

10 AÑOS *en bolsa.*

MEDIASET *españa.*



FIRST HALF RESULTS

January – June 2014

Madrid – July 23rd, 2014

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FINANCIAL AND OPERATING HIGHLIGHTS

million €	1H2014	1H2013
Total net revenues	468,0	427,0
Total operating costs	379,9	371,5
EBITDA adj⁽¹⁾	88,1	55,5
<i>EBITDA margin</i>	<i>18,8%</i>	<i>13,0%</i>
EBIT	80,1	47,2
<i>EBIT margin</i>	<i>17,1%</i>	<i>11,0%</i>
NET PROFIT	21,4	30,1
NET PROFIT ADJ.⁽²⁾	29,0	37,7
EPS ADJ	0,07	0,09
Net cash position	152,7	75,8

(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)

Mediaset España has significantly increased its operating margins, recording an **adjusted EBITDA of €88.1 million** in the period January to June 2014, that is a **59% higher** than the adjusted EBITDA recorded in the first half 2013. **Mediaset España** also records an **EBIT 70% higher** than the previous year.

- Total net revenues in the first half of 2014 amounts **€468.0 million**, with net advertising revenues of **€426.1 million** and **€41.9 million** "Other income".
- Infoadex reports that the **television advertising market** grew in the six months to June 2014 by **5.7%** while the total advertising market grew by 2.7%. Mediaset Spain **market share**, as per Infoadex, stands at **44.3% in June 2014**.
- **Mediaset España's** operating margin for the first six months of 2014 is **18.8%** (13.0% in the same period last year).
- Adjusted **net profit** for the first half of 2014 amounts to **€29.0 million**.
- **Mediaset España** maintains a debt-free balance sheet and a positive net cash position of **€152.7 million** as of **30th June 2014**.
- **Mediaset España** has improved its audience share for the first half of the year to **30,2%** in 24 hours **total individuals**, that is **1,4 points** above the first half 2013 mark. This has been achieved through its strong commitment to the contents and the good performance of the football World Cup 2014 audience share.
- Mediaset España **continues to lead** the Internet audience reaching in **June 27 million unique users** and **269 million page views** and is the reference video provider on the internet with more than **128.5 million video downloaded** for that month.
- Mediaset sold its stake in **DTS** on **July the 4th** the sale price was **€295.0 million** for the 22% in DTS plus **€30.0 million** for the waving of preemptive and tag alone rights. Should Telefonica finally acquire the 56% of DTS, Mediaset España would get **€10.0 million** and **up to €30.0 million** depending on the new net subscriptions following the four years from the date when Telefonica takes control of DTS.

1. PROFIT AND LOSS ACCOUNT

Table 1: Consolidated Profit and Loss Account

Millions of €	1H2014	1H2013	% change
TOTAL NET REVENUES	467,99	427,03	9,6%
Rights Amortisation	(100,91)	(78,28)	28,9%
Personnel	(52,17)	(51,56)	1,2%
Other operating costs	(226,87)	(241,67)	(6,1%)
TOTAL COSTS	(379,94)	(371,51)	2,3%
Adjusted EBITDA	88,05	55,52	58,6%
Other amortisations, provisions	(3,96)	(4,37)	(9,3%)
Amortisation PPA	(4,00)	(4,00)	0,0%
EBIT	80,09	47,16	69,8%
Equity Cons. Results and Depr. Fin. Assets	(59,28)	(7,83)	-
Financial results	(0,85)	(0,96)	-
Pre-tax profit	19,96	38,37	-
Income taxes	1,14	(8,53)	-
Minority interests	0,27	0,26	-
Net profit	21,37	30,11	-
Adjusted Net profit	28,97	37,71	-

The **Adjusted Net profit** in the first half of **2014** amounted to **€28.97 million** representing a margin of **6.2%** over net revenues.

The difference of **€7.60 million** between **net income** and **adjusted net income** is due to the impact of the amortization of the PPA of **Cuatro** and **DTS, Distribuidora de Televisión Digital, SA (DTS)**, derived from the final allocation of the purchase price to assets and liabilities of the respective companies.

