

**ATRESMEDIA**



**JANUARY–JUNE 2016 RESULTS**

**30 June 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-Jun 2016	Jan-Jun 2015
Total TV audience	27.4%	26.3%
TV market share	43.0%	42.8%
Radio listeners (thousands) (2nd EGM)	4,119	4,837
Total no. employees	1,901	1,762

Financial highlights Euros (in thousands)	Jan-Jun 2016	Jan-Jun 2015
Net revenue	544,059	506,437
EBITDA	119,432	92,904
Profit for the period	84,193	55,403
Net financial debt	167,690	164,228

**Atresmedia's EBITDA for the first half of 2016 totaled 119.4 million euros, an increase of 26.5 million euros on the same period last year, with consolidated profits of 84.2 million euros, up 52% on that reported at June 2015.**

**Atresmedia Television** achieved an **audience** share of 27.4% in the period, heading prime time commercial target audience figures at 31.9% despite the broadcasting of the European Championship on other channels. Thanks to its channels' strong commercial profile, the Group had a **market share** of 43.0% in the period, according to Infoadex, up 0.2 percentage points on last year.

**Antena 3** achieved a 13.0% audience share in the period, heading commercial target audience figures with a 14.9% share, 0.5 percentage points ahead of its main rival.

**laSexta** reported average audiences in the first half of the year of 7.4%, while its prime time commercial target audience of 9.5% was 2.1 percentage points greater than that of its main rival.



The complementary channels (**Neox**, **Nova**, **Mega** and **Atreseries**) achieved a combined audience share of 7.0% in the six months to June 2016, while its prime time commercial target audience was 7.5%.

**Atresmedia Radio** generated EBITDA for the six months to June 2016 of 13.0 million euros, with a margin on net revenue of 31.2%.

EBITDA generated by the Group's **other businesses** improved significantly, mainly attributable to the Spanish film business.

## 1.2 The economic climate and the market

According to the macroeconomic forecasts of various bodies, the economy will continue to grow, though less strongly than last year.

GDP growth in the first quarter of the year was faster than in the previous quarter and surprisingly strong at 0.8% compared with the forecast 0.6%. In its latest report issued in June 2016, the Fundación de las Cajas de Ahorros (FUNCAS) increased its growth forecast by 0.2 percentage points up to 2.9%, reflecting the strength of the economy. FUNCAS maintained its growth forecast for 2017 at 2.3%.

The number of new jobs created is expected to increase by 2.6% in 2016, one tenth of percentage point more than predicted in the last round of forecasts, while the forecast for 2017 is for growth of 2.0%. The unemployment rate is expected to fall to 19.9% in 2016 and to 18.5% in 2017 (20.1% and 18.7% in the previous report).

Household consumption is also showing strong signs of recovery in this financial year, although growth is expected to slow next year. It is expected to increase by 3.3% in 2016 (mainly thanks to higher wages and higher employment levels, cuts to personal income tax rates and lower energy prices) and by 2.4% in 2017.



According to Infoadex, advertising investment in conventional media grew by 4.7% in January to June 2016 compared with the same period in 2015. Television advertising spending grew (8.4%), as did internet advertising (15.2%) but radio advertising decreased by 0.5%

<b>Advertising market by media</b>	<b>1H 16 vs 1H 15</b>
<b>Television</b>	<b>8.4%</b>
<b>Radio</b>	<b>-0.5%</b>
<b>Internet</b>	<b>15.2%</b>
Newspapers	-6.5%
Magazines	-3.6%
Outdoor	-1.2%
Sunday Supplements	-9.2%
Cinema	5.1%
<b>TOTAL MEDIA</b>	<b>4.7%</b>

Source: Infoadex



## 2. ATRESMEDIA

### 2.1 Consolidated Income Statement

Euros (in thousands)	Jan-Jun 2016	Jan-Jun 2015	Change
<b>Net total sales</b>	<b>513,302</b>	<b>483,369</b>	<b>6.2%</b>
Other income	30,757	23,068	33.3%
<b>NET REVENUE</b>	<b>544,059</b>	<b>506,437</b>	<b>7.4%</b>
<b>OPERATING EXPENSES</b>	<b>424,627</b>	<b>413,533</b>	<b>2.7%</b>
<b>EBITDA</b>	<b>119,432</b>	<b>92,904</b>	<b>28.6%</b>
Depreciation and amortization	8,943	8,308	7.6%
Impairment and disposal of property, plant and equipment	(2)	346	n/a
<b>EBIT</b>	<b>110,491</b>	<b>84,250</b>	<b>31.1%</b>
<b>Financial result</b>	<b>(2,655)</b>	<b>(11,739)</b>	<b>77.4%</b>
<b>Net income from investments in other entities</b>	<b>(875)</b>	<b>(706)</b>	<b>(23.9%)</b>
<b>Profit before tax from continuing operations</b>	<b>106,962</b>	<b>71,805</b>	<b>49.0%</b>
Income tax	22,786	16,415	38.8%
<b>Profit for the period</b>	<b>84,176</b>	<b>55,390</b>	<b>52.0%</b>
Profit attributable to non-controlling interests	17	13	33.9%
<b>Profit for the financial period attributable to the parent company</b>	<b>84,193</b>	<b>55,403</b>	<b>52.0%</b>



## 2.1.1 Net revenue

Atresmedia's net revenue for the year to June 2016 totaled 544.1 million euros, compared to 506.4 million euros for the same period in 2015, an increase of 7.4%.

