

ATRESMEDIA



**JANUARY–DECEMBER 2016
RESULTS**

31 December 2016



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.



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1. HIGHLIGHTS

1.1 Milestones and key figures

Atresmedia. Key figures

Operational highlights	Jan-Dec 2016	Jan-Dec 2015
Total TV audience	27.1%	26.8%
TV market share	42.1%	42.1%
Radio listeners (thousands) (3rd EGM wave)	4,153	4,552
Total no. employees	1,919	1,800

Financial highlights Euros (in thousands)	Jan-Dec 2016	Jan-Dec 2015
Net revenue	1,021,114	970,206
EBITDA	201,990	165,698
Profit for the period	129,152	99,234
Net financial debt	178,571	158,464

Atresmedia's EBITDA for 2016 totalled 202.0 million euros, up 36.3 million euros on last year, with consolidated profits of 129.2 million euros, 29.9 million euros more than last year.

Atresmedia Televisión achieved an **audience** share of 27.1% in the period, leading prime time commercial target audience figures with a 31.1% share despite broadcasts of the UEFA Euro 2016 and the 2016 Olympic Games on other channels. Thanks to its channels' strong commercial profile, the Group had a **market share** of 42.1% in the period, according to Infoadex, similar to last year's.

Antena 3 obtained a 12.8% audience share in the period, heading commercial target audience figures with a 14.3% share, 0.3 percentage points ahead of its main rival.

laSexta reported average audiences of 7.1%, while its prime time commercial target audience of 9.0% was 1.2 percentage points greater than that of its main rival.



The complementary channels (**Neox**, **Nova**, **Mega** and **Atreseries**) achieved a combined audience share of 7.2% in the year to December 2016, while its prime time commercial target audience was 7.8%.

Atresmedia Radio's EBITDA for 2016 was 19.7 million euros, with a margin on net revenue of 24.0%.

EBITDA generated by the Group's **other businesses** improved significantly, by 24.8%.

1.2 The economic climate and the market

Preliminary figures from the National Statistics Institute show that **GDP** grew by **3.2%** in 2016, four percentage points higher than forecast a year ago, and the same growth than 2015. A number of factors helped produce this additional growth in the year: an upturn in job growth that gave domestic consumption a strong boost, a fiscal policy easing, the exceptional performance of tourism and falling oil prices and interest rates.

According to the macroeconomic forecasts of various bodies, the economy will continue to grow in 2017, albeit more moderately. This is because some of the aforementioned factors will no longer be supporting growth. Oil prices have begun to climb again in recent weeks and, furthermore, tax increases designed to meet deficit targets for 2017 have now come into effect. These and other factors mean that consumption and investment are likely to grow more slowly.

According to the latest forecasts from the Fundación de las Cajas de Ahorros (FUNCAS), published in January 2017, analysts expect **GDP to grow in 2017 by 2.4%**. These estimates are slightly higher than the figures published by the IMF (2.3%) and lower than those published by the Bank of Spain and the Government (2.5%).

The number of **new jobs** created is expected to increase by **2.2%** in **2017**. FUNCAS forecasts that **unemployment** will fall from **19.7%** in **2016** to **18.1%** in **2017**.

Household **consumption** will continue to grow in **2017 (2.4%)**, although at a slower rate than in **2016 (3.1%)** for the reasons mentioned above.

According to Infoadex, **advertising investment** in conventional media grew by **4.3%** in 2016 compared with 2015. Spending on television and radio advertising grew by 5.5% and 0.8%, respectively, while internet advertising increased by 12.6%.

Advertising market by media	12M16 vs 12M15
Television	5.5%
Radio	0.8%
Internet	12.6%
Newspapers	-6.3%
Magazines	-1.2%
Outdoor	-1.9%
Sunday supplements	-10.4%
Cinema	2.6%
TOTAL MEDIA	4.3%

Source: Infoadex



2. ATRESMEDIA

2.1 Consolidated Income Statement

Euros (in thousands)	Jan-Dec 2016	Jan-Dec 2015	Change
Net total sales	962,583	924,569	4.1%
Other income	58,531	45,637	28.3%
NET REVENUE	1,021,114	970,206	5.2%
OPERATING EXPENSES	819,124	804,508	1.8%
EBITDA	201,990	165,698	21.9%
Depreciation and amortisation	17,759	17,431	1.9%
Impairment and disposal of property, plant and equipment	(208)	3,691	n/a
EBIT	184,439	144,576	27.6%
Financial result	(2,617)	(12,032)	78.2%
Net income from investments in other entities	(7,104)	(997)	(612.5%)
Profit before tax from continuing operations	174,718	131,547	32.8%
Income tax	45,605	32,340	41.0%
Profit for the period	129,113	99,207	30.1%
Profit attributable to non-controlling interests	39	27	43.6%
Profit for the financial period attributable to the parent company	129,152	99,234	30.1%



2.1.1 Net revenue

Atresmedia's net revenue for the year to December 2016 totalled 1,021.1 million euros, compared to 970.2 million euros for 2015, an increase of 5.2%.

Net revenue Euros (in thousands)	Jan-Dec 2016	Jan-Dec 2015	Change
Atresmedia Television	909,534	857,410	6.1%
Atresmedia Radio	82,170	89,868	-8.6%
Other businesses	29,410	22,928	28.3%
ATRESMEDIA	1,021,114	970,206	5.2%

The advertising market in conventional media performed positively in every quarter of 2016.

Atresmedia's consolidated net revenues grew by 3.2% in the fourth quarter of 2016 compared with the same period in 2015.

2.1.2 Operating expenses

Operating expenses for the year to December 2016 were 1.8% higher than for the same period in 2015.

Operating expenses by business (thousand euros)	Jan-Dec 2016	Jan-Dec 2015	Change
Atresmedia Television	740,153	723,886	2.2%
Atresmedia Radio	62,476	68,041	-8.2%
Other businesses	16,494	12,582	31.1%
ATRESMEDIA	819,124	804,508	1.8%



Operating expenses by type (thousand euros)	Jan-Dec 2016	Jan-Dec 2015	Change
Programming & Others	462,926	467,121	-0.9%
Personnel costs	131,169	122,115	7.4%
Other operating expenses	225,029	215,272	4.5%
OPERATING EXPENSES	819,124	804,508	1.8%

This increase was mainly due to higher variable costs linked to sales (Television and Other Businesses), to the addition of new television channels, and to higher personnel costs.

Staff costs were up mainly as a result of increases in the contracting of project staff for the production of in-house content rather than buying in commissioned content. The amounts recorded under this item also included redundancies and bonuses and the cost of the long-term share-based remuneration plan approved by the last General Shareholders Meeting, covering the period to 2018.

Programming costs were down principally due to the absence of Formula 1 in the grid in 2016, although this has not harmed the Group's competitiveness.

