

**ATRESMEDIA**



**JANUARY–JUNE 2017 RESULTS**

**30 June 2017**



Atresmedia's consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), taking into account all mandatory accounting principles and rules and measurement bases, as well as the alternative treatments permitted by the legislation in this regard. In addition, information is disclosed on the individual performance of the Group's two main lines of business: television and radio.




---

1.	HIGHLIGHTS .....	3
1.1	Milestones and key figures.....	3
1.2	The economic climate and the market.....	4
2.	ATRESMEDIA .....	6
2.1	Consolidated Income Statement.....	6
2.1.1	Net revenue .....	7
2.1.2	Operating expenses.....	7
2.1.3	Operating earnings and margins .....	8
2.1.4	Profit before tax.....	9
2.1.5	Consolidated profit for the period .....	9
2.1.6	Other highlights .....	10
2.2	Consolidated Balance Sheet.....	11
2.3	Consolidated Cash Flow Statement .....	13
2.4	Share price.....	14
2.4.1	Atresmedia's shares .....	14
2.4.2	Analysts' recommendations .....	15
2.5	Corporate Social Responsibility.....	15
3.	ATRESMEDIA TELEVISION.....	17
3.1	Advertising market .....	17
3.2	Audience figures and content .....	18
3.3	Income statement .....	23
3.3.1	Net revenue .....	24
3.3.2	Operating expenses.....	24
3.3.3	Operating earnings and margins .....	25
4.	ATRESMEDIA RADIO .....	26
4.1	Advertising market and audience figures .....	26
4.2	Income statement .....	27
5.	OTHER BUSINESSES .....	29
5.1	Atresmedia Cine .....	29
5.2	Atresmedia Digital .....	29
5.3	Income statement .....	32



## 1. HIGHLIGHTS

### 1.1 Milestones and key figures

#### Atresmedia. Key figures

Operational highlights	Jan-Jun 2017	Jan-Jun 2016
Total TV audience	26.7%	27.4%
TV market share	42.9%	43.0%
Radio listeners (,000) (2nd EGM wave)	4,091	4,119
Total no. employees	1,970	1,901

Financial highlights Euros (in thousands)	Jan-Jun 2017	Jan-Jun 2016
Net revenue	550,780	544,059
EBITDA	116,503	119,432
Profit for the period	84,264	84,193
Net financial debt	161,153	167,690

**Atresmedia's EBITDA for the first half of 2017 totalled 116.5 million euros, compared with 119.4 million euros in the same half last year, with consolidated profits of 84.3 million euros, in line with those for the first half of last year.**

**Atresmedia Television** recorded an **audience** share of 26.7% in the period, heading the rankings with a prime time commercial target audience of 30.5%. Thanks to its channels' strong commercial profile, the Group had an estimated **market share** of 42.9% according to Arce Media.

**Antena 3** obtained a 12.9% audience share in the period, heading commercial target audience figures with a 14.9% share, 2.7 points ahead of its main rival.

**laSexta** stayed ahead of its main competitor with an average audience figure of 6.4%, and 7.6% for commercial target audiences in the prime time slot.



The complementary channels (**Neox, Nova, Mega** and **Atreseries**) achieved a combined audience share of 7.4% in the six months to June 2017, with a commercial target audience of 9.0%.

**Atresmedia Radio's stations**, Onda Cero, Europa FM and Melodía FM, strengthened their position with more than 4 million listeners, according to the latest survey (2nd 2017 EGM wave).

In the Group's **Other Businesses**, Atresmedia Cine's films accounted for 45% of box-office takings for Spanish cinema in the first six months of the year, while in the digital business, according to figures issued in June by comScore, Atresmedia's websites have headed the internet rankings for television groups in 15 consecutive months.

## 1.2 The economic climate and the market

According to the macroeconomic forecasts of various bodies, the economy will continue to grow, with forecasts up on those issued at the start of the year.

According to the latest forecasts from the Fundación de las Cajas de Ahorros (FUNCAS) issued in July 2017, Spain's **GDP** will grow by **3.1%** in the year, 0.3 percentage points higher than forecast in May, and 0.7 points higher than the January forecast, suggesting that the forecasts will improve as the year goes on. The economy grew by 0.8% in the first quarter, compared with the forecast 0.6%, mainly thanks to exports. Growth in the year is thus set to be in line with the forecasts of other bodies (the Bank of Spain is forecasting growth of 3.1%, the Spanish government's forecast is 3%, while the European Commission and the IMF expect the economy to grow by 2.8% and 2.6%, respectively). FUNCAS forecasts that the Spanish economy will grow by **2.7%** in **2018** (2.5% in its previous forecast).

The number of **new jobs created** is expected to increase by **2.7%** in **2017**, an increase of 0.3 points since the last round of forecasts, while the forecast for **2018** is for growth of **2.3%**. The **unemployment rate** is expected to fall from **17.3%** in **2017** to **15.4%** in **2018**.

The indications are that household **consumption** will also continue to grow, although less than last year. It is expected to grow by up to **2.6%** in **2017** (0.3 points less than last year) and by **2.4%** in **2018**.



According to Arce Media, **advertising spending** in conventional media shrank by **1.0%** in January to June 2017, compared with the same period in 2016. Television advertising shrank by 1.2% while radio and internet advertising grew by 3.8% and 8.8%, respectively.

According to Infoadex, advertising in conventional media has drop by 0.2%. TV ad market fell by 0.4%, while advertising in radio and internet increased 4.0% and 8.5% respectively vs 1H16.

Advertising Market by media	Arce Media	Infoadex
	<b>1H17 VS 1H16</b>	<b>1H17 VS 1H16</b>
<b>Television</b>	<b>-1,2%</b>	<b>-0,4%</b>
<b>Radio</b>	<b>3,8%</b>	<b>4,0%</b>
<b>Internet</b>	<b>8,8%</b>	<b>8,5%</b>
Newspapers	-9,0%	-7,8%
Magazines	-7,5%	-2,5%
Outdoor	-3,0%	-0,5%
Sunday Supplements	-11,3%	-11,2%
Cinema	0,0%	-1,8%
<b>TOTAL MEDIA</b>	<b>-1,0%</b>	<b>-0,2%</b>

In this report all the data are based on Arce Media estimates.



