

MEDIASET *españa.*



FULL YEAR RESULTS *January – December 2015*

Madrid – 25th February, 2016

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FINANCIAL AND OPERATING HIGHLIGHTS

million €	FY15	FY14
Total net revenues	971,9	932,1
Total operating costs	749,3	768,2
EBITDA adj⁽¹⁾	222,7	163,9
EBITDA margin	22,9%	17,6%
EBIT	205,2	144,8
EBIT margin	21,1%	15,5%
NET PROFIT	166,2	59,5
EPS Adj. ⁽²⁾	0,480 €	0,162 €
Net cash position	192,4	265,7

(1) EBITDA Adj, includes TV rights consumption

(2) Excluding treasury shares at 31st december .

Mediaset España records an **adjusted EBITDA**, in 2015, of **€222.7 million**, an increase of **35.9%** compared to 2014. **EBIT** shows an even better improvement of **41.7%**, compared to the same period last year, and reaches **€205.2 million**.

- Total net revenues for 2015 amount to **€971.9 million**, with net advertising revenues of **€898.0 million** and **€74.0 million "Other income"**.
- As per **Infoadex** the **television advertising market** grew, in 2015, by **6.4%** and the **total advertising market by 7.5%**, and estimates a market share for **Mediaset España** of **43.4%** in the year.
- **Mediaset España's** operating margin is **22.9%**, **5.3 pp** ahead **2014** margin (**17.6%**).
- **Net Profit** 2015 amounts to **€166.2 million**, compared to 2014 net profit of **€59.5 million**, an increase of **€106.7 million**. The **Net Profit** margin reaches **17.1%** in **2015**, that is an increase of **10.7 pp.** compared to the margin in **2014 (6.4%)**.
- **Mediaset España's** 2015 **Operating Free Cash Flow** is **€218.7 million**, that is an increase of **51.2%** compared to 2014 (**€74.0 million**) and represents **98.2%** of **2015 EBITDA**. The **Net cash Position** as at 31st December 2015 is **€192.4 million**.
- In 2015 **Mediaset España** reaches an audience of **31.0%** in **24 hours total day total individuals**, obtaining its best ever audience record for the second consecutive year (2014, **30,7%** 24 hours total day total individuals).
- **Mediaset España's** web sites are leading the audiences amongst the television broadcasters with **351.1 million page views** , **11 million unique users** and **94.9 million videos** viewed (all data is an average per month) (source OJD and ComsCore).
- On the **28th of October Mediaset España** announced another **share buyback program**, to be carried out until the **20th of February 2016** for a **maximum amount** of **€150 million** (or **14.548.982 shares**). As at 31st of December 2015 the company holds **5.4%** of **treasury shares**, a total of **19.782.623 shares**.

1. PROFIT AND LOSS ACCOUNT

Table 1: Consolidated Profit and Loss Account

Millions of €	2015	2014	% change
TOTAL NET REVENUES	971,93	932,09	4,3%
Rights Amortisation	(205,16)	(199,22)	3,0%
Personnel	(105,04)	(106,19)	(1,1%)
Other operating costs	(439,06)	(462,81)	(5,1%)
TOTAL COSTS	(749,26)	(768,22)	(2,5%)
Adjusted EBITDA	222,67	163,87	35,9%
Other amortisations, provisions	(9,49)	(11,12)	(14,7%)
Amortisation PPA	(8,00)	(8,00)	0,0%
EBIT	205,18	144,75	41,7%
Equity Cons. Results and Depr. Fin. Assets	13,90	(59,19)	-
Financial results	0,06	(0,01)	-
Pre-tax profit	219,14	85,55	-
Income taxes	(53,19)	(29,99)	-
Minority interests	0,21	3,93	-
Net profit	166,17	59,49	2.8x

The 2015 **Net Profit** reaches **€166.17 million**, almost threefold the **Net Profit** of 2014 (**€59.49 million**).

1.1. Revenues

Table 2: Revenues

Millions of €	2015	2014	% change
Gross advertising revenues	933,28	889,20	5,0%
- Mediaset España's Media	885,54	850,94	4,1%
- Third Party Media	47,74	38,25	24,8%
Commission	(35,30)	(33,51)	5,3%
Net advertising revenues	897,97	855,68	4,9%
Other revenues	73,96	76,40	(3,2%)
TOTAL NET REVENUES	971,93	932,09	4,3%

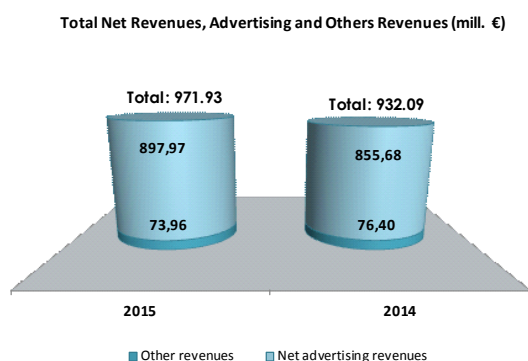
Gross advertising revenues for 2015 have increased by **5.0%** to **€933.28 million**, compared to **6.4%** of the television advertising market in 2015, as per Infoadex. The difference is a consequence of the complex comp with 2014 due to the **football World cup**.