1.1. Revenues

Table 2: Revenues

Millions of €	1H2014	1H2013	% change
Gross advertising revenues	446,50	418,19	6,8%
- Mediaset España's Media	426,44	399,57	6,7%
- Third Party Media	20,06	18,63	7,7%
Discounts	(20,43)	(24,86)	(17,8%)
Net advertising revenues	426,08	393,33	8,3%
Other revenues	41,92	33,70	24,4%
TOTAL NET REVENUES	467,99	427,03	9,6%

Gross advertising revenues for the first half 2014 amounted to a total of **€446.50 million**, an increase of **6.8%**, outperforming the television advertising market that grew by **5.7%** as indicated by Infoadex.

Mediaset España's Multiplex Gross advertising revenues, which includes the income of the groups 6 channels; TELECINCO, CUATRO, FACTORIA DE FICCIÓN, BOING, DIVINITY and ENERGY, it also includes the groups internet and teletext advertising and reaches a total of **€426.44 million**, this is **€26.87 million** greater than the same period 2013. From the 1st of January to 6th of May, the date on which the channels were closed, the channels **Nueve** and **La Siete** contributed to this revenue line.

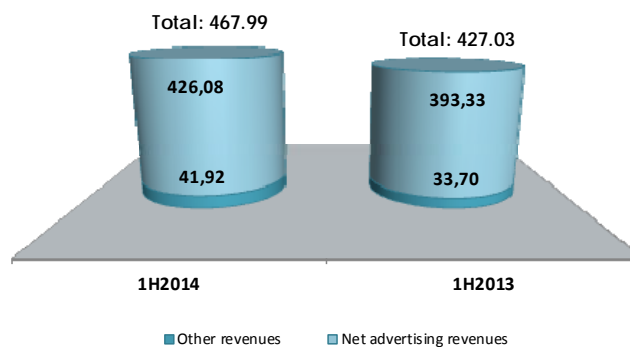
The third party media advertising revenues increased by **7.7%** vs. same period last year and reached **€20.06 million**.

Net advertising revenues after discounts increased by **8.3%** totaling **€426.08 million**.

Other Income Revenues amounted to **€41.92 million**, an increase of **24.4%** with respect of 2013 and the number includes the sale and distribution of film rights, co-production, merchandising and game revenues among others.

Finally, **net income** for the first half of the year 2014 totals **€467.99 million** a **9.6%** higher and **€40.96 million greater** than the same period 2013.

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



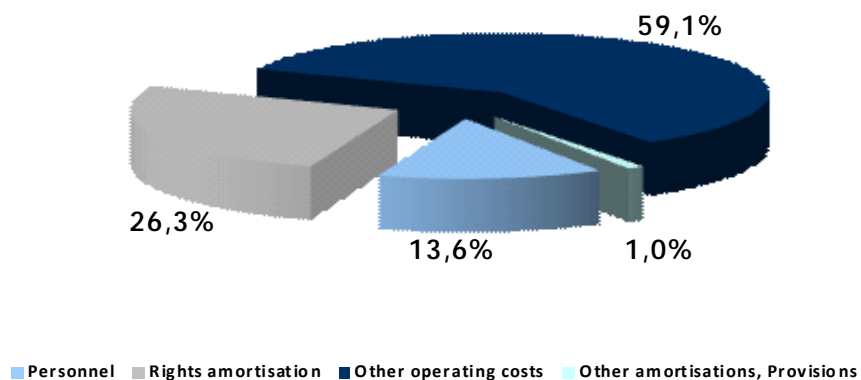
1.2. Operating costs

Total operating costs for the period January-June 2014 amounted to **€387.90 million**, a similar figure as the same period in 2013 and in line with the cost optimization policy of the company, which has managed to keep costs flat, even with the acquisition of the rights for the World Cup in Brazil.

Table 3: Operating costs

Millions of €	1H2014	1H2013	% change
Personnel costs	52,17	51,56	1,2%
Rights amortisation	100,91	78,28	28,9%
Other operating costs	226,87	241,67	(6,1%)
Other amortisation and provisions	3,96	4,37	(9,3%)
Total Operating Costs	383,90	375,87	2,1%
Amortisation PPA	4,00	4,00	-
TOTAL COSTS	387,90	379,87	2,1%

Operating Costs



Mediaset España continues to apply its cost control policy so that in the first half 2014 operational costs are **24.3% lower** than the same period in 2010, which resulted in a saving of **€ 123.48 million** in comparison with the first half 2010 (2010 pro-forma basis).

