thanks to the broadcast of the **World cup**. **Eight out of the top ten advertisements have been broadcasted as "Golden Spot"**, this is a special **commercial window** designed just **before the match broadcast**, highly effective and with a wider reach.

- **Gross third party media revenues** include the advertising sales for **various pay-TV channels, internet, and the free TV channel Gol**. In the **second quarter 2018**, sales amounted to **€5.93 million**.

Advertisement commissions in the quarter amounted to **€12.28 million**, representing **4.4%** over gross advertising revenues. **Net advertising revenues**, after commissions, were **€265.36 million**.

Other Revenues, include income from **movie activities, internet, sale of rights** etc. reached in the period **€12.93 million**, slightly below 2017 figure, **mainly due to less movie activity**.

Total Net Revenues for the **first quarter 2018** add to **€278.3 million**, an increase of **3.8%** in comparison with the same **period 2017**.

Total Costs for the **second quarter 2018** amount to **€186.37 million**, an increase of just **2.8%** compared to the **same period 2017**, despite having **most of the 2018 Russian World Cup matches in June**. This small increase is possible due to the **effective cost management** exercised by the **Group** and to the **good audience record** achieved in the quarter that **allowed for extra cost savings**.

Mediaset España managed to increase its **margins in the second quarter 2018: EBITDA by 60 bp to 33.0%**, best margin in a second quarter since 2008, and **EBIT margin by 110 bp to 31.9%**.

Pre-Tax profit reaches **€5.93 million** which includes the **consolidated result** from the **associates companies** as well as the **earn out** from the **Telefonica** agreement after the sale of **Mediaset España stake in DTS**, back in 2014.

Corporate Income Tax reflects the expected **effective tax rate at the end of 2018** and includes some adjustments as a result of the sale of our stake in **Caribevision** effective as of April.

Mediaset España increased its **Net Profit** by **10.6%** in the period to **€72.07 million**, which represents **EPS of €0.22** compared to the **€0.19** from the same period last year **(+15.8%)**.

4. CAPEX

mill. EUR	IH2018	IH2017	Var (%)
Third party	87,80	88,69	(1,0%)
Fiction	19,65	22,22	(11,6%)
Co-Produccion/Distribution	2,44	11,15	(78,2%)
Tangible and Intangible Fix Assets	2,77	5,87	(52,8%)
Total Capex	112,65	127,93	(11,9%)

Total Net Investment in the first half 2018 reached a total of **€112.65 million**, compared **€127.93 million** from the same period last year. Most of **this difference relates to Co-production/ Distribution, €8.71 million**, due to **less cinema activity** in the period. This activity, as we know, is based on a **legal obligation** and it is **highly volatile** in terms of phasing intra-year.

In this period, the **Group** has invested a total of **€87.80 million** in **third party rights**, **€19.65 million** in **local fiction**, and **€2.44 million** in **Co-production/distribution** whilst investment in **tangible and intangible assets** was **€2.77 million**.

5. BALANCE SHEET

mill. EUR	<u>June 2018</u>	<u>December 2017</u>
Tangible assets	558,35	569,40
Financial	310,67	314,67
Non Financial	247,68	254,73
Audiovisual rights and Pre-payments	208,22	156,39
Third parties	152,06	106,41
Fiction	37,69	27,00
Co-production / Distribution	18,46	22,99
Pre-paid taxes	82,66	100,98
TOTAL NON-CURRENT ASSETS	849,23	826,77
Current assets	243,11	272,29
Financial investments and cash	80,19	135,93
TOTAL CURRENT ASSETS	323,30	408,23
TOTAL ASSETS	1.172,53	1.235,00
Shareholders` equity	827,22	900,08
Non-current provisions	13,67	13,43
Non-current payables	23,41	19,00
Non-current financial liabilities	0,01	0,01
TOTAL NON-CURRENT LIABILITIES	37,09	32,44
Current payables	308,15	301,85
Current financial liabilities	0,07	0,64
TOTAL CURRENT LIABILITIES	308,22	302,48
TOTAL LIABILITIES	1.172,53	1.235,00

Mediaset España has a strong balance sheet with a **healthy mix between its long and short term assets and liabilities**, as well as an **excellent liquidity ratio of 1.05x**.

The **Shareholder Equity** reduction of **€72.86 million** in the period, is due to the dividend payment of **€197.49 million paid** on May 3rd.