Mediaset España's Multiplex Gross advertising revenues for 2015 add up to **€885.54 million** and include the advertising revenues from television, internet and teletext of the Group's 6 channels: TELECINCO, CUATRO, FACTORIA DE FICCION, BOING, DIVINITY and ENERGY, an increase of **€34.60 million** compared to 2014 (+4.1%). The **Third party media revenue increased by 24.8%** compared to last year, to a total of **€47.74 million**, and mainly includes, the **advertising sales** for various **Pay TV channels, Internet and e-walls**, and since 2015, revenues from **NetSonic and 8Tv**, the latter **company** being the one that has made the larger contribution to the revenue increase in this line.

Net advertising revenues after commissions increased by **4.9%** totaling **€897.97 million**.

Other Income amounted to **€73.96 million**, compared to **€76.40 million** from 2014. These revenues include the **sale and distribution of film rights, co-production, merchandising and gaming revenues** among others. In 2015 **Mediaset España** released three movies: **"Capture the Flag"** (August), **"Regresion"** (October) and **"Ocho apellidos Catalanes"** (November). This last one has obtained the **best box office takings out of all cinema releases** in Spain in 2015 whilst **Capture the Flag** is the **second best** Spanish movie of the year.

Finally, **Net Revenues** amount to a total of **€971.93 million** that is **€39.84 million** more than 2014, an increase of **4.3%**.



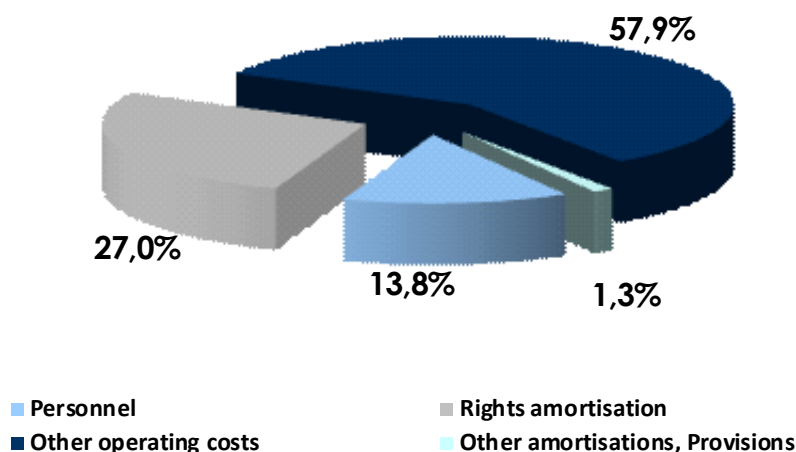
1.2. Operating costs

Total operating costs for 2015 have been reduced to €758.75 million, €20.58 million (-2.6%) savings in comparison with 2014, mainly due to lower programming and retransmission costs.

Table 3: Operating costs

Millions of €	2015	2014	% change
Personnel costs	105,04	106,19	(1,1%)
Rights amortisation	205,16	199,22	3,0%
Other operating costs	439,06	462,81	(5,1%)
Other amortisation and provisions	9,49	11,12	(14,7%)
Total Operating Costs	758,75	779,33	(2,6%)
Amortisation PPA	8,00	8,00	-
TOTAL COSTS	766,75	787,33	(2,6%)

Operating Costs



Mediaset España maintained its **tight cost control policy** throughout 2015, which has enabled the company to substantially reduce its **operating costs, -21.7% (or €210.69 million)** in the period **compared to 2010**, besides **currently operating** a larger number of channels (6 channels versus 4 back in 2010).

million €	2010*	2011	2012	2013	2014	2015	Var.
Operating Costs	969,44	824,12	829,93	748,65	779,33	758,75	-21,7%