million €	1H2010*	1H2011	1H2012	1H2013	1H2014	Var.
Operating Costs	507,38	421,86	437,98	375,87	383,90	24,3%

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

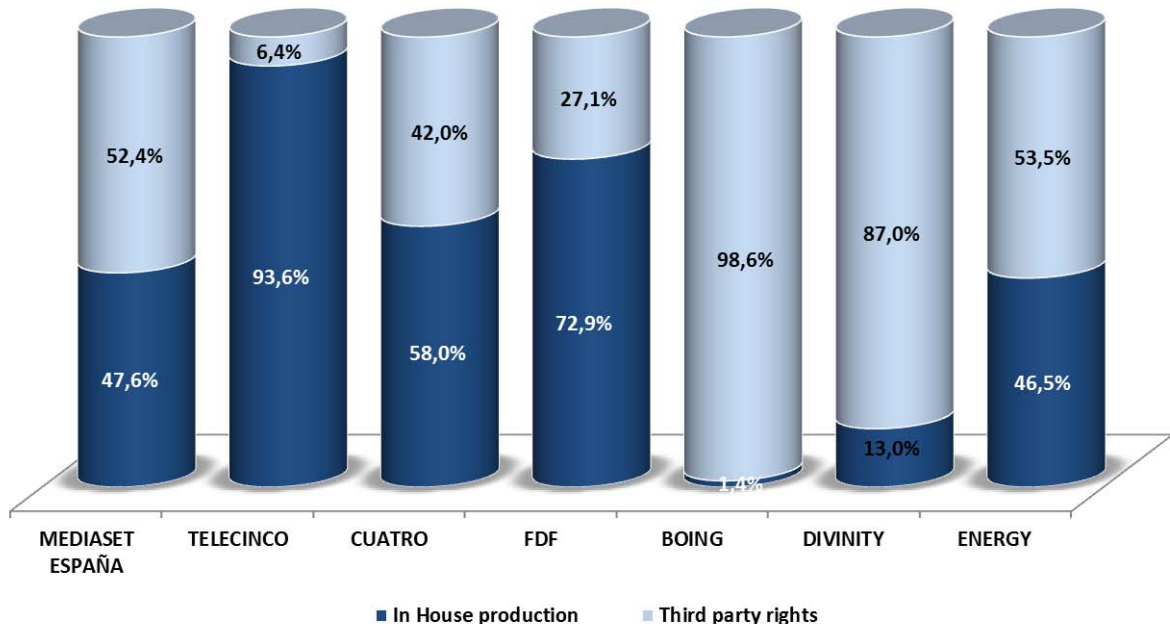
Content

The closing of channels on May 6th marked the end of emissions for the channels **La Siete** and **Nueve**. Both channels devoted the majority of their broadcasting to in-house productions. In this semester, external production takes center stage on the grid allocating **52.4%** of total broadcast hours versus in-house production at **47.6%**.

In the first six months of the year the **TELECINCO** channel has allocated **93.6%** of programming to in-house production and **6.4%** of programming to third parties, in line with the same period last year (**93.2%** of in-house production and **6.8%** of third party).

For the same period, **Cuatro** allocated **58.0%** of its grid to in-house production and **42.0%** to external production versus the **63.8%** of in-house production and **36.2%** of third party for the first semester last year.

As per the other channels, **FACTORIA DE FICCION**, **72.9%** of its contents represents in-house production compared to **27.1%** of third party rights, **BOING** takes almost all of its contents, **98.6%** from third parties, **DIVINITY** has **13.0%** in house production whilst third party production adds up to an **87.0%**, **ENERGY** has a **46.5%** in house production and **53.5%** third party rights.