Expenses in the fourth quarter of 2016 grew by 1.9% compared with the same quarter last year.

2.1.3 Operating earnings and margins

EBITDA for 2016 was 202.0 million euros, representing a margin on net revenues of 19.8%, up 21.9% on that reported for 2015.

At 50.5 million euros, EBITDA for the fourth quarter of 2016 was up 9.4% on that achieved in the same quarter in 2015.



EBITDA	Jan-Dec 2016	Jan-Dec 2015
Atresmedia Television	169,381	133,524
Margin on net revenue	18.6%	15.6%
Atresmedia Radio	19,694	21,827
Margin on net revenue	24.0%	24.3%
Other businesses	12,915	10,347
Margin on net revenue	43.9%	45.1%
TOTAL ATRESMEDIA	201,990	165,698
Margin on net revenue	19.8%	17.1%

EBIT for 2016 was 184.4 million euros, up 27.6% on the previous year. EBIT in the fourth quarter of 2016 grew by 11.7% compared with the fourth quarter of last year.

EBIT	Jan-Dec 2016	Jan-Dec 2015
Atresmedia Television	154,059	118,749
Margin on net revenue	16.9%	13.8%
Atresmedia Radio	17,744	19,966
Margin on net revenue	21.6%	22.2%
Other businesses	12,635	5,861
Margin on net revenue	43.0%	25.6%
TOTAL ATRESMEDIA	184,439	144,576
Margin on net revenue	18.1%	14.9%



2.1.4 Profit before tax

The Group's financial results improved significantly in the period thanks to better terms for existing financing agreements. It should also be noted that the Group's syndicated loan was renegotiated ahead of schedule in 2015 and, consequently, accrued commissions had to be written off and the fair value of the interest rate swap contracted at that time had to be adjusted.

Divestments and/or adjustments to the fair value of investees generated losses of 7.1 million euros in the year.

EBITDA for 2016 totalled 174.7 million euros, compared to 131.5 million euros for the previous financial year.

2.1.5 Consolidated profit for the period

Consolidated profit for 2016 was 129.2 million euros, an increase of 29.9 million euros on the previous year.

The tax expense for the year was negatively affected by the partial adjustment of the deferred tax asset linked to the tax loss carryforwards arising from the merger with la Sexta. Although from a tax point of view there is no time limit on offsetting these tax loss carryforwards caused by fiscal changes approved in December 2016, this accounting adjustment was considered prudent.



2.2 Consolidated Balance Sheet

Euros (in thousands)	31 December 2016	31 December 2015
ASSETS		
Goodwill	150,012	150,012
Other intangible assets	135,616	140,298
Property, plant and equipment and other non-current assets	62,476	61,201
Deferred tax assets	272,431	289,328
NON-CURRENT ASSETS	620,535	640,839
Programming rights and inventories	396,238	352,050
Trade and other receivables	248,196	234,586
Other current assets	38,173	20,540
Current tax assets	5,167	6,793
Cash and cash equivalents	1,562	1,017
CURRENT ASSETS	689,336	614,986
TOTAL ASSETS	1,309,871	1,255,825
LIABILITIES		
Share capital	169,300	169,300
Issue premium	38,304	38,304
Legal and statutory reserves	42,475	42,475
Retained earnings	320,493	279,923
Treasury shares	(8,810)	(8,666)
Interim dividend	(49,487)	(40,490)
Other equity instruments	798	2,129
Remeasurements and other	4,486	2,607
EQUITY	517,559	485,582
Debt to financial institutions	103,478	127,437
Other non-current liabilities	10,041	49,714
Deferred tax liabilities	27,140	26,180
NON-CURRENT LIABILITIES	140,659	203,331
Debt to financial institutions	76,655	32,044
Trade and other creditors	468,633	436,304
Other current liabilities	105,527	98,564
Current tax liabilities	838	
CURRENT LIABILITIES	651,653	566,912
TOTAL LIABILITIES AND EQUITY	1,309,871	1,255,825



The Group's net financial debt is 178.6 million euros, compared with 158.5 million euros at the end of December 2015.

A share buy-back programme was implemented in the second quarter to acquire shares for the remuneration plan for directors and senior management approved at the Ordinary General Meeting of Shareholders held on 20 April 2016. A total of 791,880 shares were acquired.

In June, the Group met its commitment to deliver shares to Gala Desarrollos Comerciales, S.L. linked to the merger with La Sexta. 789,738 shares were transferred, charged to treasury shares. This was the final delivery of shares under this agreement.

In the same month, a final dividend of €0.18/share was distributed against 2015 income. The gross amount distributed was 40.3 million euros.

An interim dividend of €0.22/share was distributed in December against 2016 income. The total amount distributed was 49.5 million euros.



2.3 Consolidated Cash Flow Statement

At 31 December 2016, net cash flows from operating activities were positive, totalling 127.4 million euros, 33.4 million euros more than at the close of last year.

Euros (in thousands)	31 December 2016	31 December 2015
1.- CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated profit for the period before tax	174,718	131,547
Adjustments for:	28,075	42,285
- Depreciation and amortisation	17,759	17,431
- Provisions and others	7,699	12,822
- Financial result	2,617	12,032
Changes in working capital	(52,614)	(57,275)
Cash flow from operations	150,179	116,557
Income tax (paid)/refunded	(22,772)	(22,531)
Net cash flows from operating activities	127,407	94,026
2.- CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	(50,648)	(41,310)
Group companies, joint ventures and associates	(13,068)	(9,447)
Property, plant and equipment and intangible fixed assets	(15,705)	(20,936)
Investment in Spanish film productions	(21,876)	(10,927)
Divestitures	3,243	3,472
Group companies, joint ventures and associates	3,243	3,472
Net cash flows from investing activities	(47,405)	(37,838)
3.- CASH FLOWS FROM FINANCING ACTIVITIES		
Financial expenses paid	(1,294)	(9,984)
Dividends received		43
Dividends paid	(89,834)	(62,913)
Sale/(acquisition) of treasury shares	(8,931)	(7,215)
Financing of associates and related parties	(50)	(326)
Bank borrowings	20,652	(5,857)
Net cash flows from financing activities	(79,457)	(86,252)
NET INCREASE / DECREASE IN CASH	545	(30,064)
Cash and cash equivalents, beginning of the period	1,017	31,081
Cash and cash equivalents, end of the period	1,562	1,017

2.4 Share price

2.4.1 Atresmedia's shares

Atresmedia's shares closed the year at €10.39/share, up 5.6% since the start of the year, while the IBEX lost 2.0% to close at 9,352.1 points.



Atresmedia share price in 2016 vs. the IBEX 35.