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

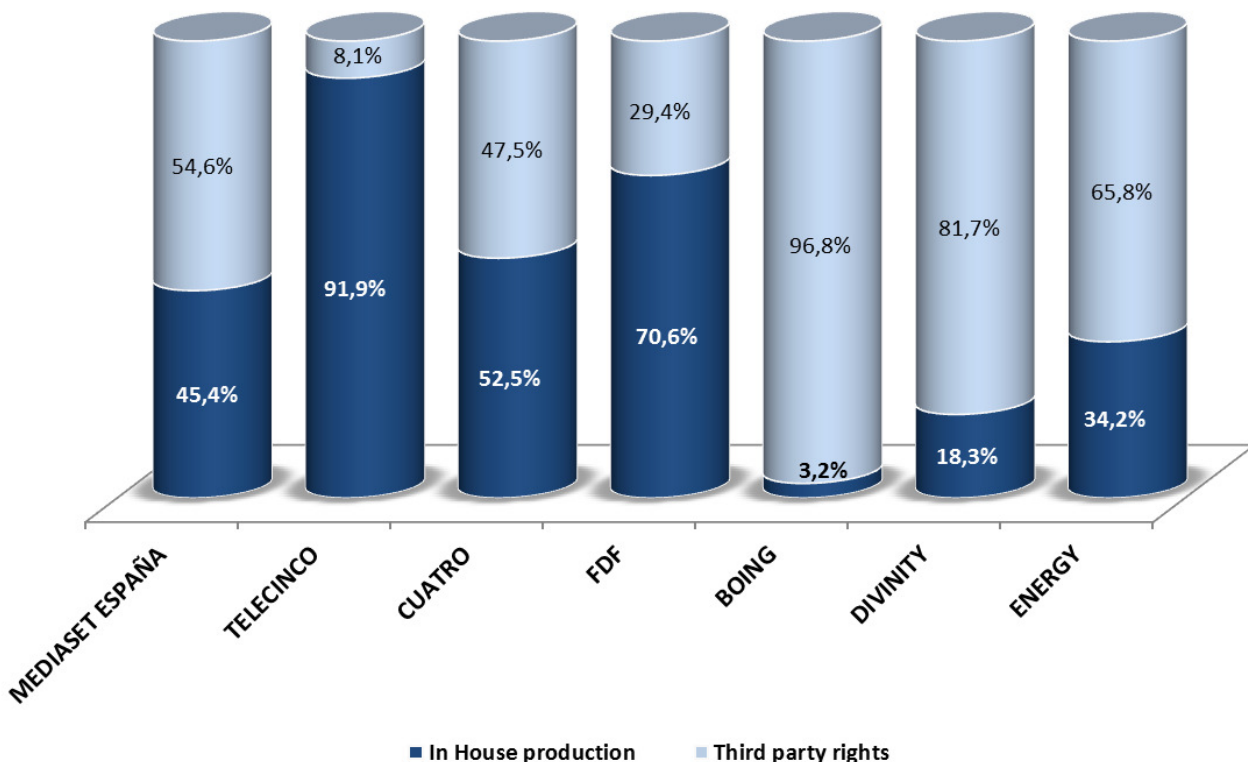
Content

Mediaset España operated **six channels** throughout **2015**, with the following allocation of its total programming hours: **in house production 45.4%** and **54.6% third party rights**.

During **2015**, the **TELECINCO** channel allocated **91.9%** of its broadcasting hours to **in-house production**, in line with the same period last year (**93.0%**), whilst the remaining **8.1%** of the hours were allocated to **third party rights** compared to **7.0%** last year.

The **CUATRO** channel, **52.5%** of the programming hours were devoted to **in house production**, and **47.5%** to **third party rights**, compared to **56.9%** and **43.1%** respectively, from the same period last year.

As per the other channels, in the case of **FACTORIA DE FICCION**, **70.6%** of its broadcasting hours are **in-house** produced whilst **29.4%** is third party, **BOING** dedicates almost of all of its broadcasting hours to **third party**, **96.8%** and **DIVINITY** has a mix of **18.3%** in house and **81.7%** third party. Finally **ENERGY** has a **34.2%** in house production and **65.8%** third party rights.



1.3. Operating profit and margins

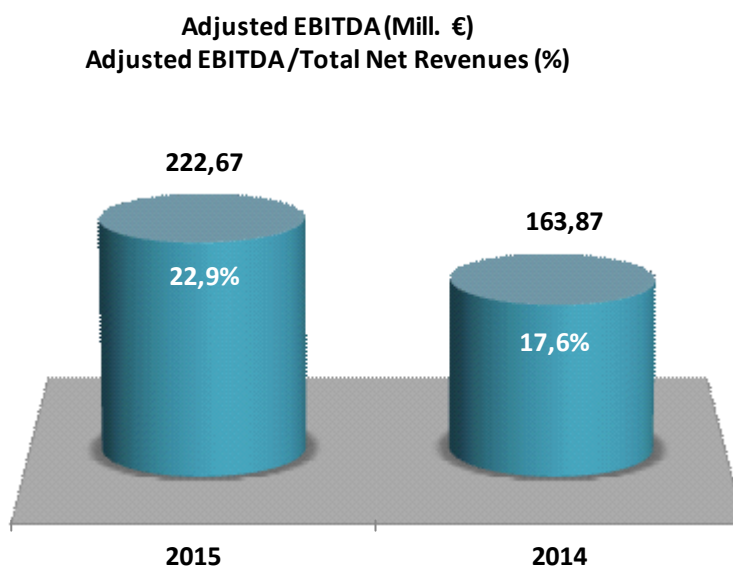
2015 Gross Operating profit, (adjusted EBITDA), amounts to €222.67, an increase of €58.80 million compared to 2014. The high operating leverage of the company, leads in 2015, to an increase in margins, where the EBITDA margin reaches 22.9% of net revenues, 5.3 pp. higher than 2014 (17.6%). Mediaset España has substantially improved its operating margins in the last three years, 15.6 pp (2012 EBITDA margin 7.3%).

