

**ATRESMEDIA**



**JANUARY–DECEMBER 2018  
RESULTS**

**31 December 2018**



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: Audiovisual and Radio.




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## 1. HIGHLIGHTS

### 1.1 Milestones and key figures

#### Atresmedia. Key figures

Operational highlights	Jan-Dec 2018	Jan-Dec 2017
Total TV audience	26.8%	26.6%
TV market share	40.5%	41.4%
Radio listeners (thousands) (3rd EGM wave)	3,664	4,012
Total no. employees	2,043	2,008

#### Financial highlights Euros (in thousands)

	Jan-Dec 2018	Jan-Dec 2017
Net revenue	1,042,324	1,052,078
EBITDA	187,146	202,143
Profit for the period	88,182	142,108
Adjusted net profit	125,707	142,108
Net financial debt	230,911	239,558

**Atresmedia's EBITDA for the year to December 2018 totaled 187.1 million euros, with consolidated profits of 88.2 million euros. As detailed in section 2.1.5, corporate income tax for the year includes an extraordinary negative adjustment. If this adjustment is excluded, net profit would have been 125.7 million euros.**

The **Atresmedia Group** was the leader in the advertising market for conventional media, with a market share of 18% across its various platforms.

According to Infoadex, **Atresmedia Television's market share** was 40.5%.

Atresmedia Television achieved an **audience share** of 26.8% in the year, 0.2 percentage points higher than in 2017, with a prime time commercial target audience of 29.3%.

**Antena 3** achieved a 12.3% audience share in the period, with a prime time commercial target audience share of 13.3%.



**laSexta** stayed ahead of its main competitor with an average audience figure of 6.9%, and 7.5% for commercial target audiences in the prime time slot.

The complementary channels (**Neox**, **Nova**, **Mega** and **Atreseries**) achieved a combined audience share of 7.6% in the year to December 2018, with a commercial target audience of 9.1%.

According to statistics published by ComScore in December, Atresmedia's **Digital** business achieved its best ever figures: it continued to head the internet rankings for television groups, with 21.3 million unique visitors, and it was the eighth most visited website in Spain.

**Atresmedia Cine** released thirteen films in 2018, accounting for 29.9% of box-office takings for Spanish cinema.

Atresmedia's **international** channels, meanwhile, had 55 million subscribers, 6 million (12%) more than in the previous year.

**Atresmedia Radio**'s stations, Onda Cero, Europa FM and Melodía FM, maintained their position with 3.7 million listeners, according to the latest study (3rd 2018 EGM wave).

## 1.2 The economic climate and the market

The Spanish economy grew by 2.5% in 2018. In January, the Fundación de las Cajas de Ahorros (FUNCAS) was forecasting GDP growth of 2.2% for 2019. This forecast is in line with that of other comparable bodies: the IMF, the Spanish Government, the Bank of Spain, the OECD and the European Commission.

The number of new jobs created increased by 2.5% in 2018, while the forecast for 2019 is for slower growth at 1.9%. The unemployment rate is expected to fall from 14.5% in 2018 to 13.8% in 2019.

Household consumption is also showing signs of recovery. FUNCAS expects it to grow by up to 2.4% in 2018 (the same as in 2017) and by 2.0% in 2019.

Turning to the advertising market, according to internal estimates, advertising investment in conventional media grew by 2.9% in 2018 compared with 2017. Television advertising shrank by 0.8% while radio and internet advertising grew by 3.3% and 12.6%, respectively.

**Advertising market by media** **12M18 vs 12M17**

<b>Television</b>	<b>(0.8%)</b>
<b>Radio</b>	<b>3.3%</b>
<b>Digital</b>	<b>12.6%</b>
Newspapers	(5.9%)
Magazines	(5.1%)
Outdoor	2.8%
Sunday suppl.	(6.7%)
Cinema	3.2%
<b>TOTAL MEDIA</b>	<b>2.9%</b>

Source: Infoadex

The **Atresmedia Group** leads the conventional media market with a share of advertising spending of over 18%.



## 2. ATRESMEDIA

### 2.1 Consolidated Income Statement

<b>Euros (in thousands)</b>	<b>Jan-Dec 2018</b>	<b>Jan-Dec 2017</b>	<b>Change</b>
<b>NET REVENUE</b>	<b>1,042,324</b>	<b>1,052,078</b>	<b>(0.9%)</b>
<b>OPERATING EXPENSES</b>	<b>855,178</b>	<b>849,935</b>	<b>0.6%</b>
<b>EBITDA</b>	<b>187,146</b>	<b>202,143</b>	<b>(7.4%)</b>
Depreciation and amortization	18,554	17,780	4.4%
Impairment and disposal of property, plant and equipment	7	(129)	n/a
<b>EBIT</b>	<b>168,585</b>	<b>184,492</b>	<b>(8.6%)</b>
<b>Financial result</b>	<b>(6,542)</b>	<b>(1,973)</b>	<b>(231.6%)</b>
<b>Net income from investments in other entities</b>	<b>(5,532)</b>	<b>(5,946)</b>	<b>7.0%</b>
<b>Profit before tax from continuing operations</b>	<b>156,511</b>	<b>176,573</b>	<b>(11.4%)</b>
Income tax	68,342	34,465	98.3%
<b>Profit for the period</b>	<b>88,169</b>	<b>142,108</b>	<b>(38.0%)</b>
Profit attributable to non-controlling interests	13		n/a
<b>Profit for the financial period attributable to the parent company</b>	<b>88,182</b>	<b>142,108</b>	<b>(37.9%)</b>
<b>Adjusted net profit (*)</b>	<b>125,707</b>	<b>142,108</b>	<b>(11.5%)</b>

(\*) See section 2.1.5.

The format used to report Atresmedia figures was changed in the first quarter of 2018, grouping them under two main businesses: Audiovisual and Radio.



The aim is to provide greater detail and a more in-depth understanding of the Group's business lines, in particular the digital business and the production and distribution of content by the Audiovisual business. Pro forma statements for 2016 and 2017 are included in Appendices at the end of this report.

A pro forma consolidated income statement excluding the Smartclip business, which was incorporated in the Group's scope of consolidation in July 2017, is also disclosed in an Appendix.

### 2.1.1 Net revenue

Atresmedia's net revenue for the year to December 2018 totaled 1,042.3 million euros, compared to 1,052.1 million euros in 2017. Excluding Smartclip, the Group's revenues fell by 2.4%.

Net revenue by business (thousand euros)	Jan-Dec 2018	Jan-Dec 2017	Change
Audiovisual	969,235	978,048	(0.9%)
Radio	82,517	83,526	(1.2%)
Eliminations	(9,428)	(9,496)	
<b>ATRESMEDIA</b>	<b>1,042,324</b>	<b>1,052,078</b>	<b>(0.9%)</b>

### 2.1.2 Operating expenses

Operating expenses for the year to December 2018 were 0.6% higher than in 2017.

Operating expenses by business (thousand euros)	Jan-Dec 2018	Jan-Dec 2017	Change
Audiovisual	798,593	792,980	0.7%
Radio	66,013	66,451	(0.7%)
Eliminations	(9,428)	(9,496)	
<b>ATRESMEDIA</b>	<b>855,178</b>	<b>849,935</b>	<b>0.6%</b>





Operating expenses by type (thousand euros)	Jan-Dec 2018	Jan-Dec 2017	Change
Programming and others	437,981	448,431	(2.3%)
Personnel costs	134,435	133,281	0.9%
Other operating expenses	159,972	154,370	3.6%
Variable costs linked to sales	132,219	123,349	7.2%
Eliminations	(9,428)	(9,496)	
<b>OPERATING EXPENSES</b>	<b>855,178</b>	<b>849,935</b>	<b>0.6%</b>

This increase is mainly due to the incorporation of Smartclip. Excluding Smartclip, the Group's expenses are 1.0% lower than those for the year to December 2017.