## 2. ATRESMEDIA

### 2.1 Consolidated Income Statement

Euros (in thousands)	Jan-Jun 2017	Jan-Jun 2016	Change
<b>Net total sales</b>	<b>519,237</b>	<b>513,302</b>	<b>1.2%</b>
Other income	31,543	30,757	2.6%
<b>NET REVENUE</b>	<b>550,780</b>	<b>544,059</b>	<b>1.2%</b>
<b>OPERATING EXPENSES</b>	<b>434,276</b>	<b>424,627</b>	<b>2.3%</b>
<b>EBITDA</b>	<b>116,503</b>	<b>119,432</b>	<b>(2.5%)</b>
Depreciation and amortisation	8,719	8,943	(2.5%)
Impairment and disposal of property, plant and equipment	(64)	(2)	n/a
<b>EBIT</b>	<b>107,849</b>	<b>110,491</b>	<b>(2.4%)</b>
<b>Financial result</b>	<b>(1,184)</b>	<b>(2,655)</b>	<b>55.4%</b>
<b>Net income from investments in other entities</b>	<b>(797)</b>	<b>(875)</b>	<b>8.8%</b>
<b>Profit before tax from continuing operations</b>	<b>105,868</b>	<b>106,962</b>	<b>(1.0%)</b>
Income tax	21,604	22,786	(5.2%)
<b>Profit for the period</b>	<b>84,264</b>	<b>84,176</b>	<b>0.1%</b>
Profit attributable to non-controlling interests		17	n/a
<b>Profit for the financial period attributable to the parent company</b>	<b>84,264</b>	<b>84,193</b>	<b>0.1%</b>



## 2.1.1 Net revenue

Atresmedia's net revenue for the year to June 2017 totalled 550.8 million euros, compared to 544.1 million euros for the same period in 2016, an increase of 1.2%.

Net revenue Euros (in thousands)	Jan-Jun 2017	Jan-Jun 2016	Change
Atresmedia Television	485,499	489,864	-0.9%
Atresmedia Radio	42,354	41,579	1.9%
Other businesses	22,927	12,617	81.7%
<b>ATRESMEDIA</b>	<b>550,780</b>	<b>544,059</b>	<b>1.2%</b>

The advertising market in conventional media shrank in the second quarter of 2017 by 3.6% according to Arce Media.

The Spanish film business accounts for the greater part of the higher revenues reported by the Group's Other Businesses.

## 2.1.2 Operating expenses

Operating expenses in the first half of 2017 grew by 2.3% compared with the same period in 2016.

Operating expenses by business (thousand euros)	Jan-Jun 2017	Jan-Jun 2016	Change
Atresmedia Television	385,360	390,259	-1.3%
Atresmedia Radio	32,914	28,626	15.0%
Other businesses	16,003	5,743	178.7%
<b>ATRESMEDIA</b>	<b>434,276</b>	<b>424,627</b>	<b>2.3%</b>





Operating expenses by type (thousand euros)	Jan-Jun 2017	Jan-Jun 2016	Change
Programme procurement and others	248,562	244,780	1.5%
Staff costs	65,456	64,897	0.9%
Other operating expenses	120,258	114,950	4.6%
<b>OPERATING EXPENSES</b>	<b>434,276</b>	<b>424,627</b>	<b>2.3%</b>

Higher operating expenses in the period were mainly due to higher costs incurred by the Spanish film production business (linked to higher revenues) and higher radio programme production costs.

Operating expenses fell by 1.1% in the second quarter, mainly as a result of cost containment measures implemented by the Group in response to the weak advertising market.

### 2.1.3 Operating earnings and margins

EBITDA in the six months to June 2017 was 116.5 million euros, representing a margin on net revenues of 21.2%.

EBITDA	Jan-Jun 2017	Jan-Jun 2016
Atresmedia Television	100,139	99,604
<b>Margin on net revenue</b>	<b>20.6%</b>	<b>20.3%</b>
Atresmedia Radio	9,440	12,953
<b>Margin on net revenue</b>	<b>22.3%</b>	<b>31.2%</b>
Other businesses	6,924	6,874
<b>Margin on net revenue</b>	<b>30.2%</b>	<b>54.5%</b>
<b>TOTAL ATRESMEDIA</b>	<b>116,503</b>	<b>119,432</b>
<b>Margin on net revenue</b>	<b>21.2%</b>	<b>22.0%</b>

EBITDA for the second quarter of 2017 was 75.3 million euros, with a margin on net revenue of 25.8%.



EBIT for the first half of 2017 totalled 107.8 million euros, in comparison with 110.5 million euros for the same period in 2016.

EBIT	Jan-Jun 2017	Jan-Jun 2016
Atresmedia Television	92,758	91,882
<b>Margin on net revenue</b>	<b>19.1%</b>	<b>18.8%</b>
Atresmedia Radio	8,418	11,960
<b>Margin on net revenue</b>	<b>19.9%</b>	<b>28.8%</b>
Other businesses	6,672	6,649
<b>Margin on net revenue</b>	<b>29.1%</b>	<b>52.7%</b>
<b>TOTAL ATRESMEDIA</b>	<b>107,849</b>	<b>110,491</b>
<b>Margin on net revenue</b>	<b>19.6%</b>	<b>20.3%</b>

## 2.1.4 Profit before tax

The Group reported financial losses of 1.2 million euros, a considerable improvement on the first half of 2016, as the effective cost of debt was lower.

EBITDA for the first half of 2017 totalled 105.9 million euros, compared to 107.0 million euros for the same period last year.

## 2.1.5 Consolidated profit for the period

Consolidated profit for the first half of 2017 totalled 84.3 million euros, in line with that obtained in the same period in 2016.



---

## 2.1.6 Other highlights

In July, Atresmedia renewed its existing syndicated financing agreement, increasing the amount of the facility to 350 million euros and extending the repayment period to five years. This will ensure the Group has the liquidity it needs to develop the business over the coming financial years.

In July the Group also acquired a 94.8% stake in Smartclip, one of the most important Spanish advertising exclusivists in the digital ad market, with over 200 premium platforms and an audience potential of more than 29 million unique visitors. It will be incorporated in the Group's scope of consolidation in the second half of the year, and is expected to have an immediate positive impact on results.



## 2.2 Consolidated Balance Sheet

Euros (in thousands)	30 June 2017	31 December 2016
<b>ASSETS</b>		
Goodwill	150,012	150,012
Other intangible assets	134,481	135,616
Property, plant and equipment and other non-current assets	60,538	62,476
Deferred tax assets	274,023	272,431
<b>NON-CURRENT ASSETS</b>	<b>619,054</b>	<b>620,535</b>
Programming rights and inventories	376,432	396,238
Trade and other receivables	263,192	248,196
Other current assets	34,095	38,173
Current tax assets	7,107	5,167
Cash and cash equivalents	21,738	1,562
<b>CURRENT ASSETS</b>	<b>702,564</b>	<b>689,336</b>
<b>TOTAL ASSETS</b>	<b>1,321,618</b>	<b>1,309,871</b>
<b>LIABILITIES</b>		
Share capital	169,300	169,300
Issue premium	38,304	38,304
Legal and statutory reserves	42,475	42,475
Retained earnings	296,509	320,493
Treasury shares	(8,810)	(8,810)
Interim dividend	0	(49,487)
Other equity instruments	1,548	798
Remeasurements and other	1,045	4,486
<b>EQUITY</b>	<b>540,371</b>	<b>517,559</b>
Debt to financial institutions	90,795	103,478
Other non-current liabilities	6,695	10,041
Deferred tax liabilities	27,104	27,140
<b>NON-CURRENT LIABILITIES</b>	<b>124,594</b>	<b>140,659</b>
Debt to financial institutions	92,096	76,655
Trade and other creditors	451,585	468,633
Other current liabilities	90,082	105,527
Current tax liabilities	22,890	838
<b>CURRENT LIABILITIES</b>	<b>656,653</b>	<b>651,653</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,321,618</b>	<b>1,309,871</b>



---

The Group's net financial debt is 161.2 million euros, 17.4 million euros less than at the end of December 2016.