6. CASH FLOW GENERATION

Mediaset España's Operating Free Cash Flow in the first half 2018, is **€133.19 million** and its net cash position at the end of the period is **€80.13 million**.

mill. EUR	IH2018	IH2017	Var (M€)
Net profit (without minority interests)	125,25	125,49	(0,24)
Amortisation:	65,23	83,39	(18,16)
Rights	55,43	74,39	(18,96)
Other	9,81	9,00	0,81
Provisions	(1,48)	(0,82)	(0,66)
Other	20,02	12,63	7,39
OPERATING CASH FLOW	209,02	220,69	(11,67)
Investment in rights	(109,88)	(122,06)	12,18
Investments, other	(2,77)	(5,87)	3,10
Change in working capital	36,82	46,13	(9,31)
OPERATING FREE CASH FLOW	133,19	138,88	(5,70)
Own stock purchase	0,00	(25,36)	25,36
Change in Equity	(1,59)	2,16	(3,75)
Financial investments/disinvestments	9,09	(1,40)	10,49
Dividends received	1,64	1,85	(0,21)
Dividend payments	(197,50)	(175,72)	(21,78)
Net Cash Change	(55,16)	(59,59)	4,41
INITIAL FINANCIAL POSITION	135,30	177,45	(42,15)
FINAL FINANCIAL POSITION	80,13	117,86	(37,73)

Mediaset España's cash conversion rate equals **83.7%** in the period: free cash flow (€133.19 million) and EBITDA (€159.15 million).

7. OUTLOOK

1. **Cost guidance improved** from €770 million to €760 million.
2. **Internet advertising growth** rate above 20% in 2018.
3. **Leading in audience share and advertising market share.**

8. EVENTS FOLLOWING THE CLOSE OF THE PERIOD

No relevant events were filed after the closing of the period

9. INVESTOR CALENDAR

CORPORATE EVENTS

- | | |
|---|---|
| 1 | Q3 2018 Results: 24th October 2018 (Tentative) |
| 2 | FY 2018 Results: February 2019 (Tentative) |

MARKETING EVENTS

- | | | |
|---|-------------------|-------------------------------|
| 1 | London: | 5/6 th September |
| 2 | London: | 11 th September |
| 3 | Paris: | 12 th September |
| 4 | Barcelona: | 19/20 th September |
| 5 | Paris: | 2 nd October |
| 6 | Paris: | 29 th November |
| 7 | London: | 12 th December |

10. DEFINITION OF APMs

The **Mediaset España Group's financial information** contains magnitudes in accordance with current accounting regulations, as well as other measures that have been prepared according to the Mediaset España Group's Reporting model, i.e., **Alternative Performance Measures (APM)**.

These measures are **considered as complementary magnitudes** with respect to those presented in accordance with the **International Financial Reporting Standards (IFRS)**.

APMs are important for **financial information** users as they are the measures used by Mediaset España's Management to evaluate financial performance, cash flows, financial situation or operational and strategic decision making. Its **purpose is to promote the publication of transparent, impartial and comparable financial information** to allow users a better understanding of its financial position and results.

Net Revenues:

Total revenue includes the Group net of discounts and rebates.

Adjusted EBITDA: EBITDA:

("Earnings before Interest, Tax, Depreciation and Amortisation") is an indicator that measures the companies operating margin before deducting interest, taxes, impairments and amortisation.

They are based on the operating benefits to which the provisions for the amortisation of tangible and intangible assets are added, as well as the variations in the working capital provisions.

Due to the specific nature of the business, the consumption of audio-visual rights is included in the operating expenses even though their accounting treatment is amortisation of intellectual property.

Free Operating Cash Flow:

Measures the generation of monetary resources corresponding to operating and investment activities, and is used to evaluate the funds available for dividend payments to shareholders or for future investment activities.

Generated Cash Flow:

Corresponds to the cash from the operating and investment activities that, once deductible, dividend payments, interest on financing and treasury stock determine the Group's financial variation.

Liquidity or Net Financial Position:

The Group measures the liquidity or Net Financial Position as the sum of "Cash and other equivalent liquid assets" of other current financial assets and short and long-term credit lines arranged at the end of the period corresponding to loans granted by financial entities with terms, amounts and other conditions agreed in the contract.

Net Investments:

These APMs are used by the Group's Management to measure the investment activity of each period, and corresponds to those operating investments made by the same and net of divestments. It includes that corresponding to joint ventures and other companies operationally managed as such.

Coverage Ratio:

The active / passive liquidity coverage ratio is calculated by dividing Current Assets between Current Liabilities, and is used to determine the number of times the Group could face the maturities of short-term commercial debt with the outstanding debt and the current liquidity.

II. CONTACT US

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