The **Net Operating Profit (EBIT)**, in 2015 reaches **€205.18 million** that is an **EBIT margin of 21.1%**, an improvement of **5.6 pp** compared to **2014 (15.5%)**.

Net profit reaches a total of **€166.17 million**, and **almost triples the 2014 figure of €59.49**, producing a **Net Profit margin of 17.1%** compared to the **6.4% in 2014 (10.7 pp better)**.

Table 4: Margins

Millions of €	2015	2014
Total net revenues	971,93	932,09
Adjusted EBITDA	222,67	163,87
Adjusted EBITDA Margin	22,9%	17,6%
EBIT	205,18	144,75
EBIT Margin	21,1%	15,5%
Net Profit	166,17	59,49
Net Profit Margin	17,1%	6,4%



1.4. Financial result and equity consolidated companies

Financial income represents a net income of **€0.06 million**.

The result from the **equity consolidated companies**¹ shows a gain of **€13.90 million** and includes the results of its financial stakes, as well as the gains obtained from the exit of **La Nevera Roja (€5.4 million)** and the **€10 million earn out** from Telefonica, after the regulatory approval of the acquisition of **Prisa's stake in DTS**.

1.5. Profit for the period January –December 2015

Mediaset España records a **Pre-tax profit** in 2015 of **€219.14 million**, while **Net Profit** after **taxes and minority interests** reaches **€166.17 million (€59.49 million for 2014)**.

The **Net Profit** margin, reaches **17.1% on Total Revenues** in 2015.

¹ Companies consolidated by the equity method are: Pegaso Television Inc. (43,7%), A.I.E. (Furia de titanes 2) (34%), Supersport TV, S.L. (30%), , Producciones Mandarina S.L. (30%), La Fábrica de la Tele S.L. (30%), Aprók Imagen S.L. (3%), Megamedia TV (30%), S.L. and EDICA 8TV (40%).

2. CASH FLOW GENERATION

The **Operating Free Cash Flow** records **€218.68 million** compared to **€144.67 million** in 2014, an increase of **€74.01 million**, which is an **improvement of 51.2%**.

In 2015 *Mediaset España* has purchased **treasury shares** for the amount of **€238.59 million**. On October 28th the last share **buyback** plan was approved, it allowed for a maximum investment of **€150 million**, as **at 31st December**, the amount of **€44.49 million** has been implemented. This plan was running up until **February 20th 2016**. The company has also **distributed a dividend** for the amount of **€47.54 million in 2015**.

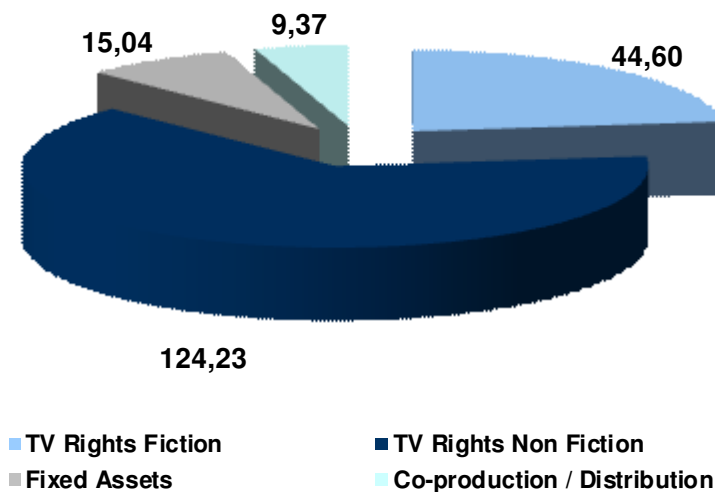
Table 5: Cash Flow

Millions of €	2015	2014	Change in millions of €
Net profit (without minority interests)	165,95	55,56	110,39
Amortisation:	222,21	216,49	5,73
- Rights	205,16	199,22	5,94
- Other	17,06	17,27	(0,21)
Provisions	0,05	1,78	(1,73)
Other	32,29	82,75	(50,46)
OPERATING CASH FLOW	420,51	356,58	63,93
Investment in rights	(178,19)	(195,14)	16,95
Investments, other	(15,04)	(8,18)	(6,86)
Change in working capital	(8,60)	(8,59)	(0,01)
OPERATING FREE CASH FLOW	218,68	144,67	74,01
Own stock purchase	(238,59)	(307,51)	68,93
Change in Equity	1,10	9,94	(8,84)
Financial investments/disinvestments	(9,05)	323,23	(332,28)
Dividends received	2,10	1,90	0,19
Dividend payments	(47,54)	0,00	(47,54)
Net Cash Change	(73,30)	172,23	(245,53)
INITIAL FINANCIAL POSITION	265,71	93,48	172,23
FINAL FINANCIAL POSITION	192,41	265,71	(73,30)

Total investment as of 31st of December 2015 reached **€193.23 million** versus **€203.32 million** from last year.