A final dividend of €0.25/share was distributed in June against 2016 results. The total amount distributed was 56.2 million euros.



## 2.3 Consolidated Cash Flow Statement

At 30 June 2017, net cash flows from operating activities were positive, totalling 101.1 million euros, 43.9 million euros more than at the same date last year.

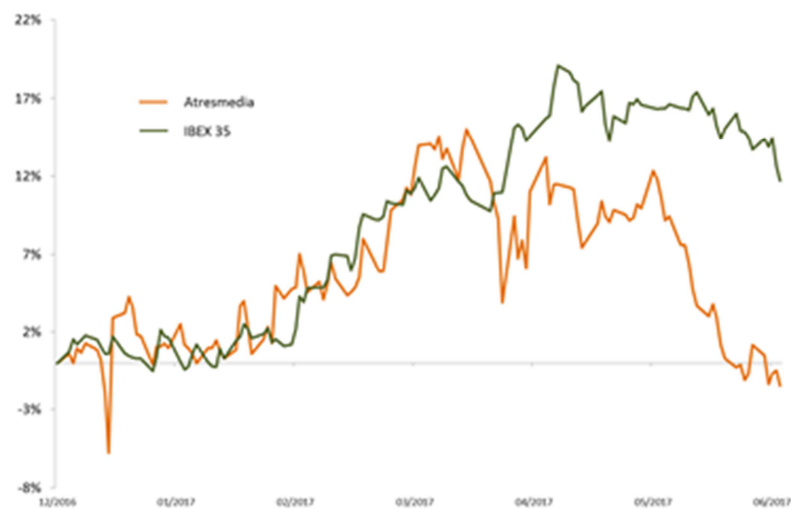
Euros (in thousands)	30 June 2017	30 June 2016
<b>1.- CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Consolidated profit for the period before tax</b>	<b>105,868</b>	<b>106,962</b>
<b>Adjustments for:</b>	<b>7,867</b>	<b>15,043</b>
- Depreciation and amortisation	8,719	8,943
- Provisions and others	(2,036)	3,445
- Financial result	1,184	2,655
<b>Changes in working capital</b>	<b>(10,642)</b>	<b>(63,579)</b>
<b>Cash flow from operations</b>	<b>103,093</b>	<b>58,426</b>
<b>Income tax (paid)/refunded</b>	<b>(1,950)</b>	<b>(1,135)</b>
<b>Net cash flows from operating activities</b>	<b>101,143</b>	<b>57,291</b>
<b>2.- CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investments</b>	<b>(24,928)</b>	<b>(14,679)</b>
Group companies, joint ventures and associates	(7,704)	(6,183)
Property, plant and equipment and intangible fixed assets	(6,652)	(6,327)
Investment in Spanish film productions	(10,572)	(2,169)
<b>Divestitures</b>	<b>53</b>	<b>17</b>
Group companies, joint ventures and associates	53	17
<b>Net cash flows from investing activities</b>	<b>(24,875)</b>	<b>(14,662)</b>
<b>3.- CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Financial expenses paid	(2,310)	(2,352)
Dividends paid	(56,235)	(40,347)
Sale/(acquisition) of treasury shares		(8,931)
Financing of associates and related parties	(305)	(225)
Bank borrowings	2,758	17,646
<b>Net cash flows from financing activities</b>	<b>(56,092)</b>	<b>(34,209)</b>
<b>NET INCREASE / DECREASE IN CASH</b>	<b>20,176</b>	<b>8,420</b>
Cash and cash equivalents, beginning of the period	1,562	1,017
<b>Cash and cash equivalents, end of the period</b>	<b>21,738</b>	<b>9,437</b>



## 2.4 Share price

### 2.4.1 Atresmedia's shares

Atresmedia's shares closed at €10.24/share, down 1.4% since the start of the year, while the IBEX gained 11.7% to close at 10,462.90 points.



Atresmedia share price in the first half of 2017 vs. the IBEX 35.

Trading figures	Jan-Jun 2017
Share price at 30/06/2017 (€)	10.24
High (€)	11.95
Low (€)	9.79
Weighted average price (€)	10.97
Average daily volume (shares)	352,046
Average daily volume (thousand euros)	3,862
Number of shares (million)	225.7
<i>Source: Thomson Reuters</i>	



## 2.4.2 Analysts' recommendations

At the end of June 2017, 25 analysts were reporting and offering recommendations on our shares. Of these, 56% recommended **Buy** Atresmedia shares, 20% recommended **Hold**, while 24% continued to recommend **Sell**. The average target price at the end of June 2017 was €12.07.

In the first six months of the year, Atresmedia's Investor Relations department took part in 19 conferences and roadshows in cities including London, Madrid, Paris, Geneva, Frankfurt, New York, Boston and Barcelona.

In addition to these trips, the department held meetings and telephone conversations with around 320 sector analysts and investors.

## 2.5 Corporate Social Responsibility

The Group published its tenth Corporate Responsibility Report in the first half of 2017. Atresmedia also became affiliated to the SERES Foundation, dedicated to helping companies improve society.

Additionally Atresmedia signed several cooperation agreements: with an "Emergency Committee" created by six NGOs to provide a joint response to humanitarian crises; with the Madrid Down Syndrome Foundation to help disabled people enter the world of work, and with the Integra Foundation to help victims of gender violence find work.

Atresmedia was also recognised, for the second consecutive year, as the Audiovisual Group with the best reputation according to the "RepTrak España 2017" study, and for a fifth time as the most attractive communications company to work for, according to the "2017 Randstad Report".

The Atresmedia Foundation organised another successful "Grandes Profes" event, attended by over 1,500 teachers, and presented its fifth "Grandes Profes, Grandes Iniciativas" awards for the most innovative educational projects. For the sixth consecutive year, the Atresmedia Foundation headed the ranking for transparency by business foundations in the "Building Trust 2016" report produced by the Spanish Commitment and Transparency Foundation, and was recognised as Foundation of the Year at the ConSalud awards for its work with hospitals.