Net revenue Euros (in thousands)	Jan-Jun 2016	Jan-Jun 2015	Change
Atresmedia Television	489,864	447,728	9.4%
Atresmedia Radio	41,579	48,033	-13.4%
Other businesses	12,617	10,675	18.2%
<b>ATRESMEDIA</b>	<b>544,059</b>	<b>506,437</b>	<b>7.4%</b>

The advertising market in conventional media continued to grow in the second quarter of 2016, while the Atresmedia Group's revenues performed substantially better than the market.

## 2.1.2 Operating expenses

Operating expenses in the first half of 2016 grew by 2.7% compared with the same period in 2015.

Operating expenses by business (thousand euros)	Jan-Jun 2016	Jan-Jun 2015	Change
Atresmedia Television	390,259	368,626	5.9%
Atresmedia Radio	28,626	35,957	-20.4%
Other businesses	5,743	8,950	-35.8%
<b>ATRESMEDIA</b>	<b>424,627</b>	<b>413,533</b>	<b>2.7%</b>





Operating expenses by type (thousand euros)	Jan-Jun 2016	Jan-Jun 2015	Change
Programming & others	244,780	240,884	1.6%
Personnel costs	64,897	59,858	8.4%
Other operating expenses	114,950	112,791	1.9%
<b>OPERATING EXPENSES</b>	<b>424,627</b>	<b>413,533</b>	<b>2.7%</b>

Higher operating expenses in the period were mainly due to higher variable costs linked to sales, increased programming and personnel costs related to the broadcasting of the UEFA Champions League, and to the new Mega and Atreseries channels launched in the second half of last year.

The increase in staff costs was mainly due to the significant increase in the use of internal personnel for in-house productions. It also includes extraordinary severance payments and bonuses, and, for the first time, the cost of the long-term share-based remuneration plan approved by the last Annual General Meeting of Shareholders, covering the present year to 2018.

### 2.1.3 Operating earnings and margins

YTD EBITDA to June 2016 was 119.4 million euros, representing a margin on net revenues of 22.0%, up 28.6% on that reported for the same period of 2015.

Margins improved across all the Group's business lines compared with the first half of last year.



<b>EBITDA</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>
Atresmedia Television	99,604	79,103
<b>Margin on net revenue</b>	<b>20.3%</b>	<b>17.7%</b>
Atresmedia Radio	12,953	12,076
<b>Margin on net revenue</b>	<b>31.2%</b>	<b>25.1%</b>
Other businesses	6,874	1,725
<b>Margin on net revenue</b>	<b>54.5%</b>	<b>16.2%</b>
<b>TOTAL ATRESMEDIA</b>	<b>119,432</b>	<b>92,904</b>
<b>Margin on net revenue</b>	<b>22.0%</b>	<b>18.3%</b>

EBITDA for the second quarter of 2016 was 79.2 million euros compared with 59.0 million euros for the same period of 2015.

EBIT for the first six months of 2016 was 110.5 million euros, up 31.1% on the same period the previous year. EBIT in the second quarter of 2016 grew by 37.3% compared with the second quarter of 2015.

<b>EBIT</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>
Atresmedia Television	91,882	72,107
<b>Margin on net revenue</b>	<b>18.8%</b>	<b>16.1%</b>
Atresmedia Radio	11,960	11,200
<b>Margin on net revenue</b>	<b>28.8%</b>	<b>23.3%</b>
Other businesses	6,649	943
<b>Margin on net revenue</b>	<b>52.7%</b>	<b>8.8%</b>
<b>TOTAL ATRESMEDIA</b>	<b>110,491</b>	<b>84,250</b>
<b>Margin on net revenue</b>	<b>20.3%</b>	<b>16.6%</b>



### **2.1.4 Profit before tax**

In May 2015 Atresmedia wrote off the commissions payable on the syndicated loan, together with the negative fair value of the floating to fixed interest rate swap contracted as part of the previous financing agreement. The financial results reported for the first half of this year were therefore significantly better and were further boosted by improved financing terms.

Year-to-date EBITDA to June 2016 totaled 107.0 million euros, compared to 71.8 million euros in the same period of the previous financial year.

### **2.1.5 Consolidated profit for the period**

Consolidated profit for the first half of 2016 totaled 84.2 million euros, in comparison with 55.4 million euros for the same period in 2015.



## 2.2 Consolidated Balance Sheet

Euros (in thousands)	30 June 2016	31 December 2015
<b>ASSETS</b>		
Goodwill	150,012	150,012
Other intangible assets	137,925	140,298
Property, plant and equipment and other non-current assets	61,647	61,201
Deferred tax assets	290,000	289,328
<b>NON-CURRENT ASSETS</b>		
	<b>639,584</b>	<b>640,839</b>
Programming rights and inventories	348,509	352,050
Trade and other receivables	253,226	234,586
Other current assets	29,195	20,540
Current tax assets	7,928	6,793
Cash and cash equivalents	9,437	1,017
<b>CURRENT ASSETS</b>		
	<b>648,295</b>	<b>614,986</b>
<b>TOTAL ASSETS</b>		
	<b>1,287,879</b>	<b>1,255,825</b>
<b>LIABILITIES</b>		
Share capital	169,300	169,300
Issue premium	38,304	38,304
Restricted reserves	42,475	42,475
Retained earnings	276,268	279,923
Treasury shares	(8,810)	(8,666)
Interim dividend	0	(40,490)
Other equity instruments	1,470	2,129
Remeasurements and other	1,838	2,607
<b>EQUITY</b>		
	<b>520,845</b>	<b>485,582</b>
Debt to financial institutions	112,609	127,437
Other non-current liabilities	16,224	49,714
Deferred tax liabilities	26,140	26,180
<b>NON-CURRENT LIABILITIES</b>		
	<b>154,973</b>	<b>203,331</b>
Debt to financial institutions	64,518	32,044
Trade and other creditors	431,823	436,304
Other current liabilities	92,473	98,564
Current tax liabilities	23,247	
<b>CURRENT LIABILITIES</b>		
	<b>612,061</b>	<b>566,912</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		
	<b>1,287,879</b>	<b>1,255,825</b>



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The Group's net financial debt is 167.7 million euros, compared with 158.5 million euros at the end of December 2015.