Expenses in the fourth quarter were 4.9% lower than in the same quarter of the previous year.

### 2.1.3 Operating earnings and margins

EBITDA in the year to December 2018 was 187.1 million euros, representing a margin on net revenues of 18.0%.

EBITDA (thousands of euros)	Jan-Dec 2018	Jan-Dec 2017
Audiovisual	170,642	185,068
<b>Margin on net revenue</b>	<b>17.6%</b>	<b>18.9%</b>
Radio	16,504	17,075
<b>Margin on net revenue</b>	<b>20.0%</b>	<b>20.4%</b>
<b>TOTAL ATRESMEDIA</b>	<b>187,146</b>	<b>202,143</b>
<b>Margin on net revenue</b>	<b>18.0%</b>	<b>19.2%</b>

EBITDA for the fourth quarter of 2018 was 63.2 million euros, with a margin on net revenue of 21.4%, an increase of 9.6 million euros compared with the fourth quarter of the previous year. These are the best reported quarterly results since 2007.



EBIT for the year to December 2018 totalled 168.6 million euros, in comparison with 184.5 million euros for 2017.

EBIT (thousands of euros)	Jan-Dec 2018	Jan-Dec 2017
Audiovisual	154,149	169,485
<b>Margin on net revenue</b>	<b>15.9%</b>	<b>17.3%</b>
Radio	14,436	15,007
<b>Margin on net revenue</b>	<b>17.5%</b>	<b>18.0%</b>
<b>TOTAL ATRESMEDIA</b>	<b>168,585</b>	<b>184,492</b>
<b>Margin on net revenue</b>	<b>16.2%</b>	<b>17.5%</b>

## 2.1.4 Profit before tax

The Group reported financial losses for the year to December 2018 of 6.5 million euros, compared with losses of 2.0 million euros last year. This is due to the combined effects of higher average indebtedness, the lower effective cost of debt, negative exchange differences, and the remeasurement of financial assets and liabilities.

Profit before tax for the year to December 2018 totalled 156.5 million euros, compared to 176.6 million euros last year.

## 2.1.5 Consolidated profit for the period

Consolidated profit for the year to December 2018 was 88.2 million euros.

Following an analysis into the recoverability of its deferred tax assets, Atresmedia derecognised tax loss carryforwards amounting to 37.5 million euros, with no effect either in the future recovery of these tax losses or in Atresmedia's current or future cash generation. Excluding the effect of this adjustment, net profit for the year would have been 125.7 million euros.



## 2.2 Consolidated Balance Sheet

Euros (in thousands)	31 December 2018	31 December 2017
<b>ASSETS</b>		
Goodwill	163,223	163,223
Other intangible assets	147,322	135,524
Property, plant and equipment and other non-current assets	81,197	65,179
Deferred tax assets	216,709	267,493
<b>NON-CURRENT ASSETS</b>	<b>608,451</b>	<b>631,419</b>
Programming rights and inventories	352,376	390,937
Trade and other receivables	275,099	276,394
Other current assets	31,439	18,383
Current tax assets	5,628	7,288
Cash and cash equivalents	85,626	25,026
<b>CURRENT ASSETS</b>	<b>750,168</b>	<b>718,028</b>
<b>TOTAL ASSETS</b>	<b>1,358,619</b>	<b>1,349,447</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	221,073	252,730
Treasury shares	(8,810)	(8,810)
Interim dividend	(44,988)	(49,487)
Other equity instruments	2,254	2,298
Remeasurements and other	922	(576)
<b>EQUITY</b>	<b>420,530</b>	<b>446,234</b>
Debentures and bonds	170,770	0
Debt to financial institutions	137,907	190,229
Other non-current liabilities	5,775	7,263
Deferred tax liabilities	30,276	28,554
<b>NON-CURRENT LIABILITIES</b>	<b>344,728</b>	<b>226,046</b>
Debentures and bonds	3,924	
Debt to financial institutions	11,982	74,355
Trade and other creditors	430,923	477,120
Other current liabilities	146,532	125,692
<b>CURRENT LIABILITIES</b>	<b>593,361</b>	<b>677,167</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,358,619</b>	<b>1,349,447</b>



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The Group's net financial debt is 230.9 million euros, 8.6 million euros less than at the end of December 2017.

A final dividend of €0.30/share was distributed in June against 2017 income. The total amount distributed was 67.5 million euros.

An interim dividend of €0.20/share was distributed in December against 2018 income. The total amount distributed was 45.0 million euros.

On 11 July 2018 Atresmedia successfully completed a 75 million US dollar notes issuance, maturing in five years and bearing a semi-annual coupon of 4.48%, payable in US dollars, and a further 125 million US dollar notes issuance, maturing in seven years and bearing a semi-annual coupon of 4.75%, also payable in US dollars. These issues were placed with institutional investors in North America and listed on the Frankfurt Stock Exchange. The issues were hedged using cross-currency swaps so the Group's obligations are maintained at fixed exchange rates and interest rates in euros of around 2%.



## 2.3 Consolidated Cash Flow Statement

At 31 December 2018 net cash flows from operating activities were positive, totalling 171.4 million euros.

Euros (in thousands)	31 December 2018	31 December 2017
<b>1.- CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Consolidated profit for the period before tax</b>	<b>156,511</b>	<b>176,573</b>
<b>Adjustments for:</b>	<b>27,605</b>	<b>22,080</b>
- Depreciation and amortization	18,554	17,780
- Provisions and others	2,509	2,327
- Financial result	6,542	1,973
<b>Changes in working capital</b>	<b>6,301</b>	<b>36,315</b>
<b>Cash flow from operations</b>	<b>190,417</b>	<b>234,968</b>
<b>Income tax (paid)/refunded</b>	<b>(19,000)</b>	<b>(25,187)</b>
<b>Net cash flows from operating activities</b>	<b>171,417</b>	<b>209,781</b>
<b>2.- CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investments</b>	<b>(67,626)</b>	<b>(62,123)</b>
Group companies, joint ventures and associates	(10,830)	(30,588)
Property, plant and equipment and intangible fixed assets	(21,490)	(14,721)
Investment in Spanish film productions	(35,306)	(16,814)
<b>Divestments and advances on the sale of assets</b>	<b>23,462</b>	<b>55</b>
<b>Net cash flows from investing activities</b>	<b>(44,164)</b>	<b>(62,068)</b>
<b>3.- CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Financial expenses paid	(4,314)	(7,827)
Dividends paid	(112,470)	(206,946)
Financing of associates and related parties	(1,822)	(5)
Bank borrowings	51,953	84,451
<b>Net cash flows from financing activities</b>	<b>(66,653)</b>	<b>(130,327)</b>
<b>NET INCREASE / DECREASE IN CASH</b>	<b>60,600</b>	<b>17,386</b>
Cash and cash equivalents, beginning of the period	25,026	1,562
Cash incorporation of Smartclip	0	6,078
<b>Cash and cash equivalents, beginning of the period</b>	<b>25,026</b>	<b>7,639</b>
<b>Cash and cash equivalents, end of the period</b>	<b>85,626</b>	<b>25,026</b>

## 2.4 Share price

### 2.4.1 Atresmedia's shares

Atresmedia's shares closed 2018 at € 4.36/share, down 49.9% on the closing price of €8.70/share at the end of 2017, in line with the share prices of other European television operators. Meanwhile, the IBEX 35 fell by 15.0% in the period to close at 8,539.90 points.



Atresmedia share price in 2018 vs. the IBEX 35.

