

ATRESMEDIA

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Diversification Day

10th December 2014



Diversification Day

12:30



Diversification
within Atresmedia

Mr. Silvio González
CEO Atresmedia

12:45



Diversification
activities: details

Mr. Javier Nuche
General Manager
Diversification

13:45



Q&A

Diversification Day

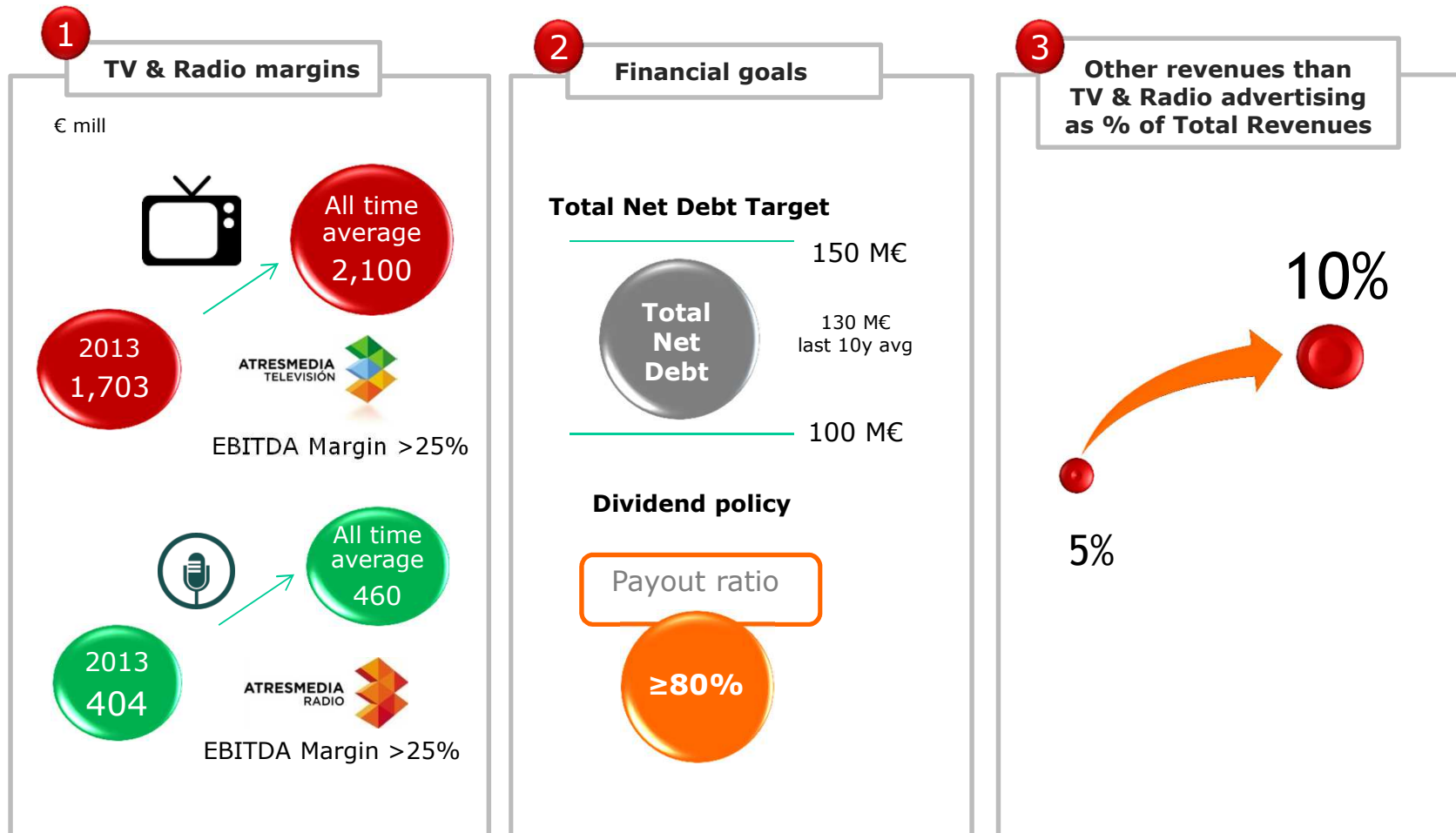


Diversification within Atresmedia

Mr. Silvio González
CEO Atresmedia

Atresmedia: Medium-term goals

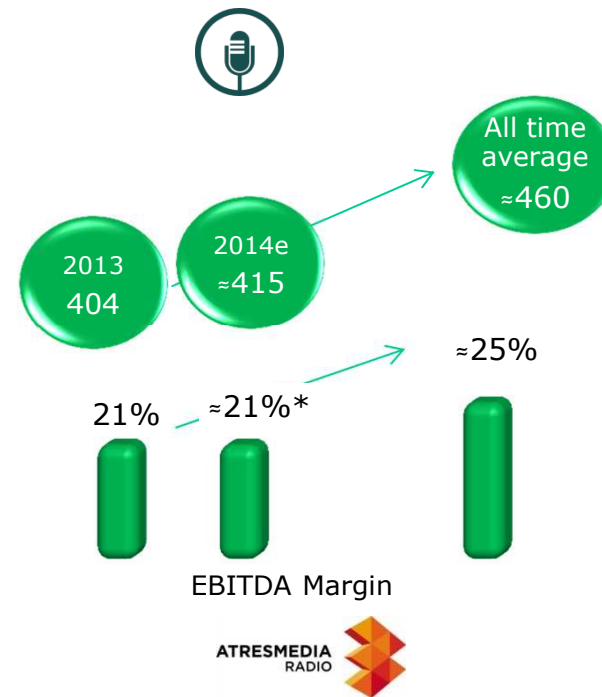
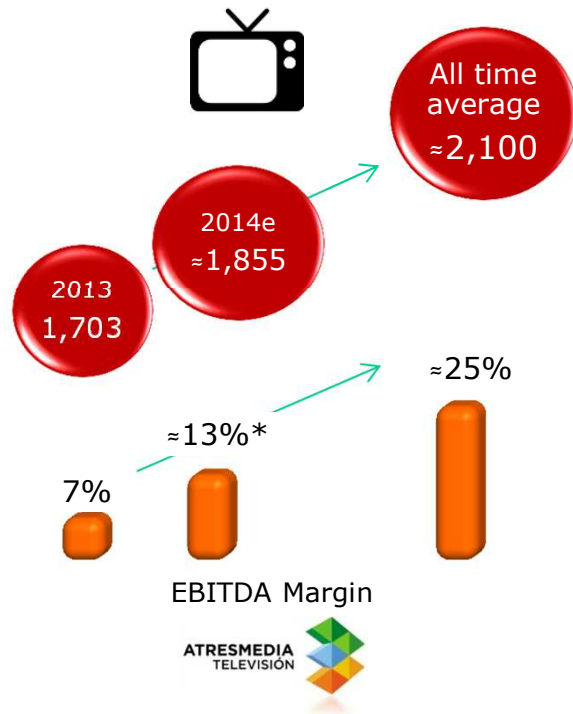
Goals review