---

The social initiatives that fall under the “Compromiso Atresmedia” umbrella included the following:

- “Ponle Freno” presented its ninth awards for the best projects designed to improve road safety, created the Ponle Freno race programme to bring together cities committed to road safety, and organised its second Road Safety Education Week with training activities for Group employees.
- “Objetivo Bienestar” presented its 5th “Coles Activos” awards recognising schools' work to encourage healthy habits among pupils.
- The “Crea Cultura” campaign to protect intellectual property rights held a forum entitled “The ghostbusters of digital piracy” to raise awareness of this issue.
- To mark International Women's Day, the Nova channel paid tribute to women with a campaign entitled “Lovewoman”.
- Finally, the “Constantes y Vitales” campaign launched its first major programme of the year to raise awareness about chronic obstructive pulmonary disease (COPD), the main cause of avoidable non-cancer related deaths in Spain.

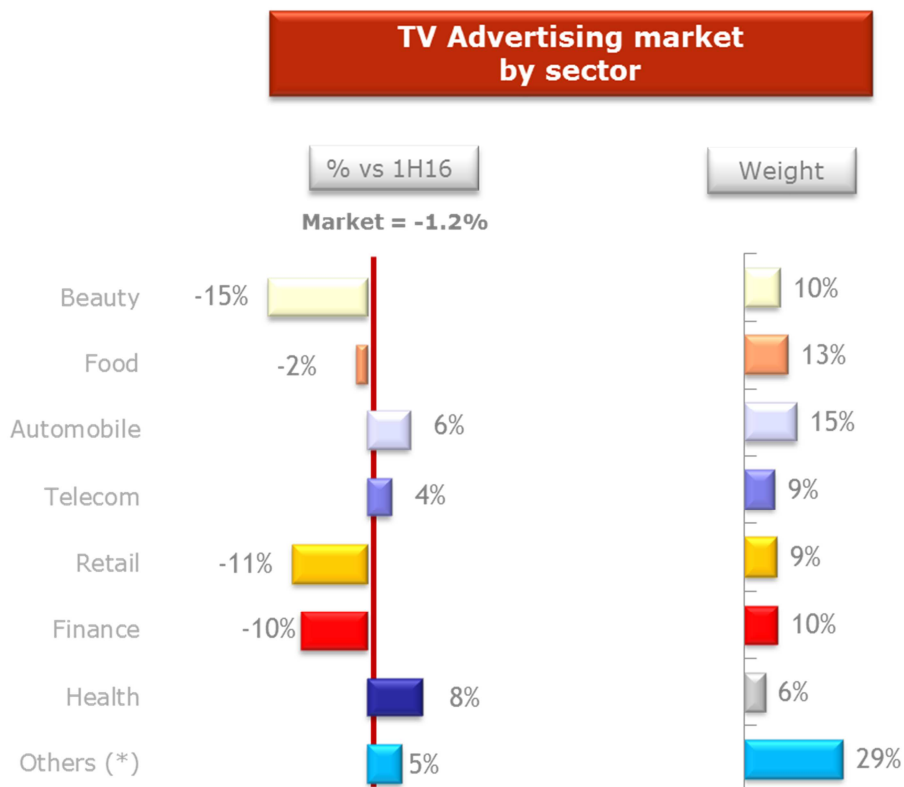
With respect to its corporate volunteering programme, Atresmedia was once again a media partner for the international volunteering event “Give and Gain Day” organised by Forética. Atresmedia employees, meanwhile, took part in a range of voluntary activities.

In the area of the environment, the Group's “Hazte Eco” initiative supported the WWF “Earth Hour” campaign and it took part in the fourth “Planeta Responsable” forum. Atresmedia has also joined Forética's environmental Forum to work, together with a group of major companies, on making climate change a strategic issue for management of organisations.

### 3. ATRESMEDIA TELEVISION

#### 3.1 Advertising market

According to Arce Media, the television advertising market shrank by 1.2% in the first half of the year. There was growth in the "Automobile", "Telecoms", "Health" and "Other" sectors. This latter includes sectors such as "Beverages", "Culture", "Energy", "Sports", "Leisure", etc.



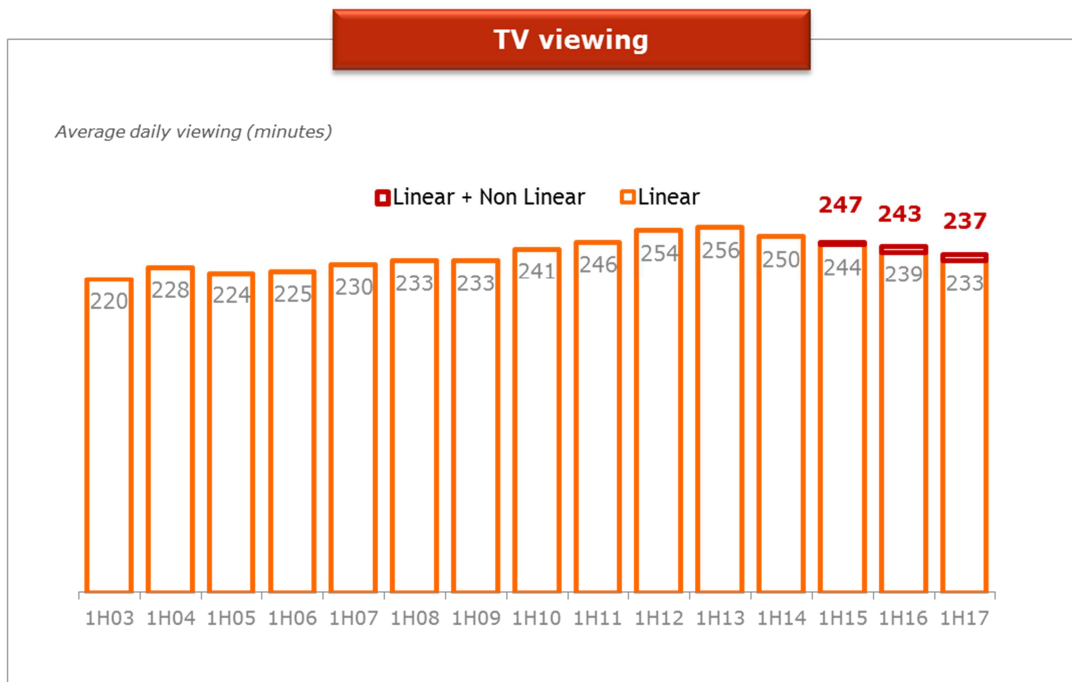
(\*) Beverages, culture, energy, sports, leisure , tourism,etc.