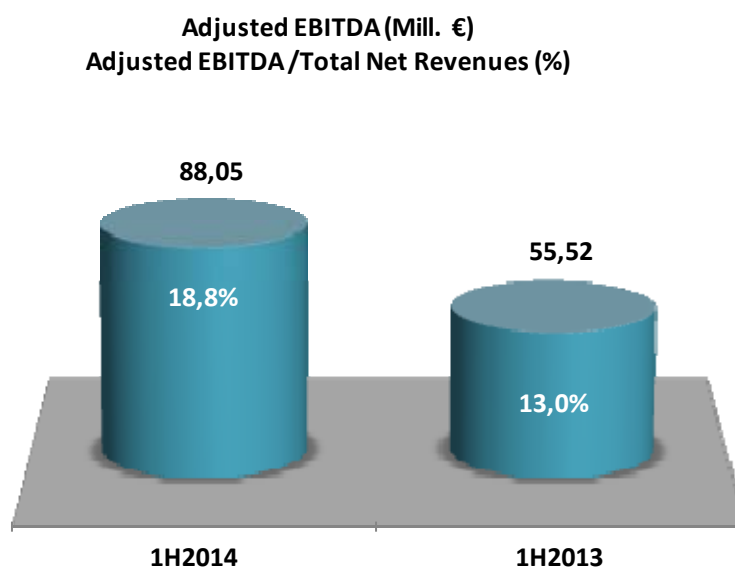
1.3. Operating profit and margins

The **gross operating profit, adjusted EBITDA**, totaling **€88.05 million**, represents an increase of **€32.53 million, up 58.6%** over the first half 2013 which results in a **18.8% margin over total net revenues in 2014**.

Net operating profit (EBIT) amounts to **€80.09 million**, representing an increase of **69.8%** compared to the first semester of 2013 and marking a **17.1% over 2014 total net revenues**.

Table 4: Margins

<i>Millions of €</i>	1H2014	1H2013
Total net revenues	467,99	427,03
Adjusted EBITDA	88,05	55,52
<i>Adjusted EBITDA Margin</i>	<i>18,8%</i>	<i>13,0%</i>
EBIT	80,09	47,16
<i>EBIT Margin</i>	<i>17,1%</i>	<i>11,0%</i>
Net Profit	21,37	30,11
<i>Net Profit Margin</i>	<i>4,6%</i>	<i>7,0%</i>
Adjusted Net Profit	28,97	37,71
<i>Adjusted Net Profit Margin</i>	<i>6,2%</i>	<i>8,8%</i>



1.4. Financial result and equity consolidated companies

Financial income represents a net expense of **€0.85 million**.

On the other hand, the result from the **equity consolidated companies**¹ shows a negative result of **€59.28 million** which includes the impact of the adjustment in value of the 22% stake in DTS to the disposal price.

As at 30th June 2014 the book value of our stake in DTS was **€371.86 million**. Following the agreement to sale the asset for **€325.00 million**, such value was adjusted to the price agreed with the buyer. This **write down** results in a tax credit of **€18.00 million** and consequently the net adjustment amounts to **€28.86 million**.

The above does not include the **earn-outs** agreed with the buyer, **€10.00 million** after completion of the acquisition of the Prisa stake plus a figure of up to **€30.00 million** related to the **increase in the number of net subscribers** in the period of four years from the date Telefonica takes control of the asset.

1.5. Profit for the period January –June 2014

Pre-tax profit for the first six months of the year is **€19.96 million**.

Adjusted net income, excludes the PPA arising from the purchase of Cuatro and DTS, and reaches **€28.97 million** which represents an adjusted net income margin of **6.2%** over **total net income**.

¹ Companies consolidated by the equity method are: Editora Digital de Medios, S.L (50%), Pegaso Television Inc. (43,7%), Netsonic, S.L. (38% indirect shareholding), A.I.E. (Furia de titanes 2) (34% indirect shareholding), Supersport TV, S.L. (30%), , Big Bang Media S.L. (30%), Producciones Mandarina S.L. (30%), La Fábrica de la Tele S.L. (30%), Aprok 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 the first half of 2014 is **€58.78 million**, an increase of **€58.05 million** over the same period last year.