Atresmedia: TV & Radio

Television and Radio's EBITDA margin on track

Market Gross Ad revenues (€ mill)
& EBITDA Margin



• At 9M14
Source: Kantar Media

* 9M 14 Proforma excluding Melodía FM

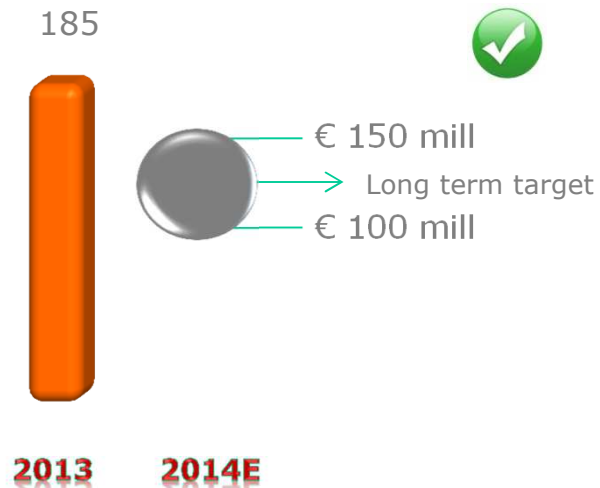
Atresmedia: Financials

Debt at target level and dividend policy according to plan

ATRESMEDIA



Total Net Debt Target (€ mill)