In **2015**, the investment in **third party rights** amounted to **€124.23 million** while for **Spanish fiction** the invested amount was **€44.60 million**, and **Co-production & Distribution** the **€9.37 million**. Finally, the investment in **fixed assets (tangible and intangible)** reached **€15.04 million**, mainly due to the digitalisation process towards **Full HD technology** the company is undergoing.

Investments 2015 € 193.23 million



3. BALANCE SHEET

Table 6: Summary Balance Sheet

Millions of €	2015	2014
Tangible assets	581,11	569,55
- Financial	317,82	303,61
- Non Financial	263,29	265,94
Audiovisual rights and Pre-payments	201,24	228,64
- Third parties	163,82	182,49
- Fiction	22,80	25,74
- Co-production / Distribution	14,62	20,41
Pre-paid taxes	134,51	164,78
TOTAL NON-CURRENT ASSETS	916,86	962,97
Current assets	257,74	246,36
Financial investments and cash	211,55	277,09
TOTAL CURRENT ASSETS	469,29	523,45
TOTAL ASSETS	1.386,15	1.486,42
Shareholders`equity	1.069,90	1.189,41
Non-current provisions	10,39	9,68
Non-current payables	8,48	10,43
Non-current financial liabilities	7,54	11,15
TOTAL NON-CURRENT LIABILITIES	26,41	31,26
Current payables	278,22	265,51
Current financial liabilities	11,61	0,24
TOTAL CURRENT LIABILITIES	289,84	265,75
TOTAL LIABILITIES	1.386,15	1.486,42

Mediaset España's Balance Sheet reflects the sound financial position of the company, with a right match between the **current assets and current liabilities**. The company reflects a **strong cash position**, and registers a strong **liquidity ratio** of **161.91%**, at year end 2015.

The **audiovisual rights** in the balance sheet reflects a mix of contents that **optimise the programming needs** of the company, providing **great flexibility** to make modifications should programming needs change.

The **Equity** of the Group is down by **€119.51** million mainly explained by the acquisition of **treasury shares** throughout 2015.

4. AUDIENCE SHARE PERFORMANCE²

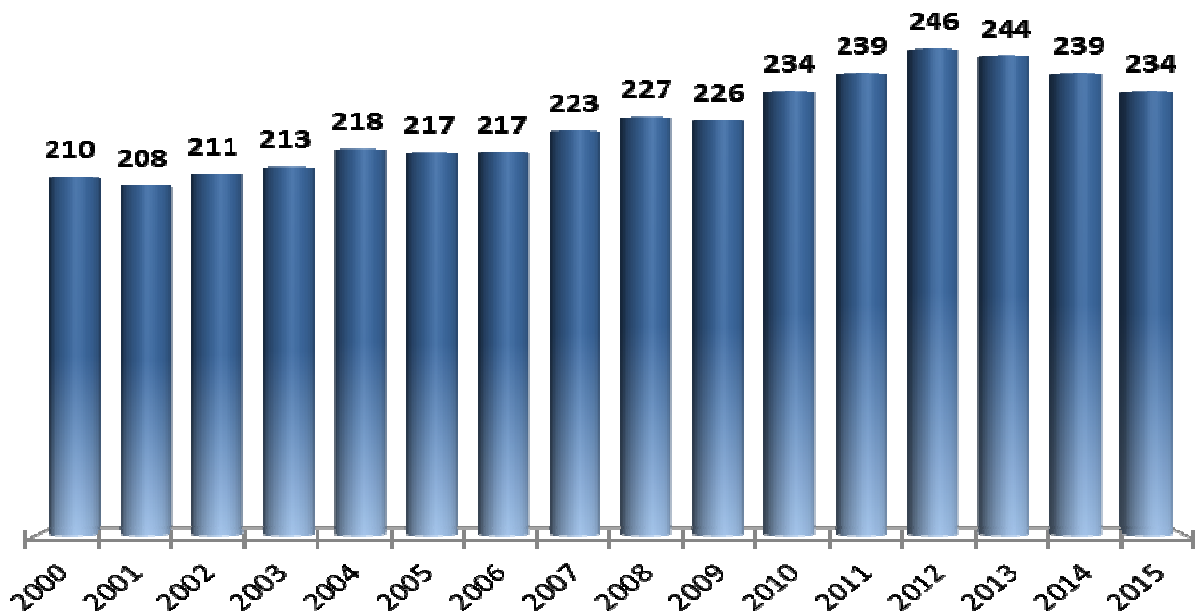
4.1. TV Consumption

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	217	6.275
2007	223	6.506
2008	227	6.691
2009	226	6.848
2010	234	7.149
2011	239	7.319
2012	246	7.513
2013	244	7.401
2014	239	7.366
2015	234	7.249

The average television consumption for **2015** remains almost **4 hours** per person per day and stands at **2010 consumption level**. The reason behind the decline in TV consumption is due to an **improvement in the economy** and in the **unemployment rate**.