Trading figures	Jan-Dec 2018
Share price at 31/12/2018 (€)	4.36
High (€)	8.87
Low (€)	4.18
Weighted average price (€)	6.84
Average daily volume (shares)	595,787
Average daily volume (thousand euros)	4,074
Number of shares (million)	225.7

Source: Net Station



## 2.4.2 Analysts' recommendations

At the close of the year, 21 analysts were reporting and offering recommendations on our shares. Of these, 48% recommended Buy Atresmedia shares, 38% recommended Hold, while 14% continued to recommend Sell. The average target price at the end of December was € 6.50/share.

During 2018 Atresmedia's Investor Relations department took part in 20 conferences and roadshows in various financial capitals (Paris, Madrid, London, Bilbao, Barcelona and Lisbon).

The department held 280 direct meetings with analysts and investors (at conferences and roadshows and in our offices) and held 200 conference calls with analysts and investors.

## 2.5 Corporate Social Responsibility

In the area of human resources management, Atresmedia was ranked for a sixth time as the most attractive communications company to work for, according to the "2018 Randstad Report". Atresmedia also received the 2018 Stela Award from the Madrid Downs Syndrome Foundation for its efforts to employ people with intellectual disabilities and support their integration into the workplace. The Atresmedia Formación educational initiative, meanwhile, launched a summer school to introduce young people to the audiovisual industry.

The social initiatives under the "Compromiso Atresmedia" banner include the following:

- "Ponle Freno" presented its tenth awards recognising organisations' and individuals' efforts to improve road safety. It also organised awareness raising campaigns, including its now traditional charity fun runs in cities around Spain.
- "Objetivo Bienestar" presented its sixth "Coles Activos" awards, recognising schools that encourage healthy habits among pupils, and signed a new cooperation agreement with the Ministry of Health, Social Services and Equality on tackling childhood obesity.



- The "Constantes y Vitales" campaign renewed its initiative to install defibrillators in public places in 2018 and was involved in the creation of the first database of Spanish women researchers, in partnership with the Association of Women Researchers and Technologists (AMIT).
- The "Crea Cultura" campaign to protect intellectual property rights held a special event to mark International Intellectual Property Day, encouraging the public to get involved and share their favourite cultural references.
- At the end of the year, Atresmedia launched a new initiative entitled "Levanta la Cabeza" to encourage the responsible use of new technologies.

The Group also contributed:

- Programme content dealing with social issues including gender equality, the cost of housing, how to use social networks responsibly, and different family models.
- Atresmedia employees, meanwhile, took part in voluntary activities including helping in the Santa María Josefa community canteen, the "Libera" project to clean up the countryside, collecting toys for the "Comparte y Recicla" initiative, and an educational project in Bolivia organised by "Ayuda en Acción".

In the area of the environment, the Group supported the WWF Earth Hour campaigns through its "Hazte Eco" initiative and supported the Save the Arctic campaign in partnership with Greenpeace. Atresmedia's channels also broadcast a number of special programmes on these issues.

The Atresmedia Foundation continues its efforts to improve education, with a record number of teachers attending this year's "Grandes Profes" event. Meanwhile, to improve conditions in hospitals, the Foundation has set up the "Humanización de Hospitales" index, a tool to help hospitals assess all the measures they can take to make them more human.

Finally, in the area of corporate responsibility, Atresmedia published its eleventh Annual and Corporate Responsibility Report, the first to contain comprehensive information on the Group linking social and environmental matters and good governance with its business strategy.





### 3. AUDIOVISUAL

#### 3.1 Income statement

Euros (in thousands)	Jan-Dec 2018	Jan-Dec 2017	Change
<b>NET REVENUE</b>	<b>969,235</b>	<b>978,048</b>	<b>(0.9%)</b>
<b>OPERATING EXPENSES</b>	<b>798,593</b>	<b>792,980</b>	<b>0.7%</b>
<b>EBITDA</b>	<b>170,642</b>	<b>185,068</b>	<b>(7.8%)</b>
Amortization and depreciation and impairment	16,493	15,583	5.8%
<b>EBIT</b>	<b>154,149</b>	<b>169,485</b>	<b>(9.0%)</b>

#### 3.1.1 Net revenue

Net revenue for the year to December 2018 was 969.2 million euros, in comparison with 978.0 million euros in 2017.

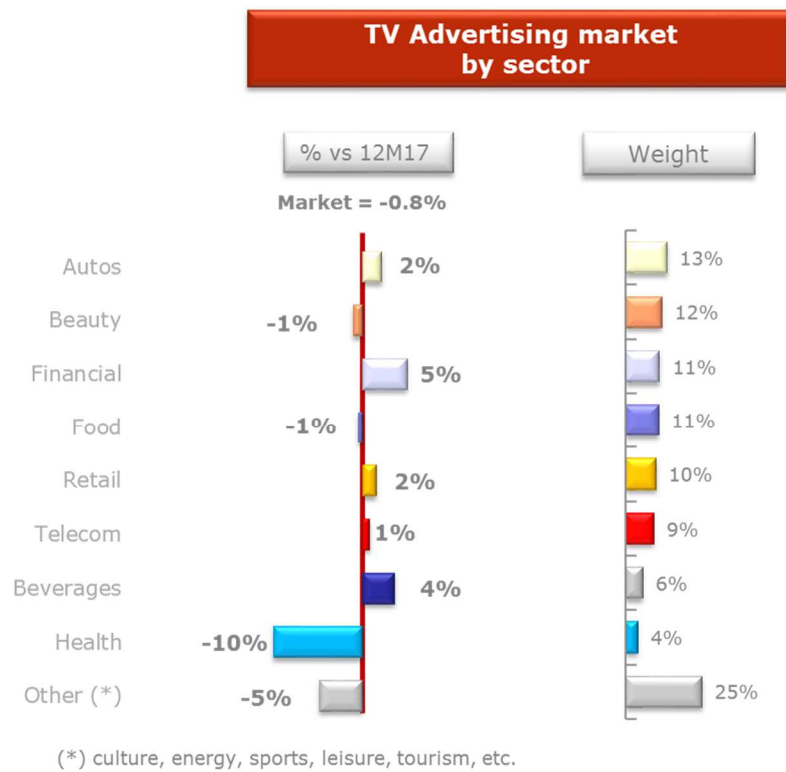
Euros (in thousands)	Jan-Dec 2018	Jan-Dec 2017	Change
Television advertising	829,459	853,725	(2.8%)
Digital advertising	44,955	27,092	65.9%
Content production and distribution	58,105	66,162	(12.2%)
Other revenue	36,716	31,069	18.2%
<b>NET REVENUE</b>	<b>969,235</b>	<b>978,048</b>	<b>(0.9%)</b>

Television advertising revenues totalled 829.5 million euros, compared to 853.7 million euros in 2017.

According to Infoadex, the television advertising market shrank by about 0.8% in the year. Atresmedia Television's share of this market was 40.5%.

The television advertising market grew by about 0.6% in the fourth quarter of 2018. Atresmedia Television's share of this market was 39.5%.

Every sector of the television advertising market grew in the year, except "Beauty", "Food", "Health" and "Other".



Sources: Infoadex / Sectors: Internal estimates

Digital advertising revenues totalled 45.0 million euros, compared to 27.1 million euros for the same period in 2017. Since July 2017 the Group's businesses have included Smartclip, one of the top marketing companies in the Spanish on-line advertising market. Excluding Smartclip, on-line advertising revenues in both years grew by 19.4%.

According to Infoadex, the internet advertising market has grown by around 12.6% in the year.



Content production and distribution revenues totalled 58.1 million euros, compared to 66.2 million in 2017.