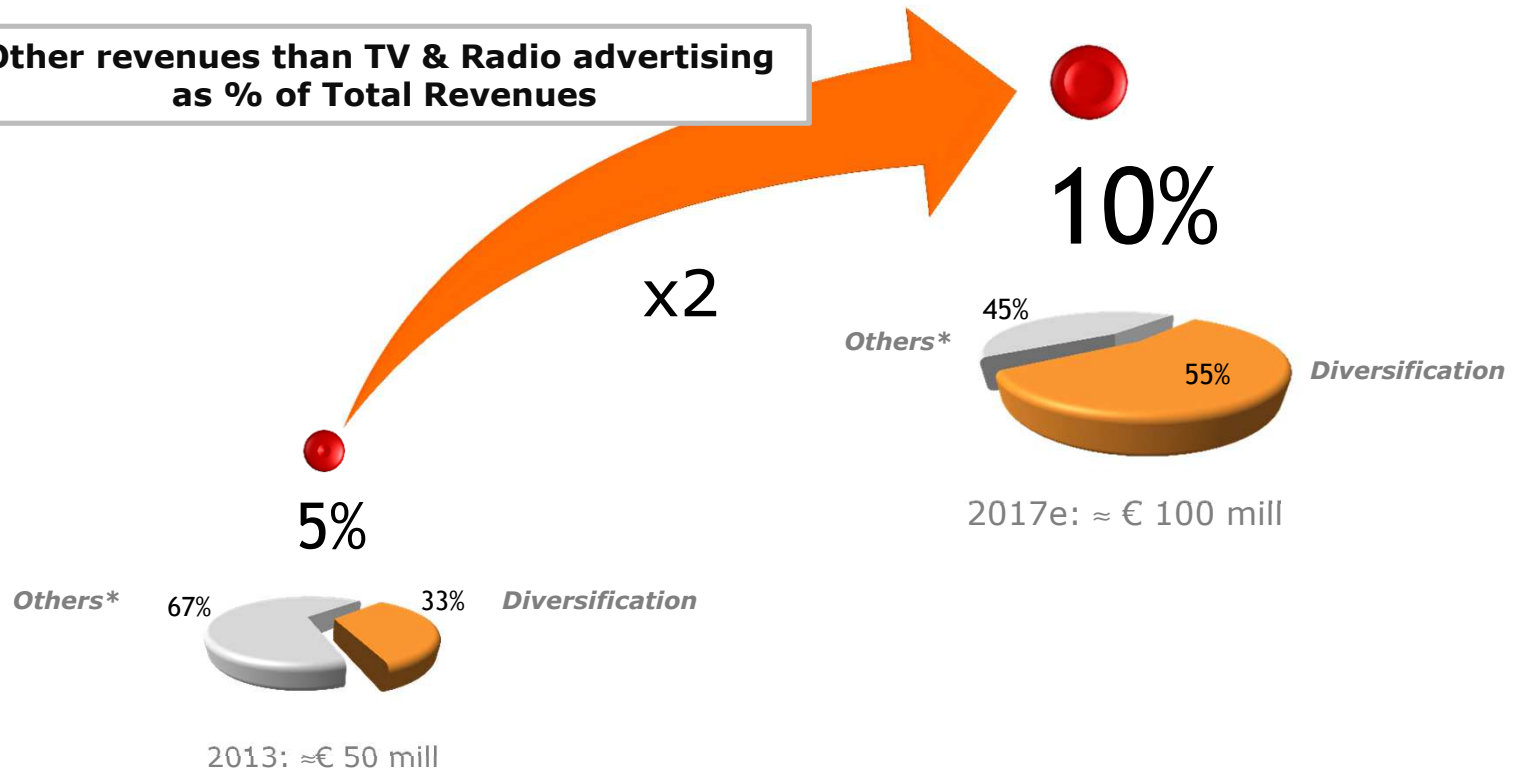
Dividend policy



Atresmedia: Other revenues

Fully committed in Other revenues

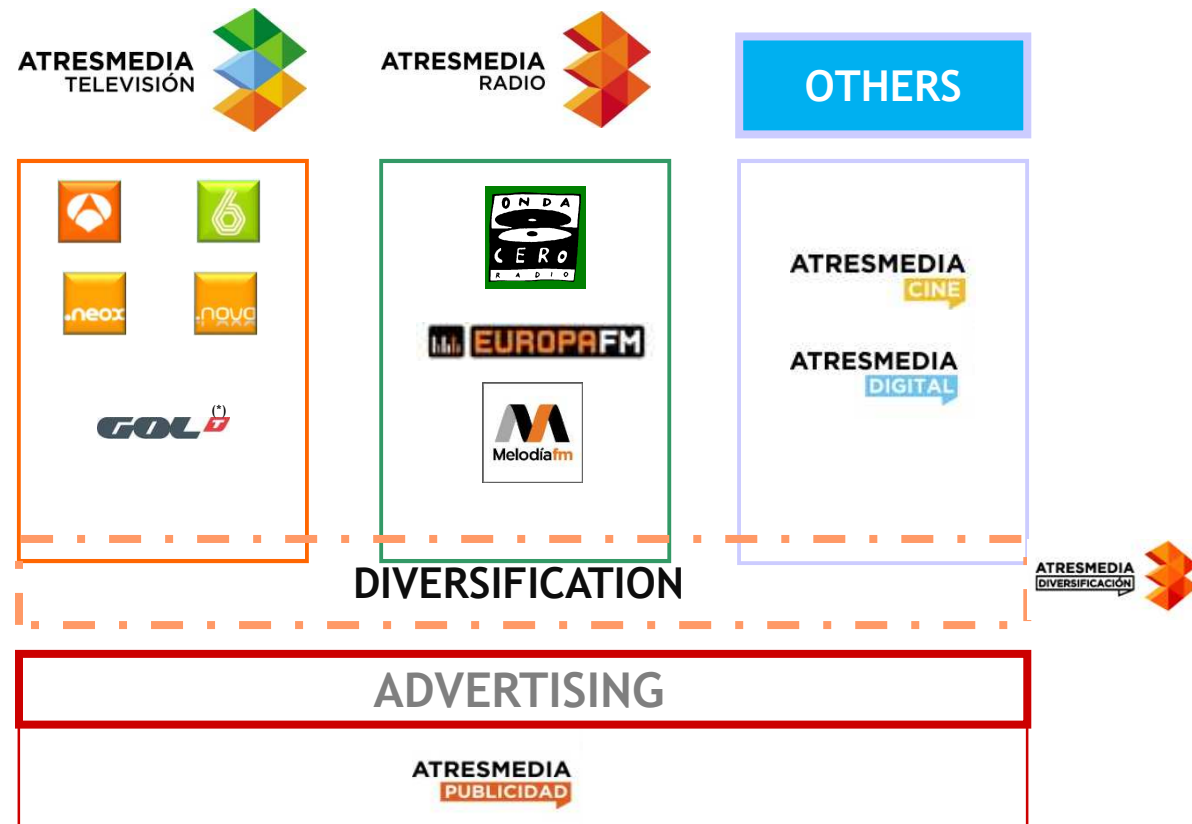
Other revenues than TV & Radio advertising
as % of Total Revenues



*Others: Atresmedia Digital & Atresmedia Films

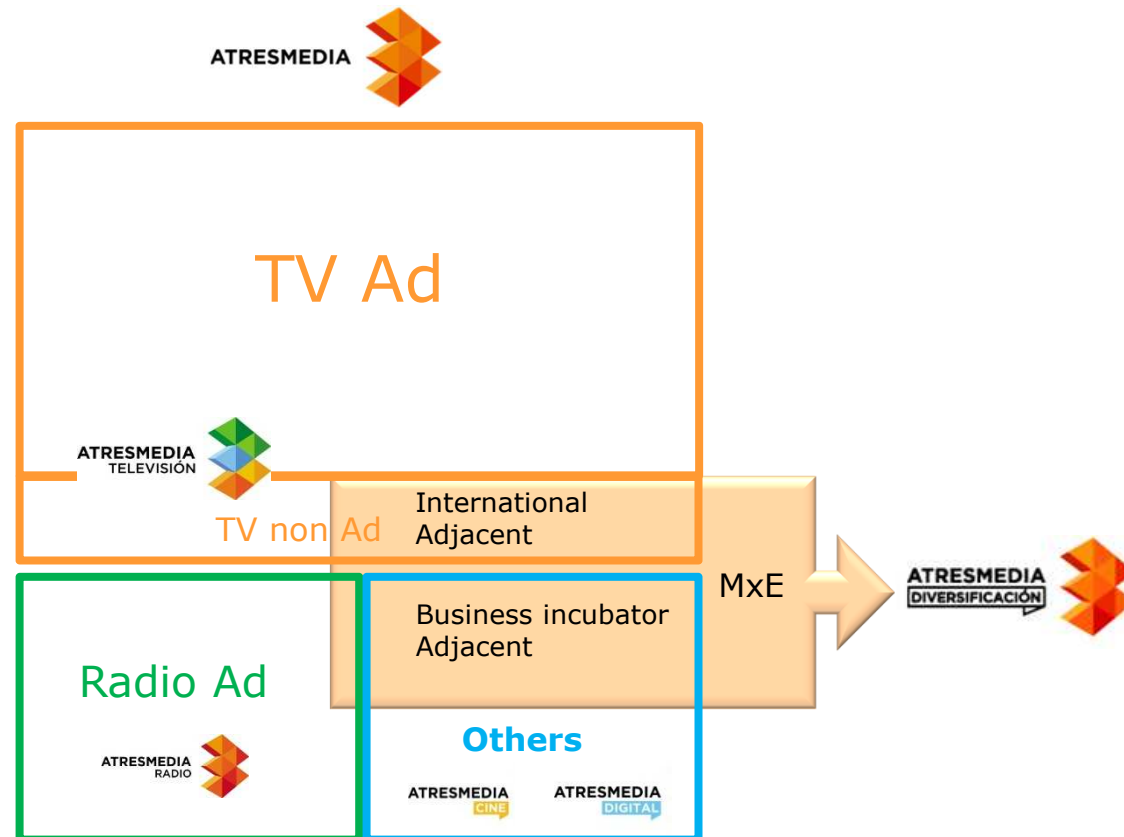
Atresmedia Diversification within the company