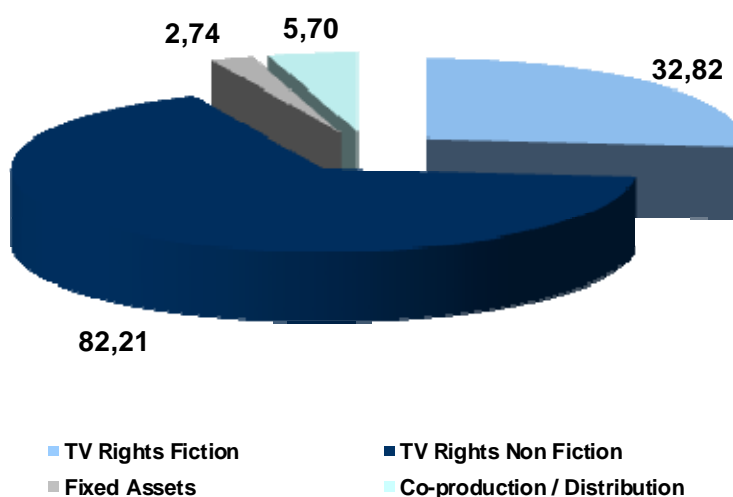
Table 5: Cash Flow

Millions of €	1H2014	1H2013	Change in millions of €
Net profit (without minority interests)	21,10	29,84	(8,74)
Amortisation:	109,21	87,19	22,02
- Rights	100,91	78,28	22,63
- Other	8,30	8,91	(0,61)
Provisions	(0,35)	(0,55)	0,20
Other	43,10	4,90	55,10
OPERATING CASH FLOW	173,07	121,38	68,58
Investment in rights	(120,72)	(119,75)	(0,97)
Investments, other	(2,74)	(2,64)	(0,10)
Change in working capital	9,18	1,74	(9,46)
OPERATING FREE CASH FLOW	58,78	0,73	58,05
Change in Equity	2,05	0,50	1,54
Financial investments	(3,51)	(0,34)	(3,18)
Dividends received	1,90	1,14	0,76
Dividend payments	0,00	0,00	0,00
Net Cash Change	59,22	2,05	57,17
INITIAL FINANCIAL POSITION	93,48	73,72	19,76
FINAL FINANCIAL POSITION	152,70	75,76	76,94

Total net investment as of 30th of June 2014 reached **€123.47 million**.

During the first six months of 2014, the investment in third party rights amounted to **€82.21 million**, in Spanish fiction **€32.82 million** and in co-productions/distribution **€5.70 million** while investments in tangible and intangible fixed assets were **€2.74 million**.

Net investments 1H2014 €123.47 million



3. BALANCE SHEET

Table 6: Summary Balance Sheet

Millions of €	June 2014	December 2013
Tangible assets	574,00	962,86
- Financial	304,19	686,80
- Non Financial	269,80	276,06
Audiovisual rights and Pre-payments	255,36	235,54
- Third parties	211,04	183,33
- Fiction	26,64	35,14
- Co-production / Distribution	17,68	17,07
Pre-paid taxes	203,19	186,29
TOTAL NON-CURRENT ASSETS	1.032,54	1.384,69
Current assets	583,96	236,39
Financial investments and cash	173,32	113,53
TOTAL CURRENT ASSETS	757,28	349,92
TOTAL ASSETS	1.789,82	1.734,61
SHAREHOLDERS' EQUITY	1.454,57	1.431,38
Non-current provisions	10,43	10,38
Non-current payables	10,63	10,06
Non-current financial liabilities	19,70	0,01
TOTAL NON-CURRENT LIABILITIES	40,76	20,45
Current payables	293,56	262,74
Current financial liabilities	0,94	20,05
TOTAL CURRENT LIABILITIES	294,50	282,78
TOTAL LIABILITIES	1.789,82	1.734,61

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

As at 30th of June 2014, the investment in DTS has been reclassified as current following the agreement to sell it to Telefonica.

The **Net financial position** reached **€152.70 million** as of 30th June 2014.