The **daily average viewers** reach **7.25 million** and remains quite strong compared to previous years.

The **non-linear TV consumption**, at the end of 2015, is, on average, **3 minutes/ per person per day**.



² Source: Kantar Media

4.2. Group

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

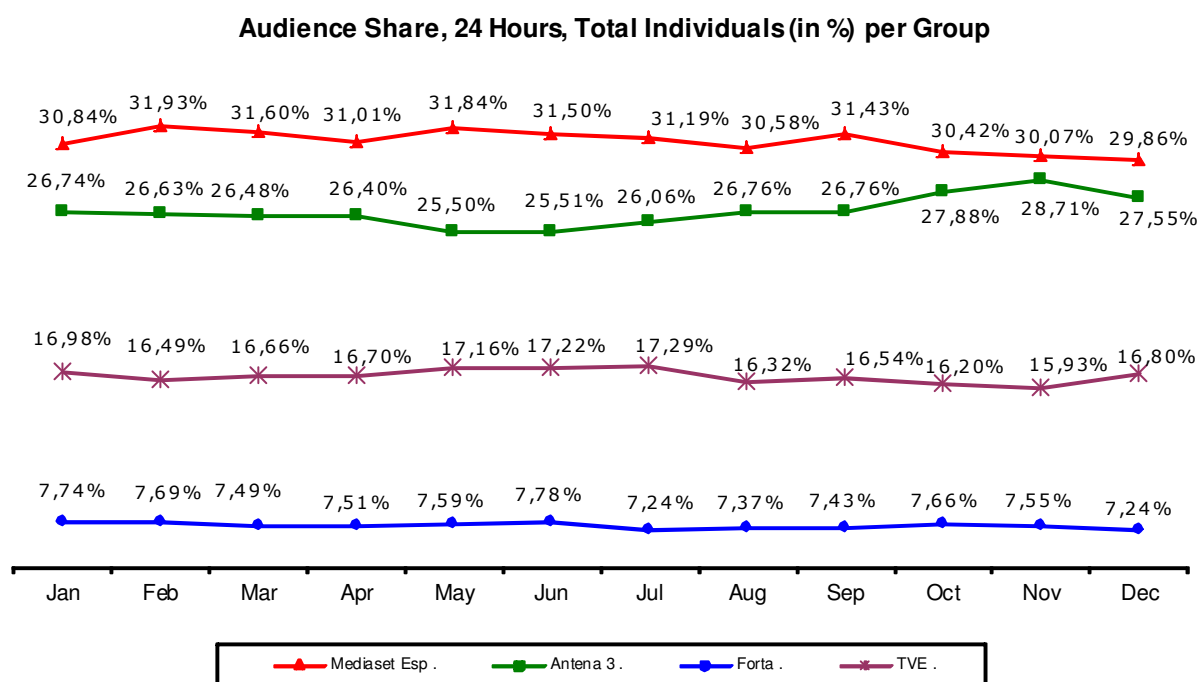
		2015	2014
Total Individuals	Total Day	31,0%	30,7%
	PRIME TIME	29,9%	29,6%
	DAY TIME	31,5%	31,2%
Commercial Target	Total Day	33,1%	32,9%
	PRIME TIME	31,2%	31,0%
	DAY TIME	33,9%	33,7%

Mediaset España achieved a **31.0%** share of in **total individuals total day** in **2015**, and registers its best audience record in history and **4.2 pp ahead** its direct competitor, besides the lack of premium sports events.

Regarding the **commercial target** audience share, the group **Mediaset España** reached a **33.1%** share in the period in **total day**, improving its 2014 record (**32.9%**). In **Prime Time** it is the **only television group** within the FTA that **increases its commercial target, 31.2%**, compared to 2014 (**+0.2 pp**).

In Prime Time, **Mediaset España** records a **29.9%** audience share and registers its **best record since 2008**.

In 2015 the **Mediaset España** group, achieves a great performance on its **DTT channels** reaching a **8.7%** share.



