Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Atresmedia Corporación de Medios de Comunicación, S.A.,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Atresmedia Corporación de Medios de Comunicación, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2014, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Directors' Responsibility for the Consolidated Financial Statements

The Parent's directors are responsible for preparing the accompanying consolidated financial statements so that they present fairly the consolidated equity, consolidated financial position and consolidated results of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated equity and consolidated financial position of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries as at 31 December 2014, and their consolidated results and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying consolidated directors' report for 2014 contains the explanations which the Parent's directors consider appropriate about the situation of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries, the evolution of their business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2014. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries.

DELOITTE, S.L.
Inscribed in R.O.A.C. nº S0692

Jesús Mota Robledo
February, 25 2014

Atresmedia Corporación de Medios de Comunicación, S.A. (formerly Antena 3 de Televisión, S.A.) and Subsidiaries

Auditors' Report

Consolidated Financial Statements for the year ended 31 December 2014

Translation of a report originally issued in Spanish and of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

Atresmedia Corporación de Medios de Comunicación, S.A. (formerly Antena 3 de Televisión, S.A.) and Subsidiaries

Consolidated Financial Statements for the year ended 31 December 2014

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2014

Thousands of euros	NOTES	31/12/14	31/12/13
ASSETS			
Goodwill	4	153,193	153,193
Other intangible assets	5	134,957	142,685
Property, plant and equipment	6	48,333	51,975
Investments accounted for using the equity method	7	254	546
Non-current financial assets	8	6,254	1,769
Derivative financial instruments	8	4,484	9,413
Deferred tax assets	21-d	301,966	327,183
NON-CURRENT ASSETS		**649,441**	**686,764**
Programme rights	9	285,875	280,033
Inventories		3,483	3,019
Trade receivables for sales and services	10	214,377	222,803
Other receivables	10	7,111	5,792
Current tax assets	21-d	2,215	1,558
Derivative financial instruments	14	11,740	698
Other current financial assets		8,075	3,658
Other current assets		709	389
Cash and cash equivalents		31,081	56,282
CURRENT ASSETS		**564,666**	**574,232**
TOTAL ASSETS		**1,214,107**	**1,260,996**
EQUITY AND LIABILITIES			
Share capital	11-a	169,300	169,300
Share premium	11-b	38,304	38,304
Restricted reserves	11-c	42,475	42,475
Retained earnings		223,537	189,916
Treasury shares	11-e	(7,202)	(99,453)
Interim dividends	11-f	(22,341)	-
Other equity instruments	11-h	3,088	42,643
Valuation adjustments		2,175	842
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**449,336**	**384,027**
Non-controlling interests	11-g	(51)	(9)
EQUITY		**449,285**	**384,018**
Provisions	12	468	2,328
Bank borrowings	13	126,331	200,129
Derivative financial instruments	14-a	7	207
Other non-current financial liabilities	14-b	345	495
Deferred tax liabilities	21-d	26,097	31,345
Other non-current liabilities	12	50,695	63,658
NON-CURRENT LIABILITIES		**203,943**	**298,162**
Provisions	12	87,876	73,022
Bank borrowings	13	39,007	6,589
Derivative financial instruments	14-a	8	3,025
Other current financial liabilities	14-b	1,342	35,384
Payable to suppliers	15	399,057	421,163
Other payables	15	29,469	37,719
Other current liabilities		4,120	1,914
CURRENT LIABILITIES		**560,879**	**578,816**
TOTAL EQUITY AND LIABILITIES		**1,214,107**	**1,260,996**

The accompanying Notes 1 to 28 are an integral part of the consolidated balance sheet at 31 December 2014.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.
AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

Thousands of euros	NOTES	2014	2013
Revenue	18-a	849,891	795,774
Other income		33,335	34,016
Programme amortisation and other procurements	18-b	(448,120)	(448,487)
Staff costs	18-c	(119,347)	(110,880)
Other operating expenses	18-d	(188,090)	(190,269)
Depreciation and amortisation charge	5 y 6	(16,402)	(17,286)
Impairment and gains or losses on disposals of non-current assets		(35)	11
PROFIT FROM OPERATIONS		**111,232**	**62,879**
Net gain (loss) due to changes in the value of financial instruments at fair value	19	18,958	(952)
Exchange differences	19	(19,450)	6,416
Financial loss	19	(11,790)	(15,677)
Impairment of financial assets	19	(1,405)	(3,786)
Result of companies accounted for using the equity method	7	(2,218)	(1,073)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**95,327**	**47,807**
Income tax expense/(benefit)	21-b	(48,675)	1,753
PROFIT FOR THE YEAR		**46,652**	**46,054**
Loss attributable to non-controlling interests		78	10
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT		**46,730**	**46,064**