These revenues include domestic and international sales of TV series, the distribution of content on pay-TV platforms in Europe and the Americas, and the Group’s film production activities (Atresmedia Cine).



Atresmedia Cine released thirteen feature-length films, which accounted for 29.9% of box-office takings for Spanish cinema in the year : “Thi Mai, rumbo a Vietnam”, “Sin rodeos”, “La Tribu”, “Inmersión”, “Las leyes de la termodinámica”, “El mundo es suyo”, “El mejor verano de mi vida”, “Blackwood”, “Los Futbolísimos”, “El Reino”, “La sombra de la ley”, “Durante la tormenta” and “Tiempo después”.

Films produced by Atresmedia Cine were well received by the critics at the 2018 Goyas, with ten awards between them for “El Reino” and “La Sombra de la ley”.



Other revenues include events, licences, and editorial rights.



### 3.1.2 Operating expenses

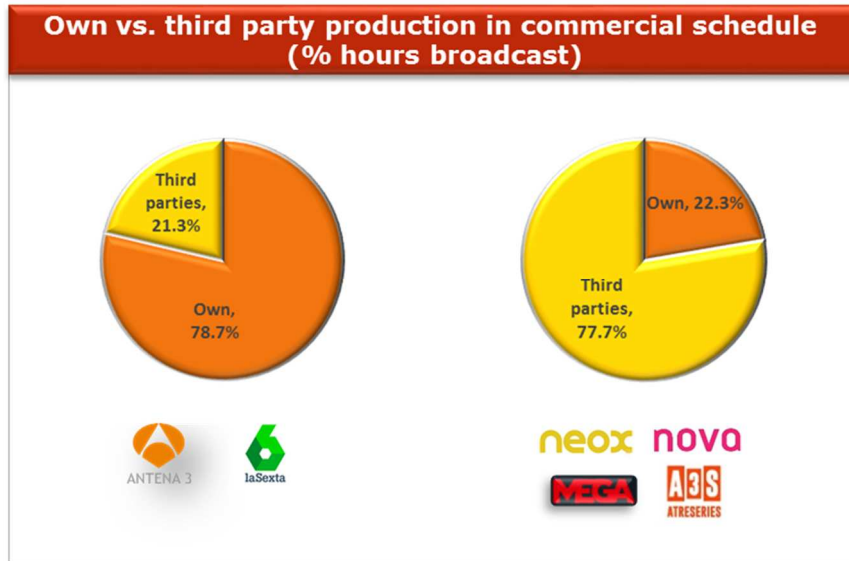
Euros (in thousands)	Jan-Dec 2018	Jan-Dec 2017	Change
Programming costs and others	437,981	448,431	(2.3%)
Personnel costs	109,142	106,874	2.1%
Other operating expenses	119,252	114,326	4.3%
Variable costs linked to sales	132,219	123,349	7.2%
<b>OPERATING EXPENSES</b>	<b>798,593</b>	<b>792,980</b>	<b>0.7%</b>

Operating expenses for the year to December 2018 totalled 798.6 million euros, an increase of 0.7% compared with 2017, mainly due to the incorporation of Smartclip.

Stripping out the Smartclip effect, expenses would have been 1.0% lower than those reported in 2017.

Operating expenses for the fourth quarter of 2018 were 4.9% lower than for the same period in 2017, mainly due to lower costs linked to sales and those associated with the Champions League, which the Group was no longer broadcasting in the second half of the year. This had no adverse effect on the Group's overall audience share, which remained at 27.2%, in line with its audience figures for 2017.

On Atresmedia's main channels, Antena3 and laSexta, in-house productions predominate (78.7%), while the majority of programmes broadcast on the complementary channels, Neox, Nova, Mega and Atreseries, are produced by third parties (77.7%).



### 3.1.3 Operating earnings and margins

EBITDA in the year to December 2018 was 170.6 million euros, with a margin on net revenues of 17.6%.

<b>EBITDA (thousands of euros)</b>	<b>Jan-Dec 2018</b>	<b>Jan-Dec 2017</b>
Audiovisual	170,642	185,068
<b>Margin on net revenue</b>	<b>17.6%</b>	<b>18.9%</b>

EBITDA in the fourth quarter of 2018 was 56.8 million euros with a margin on net revenues of 20.8%, 8.3 million euros higher than in the fourth quarter of 2017.

EBIT in the year to December 2018 was 154.1 million euros, representing a margin on net revenue of 15.9%.

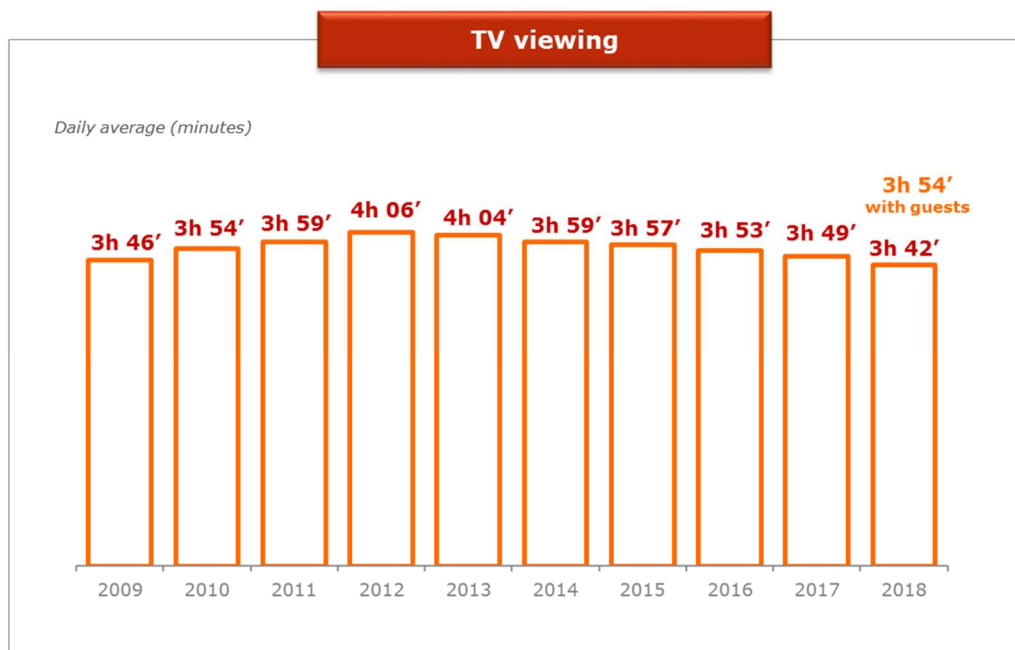
<b>EBIT Euros (in thousands)</b>	<b>Jan-Dec 2018</b>	<b>Jan-Dec 2017</b>
Audiovisual	154,149	169,485
<b>Margin on net revenue</b>	<b>15.9%</b>	<b>17.3%</b>

## 3.2 Audiences

### 3.2.1 Television viewing

Television viewing in 2018 was 3 hours and 42 minutes per person per day, four minutes less than in the previous year. This figure includes "linear television" and "on-demand" 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 (12 and a half minutes in 2018) is not included in the data above.



Source: Kantar Media. Figures for on-demand viewing are from February 2015 onward.