Sources: Arce Media/ Sectors: Internal estimates

### 3.2 Audience figures and content

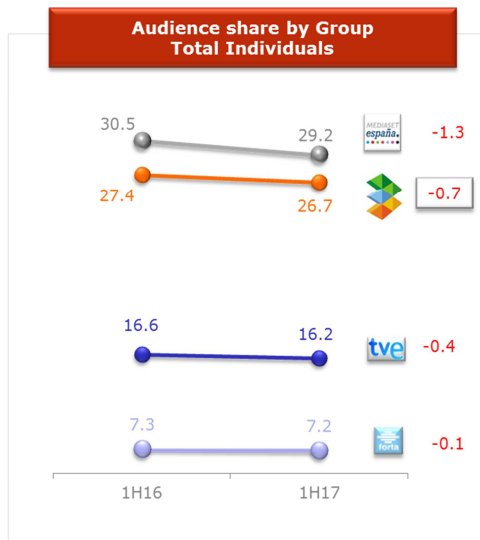
Television viewing in the first half of the year was 237 minutes per person per day, six minutes less than in the same period last year. Both figures include “linear television” and “non linear” viewing (programmes watched in the seven days following conventional broadcast. Television viewing on other devices such as computers and tablets is not included).

In addition, in March 2017 Kantar Media began to measure viewing time by guests (viewers who do not live in the main viewer's home). This figure (13 minutes) is not included in the data above.



Source: Kantar Media. Figures for non linear viewing are from February 2015.

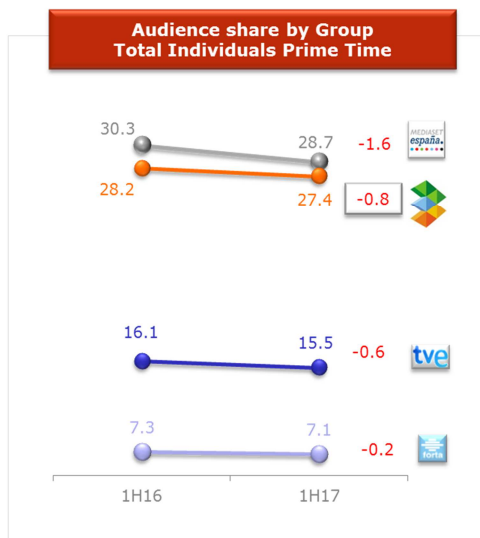
**Atresmedia's television channels achieved an audience share of 26.7%** in the first half of 2017. This figure rises to 28.8% for commercial target audience figures, the most attractive audience for advertisers, and 30.5% for prime time commercial target audiences, 1.3 points higher than the group's main competitor, despite it having one more channel.



Source: Kantar Media. 24h total individuals 4+



Source: Kantar Media. Commercial target: 25-59 years, >10,000 inhabitants



Source: Kantar Media. 24h total individuals 4+  
Prime Time (20:30-24:00)



Source: Kantar Media. Commercial target: 25-59 years, >10,000 inhabitants  
Prime Time (20:30-24:00)

**Antena 3** had an average total individuals audience (24h) of 12.9% in the first half of 2017 and it headed prime time commercial audience figures with a 14.9% share, 2.7 percentage points higher than its main competitor.

Drama continues to draw the channel's highest audience figures.



“Allí Abajo” was the season's most successful drama programme. The thirteen episodes broadcast in this quarter were watched by an average of 3 million viewers and had a 19.4% audience share.

“La casa de papel”, which began in May, was the most successful premiere of the last two years, with a 25.1% audience share for the first episode. It obtained an average audience share of 16.6% in the quarter, with 2.7 million viewers.

The figures for daily broadcast series in this time slot continued to be excellent: “Amar es para siempre” had an average audience share of 12.3% in the quarter (1.4 million viewers) while “El secreto de Puente Viejo” had an average audience share of 14.7% and over 1.4 million viewers.

“Tu cara no me suena todavía” continued to be one of the season's strongest performing entertainment programmes. Its average audience share in the quarter was 16.9% with 2.1 million viewers.

“Top Chef” ended its fourth season in May, with an average audience share in the quarter of 12.3% and 1.6 million viewers.

“El hormiguero 3.0” has topped audience figures in its time slot for tenth months now. Its average audience share in the quarter was 14.4%, with 2.5 million viewers.

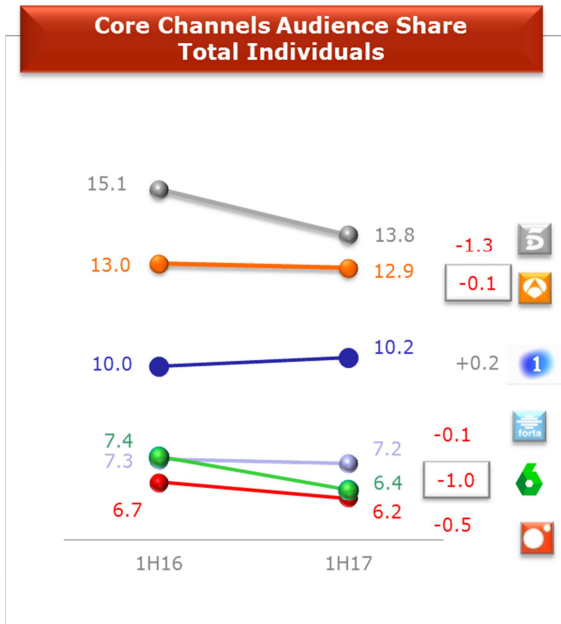
Antena 3's film offerings continue to be a key part of its programming strategy. The most viewed films in the quarter were “El Francotirador” (15.9% audience share and 2.6 million viewers) and “Transporter Legacy” (13.9% and 2.4 million), both broadcast in the “El Peliculón” slot.

In sports programming, the Champions League season on Antena 3 concluded with high audience figures. The five matches broadcast in the quarter achieved an average audience share of 41.2% and almost 7 million viewers.

The average total individuals audience (24h) for the **laSexta channel** in the first half of 2017 was 6.4%, keeping it ahead of its main competitor, Cuatro. It achieved a commercial target audience share of 7.1%, and 7.6% for commercial target audiences in the prime time slot.

“El Intermedio” continues to be the channel's most viewed daily programme, with an average of 1.7 viewers (10.4%) for the programmes broadcast in the quarter.