Trading figures	Jan-Dec 2016
Share price at 31/12/2016 (€)	10.39
High (€)	11.72
Low (€)	7.73
Weighted average price (€)	9.75
Average daily volume (shares)	894,246
Average daily volume (thousand euros)	8,715
Number of shares (million)	225.7

Source: Fininfo



2.4.2 Analysts' recommendations

At year-end, 26 analysts were tracking Atresmedia's shares and issuing opinions and recommendations. Of these, 65% recommended **Buy** Atresmedia shares, 27% recommended **Hold**, while 8% continued to recommend **Sell**. The average target price at the end of 2016 was €11.88/share.

During the year, Atresmedia's Investor Relations department took part in 34 conferences and roadshows in cities including London, Madrid, Paris, Milan Frankfurt, Dublin, Nice, New York, Boston, Chicago and Oporto.

In addition to these trips, the department held direct meetings, group meetings and telephone conversations with sector analysts and investors. Around 700 contacts in the financial community were established in the period.

2.5 Corporate Social Responsibility

Key events for Atresmedia in 2016 in the area of corporate responsibility included joining Forética, Spain's leading forum on corporate social responsibility, and participation in its Transparency, Good Governance and Integrity Cluster. Atresmedia was also recognised as the Audiovisual Group with the best reputation according to the "RepTrak España 2016" study, while Atresmedia Television's programmes headed the quality rankings in the third image study by Personality Media.

Initiatives implemented in the area of human resources include a Road Safety Week and the creation of Atresmedia Formación, a training unit offering courses to develop future professionals for the audiovisual media sector.

The social initiatives that fall under the "Compromiso Atresmedia" banner included:

- The "Ponle Freno" campaign which launched a model, in partnership with the Directorate General for Traffic and the Fundación de Gestores Administrativos, to implement compulsory road safety education in schools. It also organised fun runs for road safety in Vigo, Vitoria and Madrid. It also ran a new campaign to raise awareness about being distracted while driving, and ran the fourth edition of its initiative to draw attention to poorly signposted and maintained roads.



- “Objetivo Bienestar” presented the 4th Coles Activos Awards recognising schools' work to encourage healthy habits among pupils and continued to broadcast sections on healthy living in programmes such as Espejo Público.
- The “Crea Cultura” campaign to protect intellectual property rights held a forum on new platforms for viewing film and TV at home to help raise awareness about the legality of downloading material, and launched “Está en tu Mano”, a new campaign to encourage young people to read, and “Book’s Power” a channel on the Flooxer video platform.
- “Tolerancia Cero”, a new initiative set up to tackle gender violence, launched the “Que te quiera de verdad” campaign aimed at raising awareness among young people about sexist, controlling behaviour.

With respect to its corporate volunteering programme, Atresmedia has entered into a partnership with the Fundación Santa María la Real's “Lanzaderas de empleo y solidaridad” project to help young jobless people improve their employability, and it was a media partner for the international volunteering event “Give and Gain Day” and the tenth “Companies' Charity Day”. 209 volunteers from Atresmedia also took part in a range of social projects (the Santa María Josefa community canteen, the ANAA animal protection association and the “Agua de Coco” educational project in Cambodia).

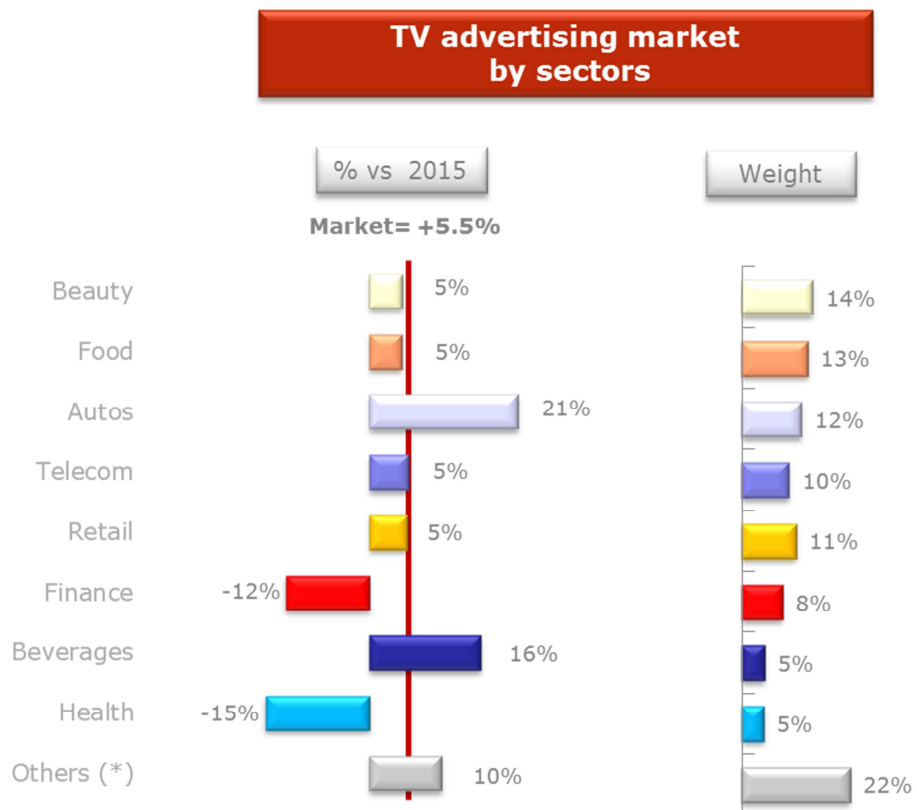
The Atresmedia Foundation, meanwhile, continues to work to bring about improvements in education, with the organisation of another “Grandes Profes” event which was attended by over 1,500 teachers, and the presentation of the “Grandes Profes, Grandes Iniciativas” awards. And, for the fifth consecutive year, the Atresmedia Foundation headed the ranking for transparency by business foundations in the “Building Trust 2015” report produced by the Spanish Commitment and Transparency Foundation, while its “Descubre la FP” project to encourage vocational training was recognised at the seventh Corresponsables awards. In 2016, the PRO project launched a specialist graduate course in scriptwriting aimed at people with disabilities. The Atresmedia foundation received the 2016 cermi.es award for its training programme for disabled people.

In the area of the environment, and in line with the Company's commitment to raising awareness about climate change, Atresmedia Forética's environmental Forum. Via the “Hazte Eco”, Atresmedia supported the WWF initiative “Ni un Grado Más”, and the “Earth Hour” and “Prevención de Incendios” campaigns, taking part in the 3rd “Planeta Responsable” forum and joining Greenpeace's “Voices for the Arctic” campaign to protect the region against the threat of climate change.

3. ATRESMEDIA TELEVISION

3.1 Advertising market

According to Infoadex, the television advertising market grew by 5.5% in the year. There was growth in every sector except "Finance" and "Health". The "Automobile" sector grew by 21% to become one of the biggest sectors in terms of advertising spending, reflecting the notable improvement in consumers' confidence in the prospects for the economy.