Earnings per share:		2014	2013
From continuing operations			
Basic	23	0.207	0.204
Diluted	23	0.207	0.204

The accompanying Notes 1 to 28 are an integral part of the consolidated income statement for 2014.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

Thousands of euros	2014	2013
CONSOLIDATED PROFIT FOR THE YEAR	**46,652**	**46,054**
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:	**1,333**	**349**
Cash flow hedges:		
Amounts recognised directly in equity	1,962	492
Amounts transferred to profit or loss	(58)	9
Tax effect	(571)	(152)
TOTAL COMPREHENSIVE INCOME	**47,985**	**46,403**
Loss attributable to non-controlling interests	78	10
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT	**48,063**	**46,413**

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of comprehensive income for 2013.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 28).
In the event of a discrepancy, the Spanish-language version prevails.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

Thousands of euros	Share capital	Share premium	Restricted reserves	Treasury shares	Retained earnings	Interim dividend	Other equity instruments	Valuation adjustments	Equity attributable to the Parent	Non-controlling interests	Equity
Balance at 31 December 2012	**169,300**	**38,304**	**40,282**	**(99,453)**	**165,989**	**(21,352)**	**42,643**	**493**	**336,206**	**(4)**	**336,202**
Total comprehensive income	-	-	-	-	46,064	-	-	349	46,413	(10)	46,403
Treasury share transactions:											
2012 interim dividend paid in 2012	-	-	-	-	(21,352)	21,352	-	-	-	-	-
Changes in the scope of consolidation and other	-	-	2,193	-	(785)	-	-	-	1,408	5	1,413
Balance at 31 December 2013	**169,300**	**38,304**	**42,475**	**(99,453)**	**189,916**	**-**	**42,643**	**842**	**384,027**	**(9)**	**384,018**
Total comprehensive income	-	-	-	-	46,730	-	-	1,333	48,063	(78)	47,985
Own shares operations									-		
Sell of own shares (Note 11-e)	-	-	-	39,601	39,282	-	-	-	78,883	-	78,883
Operations with owners or shareholders (Note 11-h)	-	-	-	52,650	(26,726)	-	(39,555)	-	(13,631)	-	(13,631)
Distribution of profit:											
2013 interim dividend paid in 2014 (Note 3-s)	-	-	-	-	(24,575)	-	-	-	(24,575)	-	(24,575)
2014 interim dividend paid in 2014 (Note 3-s)	-	-	-	-		(22,341)	-	-	(22,341)	-	(22,341)
Changes in the scope of consolidation and other	-	-	-	-	(1,090)		-	-	(1,090)	36	(1,054)
Balance at 31 December 2014	**169,300**	**38,304**	**42,475**	**(7,202)**	**223,537**	**(22,341)**	**3,088**	**2,175**	**449,336**	**(51)**	**449,285**

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of changes in equity for 2014.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

Thousands of euros	2014	2013
1.- CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated profit for the year before tax	**95,327**	**47,807**
Adjustments for:	**38,874**	**26,952**
- Depreciation and amortisation charge	16,402	17,286
- Provisions and other	10,190	(547)
- Provisions	6,532	(5,395)
- Net impairment losses (+/-):	1,440	3,775
- Result of companies accounted for using the equity method	2,218	1,073
- Financial result	12,282	10,213
Changes in working capital	**(33,333)**	**(7,800)**
Cash flows from operating activities	**100,868**	**66,959**
Income tax paid	(18,873)	(5,751)
Net cash flows from operating activities	**81,995**	**61,208**
2.- CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	**(48,565)**	**(31,798)**
Subsidiaries, joint ventures and associates	(13,995)	(6,771)
Property, plant and equipment and intangible assets	(34,570)	(25,027)
Disposals	**-**	**11,050**
Subsidiaries, joint ventures and associates	-	11,050
Net cash flows from investing activities	**(48,565)**	**(20,748)**
3.- CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs paid	(16,506)	(17,922)
Financing - Associates and related companies	(33,546)	(40,111)
Dividends paid	(46,916)	-
Bank borrowings	(41,380)	68,823
Sell of own shares	79,680	
Capital Contributions	37	
Net cash flows from financing activities	**(58,631)**	**10,790**
NET INCREASE / DECREASE IN CASH	**(25,201)**	**51,250**
Cash and cash equivalents at beginning of year	**56,282**	**4,973**
Changes in the scope of consolidation/IFRSs	-	59
Cash and cash equivalents at beginning of year - new scope of consolidation	**56,282**	**5,032**
Cash and cash equivalents at end of year	**31,081**	**56,282**

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of cash flows for 2014.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group (see Notes 2 and 28). In the event of a discrepancy, the Spanish-language version prevails.