A share buy-back program 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.

An interim gross dividend of €0.18/share was distributed in June against 2015 income. The total amount distributed was 40.3 million euros.



## 2.3 Consolidated Cash Flow Statement

At 30 June 2016, net cash flows from operating activities were positive, totaling 57.3 million euros, 33.3 million euros more than at the close of the previous year.

Euros (in thousands)	30 June 2016	30 June 2015
<b>1.- CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Consolidated profit for the period before tax</b>	<b>106,962</b>	<b>71,805</b>
<b>Adjustments for:</b>	<b>15,043</b>	<b>25,150</b>
- Depreciation and amortization	8,943	8,308
- Provisions and others	3,445	5,103
- Financial result	2,655	11,739
<b>Changes in working capital</b>	<b>(63,579)</b>	<b>(69,564)</b>
<b>Cash flow from operations</b>	<b>58,426</b>	<b>27,391</b>
<b>Income tax (paid)/refunded</b>	<b>(1,135)</b>	<b>(3,374)</b>
<b>Net cash flows from operating activities</b>	<b>57,291</b>	<b>24,017</b>
<b>2.- CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investments</b>	<b>(14,679)</b>	<b>(25,961)</b>
Group companies, joint ventures and associates	(6,183)	(6,507)
Property, plant and equipment and intangible fixed assets	(6,327)	(14,488)
Investment in Spanish film productions	(2,169)	(4,966)
<b>Divestitures</b>	<b>17</b>	<b>2,157</b>
Group companies, joint ventures and associates	17	2,157
<b>Net cash flows from investing activities</b>	<b>(14,662)</b>	<b>(23,804)</b>
<b>3.- CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Financial expenses paid	(2,352)	(7,461)
Dividends paid	(40,347)	(22,423)
Sale/(Acquisition) of treasury shares	(8,931)	0
Financing of associates and related parties	(225)	(300)
Bank borrowings	17,646	4,682
<b>Net cash flows from financing activities</b>	<b>(34,209)</b>	<b>(25,502)</b>
<b>NET INCREASE / DECREASE IN CASH</b>	<b>8,420</b>	<b>(25,289)</b>
Cash and cash equivalents, beginning of the period	1,017	31,081
<b>Cash and cash equivalents, end of the period</b>	<b>9,437</b>	<b>5,792</b>



## 2.4 Share price

### 2.4.1 Atresmedia's shares

Atresmedia's shares closed at €8.72/share, down 11.4% since the start of the year. The IBEX lost 14.5% to close at 8,163.3 points.



Atresmedia share price in the first half of 2016 vs. the IBEX 35.

Trading figures	Jan-Jun 2016
Share price at 30/06/2016 (€)	8.72
High (€)	11.72
Low (€)	7.73
Weighted average price (€)	9.75
Average daily volume (shares)	1,100,829
Average daily volume (thousand euros)	10,733
Number of shares (million)	225.7
<i>Source: Six Telecours</i>	



## 2.4.2 Analysts' recommendations

At the close of the period, 24 analysts were reporting and offering recommendations on our shares. Of these, 58% recommended **Buy** Atresmedia shares, 33% recommended **Hold**, while 9% continued to recommend **Sell**. The average target price at the end of June 2016 was €12.31/share.

In the first six months of the year, Atresmedia's Investor Relations department took part in 21 conferences and roadshows in cities including London, Madrid, Paris, Milan Frankfurt, Dublin, Nice, New York and Boston.

In addition to these trips, the department held direct meetings, breakfast meetings and telephone conversations with sector analysts and investors. Around 450 contacts in the financial community were established in the period.

## 2.5 Corporate Social Responsibility

With the aim of strengthening the company's corporate responsibility management model, joining Forética, Spain's leading forum on corporate social responsibility, was a key event for Atresmedia in the first half of 2016. Atresmedia was also recognised as the Audiovisual Group with the best reputation according to the "RepTrak España 2016" study.

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 implemented under the "Compromiso Atresmedia" include:

- The "Ponle Freno" campaign launched a plan, in partnership with the Directorate General for Traffic and the Fundación de Gestores Administrativos, to implement compulsory road safety education in schools, held its first fun run in Vigo and launched a new campaign to raise awareness about being distracted while driving.
- "Objetivo Bienestar" presented the 4th Coles Activos Awards recognising schools' work to encourage healthy habits among pupils.





- 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; “Está en tu Mano”, a new campaign to encourage young people to read, supported by “Book’s Power” a channel on the Flooxer video platform, was also launched
- “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 program, 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”. Volunteers from Atresmedia also helped at the Santa María Josefa community canteen and worked with the ANAA animal protection association.