Diversification: Cross divisional area



Atresmedia Diversification: Map of revenues sources

Diversification revenues generated at different reporting areas





Diversification activities: details

Mr. Javier Nuche
General Manager
Diversification

Atresmedia Diversification: Structure

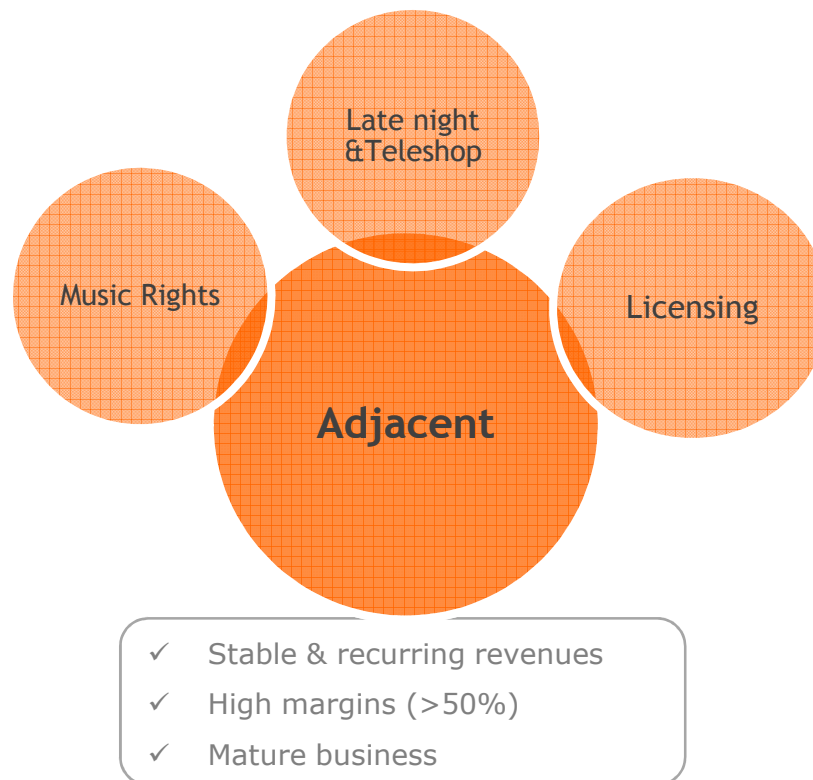
Diversification is based on three pillars



Atresmedia Diversification: Adjacent businesses



Adjacent: A recurring highly profitable business



Atresmedia Diversification: Adjacent businesses



Adjacent: New initiatives



latienda.tv



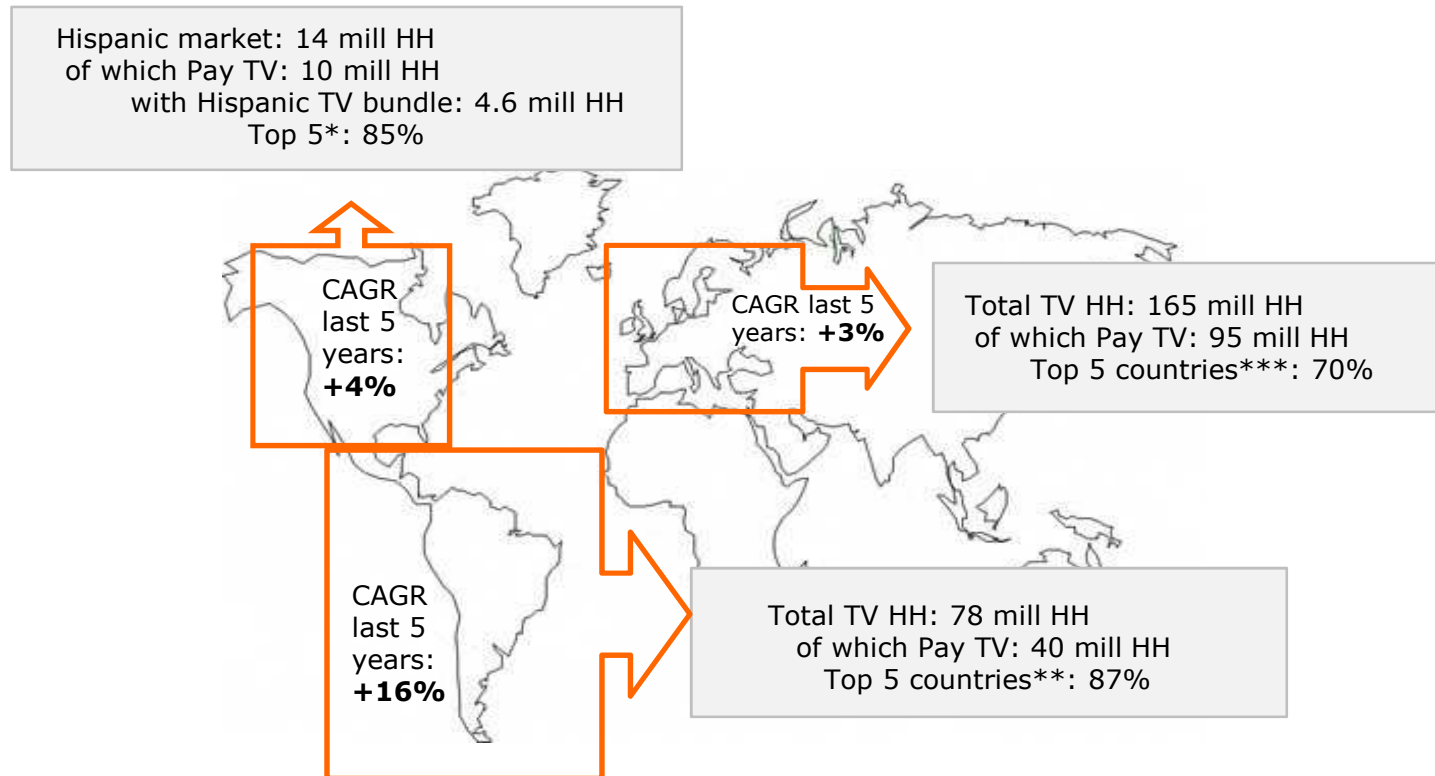
english house.tv



Atresmedia Diversification: International



Atresmedia's international channels: Presence in key markets



*Top 5 companies: DISH, Direct TV, Comcast, Time Warner & Cablevision

**Top 5 countries (excl Brazil): Mexico, Argentina, Colombia, Chile & Venezuela

***Top 5 countries: UK, Germany, France, Italy & Spain

Source: Business Bureau, Digital TV Research

Atresmedia Diversification: International



International: More than 23 mill subscribers in 2014



Antena 3
INTERNACIONAL

(Antena 3's premium content channel)

≈ 15 mill subscribers

#6 Latam entertainment pay TV channel



(Celebrity & Life-style channel)