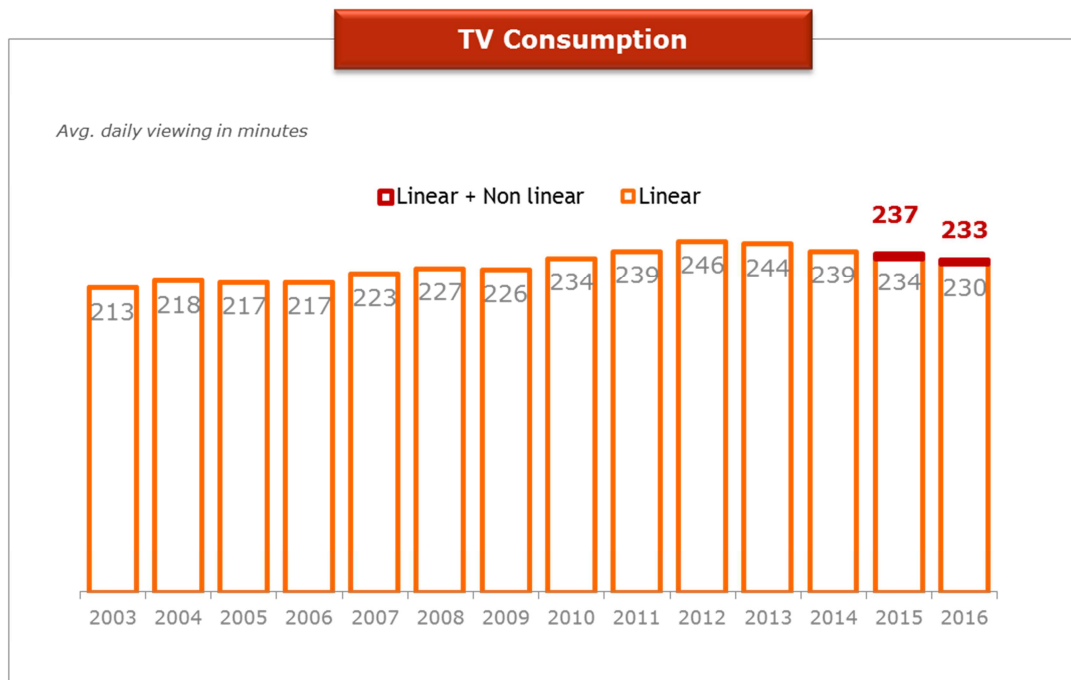


(*) Culture, energy, sports, leisure, tourism, etc

Source: Infoadex / Internal estimates

3.2 Audience figures and content

Television viewing in 2016 was 230 minutes per person per day, four minutes less than in the last year. "On-demand" viewing in the seven days following conventional broadcast adds an extra 3 minutes to these viewing figures for "linear television". Television viewing on other devices such as computers and tablets is not included.



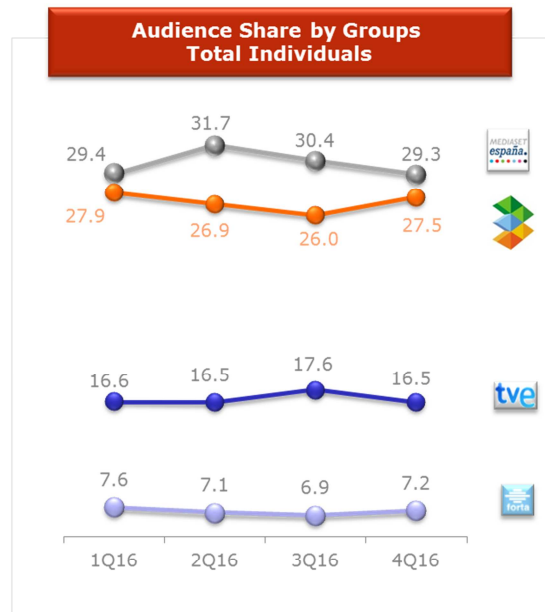
Source: Kantar Media. Non linear TV viewing is measured since February 2015

Atresmedia's television channels achieved an audience share of 27.1% in 2016, up 0.3 percentage points on 2015, making it the group with the highest growth in the year. This figure rises to 29.7% for commercial target audiences, the most attractive audience for advertisers, and up to 31.1% in the commercial target prime-time slot, 0.6 points higher than the group's main competitor, despite it having one more channel and broadcasting the UEFA Euro 2016 Championships.

2016 was the first full year since the awarding of six new television channel operating licences. Despite the entry of new competitors, Atresmedia Television has increased its overall audience share.



Source: Kantar Media. 24h Ind. 4+



Source: Kantar Media. 24h Ind. 4+

Antena 3's average audience share for both total individuals and commercial target (24h) was 12.8%, with prime time commercial audience figures of 14.3%, 0.3 points higher than its main competitor. It also closed the year as the leading morning channel (13.3%) and the top choice at weekends (12%).

Drama once again formed the highlight of the channel's programming:

“Velvet”, a landmark series on Spanish television, closed its fourth season with its best ever audience figures. It achieved an average of 3.6 million viewers with an audience share of 21.7%. Its final episode, 15 minutes of which were broadcast live, achieved a record-breaking audience share of 26.2% and was the most viewed drama broadcast of the season (4.3 million viewers).

“Allí abajo” was the second most watched series on Antena 3 in 2016, closing its second season with an audience share of 18.2% and 3.2 million viewers.

“Mar de plástico”, another Antena 3 series which attracts high audiences, had an average audience share of 17.5% in the year with 2.9 million viewers. Its double record-breaking final episode (20.6% and 3.2 million viewers) was chosen by the viewers.

The second season of prison thriller “Vis a Vis” was broadcast from April to June with an average audience share of 14.1% and almost 2.4 million viewers.



Daily broadcast series continued to play an important role in Antena 3's afternoons. "El Secreto de Puente Viejo" attracted audience shares of 16.7% (1.5 million viewers) and "Amar es para Siempre" obtained audience shares of over 13.1% (1.7 million).

In light entertainment, "El hormiguero 3.0" had its best year ever, breaking its own audience records and heading its time slot with an average audience share of 14.9% in 2016 (up 0.5 points on 2015) and 2.7 million viewers.

"Tu cara me suena" was this year's Friday night hit, with the largest audiences (3.3 million viewers) and the biggest audience share (23.4%).

Antena 3's film offerings continued to attract strong audiences: the most viewed films on the channel in the year were "Hombres de élite" (20.5% audience share and 3.5 million viewers) and "Blancanieves y la leyenda del Cazador" (19.9% and 3.5 million viewers), both broadcast in the El Peliculón slot.

In sports programming, the Champions League was the most viewed content on Antena 3, with an average of 6.4 million viewers per match and an audience share of 34.5%. The final between Real Madrid and Atlético de Madrid was the year's most viewed broadcast with 11.6 million viewers.