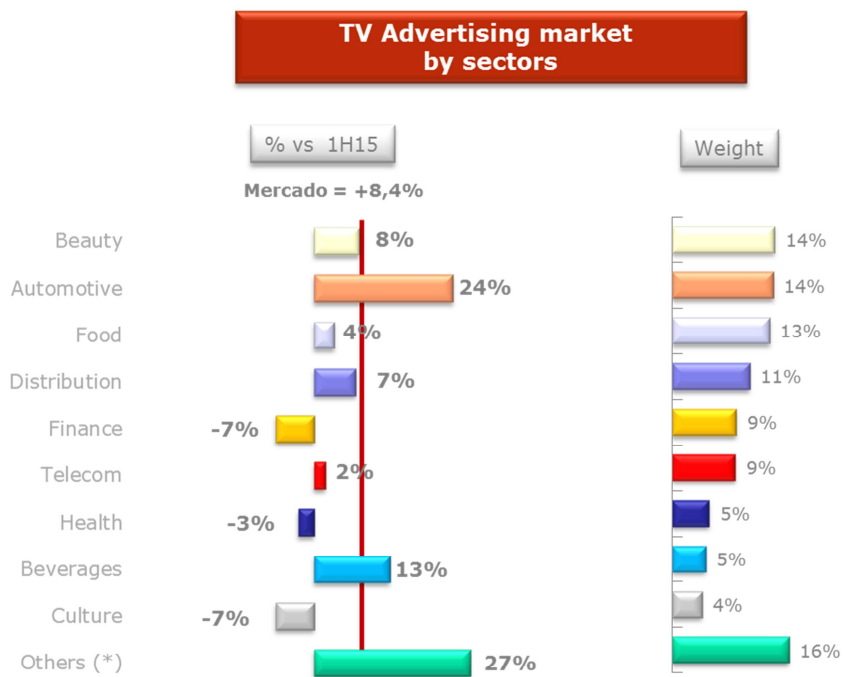
The Atresmedia Foundation continues to work to bring about improvements in education, with the organisation of another “Grandes Profes” event which was attended by over 1,500 teachers and the presentation of the “Grandes Profes, Grandes Iniciativas” Awards. And, for the fifth consecutive year, the Atresmedia Foundation headed the ranking for transparency by business foundations in the “Building Trust 2015” report produced by the Spanish Commitment and Transparency Foundation.

In the area of the environment and in line with the Company's commitment to raising awareness about climate change, Atresmedia's “Hazte Eco” initiative supported the WWF “Ni un Grado Más” and “Earth Hour” campaign, took part in the 3rd “Planeta Responsable” forum and joined 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 was up 8.4% in the first half of the year. There was growth in every sector except "Finance", "Health" and "Culture". The "Automobile" sector grew by 24% 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.

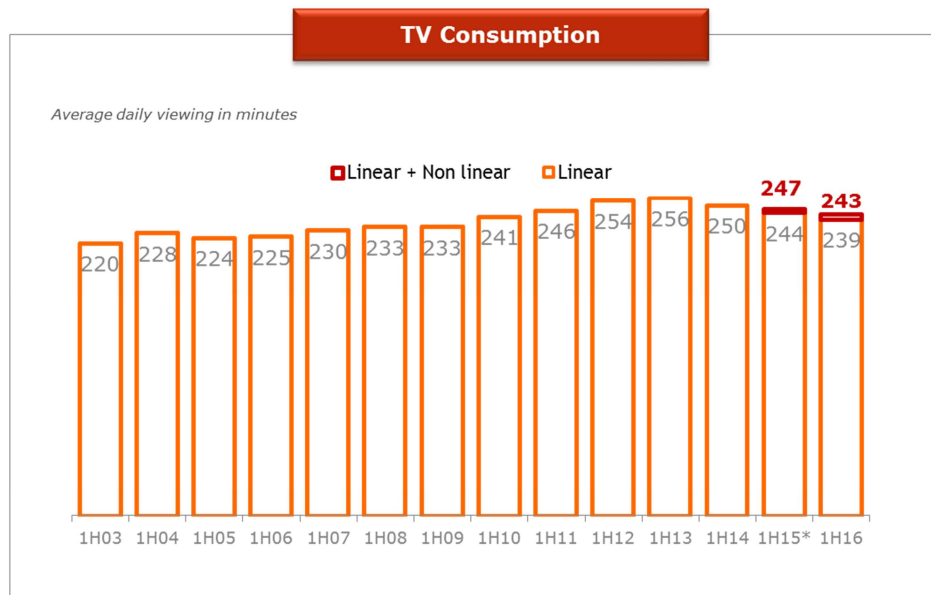


(\*) Energy, sports, leisure, tourism, etc

Source: Market: Infoadex. Sectors: Internal estimates

### 3.2 Audience figures and content

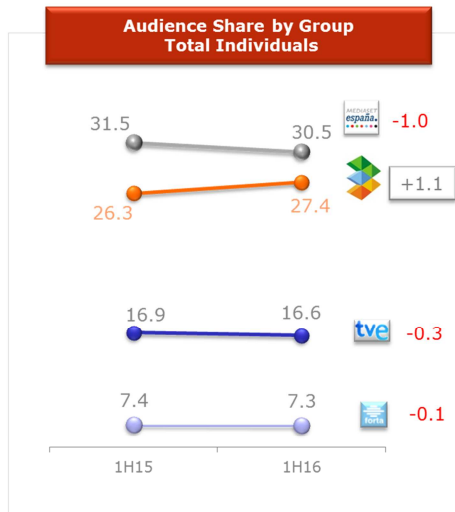
Television viewing in the first half of 2016 was 239 minutes per person per day, five minutes less than in the first half of last year. “On-demand” viewing in the seven days following conventional broadcast adds an extra 4 minutes to these viewing figures for “linear television”. Television viewing on other devices such as computers and tablets is not included.