≈ 7 mill subscribers

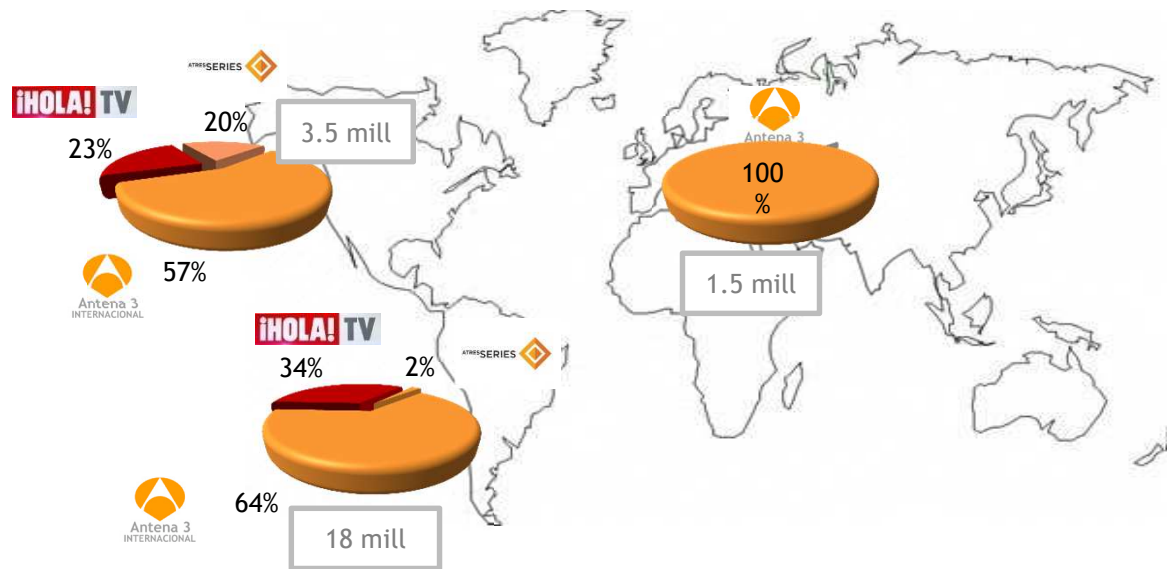
#10 Latam entertainment pay TV channel



(Atresmedia's best-series channel)

≈ 1 mill subscribers

Launched in July 2014

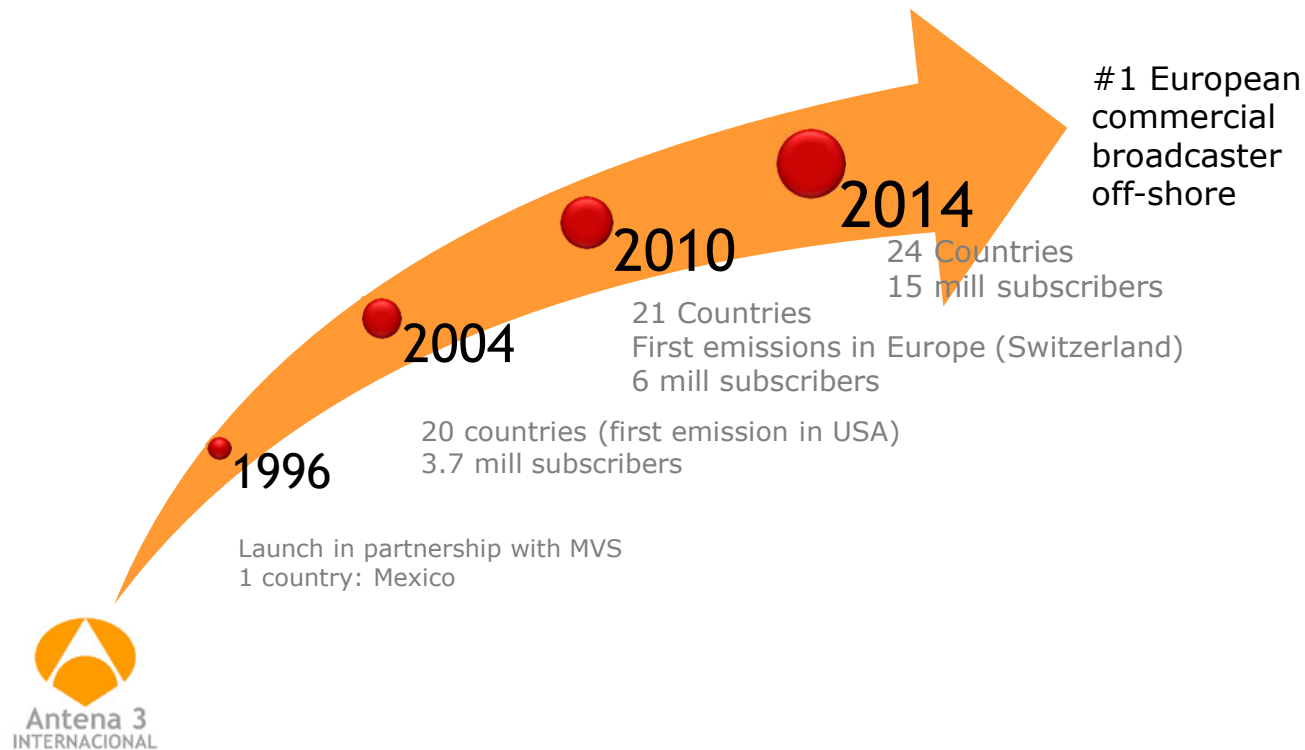


Source: Internal estimates & Business Bureau (Direct TV data)

Atresmedia Diversification: International



A3 International: #1 European commercial broadcaster off-shore



Atresmedia Diversification: International



Hola TV: Using know how to explore new markets



**¡CELEBRITY &
LIFESTYLE
PAY TV
CHANNEL IN
SPANISH!**

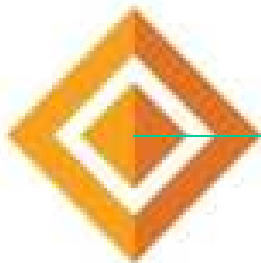
- **Launched in September 13.**
- **The most successful independent TV launch in last 5 years**
- **Distributed in Latam and the US Hispanic market, in cable and satellite**
- **More than 7 mill HH**
- **Subscriber fees and ad-based model**

Atresmedia Diversification: International



Atres Series: 1st series channel in Spanish language

ATRES **SERIES**



1 million subscribers since inception (july 14)

Best of Atresmedia's series production

100% in-house production

1st series channel in Spanish language

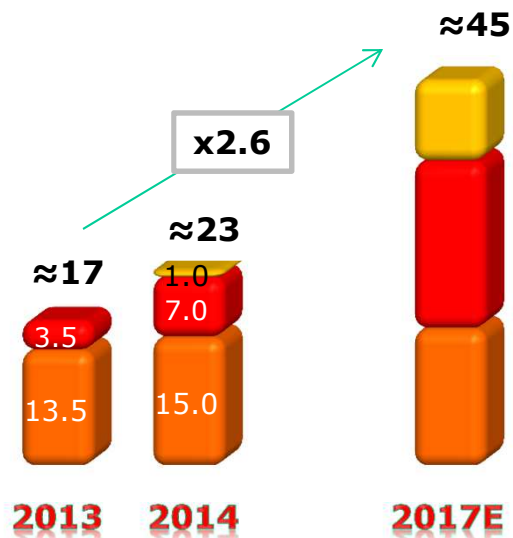
Successful tested content

Atresmedia Diversification: International



International: Outstanding growth potential

**Subscribers
In millions**



Growth drivers

- ✓ Organic growth in HD bundles
- ✓ Appetite for VoD & catch up offer
- ✓ Panam strategic distribution deal