Antena 3 continued to strengthen its position in informative programming. Its weekend news programme was once again the leader on Saturdays and Sundays with an audience share of 12.8% and an average of over 1.6 million viewers. "Antena 3 Noticias 2" closed the year with an audience share of 11.6% and 1.6 million viewers. The figures for "Antena 3 Noticias 1", meanwhile, were 13.1% and 1.6 million viewers. Early morning audience figures were also strong. "Noticias de la mañana" (13.5%) is the news programme that saw the greatest growth compared with last year (0.7 points), with its best audience figures since 2009.

The average total individuals audience (24h) for the **laSexta channel** in 2016 was 7.1%, putting it once more ahead of its main competitor. Its average prime time commercial target audience was 9.0%, compared to the 7.8% share achieved by Cuatro.

"Salvados" was the channel's most viewed programme in 2016 and led audience figures with over 2.7 million viewers (13.9%). "Salvados: una hora en La Moncloa", broadcast on 3 April, was the channel's most viewed broadcast in the year with 3.8 million viewers and an audience share of 19.2%.

“Al Rojo Vivo” saw its best year ever, and was the only morning talk show with growing audience figures (0.8 points higher than in 2015). It had an audience share of 12.5% and around 700,000 viewers.

“El Intermedio” was the most viewed daily programme on laSexta, with an audience share of 11.3% and over 2 million viewers.

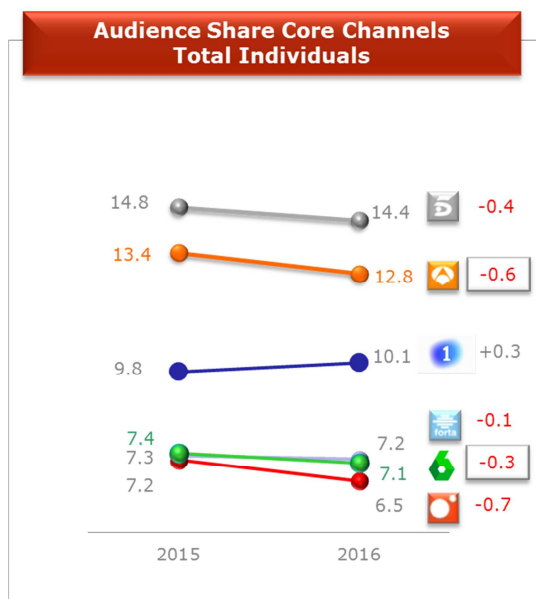
LaSextaNoticias also had its best year: with the Monday to Friday broadcast of laSexta Noticias 14H maintaining the audience growth seen over the last four years. It continued to comfortably outperform its direct competitor and is the leading programme in its time slot with a market share of 13.4% and 1.4 million viewers.

“Pesadilla en la cocina” had its second best season with an audience share of 12.2%, and dominated the rankings for commercial target audience share (16.6%).

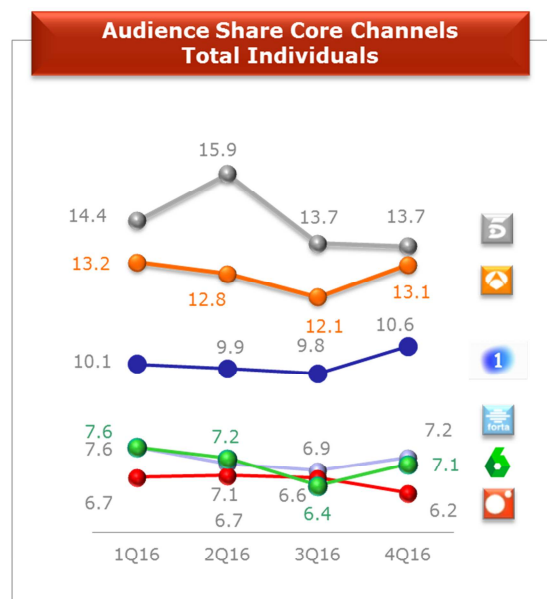
“El Objetivo” had an audience share of 8.8% with over 1.6 million viewers.

“Más Vale Tarde” achieved its best ever audiences with a share of 7.8% and 759,000 viewers, growing every year since it was launched.

The audience share for the sports information programme “Jugones” grew by 0.4 points in the year to 5.6%.



Source: Kantar Media. 24h Ind. 4+



Source: Kantar Media. 24h Ind. 4+













In the year to December 2016 the complementary channels contributed a combined audience share in total individuals (24h) of 7.2%, reaching 8.8% for commercial target audiences.

The **Neox** channel had a total individuals audience share of 2.5% in the period and a 3.1% commercial target audience share. It is the audience leader in the afternoons (2.9%) and among viewers aged 18 to 35 years (6.0%).

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

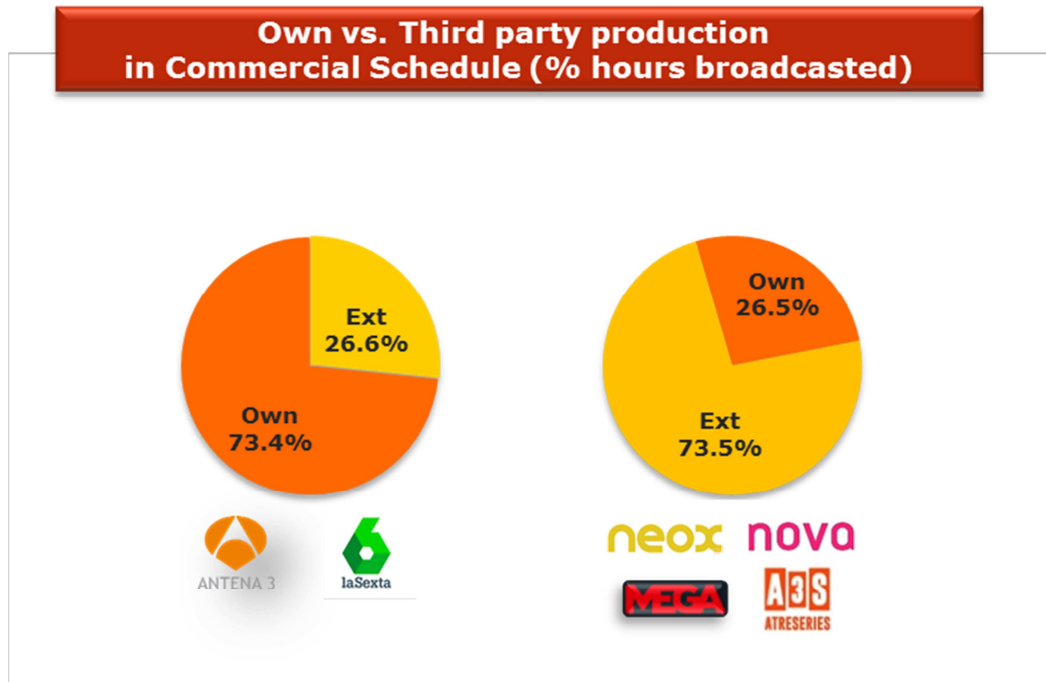
The **Mega** channel reported average audiences of 1.8% in 2016, rising to 2.5% for commercial target audience share.