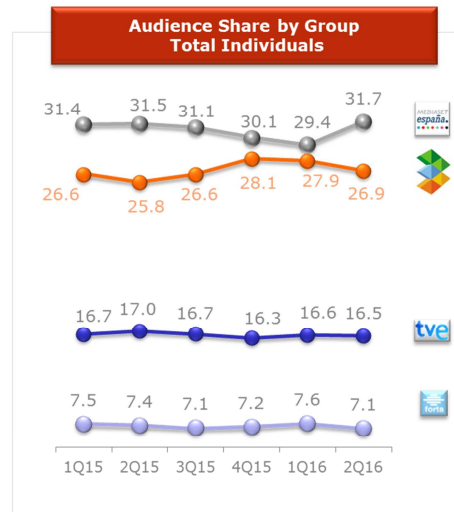
Source: Kantar Media. Non linear TV viewing includes +7 days through TV set (TV viewing on desktops, tablet or mobile devices not included)

\* Data from Feb to Jun 15

**Atresmedia's television channels achieved an audience share of 27.4%** in the first half of 2016. This figure rises to 30.2% for commercial target and 31.9% for prime time commercial target, 1.7 percentage points higher than the figures for Mediaset España.



Source: Kantar Media. Total day Ind. 4+



Source: Kantar Media. Total day. Ind. 4+

**Antena 3** channel got a total audience share (24h) of 13.0%, with 13.2% in the commercial target, and the highest prime time commercial audience figure at 14.9%, 0.5 percentage points ahead of its rival Telecinco, despite its broadcasting of the Euro Champions League.

Three fiction series were the key content in the prime time programming on Antena 3. The Tuesday night comedy, "Allí Abajo", achieved an average audience share of 17.6% in the second quarter, with 3.1 million viewers.

"La Embajada" was the season's most watched new drama programme and leader in its Monday night time slot. It attracted an average audience of 2.9 million in the quarter, with an audience share of 16.5%.

"Vis a Vis", the leading drama programme on Wednesday nights, was the most watched programme among young viewers (25-34 years) with an audience share in the quarter of 14% (2.4 million).

In light entertainment, "Dos días y una noche", launched this quarter, was watched by an average of 1.6 million viewers over the six programmes broadcast.

"El hormiguero 3.0" ended the quarter as the undisputed leader in its time slot, topping audience figures for nine months now. Its average audience share in the quarter was 14%, with over 2.5 million viewers.



Once again this quarter, Antena 3's commitment to movies has been rewarded with high audience shares: the channel's most viewed films in the quarter were "La Isla mínima" (17.9% audience share and 3.2 million viewers) and "G.I. Joe: Retaliation" (17.0% and 3.0 million), both broadcast in the El Peliculón slot.

Sports programming in the quarter included the broadcasting of five UEFA Champions League matches, attracting an average of 8.7 million viewers and a 47% audience share. The broadcast of the final was seen by over 10 million viewers (with an audience share of almost 60%).

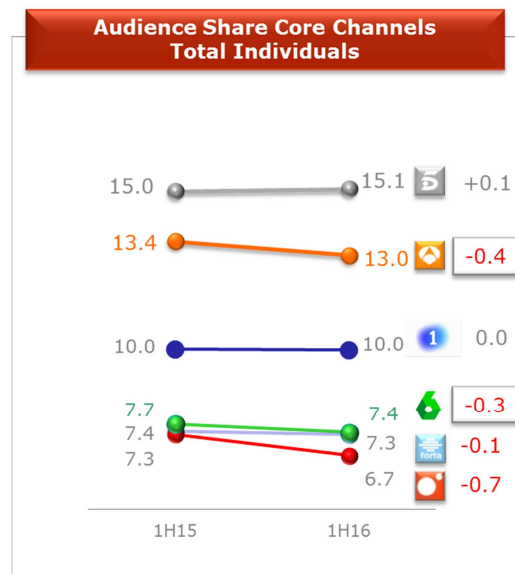
The average total individuals audience (24h) for the **laSexta channel** in the first half of 2016 was 7.4%, putting it once more ahead of its main competitor, Cuatro. Its average prime time commercial target audience was 9.5%, compared to the 7.4% achieved by Cuatro.

"Salvados" was the most viewed programme on the channel, leading its time slot and the most viewed Sunday programme, with an average audience share of 14.7% and 2.7 million viewers in the quarter.

The 51 programmes of "El Intermedio" broadcast in the quarter achieved an average audience share of 10.9% and 1.9 million viewers.

A new season of "Pekín Express: La Ruta de los elefantes" began in the quarter, with an average audience figure of 1.3 million, representing an audience share of 7.8%.

"Al Rojo Vivo" and "El Objetivo", the channel's main information programmes, obtained audience shares of 12.9% and 9.2%, respectively, in the quarter.



Source: Kantar Media. Total day. Ind. 4+










In the six months to June 2016 the complementary channels contributed a combined audience share in total individuals (24h) of 7.0%, reaching 7.5% for prime time commercial target audiences.

The **Neox channel** had a total individuals audience share of 2.4% in the six months to June 2016, and a 3.0% commercial target audience share.