### 3.2.2 Television audiences

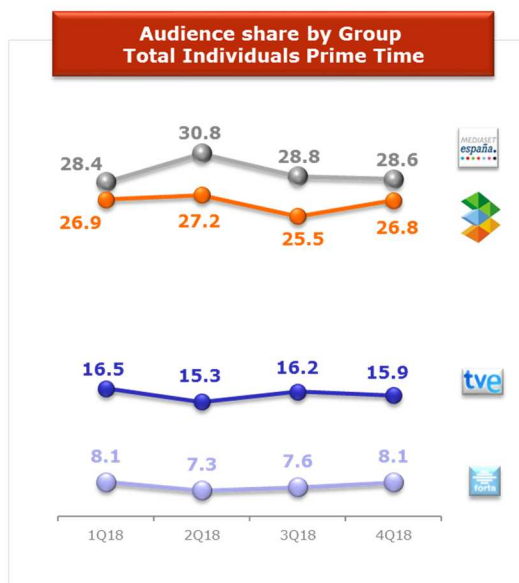
Atresmedia's television channels achieved an audience share of 26.8% in 2018, up 0.2 percentage points on the previous year, despite not broadcasting the World Cup. This figure rises to 28.4% for commercial target audiences, the most attractive audience for advertisers, and 29.3% for prime time commercial target audiences.



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's** average total individuals audience (24h) in the year was 12.3%, and the channel had prime time commercial audience figures of 13.3%.

Antena 3 broadcast the most viewed drama series in 2018:

"La Catedral del Mar", which headed audience figures in the first quarter in which it was broadcast, was the most watched Spanish series in the year, with an average audience of over 2.6 million and a 17.4% audience share. Including on-demand viewing, this figure rises to 3.1 million viewers and an audience share of 19%.

Another of the channel's top shows, "Cuerpo de Élite", attracted an average audience share of 16.3% in the year (2.6 million viewers). This rises to 3.0 million and an audience share of 17.7% if on-demand viewing is included.

"Fariña" (16.3%), "Allí abajo" (14.5%) and "Presunto culpable" (13.2%) were also among the most viewed drama programmes in the year.

Daily broadcast series attracted excellent audience numbers in the post-lunch and afternoon slots in the year to December: 1.4 million viewers watched "Amar es para siempre", an audience share of 12.3%. The afternoon series "El secreto de Puente Viejo" had 1.4 million viewers and a 13.4% audience share.

Quiz shows were once again a key part of the programming structure: "Ahora caigo" finished the year with an average audience of 1.5 million (15.1%) while "¡Boom!" had its best year ever, increasing its audience share to 15.6% and, with over 1.9 million viewers, was the most viewed quiz show at the end of the year.

The audience share of "Tu Cara me suena" increased to 18.8%, making it the Friday night audience leader.

"El Hormiguero 3.0" was the most watched daily programme on television and the leader in its time slot for the fourth consecutive year, with a 14.4% audience share and over 2.6 million viewers.

2018 was a historic year for Antena 3 news programming, heading audience rankings for the first time in 12 years.

Antena 3 Noticias 1 was the most competitive television news programme, leading the rankings and with the fastest growing audience share compared with 2017 (up 3.7 percentage points). It had an average of 2.1 million viewers in the post-lunch slot, with an average audience share of 17.1%.



The evening news programme, Antena 3 Noticias 2, was watched by an average of 1.8 million viewers per day, an audience share of 12.8%.

Antena 3's film offerings continue to be a key part of its programming strategy. "El Peliculón" was one of the most viewed feature film slots, with an average audience of 1.5 million (10.4%).

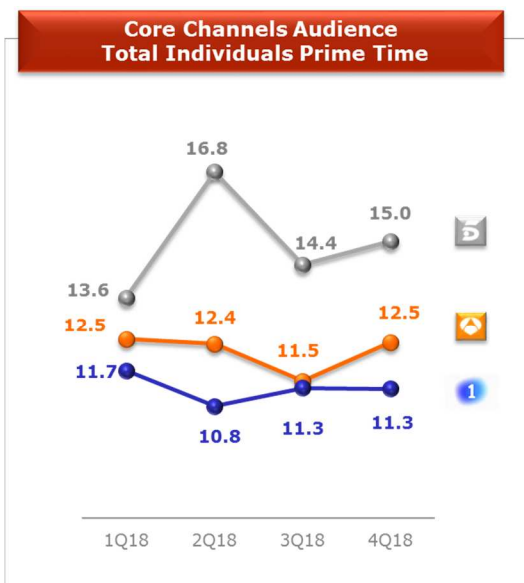
In sport, the Champions League matches broadcast on Antena 3 attracted an average audience share of 36.5%, almost 7 million viewers.



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)



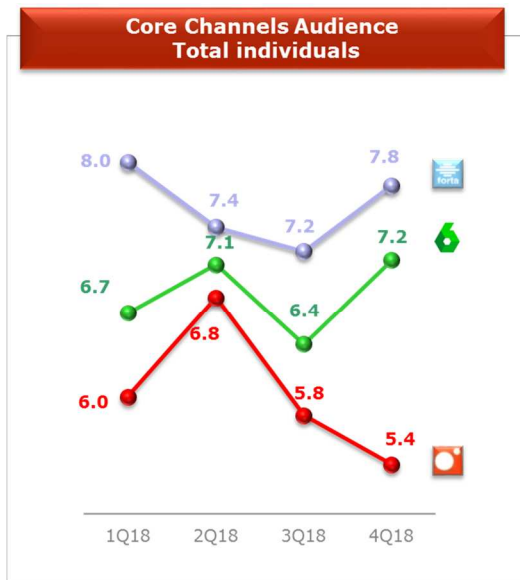
Source: Kantar Media. Commercial target: 25-59 years, >10,000 inhabitants Prime Time (20:30-24:00)

The average total individuals audience (24h) for the **laSexta channel** in 2018 was 6.9%, up 0.1 percentage points on 2017, and 0.9 percentage points ahead of its main competitor. It achieved a commercial target audience share of 7.4%, and 7.5% for commercial target audiences in the prime time slot.

“El Intermedio” was once again the most viewed daily programme on laSexta with almost 1.8 million viewers (9.7%).

“Al Rojo Vivo”, a daily morning political discussion programme closed 2018 with an average audience share of 13.8% (843,000 viewers).

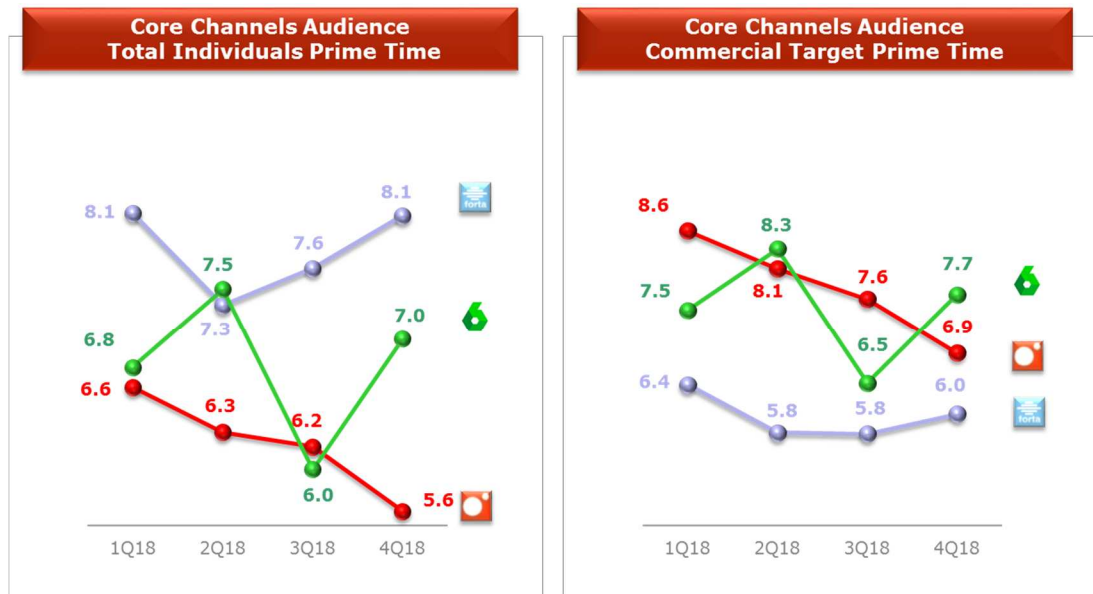
“Salvados”, the Sunday prime time show, attracted an average of 2 million viewers, representing a 10.3% audience share.