The **Atreseries** channel, which began broadcasting in December 2015, had a total individuals audience share of 0.8% in its first year, with 1.0% of commercial target audiences.

Audience Share Compl Channels Total Individuals		2016	2015	Var
		7.2%	6.0%	+1.2%
		9.2%	9.0%	+0.2%
		6.7%	6.8%	-0.1%
Net TV		2.9%	3.4%	-0.5%
Vevo TV		2.1%	2.1%	0.0%
13TV		2.1%	2.0%	+0.1%
Secuoya		0.3%		+0.3%
Real Madrid TV		0.2%		+0.2%
Kiss TV		0.4%		+0.4%

Source Kantar Media. 24h Ind. 4+

On the main channels, in-house productions predominate (73%), while the majority of programmes broadcast on the complementary channels are produced by others (73%).





3.3 Income statement

Euros (in thousands)	Jan-Dec 2016	Jan-Dec 2015	Change
NET REVENUE	909,534	857,410	6.1%
OPERATING EXPENSES	740,153	723,886	2.2%
EBITDA	169,381	133,524	26.9%
Depreciation and amortisation	15,322	14,776	3.7%
EBIT	154,059	118,749	29.7%

3.3.1 Net revenue

Net revenue for the twelve months to December 2016 totalled 909.5 million euros, up 6.1% on the 857.4 million euros reported for 2015.

According to Infoadex, the television advertising market grew by 5.5% in the quarter. Atresmedia Television's share of this market was 42.1%, similar to last year's.

Atresmedia Television's net revenues grew by 3.6% in the fourth quarter of 2016, with a market share of 40.8%.



3.3.2 Operating expenses

Euros (in thousands)	Jan-Dec 2016	Jan-Dec 2015	Change
Programming & Others	447,311	452,085	(1.1%)
Personnel costs	78,703	68,031	15.7%
Other operating expenses	214,139	203,769	5.1%
OPERATING EXPENSES	740,153	723,886	2.2%

Operating expenses in 2016 totalled 740.2 million euros, compared to 723.9 million euros in 2015, an increase of 2.2%. This increase was mainly due to higher variable costs linked to sales, the addition of new television channels, and higher staff costs.

Staff costs were up partly as a result of increases in the contracting of project staff for the production of in-house content rather than buying in commissioned content, and partly due to the payment of redundancies and bonuses and the cost of the long-term share-based remuneration plan approved by the last General Shareholders Meeting, covering the period to 2018.

Although Atresmedia operated a higher number of channels in 2016 than in 2015, programming costs were down as it was no longer broadcasting Formula 1 in 2016. This has had a positive impact on costs without harming the Group's competitiveness.

Operating expenses for the fourth quarter of 2016 were 0.7% higher than in the same period in 2015.



3.3.3 Operating earnings and margins

At 169.4 million euros, EBITDA for 2016 was 26.9% higher than that achieved in 2015, with a margin on net revenue of 18.6%.

EBITDA	Jan-Dec 2016	Jan-Dec 2015
Atresmedia Television	169,381	133,524
Margin on net revenue	18.6%	15.6%

EBITDA for the fourth quarter of 2016 was 40.5 million euros, an increase of 21.4% on the same period of 2015.

EBIT in the year grew by 35.3 million euros to 154.1 million euros.

EBIT	Jan-Dec 2016	Jan-Dec 2015
Atresmedia Television	154,059	118,749
Margin on net revenue	16.9%	13.8%

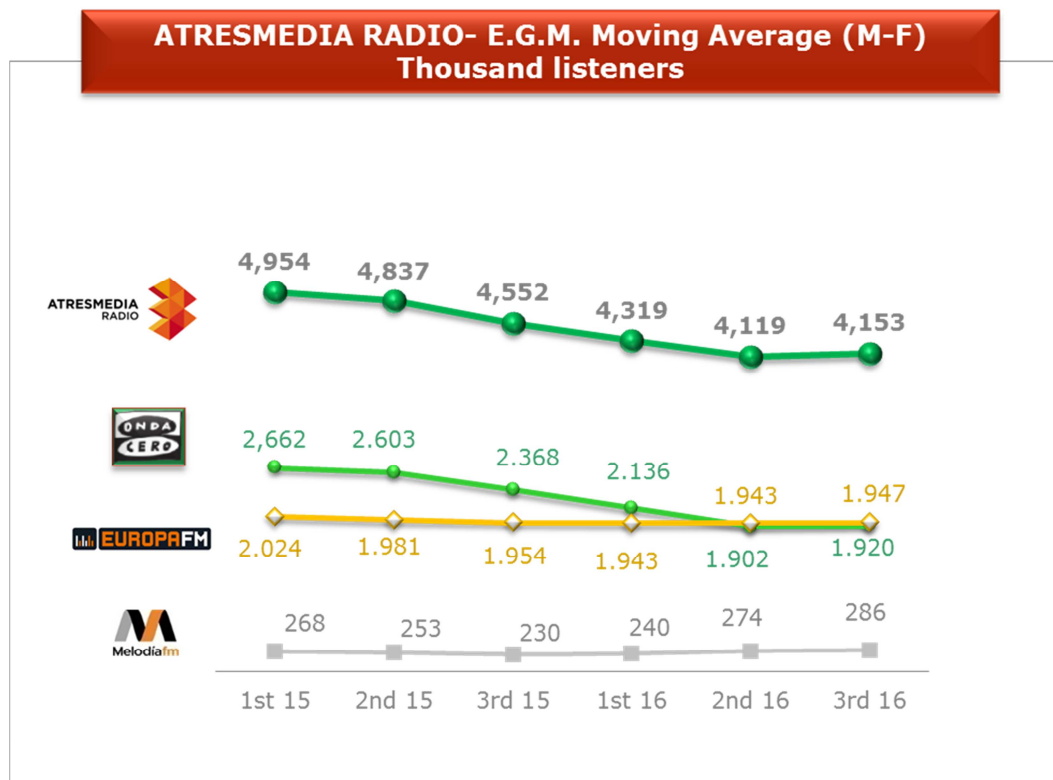
4. ATRESMEDIA RADIO

4.1 Advertising market and audience figures

According to Infoadex, the radio advertising market has grown in the year by 0.8%.