4.3. Main Channels

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

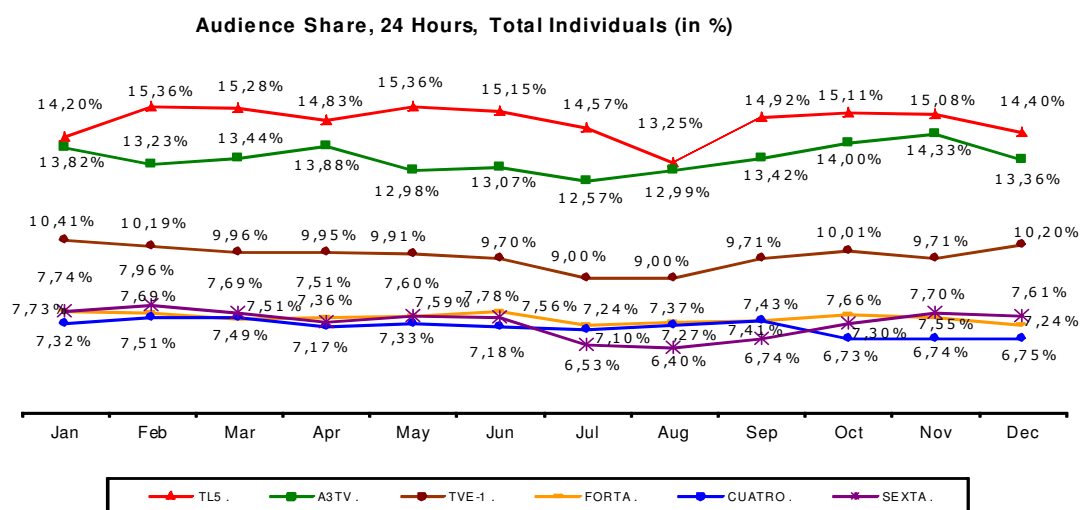
		TL5		CUATRO	
		2015	2014	2015	2014
Total Individuals	Total Day	14,8%	14,5%	7,2%	6,7%
	PRIME TIME	15,2%	15,2%	6,4%	6,1%
	DAY TIME	14,6%	14,2%	7,5%	7,1%
Commercial Target	Total Day	14,4%	14,0%	8,2%	8,1%
	PRIME TIME	14,2%	14,3%	7,7%	7,4%
	DAY TIME	14,5%	13,8%	8,5%	8,4%

In 2015 **The Telecinco channel** achieves an average share of **14.8%**, in total individuals total day, and leads in **248 days out of 365** of the year. Regarding the **commercial target** audience share, the **Telecinco** channel has a **14.4% share** at year end 2015, in **total day** its best record since 2010.

The Cuatro Channel achieved a **7.2%** in **total individuals total day** and **8.2%** in commercial target **improving both records +0.5pp** and **+0.1pp** respectively in comparison with 2014.

In "prime time"³, **Telecinco** records a **15.2% audience share in total individuals**, its best record since 2009 and **1.7 pp** ahead of its direct competitor (**13.5%**).

The **Telecinco** channel is the most watched channel in the **12 months of 2015**. **"El Principe"** becomes the most successful **local fiction** of the year with an average **24%** audience share and **4.6 million viewers**. The **"Ocho Apellidos Vascos"** **movie**, broadcasted simultaneously on both the **Telecinco** and **Cuatro** channels, achieved **8.3 million viewers** and **47.5% audience share**, and is the most watched movie of the last 20 years. The **Telecinco** channel also broadcasted the **Eurobasket 2015 final, Spain-Lithuania** recording a **44.5% audience share** and **6.1 million viewers**, the best record ever for a basketball match. **Moto GP** also registers good results in the **live races with an average of 3.1 million viewers** and **30.4% audience share** and in 2015, the most watched in history.