**Nova** had a 2.1% audience share for both total individuals audience and commercial target.

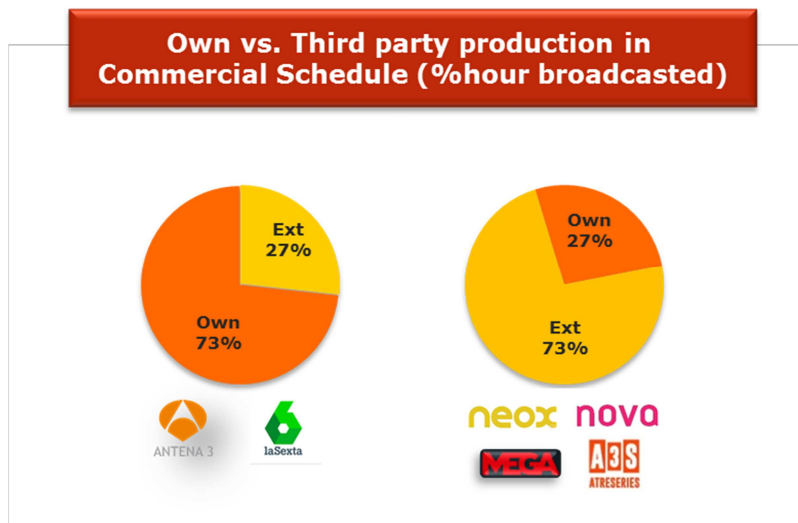
**The Mega channel**, on air since July 2015, had average audiences in the first half the year of 1.8%, rising to 2.5% for commercial target audience share.

**The Atreseries channel**, which began broadcasting in December 2015, had a total individuals audience share of 0.7% in its first half year, with 1.0% audience share in the commercial target.

Audience Share Compl Channels Total Individuals				1H16	1H15	Var
				7.0%	5.2%	+1.8%
				8.7%	9.1%	-0.4%
				6.6%	6.8%	-0.2%
Net TV				2.8%	3.4%	-0.6%
Vevo TV				1.9%	2.2%	-0.3%
13TV				2.1%	1.9%	+0.2%
Secuoya				0.1%		+0.1%
Real Madrid TV				0.1%		+0.1%
Kiss TV				0.2%		+0.2%

Source: Kantar Media. Total day Ind. 4+

With regard to the type of programme broadcast, in-house production predominated on the main channels (73%), while the majority of programmes broadcast on the complementary channels are produced by others (73%).





### 3.3 Income statement

<b>Euros (in thousands)</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>	<b>Change</b>
<b>NET REVENUE</b>	<b>489,864</b>	<b>447,728</b>	<b>9.4%</b>
<b>OPERATING EXPENSES</b>	<b>390,259</b>	<b>368,626</b>	<b>5.9%</b>
<b>EBITDA</b>	<b>99,604</b>	<b>79,103</b>	<b>25.9%</b>
Depreciation and amortization	7,722	6,996	10.4%
<b>EBIT</b>	<b>91,882</b>	<b>72,107</b>	<b>27.4%</b>

#### 3.3.1 Net revenue

Net revenue for the half year to June 2016 totaled 489.9 million euros, up 9.4% on the 447.7 million euros reported for the first half of 2015.

According to Infoadex, the television advertising market grew by 8.4% in the period. Atresmedia Television's share of this market was 43.0%, up by 0.2 percentage points.

Atresmedia Television's market share in the second quarter of 2016 was around 42.5%.





### 3.3.2 Operating expenses

Euros (in thousands)	Jan-Jun	Jan-Jun	Change
	2016	2015	
Programming & others	239,748	230,619	4.0%
Personnel costs	38,658	33,219	16.4%
Other operating expenses	111,853	104,788	6.7%
<b>OPERATING EXPENSES</b>	<b>390,259</b>	<b>368,626</b>	<b>5.9%</b>

Year-to-date operating expenses to June 2016 totaled 390.3 million euros, compared to 368.6 million euros to June 2015, an increase of 5.9%.

Operating expenses in the period increased due to higher programme procurement and staff costs related to the broadcasting of the UEFA Champions League and to the new Mega and Atreseries channels. This investment has enabled the Group to improve its competitive position and to take advantage of the growing advertising market.

The increase in other operating expenses in the period was due to higher variable costs linked to sales.

The increase in staff costs was mainly due to the significant increase in the use of internal personnel for in-house productions. It also includes extraordinary severance payments and bonuses, and, for the first time, the cost of the long-term share-based remuneration plan approved by the last Annual General Meeting of Shareholders, covering the present year to 2018



### 3.3.3 Operating earnings and margins

At 99.6 million euros, EBITDA for the first half of 2016 was 25.9% higher than that achieved in the first half of 2015, with a margin on net revenue of 20.3%.

<b>EBITDA</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>
Atresmedia Television	99,604	79,103
<b>Margin on net revenue</b>	<b>20.3%</b>	<b>17.7%</b>

EBITDA for the second quarter of 2016 was 66.2 million euros, an increase of 27.9% on the same period of 2015.

EBIT in the six months to June 2016 was 19.8 million euros higher than for the same period last year, totaling 91.9 million euros.

<b>EBIT</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>
Atresmedia Television	91,882	72,107
<b>Margin on net revenue</b>	<b>18.8%</b>	<b>16.1%</b>