Atresmedia Radio had an average of 4.2 million listeners, according to the latest General Media Study (EGM), in the rolling year to the 3rd 2016 wave. Onda Cero continued to be the third ranking generalistic radio station with an average of 1.9 million listeners. Europa FM remained the third ranking specialist station with 1.9 million listeners, while Melodia FM had 286,000 listeners.

Onda Cero lost listeners due to a change to its morning programming in April 2015. Nevertheless, figures from the last two studies (rolling years) show that audiences have stabilised and increased slightly.

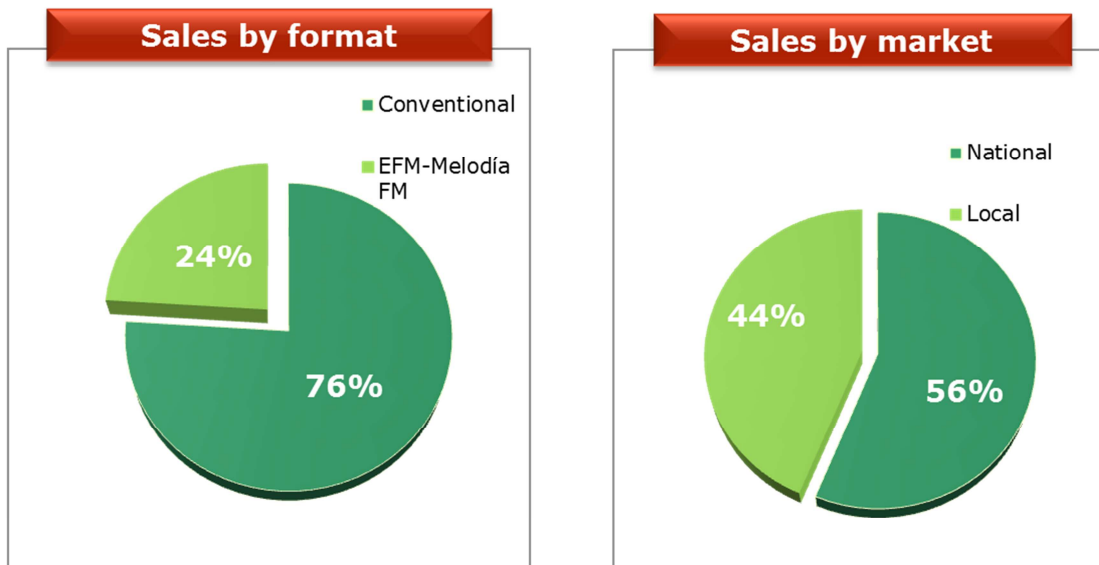


Source: EGM . Moving Average. Monday-Friday.

4.2 Income statement

Euros (in thousands)	Jan-Dec 2016	Jan-Dec 2015	Change
NET REVENUE	82,170	89,868	(8.6%)
Personnel costs	24,195	25,173	(3.9%)
Other operating expenses	38,282	42,868	(10.7%)
OPERATING EXPENSES	62,476	68,041	(8.2%)
EBITDA	19,694	21,827	(9.8%)
Depreciation and amortisation	1,948	1,861	4.7%
EBIT	17,744	19,966	(11.1%)

Net revenues generated by Atresmedia Radio in the quarter totalled 82.2 million euros, compared to 89.9 million euros for 2015, due to the loss of listeners mentioned above.





Operating expenses to 31 December 2016 totalled 62.5 million euros, compared to 68.0 million euros for 2015, a drop of 8.2%.

EBITDA in 2016 was 19.7 million euros, representing a margin of 24.0%. Falling revenues due to lower audiences have been offset by lower costs, resulting in margins in line with those of last year.

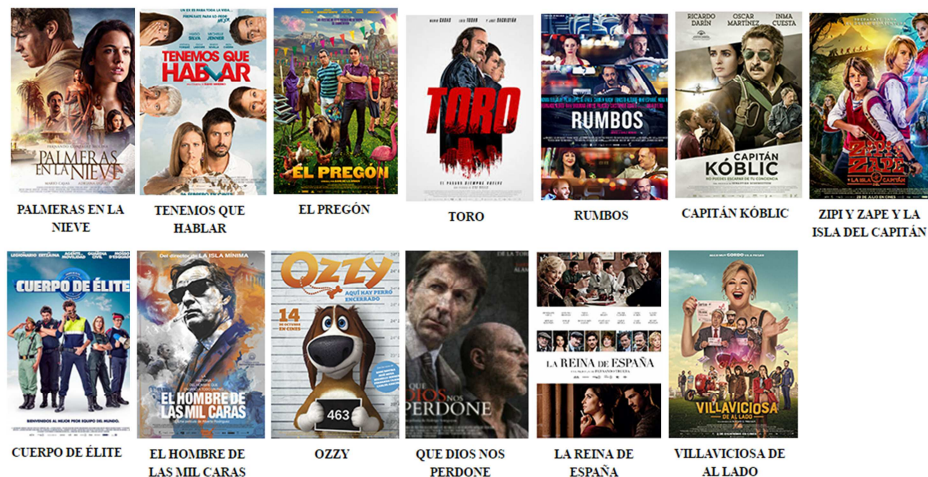
EBITDA in the fourth quarter of 2016 was 5.1 million euros with a margin on net revenues of 21.9%.

EBITDA	Jan-Dec 2016	Jan-Dec 2015
Atresmedia Radio	19,694	21,827
Margin on net revenue	24.0%	24.3%
EBIT	Jan-Dec 2016	Jan-Dec 2015
Atresmedia Radio	17,744	19,966
Margin on net revenue	21.6%	22.2%

5. OTHER BUSINESSES

5.1 Atresmedia Cine

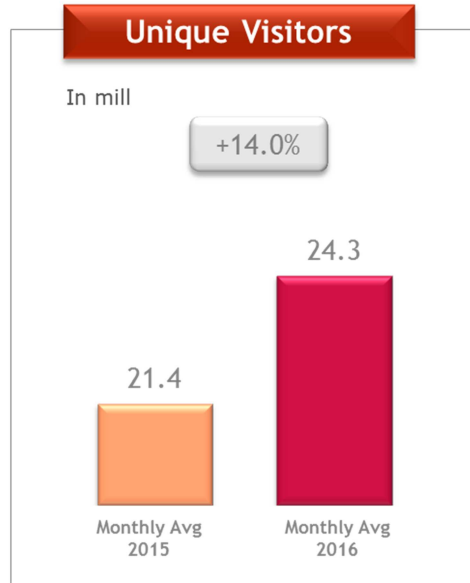
Atresmedia Cine released twelve films in 2016: "Tenemos que hablar", "El pregón", "Toro", "Rumbos", "Capitán Kóblíc", "Zipi y Zape y la isla del capitán", "Cuerpo de élite", "El hombre de las mil caras", "Ozzy", "Que Dios nos perdone", "La Reina de España" and "Villaviciosa de al lado". Films such as "Palmeras en la nieve" also remained on release. In total, these films represented 38% of box-office takings for Spanish cinema in the year.