- ✓ Well-known brand
- ✓ Original content
- ✓ Advertising opportunities

- ✓ Δ penetration in USA market
- ✓ Cost per subscriber optimization
- ✓ Organic growth in digital tiers



Atresmedia Diversification: MxE & Incubator



MxE & Business incubator: Business rational



Atresmedia Diversification: MxE & Incubator



MxE & Incubator: Strategic approach



Our strategy

MxE

- Target: Spanish start ups
- Return: Capital venture approach & Potential strategic investments
- Tickets: € 0.5 to 2.0 mill through ad contribution/ Equity target: 10-20%
- Optimal portfolio: 12-15 recurring projects

Business incubator

- Seeking successful businesses abroad to be adapted to the domestic market
- Return: Recurrent revenue stream (i.e. Nubeox, Tu Album)
- Majority shareholders
- Optimal portfolio: 5-7 projects

MxE Fund

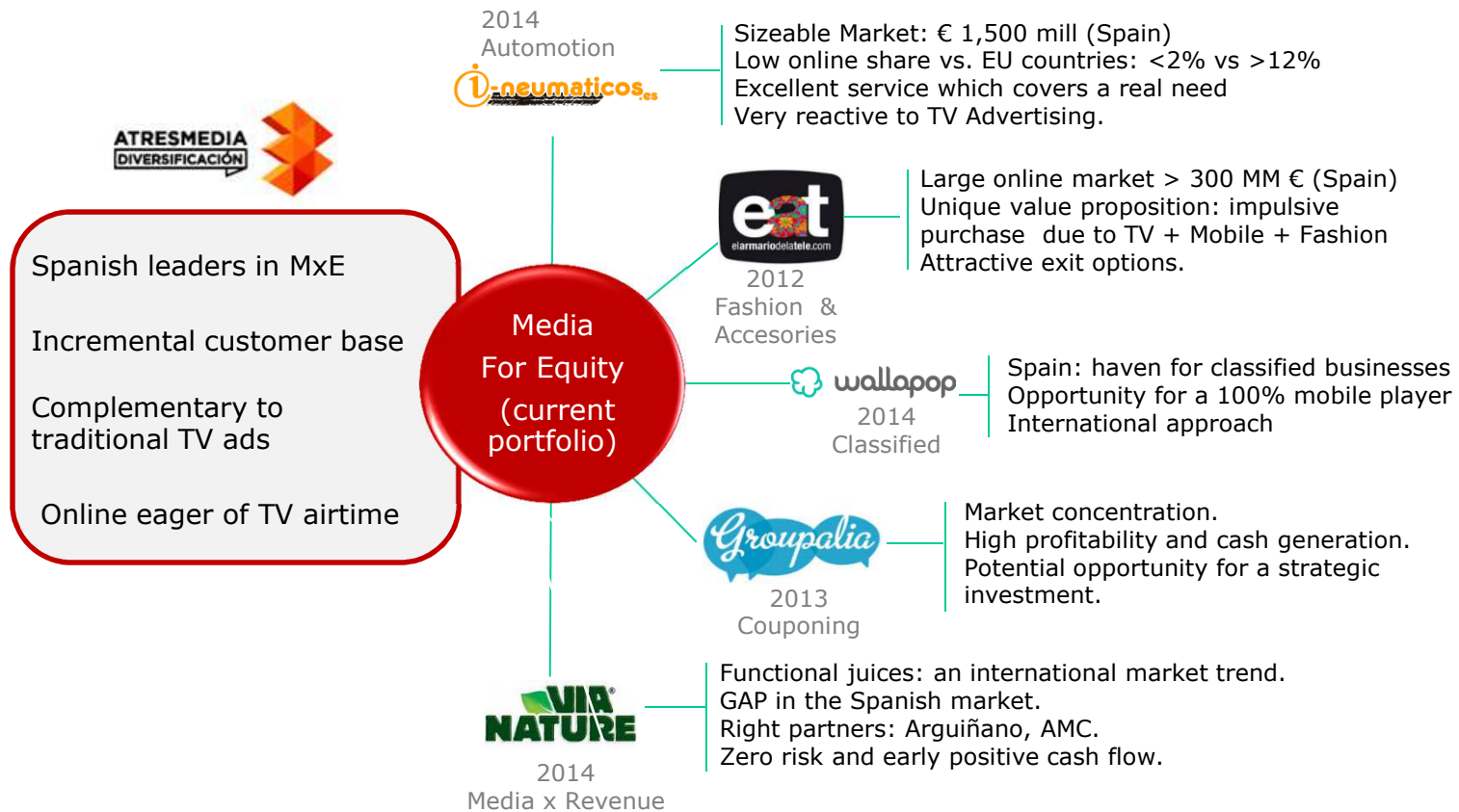
(in project)

- Being part of a Spanish multimedia fund
- Return: Pure venture capital approach
- Entry at early stages