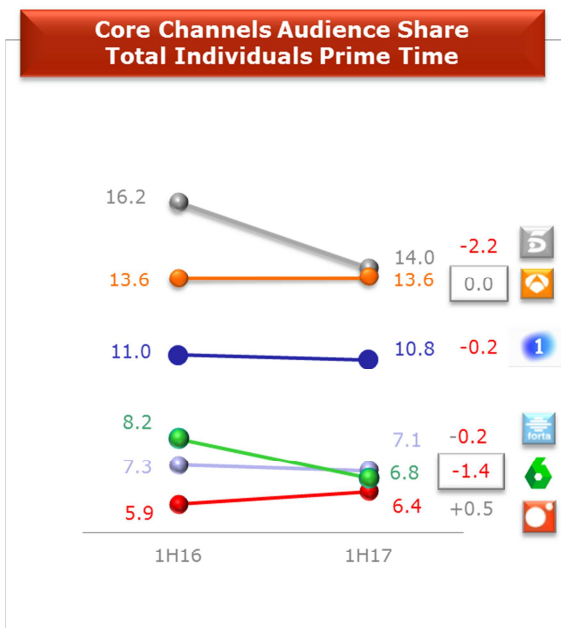
“Al Rojo Vivo”, the leading morning political discussion programme, had an audience share of 11.9% in the quarter, with 737,000 viewers.



Source: Kantar Media. 24h total individuals 4+



Source: Kantar Media. Commercial target: 25-59 years, >10,000 inhabitants



Source: Kantar Media. 24h total individuals 4+

Prime Time (20:30-24:00)



Source: Kantar Media. Commercial target: 25-59 years, >10,000 inhabitants  
Prime Time (20:30-24:00)



In the six months to June 2017 the complementary channels contributed a combined audience share in total individuals (24h) of 7.4%, reaching 9.0% for commercial target audiences.

**The Neox channel** had a total individuals audience share of 2.4% in the first half of the year and a 3.1% commercial target audience share.

**Nova** had a 2.2% audience share for both total individuals audience and commercial target.

The **Mega channel** reported average audiences of 1.8% in the first half of 2017, rising to 2.5% for commercial target audience share.

**Atreseries** achieved its best ever audience figures with a total individuals audience share of 1.0% and a 1.3% commercial target audience share.

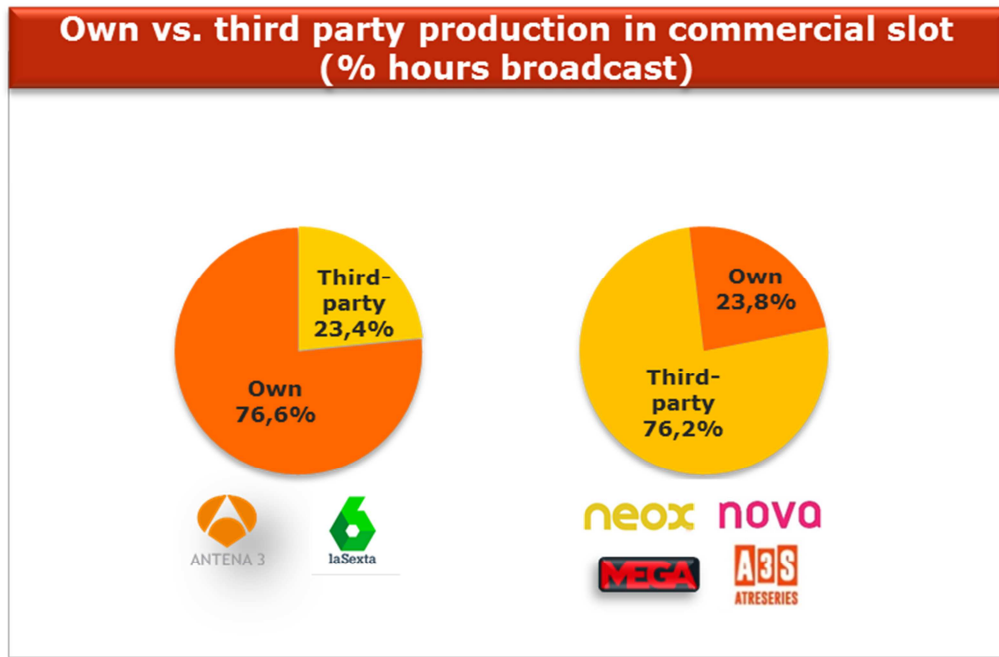
**Complementary Channels Audience Share total individuals**

		<u>1H17</u>	<u>1H16</u>	<u>Change</u>
		7.4	7.0	+0.4
		9.2	8.7	+0.5
		5.9	6.6	-0.7
Net TV		3.0	2.8	+0.2
Veo TV		2.8	1.9	+0.9
13TV		2.0	2.1	-0.1
Kiss TV		0.9	0.2	+0.7
Secuoya		0.4	0.1	+0.3
Real Madrid TV		0.4	0.1	+0.3

Source: Kantar Media. 24h total individuals 4+



On the main channels, in-house productions predominate (77%), while the majority of programmes broadcast on the complementary channels are produced by others (76%).



### 3.3 Income statement

Euros (in thousands)	Jan-Jun 2017	Jan-Jun 2016	Change
<b>NET REVENUE</b>	485,499	489,864	(0.9%)
<b>OPERATING EXPENSES</b>	385,360	390,259	(1.3%)
<b>EBITDA</b>	100,139	99,604	0.5%
Depreciation and amortisation	7,381	7,722	(4.4%)
<b>EBIT</b>	92,758	91,882	1.0%





### 3.3.1 Net revenue

Net revenue for the year to June 2017 totalled 485.5 million euros, in comparison with 489.9 million euros for the first half of 2016.

According to Arce Media, the television advertising market shrank by about 1.2% in the period. Atresmedia Television's share of this market was 42.9%.

Atresmedia Television's market share in the second quarter of 2017 was 42.6%.

### 3.3.2 Operating expenses

Euros (in thousands)	Jan-Jun	Jan-Jun	Change
	2017	2016	
Programme procurement and other purchases	236,742	239,748	(1.3%)
Staff costs	37,320	38,658	(3.5%)
Other operating expenses	111,298	111,853	(0.5%)
<b>OPERATING EXPENSES</b>	<b>385,360</b>	<b>390,259</b>	<b>(1.3%)</b>

Year-to-date operating expenses to June 2017 totalled 385.4 million euros, compared to 390.3 million euros to June 2016, a decrease of 1.3%.

Operating expenses for the second quarter of 2017 were 4.4% lower than in the same period in 2016. In response to the declining market for television advertising, the Group has implemented a cost containment policy, although this has not harmed the business's competitiveness.



### 3.3.3 Operating earnings and margins

EBITDA for the first half of 2017 was 100.1 million euros, 0.5% higher than that reported for the same period of 2016 and representing a margin on net revenues of 20.6%.

EBITDA	Jan-Jun 2017	Jan-Jun 2016
Atresmedia Television	100,139	99,604
<b>Margin on net revenue</b>	<b>20.6%</b>	<b>20.3%</b>

EBITDA for the second quarter of 2017 was 64.2 million euros, with a margin on net revenue of 25.2%.