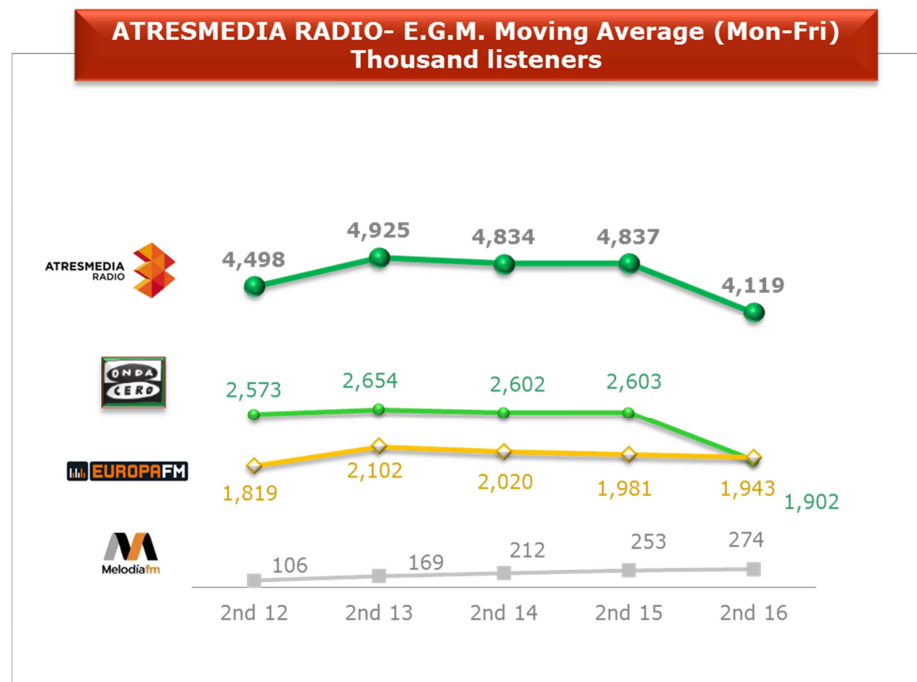
## 4. ATRESMEDIA RADIO

### 4.1 Advertising market and audience figures

According to Infoadex, the radio advertising market decreased by 0.5% compared to the first half of 2015.

Atresmedia Radio had an average of 4.1 million listeners, according to the latest study, the 2nd 2016 wave of the General Media Study (EGM). Onda Cero continued to be the third ranking talk 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 274,000 listeners.

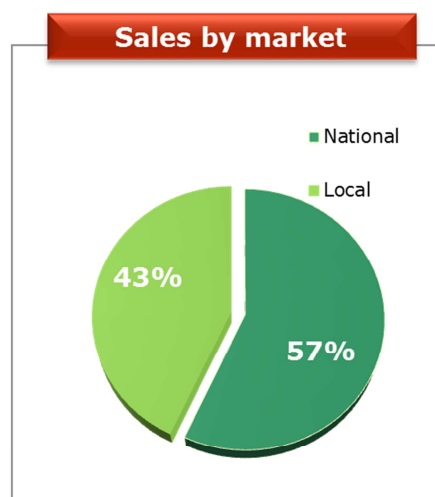
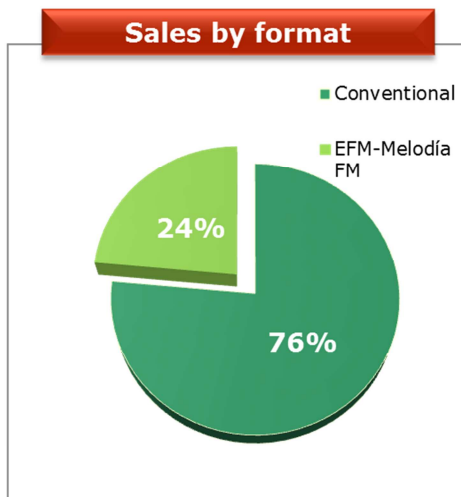
Onda Cero lost listeners due to a change to its morning programming in April 2015.



## 4.2 Income statement

Euros (in thousands)	Jan-Jun 2016	Jan-Jun 2015	Change
<b>NET REVENUE</b>	<b>41,579</b>	<b>48,033</b>	<b>(13.4%)</b>
Personnel costs	11,935	12,418	(3.9%)
Other operating expenses	16,690	23,539	(29.1%)
<b>OPERATING EXPENSES</b>	<b>28,626</b>	<b>35,957</b>	<b>(20.4%)</b>
<b>EBITDA</b>	<b>12,953</b>	<b>12,076</b>	<b>7.3%</b>
Depreciation and amortization	993	876	13.3%
<b>EBIT</b>	<b>11,960</b>	<b>11,200</b>	<b>6.8%</b>

Net revenues totaled 41.6 million euros, compared to 48.0 million euros for the same period in 2015, due to the loss of listeners mentioned above.





Operating expenses for the six months to June 2016 totaled 28.6 million euros, compared to 36.0 million euros for the first half of 2015, a decrease of 20.4%.

EBITDA for the six months to June 2016 was 13.0 million euros, representing a margin on net revenues of 31.2% and an increase of 0.9 million euros on that reported for the same period in 2015.

EBITDA for the second quarter of 2016 was 9.9 million euros, with a margin on net revenue of 42.4%.

<b>EBITDA</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>
Atresmedia Radio	12,953	12,076
<b>Margin on net revenue</b>	<b>31.2%</b>	<b>25.1%</b>
<b>EBIT</b>	<b>Jan-Jun 2016</b>	<b>Jan-Jun 2015</b>
Atresmedia Radio	11,960	11,200
<b>Margin on net revenue</b>	<b>28.8%</b>	<b>23.3%</b>



## 5. OTHER BUSINESSES

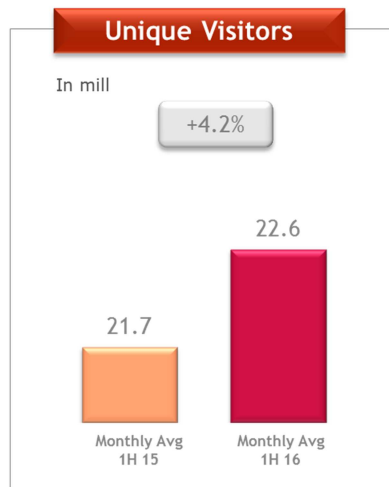
### 5.1 Atresmedia Cine

In the first half of 2016 Atresmedia Cine released five films: "El pregón", "Tenemos que hablar", "Toro", "Rumbos" and "Capitán Kóblíc". Films such as "Palmeras en la nieve" (the highest grossing film in Spain so far this year), "En el corazón del mar" and "El Desconocido" also remained on release. These films represented 38% of total revenues generated by Spanish firms in the first six months of 2016.