Atresmedia Cine received three awards at the thirty-first Goyas. "El hombre de las mil caras" received awards for best adapted script and best supporting actor while "Que Dios nos perdone" received the award for best leading actor.

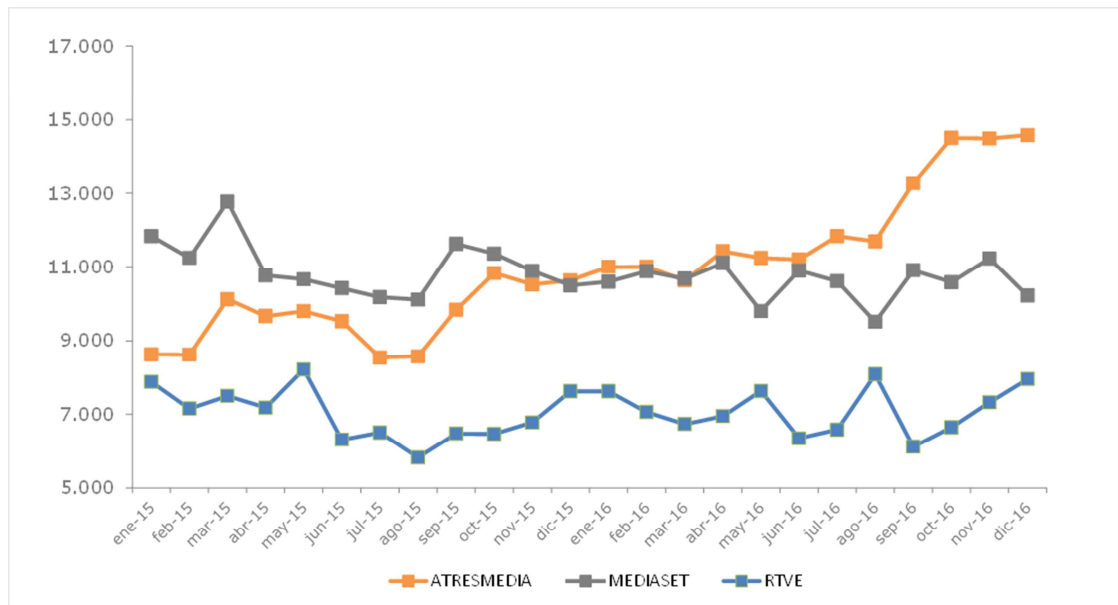
5.2 Atresmedia Digital

At 31 December 2016 monthly unique visitor figures for Atresmedia Digital's websites were 24.3 million, up 14.0% on the monthly average to December 2015. The Group's vertical content sites ("Guía Infantil", "Celebrities", "Sextante", "Liopardo", "Seestrena", "Tecnoexplora", "Defconplay", etc) performed particularly strongly in the period, as did the lasexta.com and europafm.com websites.



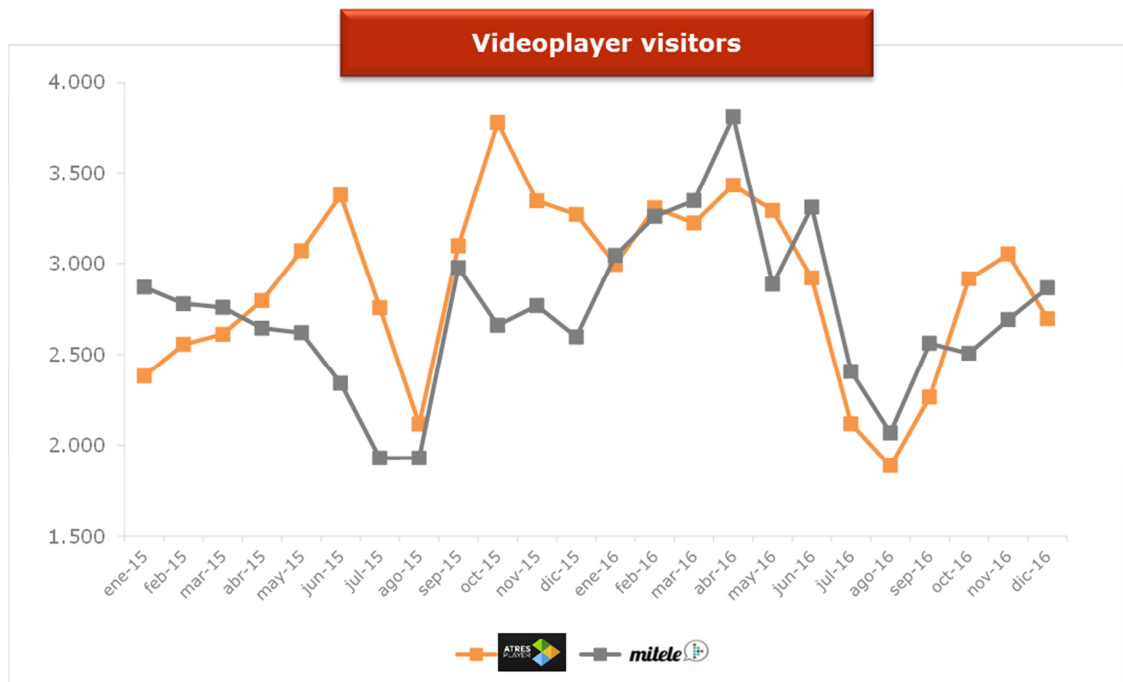
Monthly Average
Source: Adobe Analytics

According to figures published by **comScore**, the Atresmedia Group's websites headed the internet rankings for television groups in eleven of the twelve months in 2016, with 14.6 million unique visitors in the last month, 4.4 million more than Mediaset.



The Atresplayer video and audio platform reported over 4.4 million registered users and 8.8 million downloads.

According to comScore, in 2016 Atresplayer had a monthly average of 2.8 million unique visitors.



Source comScore

The platform for short videos, Flooxer, attracted an average of 0.9 million unique visitors per month in 2016, its first year.



5.3 Income statement

The Group's other activities performed as follows:

Euros (in thousands)	Jan-Dec 2016	Jan-Dec 2015	Change
NET REVENUE	29,410	22,928	28.3%
% of Atresmedia's revenues	2.9%	2.4%	
OPERATING EXPENSES (*)	16,494	12,582	31.1%
% of Atresmedia's expenses	2.0%	1.6%	
EBITDA	12,915	10,347	24.8%
% of Atresmedia's EBITDA	6.4%	6.2%	

(*) Includes amortisation of film productions.

EBITDA for the year to December 2016 from Other Businesses totalled 12.9 million euros, compared with 10.3 million euros in the previous year, mainly thanks to Atresmedia Cine. The results generated from the organisation of events also improved, as did those, to a lesser extent, from other marketing activities.