EBIT in the six months to June 2017 was 0.9 million euros higher than for the same period last year, totalling 92.8 million euros.

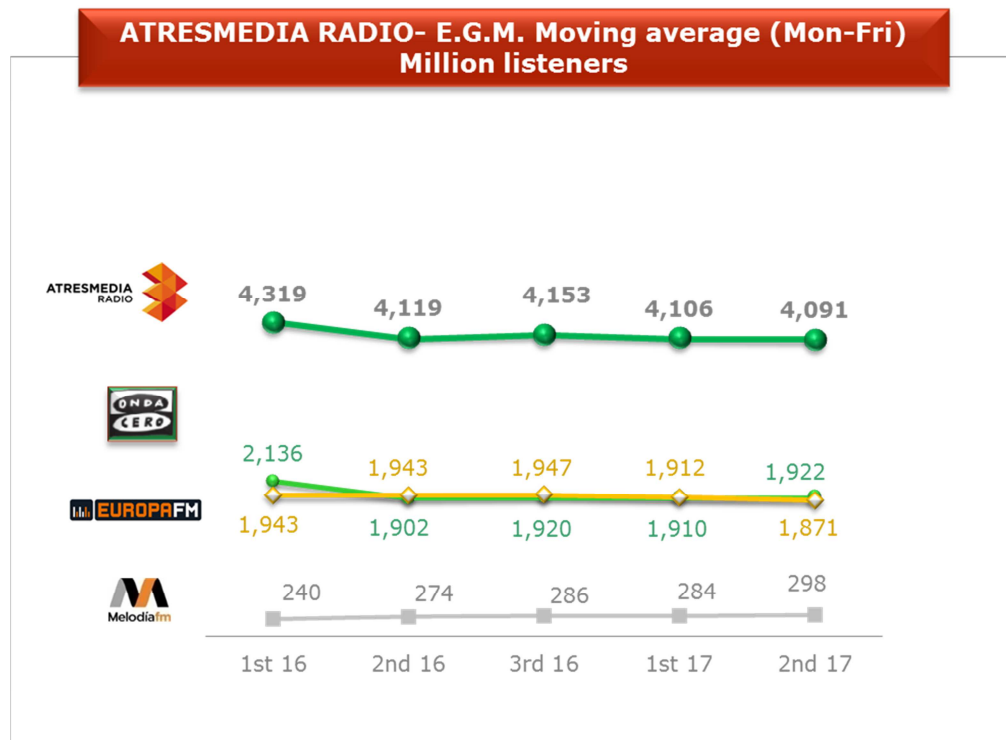
EBIT	Jan-Jun 2017	Jan-Jun 2016
Atresmedia Television	92,758	91,882
<b>Margin on net revenue</b>	<b>19.1%</b>	<b>18.8%</b>

## 4. ATRESMEDIA RADIO

### 4.1 Advertising market and audience figures

According to Arce Media, the radio advertising market in the first half of 2017 grew by about 3.8%.

Atresmedia Radio had an average of 4.1 million listeners, according to the latest General Media Study (EGM), in the rolling year to the 2nd 2017 wave. Onda Cero's rankings remained stable as it continued to be the third ranking non-specialist radio station with an average of 1.9 million listeners. Europa FM remained the third ranking specialist station with 1.9 million listeners while Melodía FM had its highest ever audience figures with 298,000 listeners.



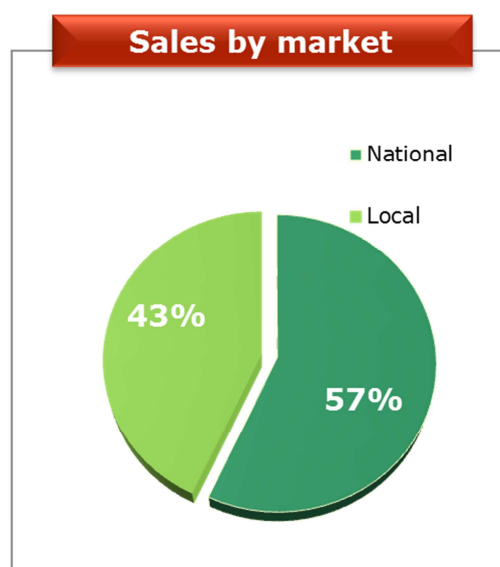
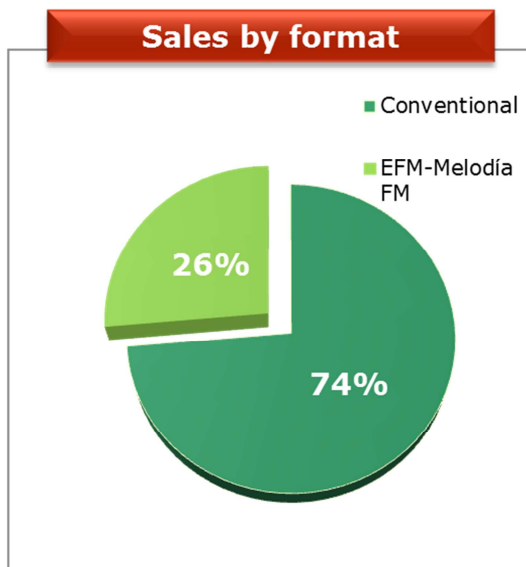
Source: EGM. Moving average Monday-Friday



## 4.2 Income statement

Euros (in thousands)	Jan-Jun 2017	Jan-Jun 2016	Change
<b>NET REVENUE</b>	<b>42,354</b>	<b>41,579</b>	<b>1.9%</b>
Staff costs	13,283	11,935	11.3%
Other operating expenses	19,631	16,690	17.6%
<b>OPERATING EXPENSES</b>	<b>32,914</b>	<b>28,626</b>	<b>15.0%</b>
<b>EBITDA</b>	<b>9,440</b>	<b>12,953</b>	<b>(27.1%)</b>
Depreciation and amortisation	1,022	993	2.9%
<b>EBIT</b>	<b>8,418</b>	<b>11,960</b>	<b>(29.6%)</b>

Net revenue for the half year to June 2017 totalled 42.4 million euros, up 1.9% on the 41.6 million euros reported for the first half of 2016.





Operating expenses to 30 June 2017 amounted to 32.9 million euros, compared with 28.6 million in the first half of 2016. This increase was mainly due to higher content costs for evening sports programming from the start of the 2016/2017 football season.

EBITDA in the six months to June 2017 was 9.4 million euros, representing a margin on net revenues of 22.3%.

EBITDA for the second quarter of 2017 was 7.7 million euros, with a margin on net revenue of 33.6%.