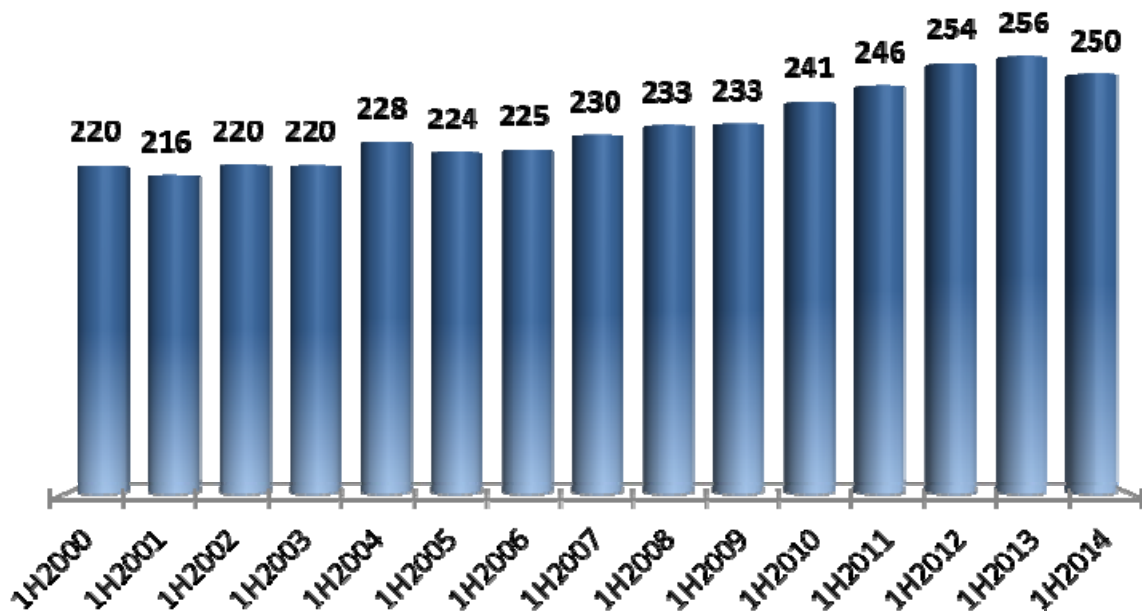
4. AUDIENCE SHARE PERFORMANCE²

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

The average television consumption in the first half 2014 has changed its trend from previous semesters and decreases by 6 minutes in comparison with the first half of 2013. This decrease is led by an improvement in the employment rate which results in a lower household TV consumption, particularly in the day time slot, while consumption is maintained in the Prime Time slot.

Despite this decline, the current television consumption is above the average of the last 5 years, thanks to Mediaset España's bid for the development of high quality new innovative content which are also popular on other platforms such as, internet, tablets, phones etc, all contribute to the high demand and consumption of the same.



² Source: Kantar Media

4.2. Group

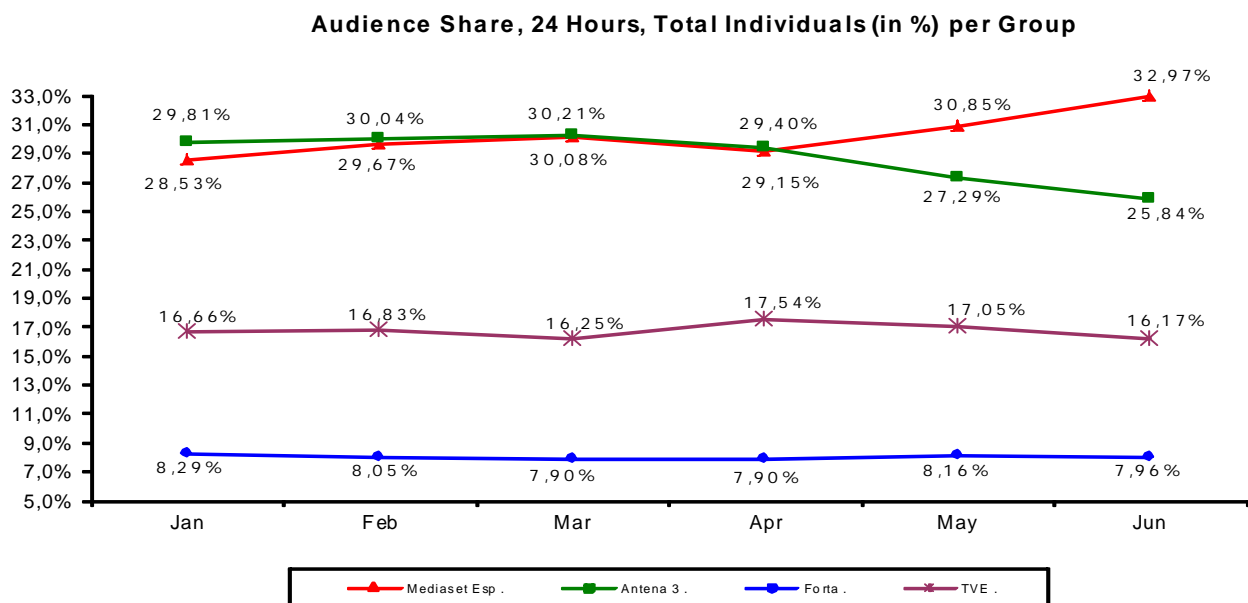
Table 7: January-June 2014 average audience share for Mediaset España

		1H2014	1H2013
Total Individuals	Total Day	30,2%	28,8%
	PRIME TIME	29,2%	27,2%
	DAY TIME	30,6%	29,4%
Commercial Target	Total Day	32,3%	30,8%
	PRIME TIME	30,5%	28,6%
	DAY TIME	33,2%	31,9%

Mediaset España closed the first half of 2014 with **30.2%** audience share in total individuals total day and has achieved its best historical record reaching a **33.0% share in June**, 7.1 points higher than its nearest competitor.