Atresmedia Diversification: Media for Equity



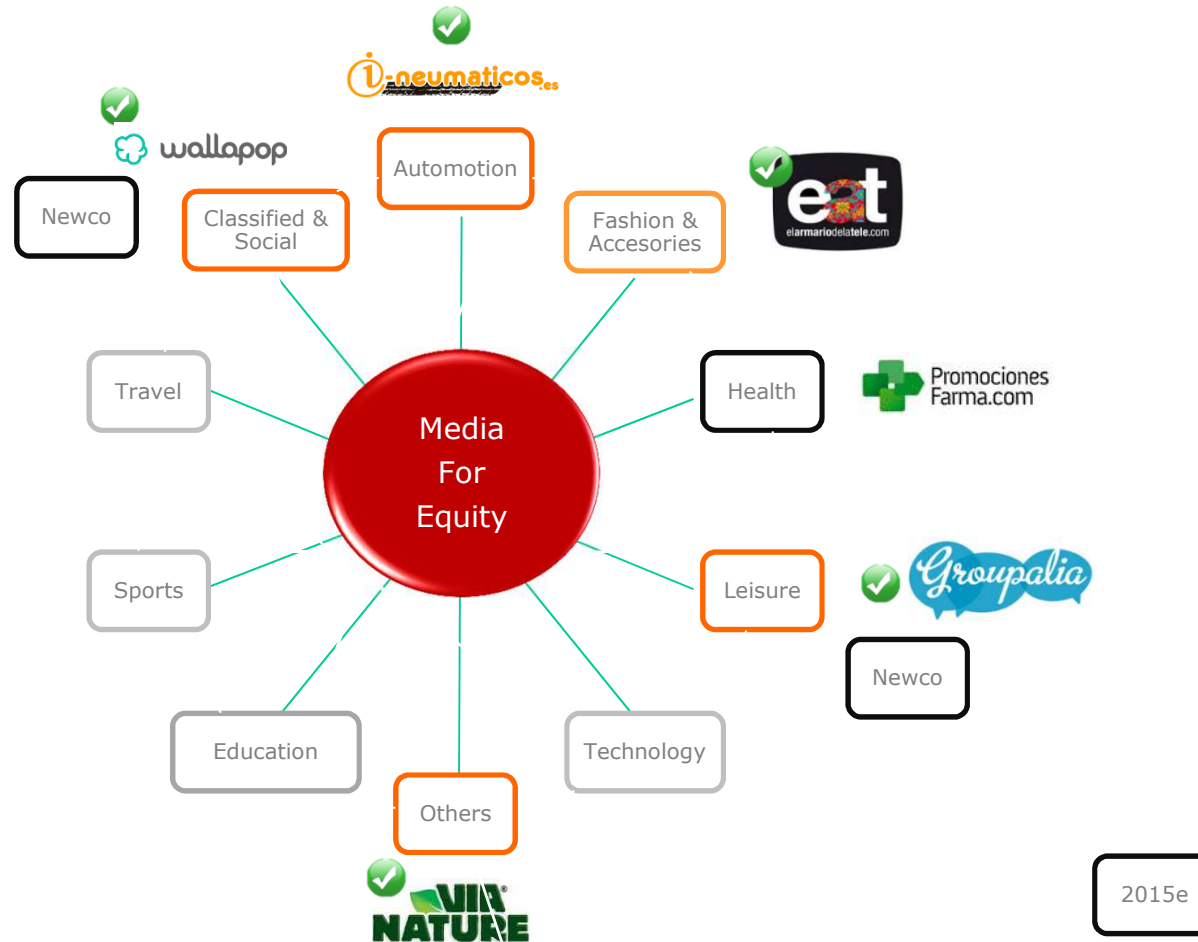
MxE: Current portfolio



Atresmedia Diversification: Media for Equity







MxE: Exploring new projects



Atresmedia Diversification: MxE & Incubator



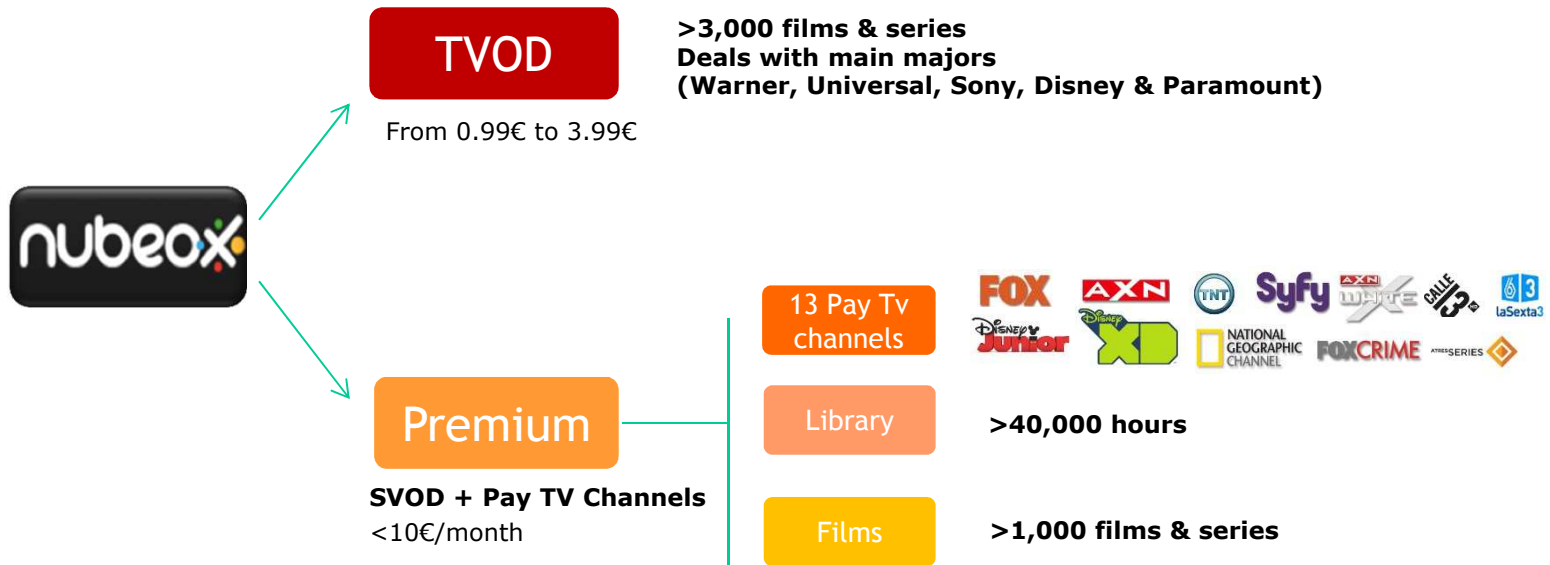
MxE portfolio begins value creation

	KPIs	%Equity	Current Portfolio Estimated Value	Target Exit Value
	Coupons sold > €40 mill Rev. '14 > €11 mill EBITDA '14 > €2 mill	15-20%	12 -16 €mill	18 - 22 €mill
	Online market leader 100% Rev. Growth YoY Avg. customer review: 9	15-20%		
	> 4 mill downloads > 1,5 mill monthly active users > €3 mill daily transactions value	10-15%		
	Revenues x2 since MxE Over 500k registered users Near 10 mill visits/year	50%		

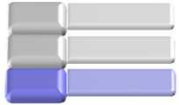
Atresmedia Diversification: Nubeox



Nubeox: Atresmedia's VoD offer



Atresmedia Diversification: Nubeox



Nubeox: The most varied offer in the market

Competition

- Wuaki (TVoD + SVoD)
- Yomvi (Canales + SVoD)
- Movistar TV (Channels + SVoD)
- Filmin (TVoD + SVoD)
- iTunes (TVoD)
- Google Play (TVoD)