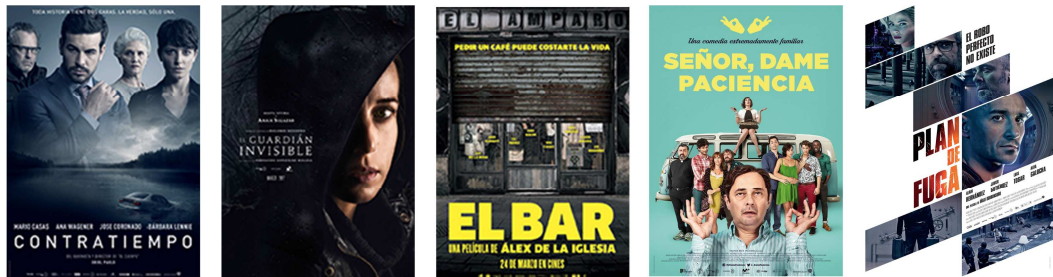
<b>EBITDA</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>
Atresmedia Radio	9,440	12,953
<b>Margin on net revenue</b>	<b>22.3%</b>	<b>31.2%</b>
<b>EBIT</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>
Atresmedia Radio	8,418	11,960
<b>Margin on net revenue</b>	<b>19.9%</b>	<b>28.8%</b>



## 5. OTHER BUSINESSES

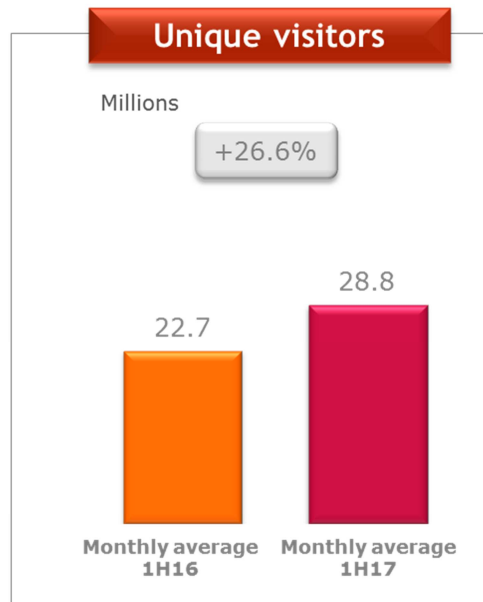
### 5.1 Atresmedia Cine

Atresmedia Cine released five films in the first six months of 2017, all of which ranked among the top nine Spanish films: "Contratiempo", "El Guardián Invisible", "El Bar", "Plan de fuga" and "Señor Dame Paciencia". Films such as "Villaviciosa de al lado" also remained on release. In total, these films represented 45% of box-office takings for Spanish cinema in the first six months of the year.



### 5.2 Atresmedia Digital

At 30 June 2017 monthly unique visitor figures for Atresmedia Digital's websites were 28.8 million, up 26.6% on the monthly average at June 2016. The Group's vertical content sites ("Celebrities", "Se estrena", "Guía Infantil", "Objetivo TV", "Tribus ocultas", "Centímetros cúbicos", etc.) performed particularly strongly in the period, as did the antena3.com, lasexta.com, flooxer.com and europafm.com websites.



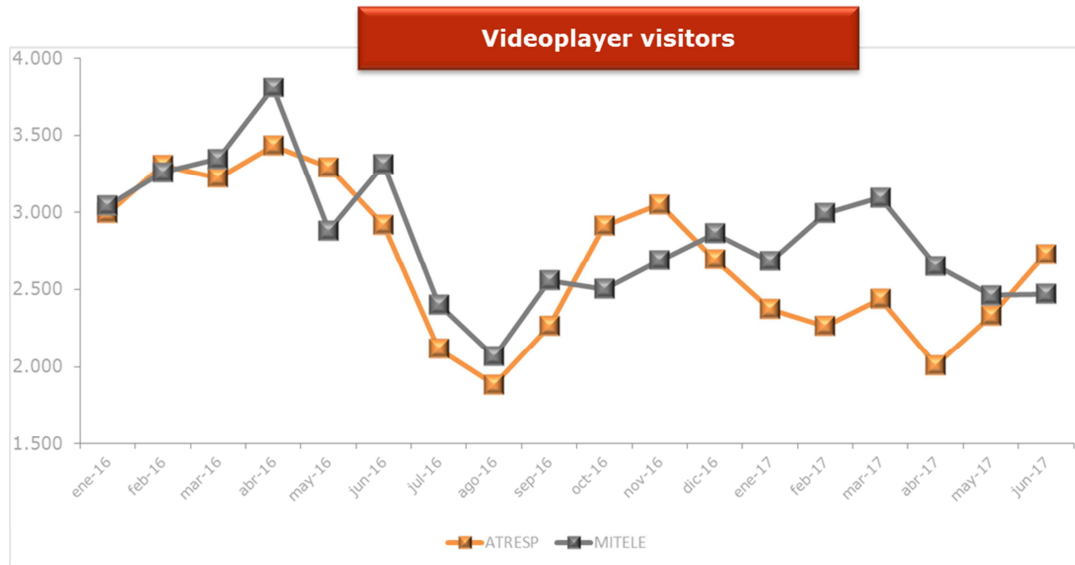
Monthly average  
Source: Adobe Analytics

According to figures published by comScore, the Atresmedia Group is one of the most visited internet groups in Spain, and its websites have now headed the internet rankings for television groups in 15 consecutive months, with 15.9 million unique visitors in June, 4.9 million more than Mediaset.



Source: comScore

The Atresplayer video and audio platform reported over 4.8 million registered users and 9.6 million downloads to mobile devices. According to figures from comScore, in the first six months of 2017, Atresplayer had a monthly average of 2.4 million unique visitors.



Source: comScore

The platform for short videos, Flooxer, attracted an average of 1.1 million unique visitors per month in the first half of the year.





### 5.3 Income statement

The Group's other activities performed as follows:

<b>Euros (in thousands)</b>	<b>Jan-Jun 2017</b>	<b>Jan-Jun 2016</b>	<b>Change</b>
<b>NET REVENUE</b>	<b>22,927</b>	<b>12,617</b>	<b>81.7%</b>
% of Atresmedia's revenues	4.2%	2.3%	
<b>OPERATING EXPENSES (*)</b>	<b>16,003</b>	<b>5,743</b>	<b>178.7%</b>
% of Atresmedia's expenses	3.7%	1.4%	
<b>EBITDA</b>	<b>6,924</b>	<b>6,874</b>	<b>0.7%</b>
% of Atresmedia's EBITDA	5.9%	5.8%	

(\*) Includes amortisation of film productions.

The Group's other businesses reported year-to-date EBITDA to June 2017 of 6.9 million euros, in line with that for the same period last year. The increase in both revenues and expenses is mainly attributable to the Spanish film business.