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 2018 the complementary channels contributed a combined audience share in total individuals (24h) of 7.6%, 0.1 points higher than in 2017, reaching 9.1% for commercial target audiences. Atresmedia is the only Group whose complementary channels' audiences increased compared with 2017.
























The **Neox channel** had a total individuals audience share of 2.4% in the period and a 3.2% commercial target audience share.

**Nova** had a total individuals audience share of 2.4% and a 2.1% commercial target audience share.

The **Mega** channel reported average audiences of 1.6%, rising to 2.2% for commercial target audience share.

**Atreseries** obtained a total individuals audience share of 1.2% and a 1.6% commercial target audience share.

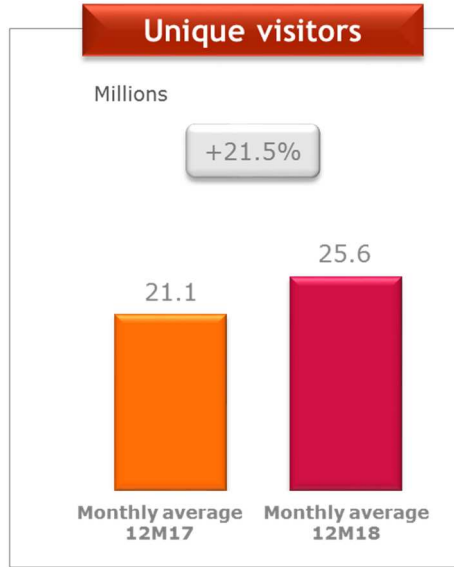
**Complementary Channels  
Audience share Total Individuals**

		<u>12M18</u>	<u>12M17</u>	<u>Change</u>
	neox	7.6	7.5	+0.1
	nova			
	MEGA			
	A3S			
	ATRESERIES			
	    	8.7	9.3	-0.6
	   	6.0	6.2	-0.2
Net TV	 	2.9	3.1	-0.2
Vevo TV	 	2.6	2.7	-0.1
13TV		2.0	2.1	-0.1
Kiss TV		0.8	0.9	-0.1
Secuoya		0.3	0.4	-0.1
Real Madrid TV		0.3	0.4	-0.1

Source: Kantar Media, 24h total individuals 4+

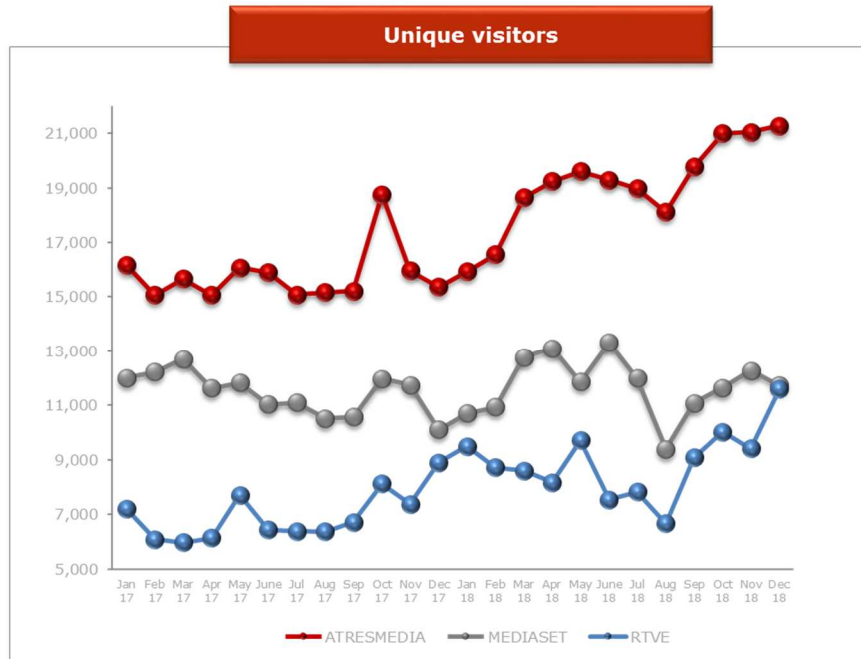
### 3.2.3 Digital audiences

The number of unique visitors at 31 December 2018 Atresmedia Digital's websites (including Atresplayer) averaged 25.6 million a month, up 21.5% on the monthly average to December 2017. The television websites performed exceptionally well, as did the native content sites (vertical content sites).



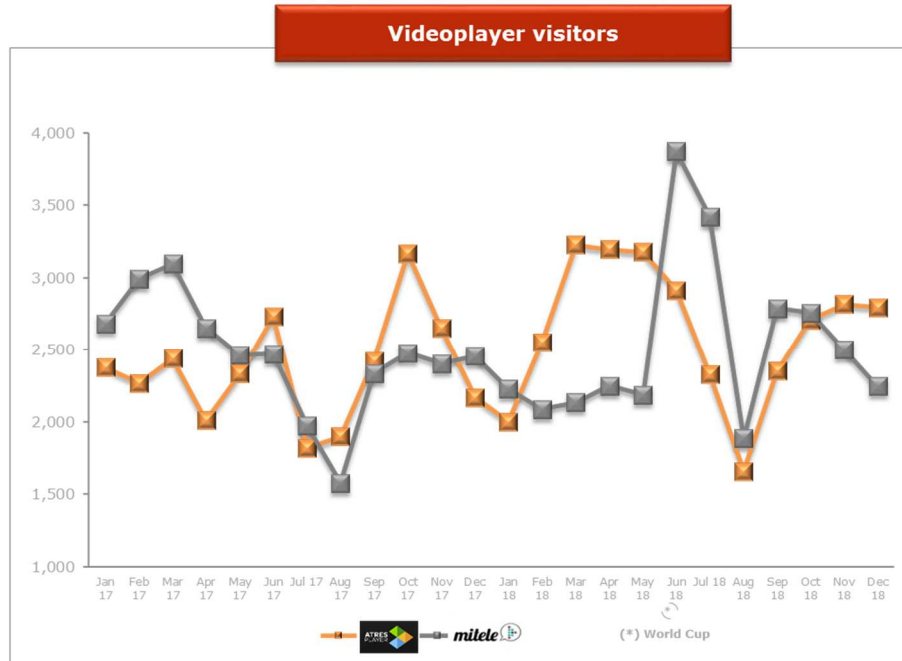
Monthly average  
Source: Adobe Analytics

According to figures from comScore, with a record 21 million unique visitors to December 2018, Atresmedia’s website was the eighth most visited in Spain, continuing to head the internet audiovisual rankings with 9.5 million more users than Mediaset.



Source: comScore

Atresplayer was the leading on-line video platform in December 2018, with 2.8 million unique visitors, according to ComScore. The platform also reported 5.8 million registered users and 10.8 million downloads to mobile devices at December 2018.