KPIs

- >400,000 registered users
- >500,000 unique visits/month
- TVoD: 6,000 users/month
- SVoD: 10,000 subscribers

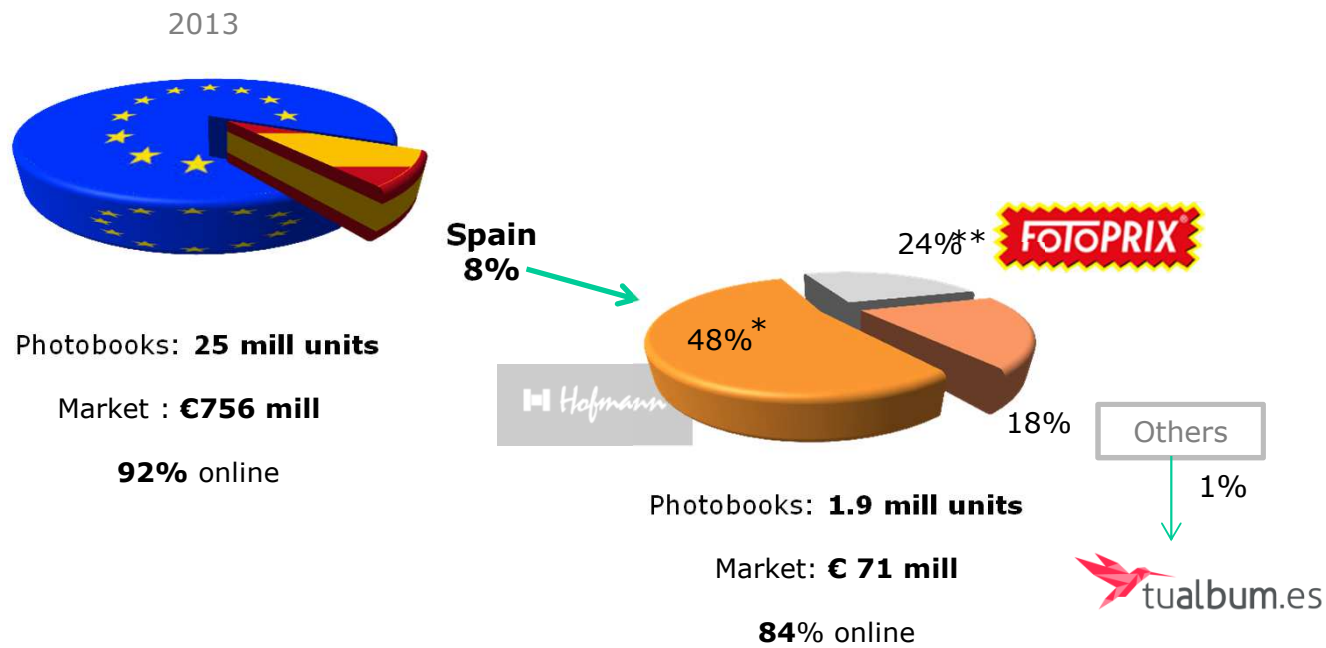
Growth drivers

- Most varied offer of the market
- Low cost no-time commitment offer
- Strong communication campaign
- Connected TV growth

Atresmedia Diversification: Tu Album



Tu Album: A newcomer in a sizeable market



Source: Futuresource

* Hoffman acquired by Photobox, leader in UK, in October 2014
**Fotoprix is currently under chapter 11

Atresmedia Diversification: Tu Album



Tu Album: Growth potential through communication

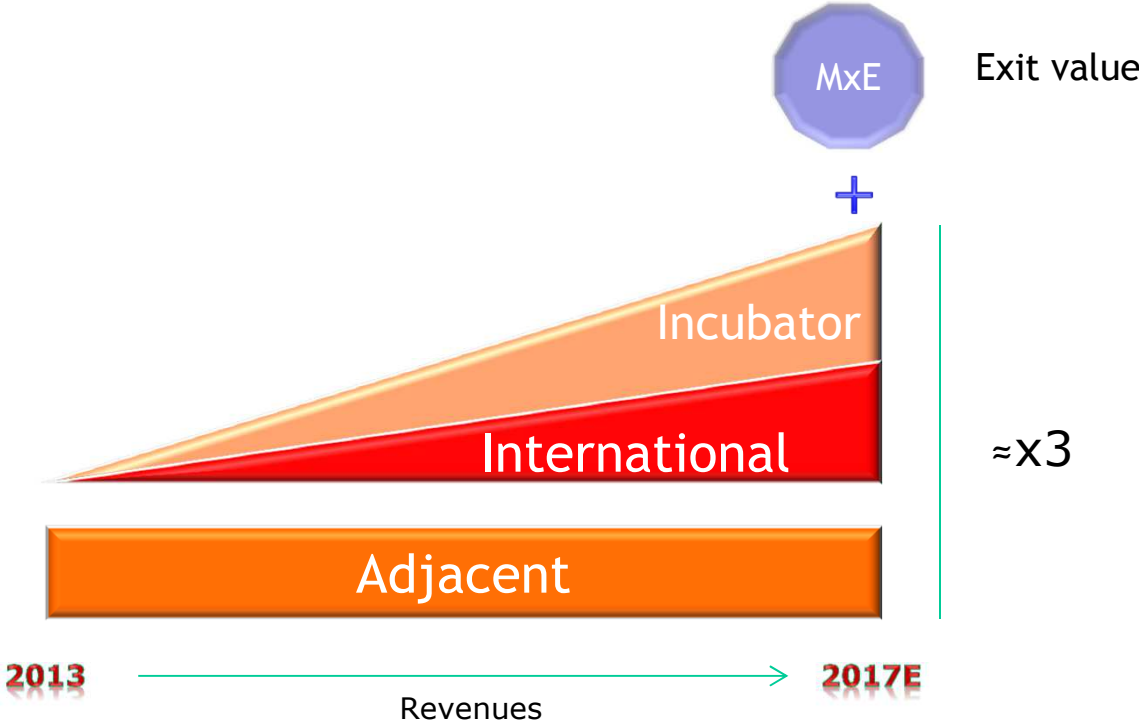


2014e

KPIs	Growth drivers
950,000 visits	• High quality products
50,000 downloads	• Communication driven
11,500 photobooks	• No financial risk: most outsourced
Market share \approx 1%	• Unique client service
	• Changing market structure: room to market share gains
	• Part of a large communication group

Atresmedia Diversification: Growth strategy

International and MxE/Incubator as main drivers



Diversification Day



Additional information

Investor Relations Department

Phone: +34 91 623 46 14

E-mail: ir@atresmedia.com

Web: www.atresmediacorporacion.com

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Q&A Session