Regarding the commercial target audience share, Mediaset España reached a share of **32.3%** in the period, representing an improvement of **5%** over the same period last year and again ahead of its nearest competitor by **1 point**.

The World cup match, **"Spain Vs. Chile"**, broadcast on June the 18th on the Telecinco channel, achieved **67.7% audience share** and **13.229.000 viewers** and becomes the most watched game in the **first round** in the history of World Cup



4.3. Main Channels

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

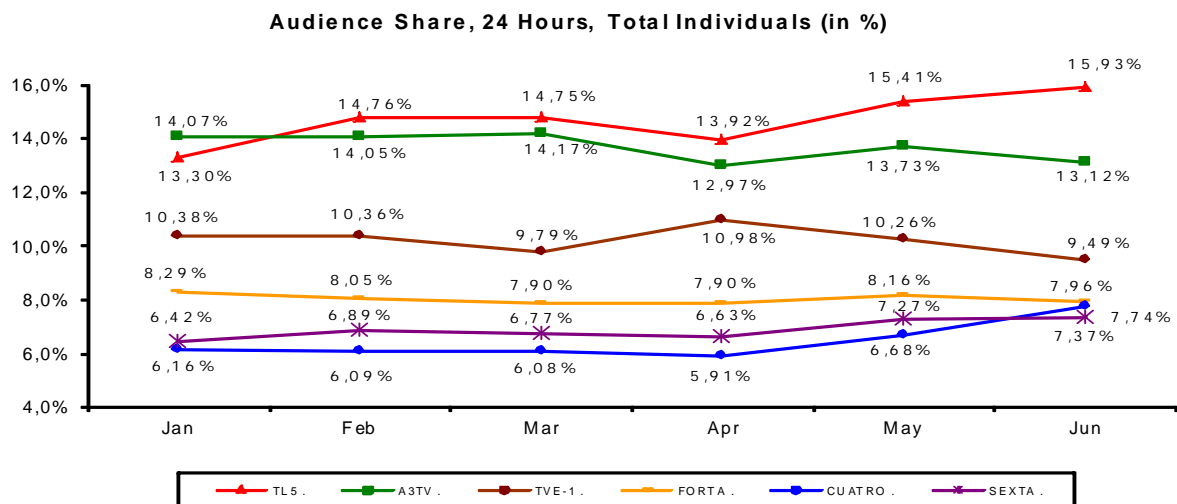
		TL5		CUATRO	
		1H2014	1H2013	1H2014	1H2013
Total Individuals	Total Day	14,6%	13,5%	6,4%	5,9%
	PRIME TIME	15,6%	13,5%	5,7%	5,7%
	DAY TIME	14,2%	13,6%	6,8%	6,1%
Commercial Target	Total Day	14,0%	12,7%	7,8%	7,3%
	PRIME TIME	14,7%	12,3%	7,0%	7,1%
	DAY TIME	13,7%	12,9%	8,2%	7,4%

The Telecinco channel reached, an average of **14.6% share**, in the first half 2014, in total individuals total day, an improvement of **1.1 points** with respect 2013 and **0.9 greater** than its direct competitor. Regarding the commercial target audience share, Telecinco has a **14.0% share** for the first half of the year, an increase of **1.3** points in respect of 2013.

The Cuatro Channel achieved a **6.4%** in total day total individuals and **7.8%** in commercial target.

In "prime time"³, Telecinco leads total individuals, with an average share of **15.6%** **2.1** points higher than its nearest competitor.

Regarding the in-house production, "El chiringuito de pepe" achieves the best record in a release of a new series since 2005 and has an **average of 24.7%** audience share and **4.343.000 viewers**.