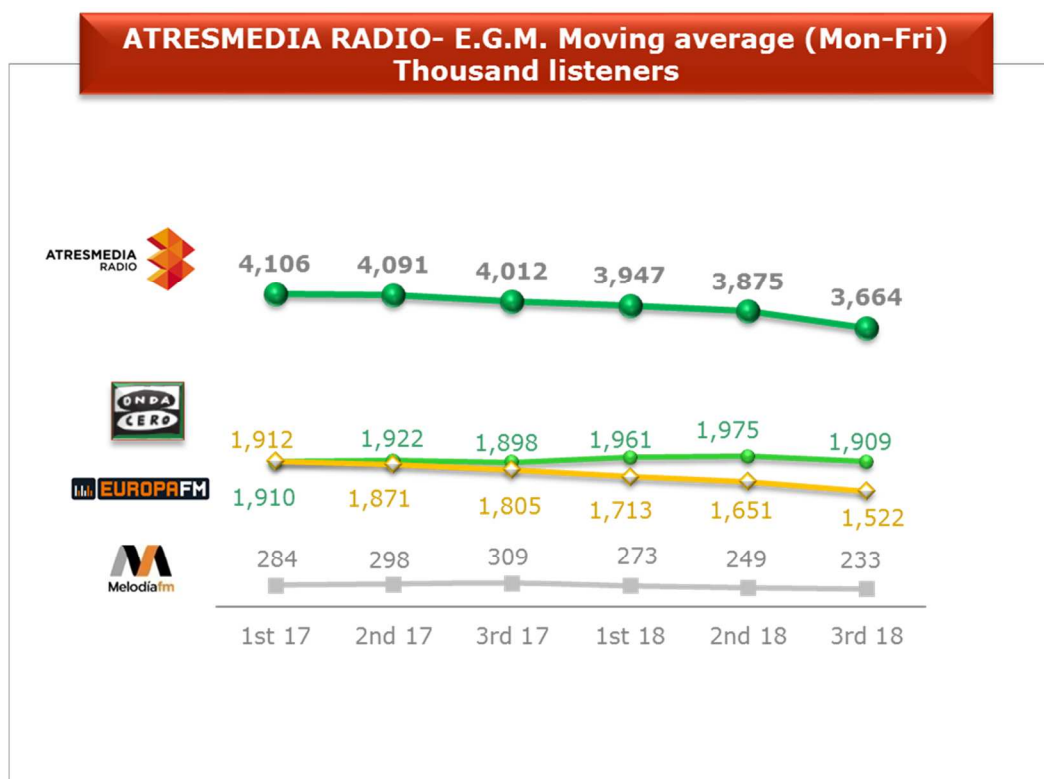
Source: comScore

## 4. RADIO

### 4.1 Advertising market and audience figures

According to Infoadex, spending in the radio advertising market grew by about 3.3% in the year.

Atresmedia Radio had an average of 3.7 million listeners, according to the latest General Media Study (EGM), in the rolling year to the 3rd 2018 wave. Onda Cero continued to be the third ranking talk radio station with listener numbers up compared with the 3rd 2017 wave. For specialist stations, Europa FM had 1.5 million listeners while Melodía FM had 233,000 listeners.

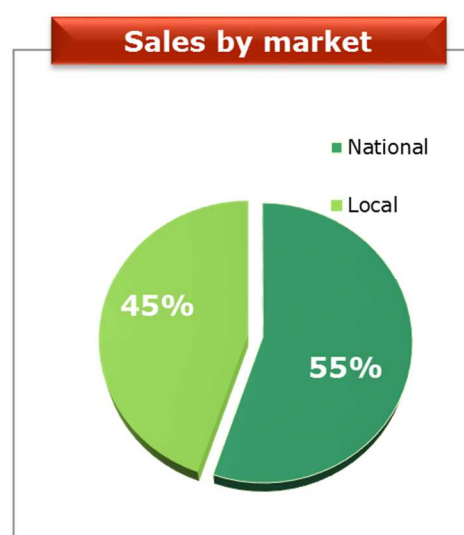
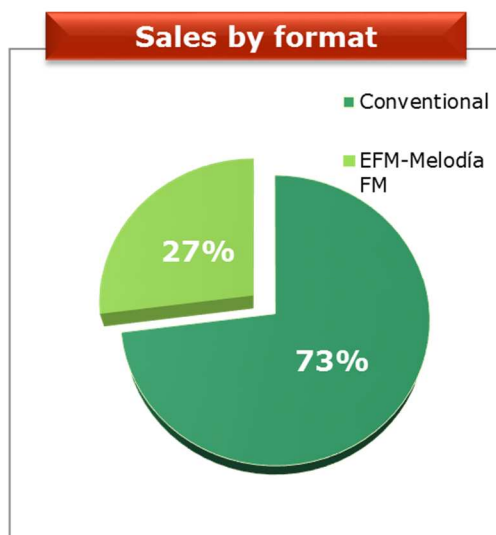


Source: EGM. Rolling years. Monday-Friday

## 4.2 Income statement

Euros (in thousands)	Jan-Dec 2018	Jan-Dec 2017	Change
<b>NET REVENUE</b>	<b>82,517</b>	<b>83,526</b>	<b>(1.2%)</b>
Personnel costs	25,293	26,407	(4.2%)
Other operating expenses	40,720	40,045	1.7%
<b>OPERATING EXPENSES</b>	<b>66,013</b>	<b>66,451</b>	<b>(0.7%)</b>
<b>EBITDA</b>	<b>16,504</b>	<b>17,075</b>	<b>(3.3%)</b>
Amortization and depreciation and impairment	2,068	2,068	(0.0%)
<b>EBIT</b>	<b>14,436</b>	<b>15,007</b>	<b>(3.8%)</b>

Net revenue for 2018 totalled 82.5 million euros, compared with 83.5 million euros in 2017.







Operating expenses to 31 December 2018 amounted to 66.0 million euros, compared with 66.5 million in the year to December 2017.

EBITDA in 2018 was 16.5 million euros, representing a margin on net revenues of 20.0%.

EBITDA in the fourth quarter of 2018 was 6.3 million euros with a margin on net revenues of 26.7%.

<b>EBITDA (thousands of euros)</b>	<b>Jan-Dec 2018</b>	<b>Jan-Dec 2017</b>
Radio	16,504	17,075
<b>Margin on net revenue</b>	<b>20.0%</b>	<b>20.4%</b>

<b>EBIT (thousands of euros)</b>	<b>Jan-Dec 2018</b>	<b>Jan-Dec 2017</b>
Radio	14,436	15,007
<b>Margin on net revenue</b>	<b>17.5%</b>	<b>18.0%</b>



## APPENDIX 1: Consolidated income by business 2018

Euros (in thousands)

<b>NET REVENUE</b>	<b>1Q18</b>	<b>2Q18</b>	<b>3Q18</b>	<b>4Q18</b>	<b>12M18</b>
<b>Audiovisual</b>	<b>236,245</b>	<b>277,528</b>	<b>182,189</b>	<b>273,273</b>	<b>969,235</b>
Television advertising	204,099	239,279	151,711	234,371	829,459
Digital advertising	8,830	12,678	8,722	14,725	44,955
Content production and distribution	17,442	14,256	17,026	9,381	58,105
Other revenue	5,874	11,315	4,730	14,796	36,716
<b>Radio</b>	<b>18,747</b>	<b>23,473</b>	<b>16,525</b>	<b>23,772</b>	<b>82,517</b>
<b>Eliminations</b>	<b>(2,795)</b>	<b>(2,574)</b>	<b>(1,738)</b>	<b>(2,320)</b>	<b>(9,428)</b>
<b>ATRESMEDIA</b>	<b>252,196</b>	<b>298,427</b>	<b>196,976</b>	<b>294,725</b>	<b>1,042,324</b>