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

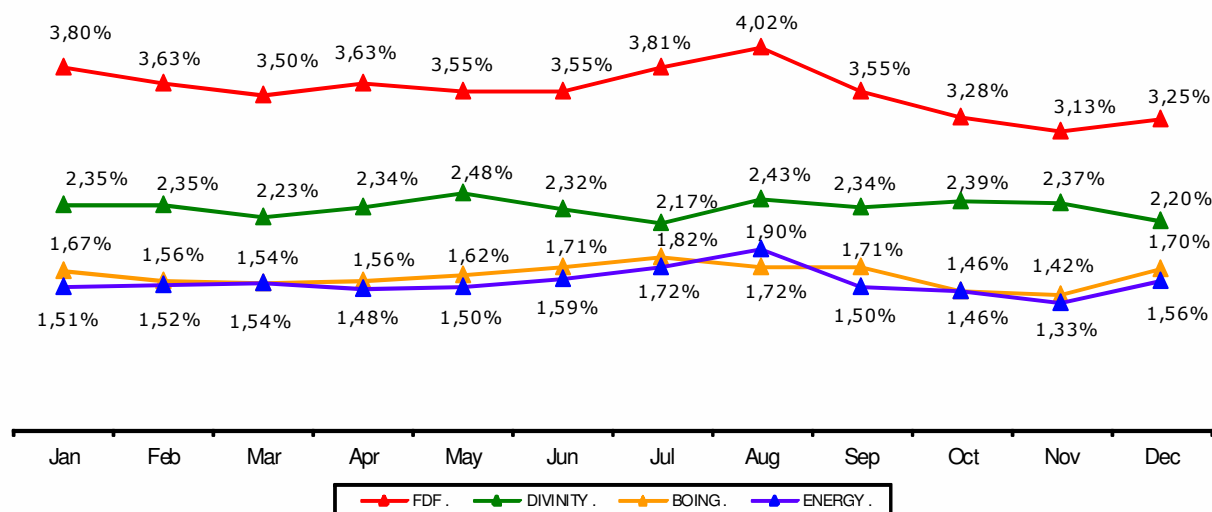
4.4. New Generation Channels

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

2015			
		Total Individuals	Commercial Target
FDF	Total Day	3,5%	4,3%
	PRIME TIME	3,0%	3,5%
DIVINITY	Total Day	2,3%	3,0%
	PRIME TIME	2,4%	3,0%
BOING	Total Day	1,6%	1,2%
	PRIME TIME	1,3%	1,0%
ENERGY	Total Day	1,5%	1,9%
	PRIME TIME	1,6%	1,9%

The **FDF** channel reached a **3.5% audience share in Total individuals** while in its target **13 to 24 year olds** it achieved **9.3%** audience share and in the **25 to 34 year olds** it has a **5.6%** audience share. The **Divinity** channel achieves an excellent record in its target of **16 to 44** year old women with **3.7%**, while in **Total individuals** its share is **2.3%**. The **Energy** channel registers a **1.5%** audience in **Total individuals** while in its target, **25 to 44** year old men, it improves to **2.2%**. **Boing**, the children's channel, has an audience share in **Total individuals** of **1.6%** while in its target **4 to 12 year olds** it has managed to multiply its record almost **eightfold** reaching a **12.5%** audience share.

Audience Share, 24 Hour



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

4.5. Internet Audience³

Mediaset España is leader in internet within its sector and in 2015 it has accomplished a **monthly average of 11 million unique users** and **94.9 million** videos downloads, well ahead of its direct competitor (9.6 **million** unique users and **79.9 million** videos, both on average per month) (source **ComsCore**).

Also during 2015, **Mediaset España** obtained a **monthly average of 351 million page views**, and **33.9 million unique browsers** which is an increase of **12.6%** and **29.0%**, respectively, in comparison to 2014 (source **OJD**).

	Unique Browsers	Page Viewed	Video Streamed
december 2015	28.084.120	294.798.786	98.717.657
november 2015	31.272.817	372.427.311	118.667.803
october 2015	33.247.189	424.172.413	118.404.880
september 2015	33.622.451	393.137.885	99.568.833
august 2015	28.345.179	268.626.159	61.811.239
july 2015	31.660.644	284.966.042	79.232.316
june 2015	33.678.878	310.258.077	95.826.390
may 2015	34.469.769	333.761.539	103.754.337
april 2015	34.907.590	318.336.515	104.278.752
march 2015	42.972.712	413.462.784	97.670.297
february 2015	36.176.701	398.648.452	79.683.294
january 2015	38.139.054	400.421.299	80.772.404

The **Telecinco.es** site leads in the television business with an average of **9.8 million unique users a month**, whilst **Cuatro.es** site managed an average of **3.9 million unique users a month** (source **ComsCore**).

In 2015 **Mediaset España** apps have registered **11 million app downloads**, which is an increase of **42.9%** in comparison with 2014 (7.7 million downloads). **Mediaset España** most popular downloads were **Mitele** that registered **4.5 million**, followed by **Big Brother 2.6 million** and **The Voice 1.6 million** downloads. It is **Mediaset España's** intention to offer its contents to the widest possible audience, and following this objective, it has reached agreements with major suppliers for the positioning of its content across different platforms.

Mediaset España has a strong presence in the social networks, with more than **190 official accounts** in between the major providers: **Facebook, Twitter, Tuenti, Instagram** etc, All these platforms registered more than **31 million followers** for the **Mediaset España** accounts in 2015 and provided more than **57%** of the comments about television on the web. The **most commented** program amongst the different platforms has been **"Big Brother"** that registers almost **17 million** comments in between **13th and 27th of September**.

Radioset, site where the company gathers all its radio contents, launched in **September 2015**, achieved an **astonishing second position** in **November 2015** (latest figures available from **ComsCore**) amongst the **different radio webs**.

³ Source: OJD Nielsen and Comscore (measures PC devices only)

5. Media for Equity

Mediaset España is working with a number of start-ups through **Media for Equity** agreements, with the aim of investing in the most promising companies, following **financial and investment criteria**. **Mediaset España** designs tailor made solutions for start-ups who see the potential benefits of television, and offer advertising space in exchange for a **stake in the company** or **performance based cash campaigns**. The **advertising revenues** generated through the media for equity agreements, are accounted for when accrued and at the time of the **exit from the investment**, we would only account for the profit or loss of the investment, that same financial year.

Mediaset España currently holds various **Media for Equity** investments: **Wimdu, Westwing, Deporvillage, isalud, Modalia and Byhours** and works towards obtaining further agreements. The company has gone through an investment exit with **La Nevera Roja**, back in February 2015.

Mediaset España operates its **Media for Equity** business through the **Ad4Ventures** brand.