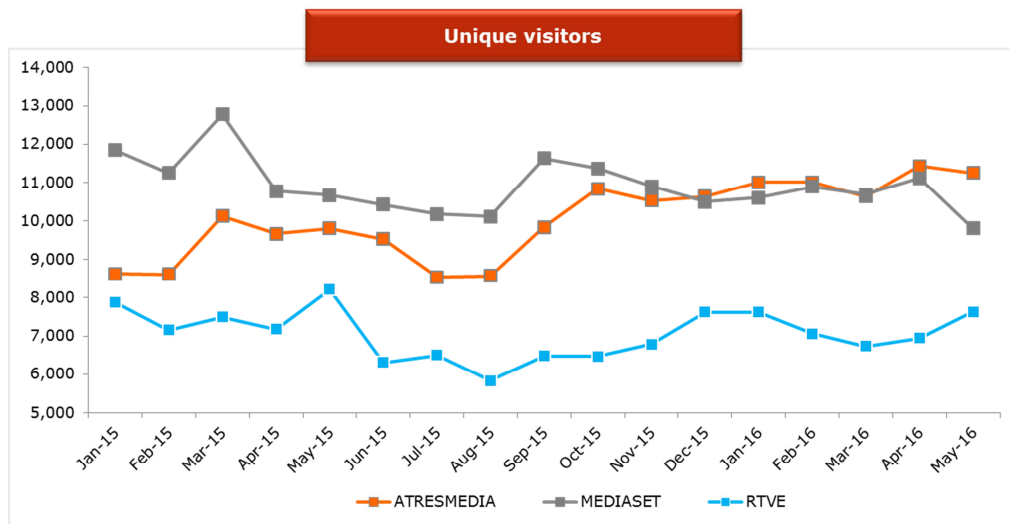
### 5.2 Atresmedia Digital

At 30 June 2016 monthly unique visitor figures for Atresmedia Digital's websites were 22.6 million, up 4.2% on the monthly average to June 2015. The Group's vertical content sites ("Liopardo", "Seestrena", "Tecnoexplora", "Cienciaexplora", "Correr y fitness", "Cocinatis", "Centímetros cúbicos", etc) performed particularly strongly in the period.



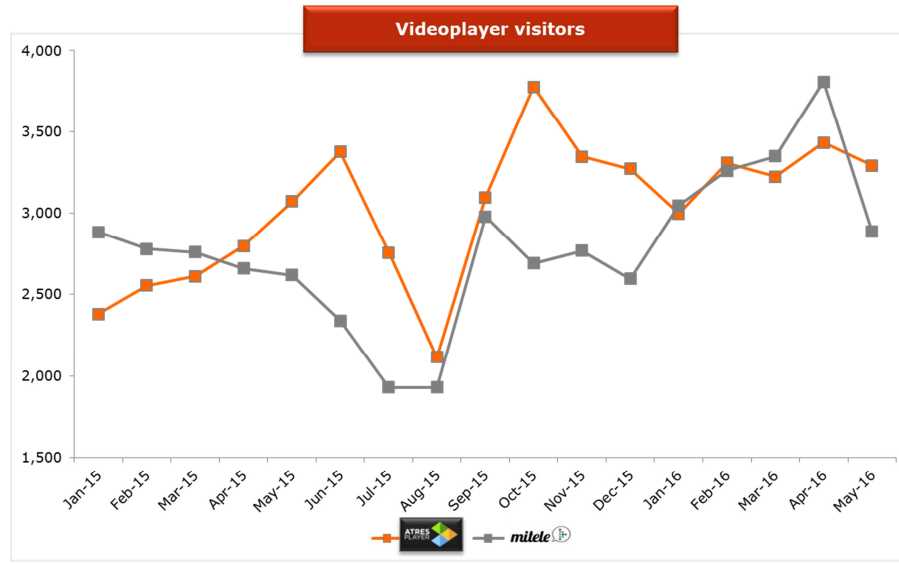
Monthly Average  
Source : Adobe Analytics

According to figures published by comScore, the Atresmedia Group's websites have strengthened their position in the internet rankings, moving ahead of the websites of its main competitor, Mediaset.



Source: comScore

The Atresplayer video and audio platform reported 3.8 million registered users and 8.0 million downloads.



Fuente comScore

The new platform for short videos launched in late 2015, Flooxer, attracted an average of 803 million unique visitors per month in the first half of 2016.

### 5.3 Income statement

The Group's other activities performed as follows:

Euros (in thousands)	Jan-Jun 2016	Jan-Jun 2015	Change
<b>NET REVENUE</b>	<b>12,617</b>	<b>10,675</b>	<b>18.2%</b>
% of Atresmedia's revenues	2.3%	2.1%	
<b>OPERATING EXPENSES (*)</b>	<b>5,743</b>	<b>8,950</b>	<b>(35.8%)</b>
% of Atresmedia's expenses	1.4%	2.2%	
<b>EBITDA</b>	<b>6,874</b>	<b>1,725</b>	<b>298.5%</b>
% of Atresmedia's EBITDA	5.8%	1.9%	

(\*) Includes amortization of film production.

The EBITDA reported by these businesses in the six months to June 2016 was higher than for the same period last year, with the improvement mainly driven by Atresmedia Cine.