<b>OPERATING EXPENSES</b>	<b>1Q18</b>	<b>2Q18</b>	<b>3Q18</b>	<b>4Q18</b>	<b>12M18</b>
<b>Audiovisual</b>	<b>205,336</b>	<b>216,268</b>	<b>160,525</b>	<b>216,464</b>	<b>798,593</b>
Programming others	118,471	123,669	77,627	118,215	437,981
Personnel costs	27,613	27,765	26,468	27,295	109,142
Other operating expenses	28,746	26,946	25,433	38,126	119,252
Variable costs linked to sales	30,506	37,889	30,997	32,827	132,219
<b>Radio</b>	<b>16,433</b>	<b>16,704</b>	<b>15,451</b>	<b>17,426</b>	<b>66,013</b>
<b>Eliminations</b>	<b>(2,795)</b>	<b>(2,574)</b>	<b>(1,738)</b>	<b>(2,320)</b>	<b>(9,428)</b>
<b>ATRESMEDIA</b>	<b>218,974</b>	<b>230,398</b>	<b>174,238</b>	<b>231,569</b>	<b>855,178</b>

<b>EBITDA</b>	<b>1Q18</b>	<b>2Q18</b>	<b>3Q18</b>	<b>4Q18</b>	<b>12M18</b>
<b>Audiovisual</b>	<b>30,909</b>	<b>61,260</b>	<b>21,664</b>	<b>56,810</b>	<b>170,642</b>
<b>Radio</b>	<b>2,314</b>	<b>6,769</b>	<b>1,074</b>	<b>6,347</b>	<b>16,504</b>
<b>ATRESMEDIA</b>	<b>33,223</b>	<b>68,029</b>	<b>22,738</b>	<b>63,156</b>	<b>187,146</b>



## APPENDIX 2: Consolidated income by business 2017

Euros (in thousands)

<b>NET REVENUE</b>	<b>1Q17</b>	<b>2Q17</b>	<b>3Q17</b>	<b>4Q17</b>	<b>12M17</b>
<b>Audiovisual</b>	<b>242,595</b>	<b>271,248</b>	<b>188,133</b>	<b>276,072</b>	<b>978,048</b>
Television advertising	215,194	240,712	163,592	234,227	853,725
Digital advertising	2,888	3,364	5,035	15,805	27,092
Content production and distribution	17,077	15,156	14,947	18,982	66,162
Other revenue	7,436	12,015	4,559	7,059	31,069
<b>Radio</b>	<b>19,367</b>	<b>22,986</b>	<b>17,687</b>	<b>23,485</b>	<b>83,526</b>
<b>Eliminations</b>	<b>(2,896)</b>	<b>(2,521)</b>	<b>(1,550)</b>	<b>(2,530)</b>	<b>(9,496)</b>
<b>ATRESMEDIA</b>	<b>259,067</b>	<b>291,713</b>	<b>204,270</b>	<b>297,028</b>	<b>1,052,078</b>

<b>OPERATING EXPENSES</b>	<b>1Q17</b>	<b>2Q17</b>	<b>3Q17</b>	<b>4Q17</b>	<b>12M17</b>
<b>Audiovisual</b>	<b>203,105</b>	<b>203,674</b>	<b>158,673</b>	<b>227,527</b>	<b>792,980</b>
Programming and others	121,835	114,907	89,722	121,966	448,431
Personnel costs	25,720	26,454	26,913	27,787	106,874
Other operating expenses	28,171	29,259	21,269	35,627	114,326
Variable costs linked to sales	27,379	33,054	20,768	42,148	123,349
<b>Radio</b>	<b>17,641</b>	<b>15,272</b>	<b>15,070</b>	<b>18,468</b>	<b>66,451</b>
<b>Eliminations</b>	<b>(2,896)</b>	<b>(2,521)</b>	<b>(1,550)</b>	<b>(2,530)</b>	<b>(9,496)</b>
<b>ATRESMEDIA</b>	<b>217,851</b>	<b>216,426</b>	<b>172,192</b>	<b>243,466</b>	<b>849,935</b>

<b>EBITDA</b>	<b>1Q17</b>	<b>2Q17</b>	<b>3Q17</b>	<b>4Q17</b>	<b>12M17</b>
<b>Audiovisual</b>	<b>39,490</b>	<b>67,574</b>	<b>29,460</b>	<b>48,545</b>	<b>185,068</b>
<b>Radio</b>	<b>1,726</b>	<b>7,714</b>	<b>2,618</b>	<b>5,017</b>	<b>17,075</b>
<b>ATRESMEDIA</b>	<b>41,216</b>	<b>75,288</b>	<b>32,078</b>	<b>53,562</b>	<b>202,143</b>



## APPENDIX 3: Consolidated income by business 2016

Euros (in thousands)

<b>NET REVENUE</b>	<b>1Q16</b>	<b>2Q16</b>	<b>3Q16</b>	<b>4Q16</b>	<b>12M16</b>
<b>Audiovisual</b>	<b>230,354</b>	<b>276,912</b>	<b>180,713</b>	<b>260,210</b>	<b>948,188</b>
Television advertising	209,215	251,542	159,181	235,683	855,621
Digital advertising	2,278	3,101	2,901	2,920	11,199
Content production and distribution	13,118	12,859	13,124	12,883	51,984
Other revenue	5,744	9,409	5,507	8,724	29,384
<b>Radio</b>	<b>18,133</b>	<b>23,446</b>	<b>17,174</b>	<b>23,417</b>	<b>82,170</b>
<b>Eliminations</b>	<b>(2,448)</b>	<b>(2,337)</b>	<b>(1,754)</b>	<b>(2,704)</b>	<b>(9,243)</b>
<b>ATRESMEDIA</b>	<b>246,039</b>	<b>298,020</b>	<b>196,133</b>	<b>280,922</b>	<b>1,021,114</b>

<b>OPERATING EXPENSES</b>	<b>1Q16</b>	<b>2Q16</b>	<b>3Q16</b>	<b>4Q16</b>	<b>12M16</b>
<b>Audiovisual</b>	<b>193,098</b>	<b>207,689</b>	<b>150,313</b>	<b>214,792</b>	<b>765,891</b>
Programming and others	118,593	121,155	85,346	122,218	447,311
Personnel costs	25,361	27,601	26,089	27,924	106,975
Other operating expenses	27,927	29,222	17,300	38,726	113,175
Variable costs linked to sales	21,216	29,712	21,579	25,924	98,431
<b>Radio</b>	<b>15,126</b>	<b>13,500</b>	<b>15,560</b>	<b>18,291</b>	<b>62,476</b>
<b>Eliminations</b>	<b>(2,448)</b>	<b>(2,337)</b>	<b>(1,754)</b>	<b>(2,704)</b>	<b>(9,243)</b>
<b>ATRESMEDIA</b>	<b>205,776</b>	<b>218,851</b>	<b>164,119</b>	<b>230,378</b>	<b>819,124</b>

<b>EBITDA</b>	<b>1Q16</b>	<b>2Q16</b>	<b>3Q16</b>	<b>4Q16</b>	<b>12M16</b>
<b>Audiovisual</b>	<b>37,256</b>	<b>69,223</b>	<b>30,401</b>	<b>45,418</b>	<b>182,297</b>
<b>Radio</b>	<b>3,007</b>	<b>9,946</b>	<b>1,614</b>	<b>5,126</b>	<b>19,693</b>
<b>ATRESMEDIA</b>	<b>40,263</b>	<b>79,169</b>	<b>32,015</b>	<b>50,544</b>	<b>201,990</b>



## APPENDIX 4: Pro forma consolidated income statement excluding Smartclip

Euros (in thousands)	12M18 Pro forma (*)	12M17 Pro forma (*)	Change
NET REVENUE	1,011,947	1,037,193	(2.4%)
OPERATING EXPENSES	828,574	836,998	(1.0%)
EBITDA	183,373	200,195	(8.4%)
EBIT	164,992	182,616	(9.7%)

(\*) Pro forma: Atresmedia excluding Smartclip

Smartclip was incorporated in the scope of consolidation in July 2017.