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

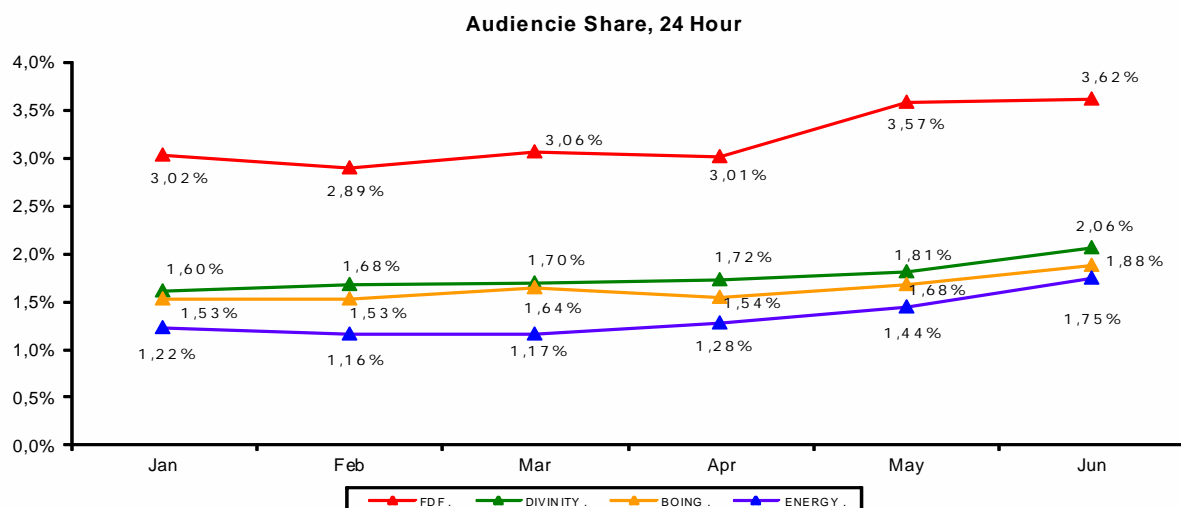
4.4. New Generation Channels

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

1H2014			
		Total Individuals	Commercial Target
FDF	Total Day	3,2%	4,0%
	PRIME TIME	2,9%	3,4%
DIVINITY	Total Day	1,8%	2,3%
	PRIME TIME	1,4%	1,8%
BOING	Total Day	1,6%	1,2%
	PRIME TIME	1,3%	1,0%
ENERGY	Total Day	1,3%	1,7%
	PRIME TIME	1,2%	1,4%

The 6th of May 2014, channels **Nueve** and **La Siete** ceased broadcasting following a Supreme Court ruling. In the first six months of the year, the audience share of the new generation channels represents a total of **7.9%** and a **9.2%** commercial target.

FDF channel reached a **3.2% audience share in Total individuals** while in its target **13 to 24** it achieved **8.6%** audience share and in the **25 to 34** it has a **4.8%** audience share. **Divinity** channel almost doubles its audience in its target of women **16 to 44** with **3.2%**, while in **Total individuals** its share is **1.8%**. The **Energy** channel, achieves a **1.3%** 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**, it has managed to multiply its record almost **eightfold** reaching a **13.0%** audience share.



4.5. Internet Audience³

Mediaset España continues its leadership in both unique users and page views. In terms of videos downloaded, the internet users show their preferences for the Mediaset España contents on the web, which allows us to be well ahead in terms of downloads in relation to our nearest competitor.

	Unique Users	Page Viewed	Video Streamed
<i>june2014</i>	27.043.955	269.447.592	128.583.193
<i>may 2014</i>	25.668.077	310.426.142	131.029.226
<i>april 2014</i>	22.420.779	274.604.904	121.299.403
<i>march 2014</i>	27.016.960	324.591.066	145.233.691
<i>february 2014</i>	21.168.369	230.573.071	139.503.643
<i>january 2014</i>	18.297.184	177.208.484	114.785.872

Mediaset achieves more than 24 million reviews during the first half 2014, leading again, in the ranking of the social impact of television.

More than 50% of the comments on the internet were related to Mediaset España's contents. The **Telecinco** channel is once again the **leading television** channel on social networks, with more than **17 million comments** and the **Cuatro** channel is ahead of its nearest competitor **by almost 700.000 comments**.

The Football World Cup, the **Europa League** football matches, **El Principe**, **Supervivientes** y **Pasapalabra** game show were the most popular contents on the web.

³ Source: OJD Nielsen and ComScore