Atresmedia Corporación de Medios de Comunicación, S.A. (formerly Antena 3 de Televisión, S.A.) and Subsidiaries

Notes to the 2014 Consolidated Financial Statements

1. Group activities

Atresmedia Corporación de Medios de Comunicación, S.A., the Atresmedia Group's Parent, with registered office at Avenida Isla Graciosa, 13, San Sebastián de los Reyes (Madrid), was incorporated on 7 June 1988, and its then sole company object was the indirect management of a public television service.

For this purpose, it submitted a bid in response to the call for tenders made under Article 8 of Private Television Law 10/1988, of 3 May, and, pursuant to a resolution of the Spanish Cabinet of 25 August 1989, was awarded a concession for the indirect management of the public television service, for a period of ten years, which ended on 3 April 2000.

On 7 May 1996, the shareholders at the Annual General Meeting resolved to change and extend the Parent's company object, as permitted by Satellite Telecommunications Law 37/1995.

On 10 March 2000, the Spanish Cabinet adopted a resolution renewing the concession for the indirect management of the public television service for a period of ten years from 3 April 2000. The terms of this renewal were the same as for the former concession, with the added obligation of commencing digital broadcasting on 3 April 2002. The Parent made all the necessary investments to enable it to begin broadcasting on that date the Atresmedia Corporación de Medios de Comunicación, S.A. signal pursuant to Royal Decree 2169/1998, of 9 October, which approved the Spanish Technical Plan for Digital Terrestrial Television (DTT). On 3 April 2010, the National Government renewed, for a period of ten years, the concession for the indirect management of the public television service, under the same terms and conditions as the previous concession.

Additional Provision One of Royal Decree 944/2005, of 29 July, approving the Spanish Technical Plan for Digital Terrestrial Television established 3 April 2010 as the date for the switch-off of analogue television broadcasting in all the transition projects defined in the National Plan for the Transition to Digital Terrestrial Television. From that date onwards, all terrestrial television has been broadcast using digital technology.

Following this milestone, in accordance with Additional Provision Three of Royal Decree 944/2005, of 29 July, each national terrestrial public television service concession operator would gain access to a digital multiplex with national coverage.

Royal Decree 365/2010, of 26 March, governs the allocation of the Digital Terrestrial Television multiplexes following the switch-off of terrestrial television broadcasting using analogue technology.

It established two phases for the allocation of the digital multiplexes. Phase 1 (transitional), in which each national terrestrial public television service concession operator would gain access to the capacity equivalent to one digital multiplex with national coverage, provided they demonstrated that they had met the terms and conditions established in relation to the promotion and development of digital terrestrial television, and phase 2, in which new digital multiplexes will be planned, and adjustments will be established so that the radioelectric channels 61 to 69, which were being used by the digital multiplexes in the previous phase can be replaced by others in phase 2. This will conclude before 1 January 2015 with the allocation of the definitive digital multiplexes to each qualifying company, thereby ending the shared use of digital multiplex capacity by the national terrestrial public television service concession operators.

On 16 July 2010, the Spanish Cabinet adopted a resolution to allocate a national digital multiplex to each national DTT concession operator: Antena 3, Gestevisión Telecinco, Sogecable, Veo Televisión, NET TV and la Sexta. The digital multiplex is composed of four digital television channels that can be operated twenty-four hours a day.

The allocation was made upon request and after the switch-off of analogue broadcasting, once it had been verified that the DTT service concession operators had met the obligations relating to the promotion and development of digital terrestrial television that they had assumed in the framework of the Spanish Technical Plan for Digital Terrestrial Television and the Royal Decree governing the specific allocation of DTT multiplexes, following the switch-off of analogue terrestrial television broadcasting.

A judgment handed down on 27 November 2012 by Chamber Three of the Spanish Supreme Court rendered void the resolution of the Spanish Cabinet of 16 July 2010, which allocated to each of the Digital Terrestrial Television (DTT) licence holders, including Atresmedia Corporación de Medios de Comunicación, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A., the capacity equivalent to a digital multiplex with national coverage composed of four channels.

This allocation had been made pursuant to a set of rules which, since 1997, upon approval of the National Plan for Digital Terrestrial Television, and particularly upon enactment of Law 10/2005, of 14 June, governed the transition from analogue terrestrial television to DTT, which was completed in 2010. The allocation was made once the Government had verified that the licence holders had complied with all the requirements and obligations incumbent upon them to foster transition to DTT, as a condition for gaining access to the multiplex.

The judgment of the Spanish Supreme Court annulling the allocation was based primarily on the fact that the allocation was made after the entry into force of the General Audiovisual Communications Law (enacted one month before the Spanish Cabinet adopted the annulled resolution), which stipulates that the licences must be granted through a tendering procedure. The Supreme Court inferred from this that "the licences must reflect the content which existed upon entry into force of the Law, with no more channels being allowed", while the General Audiovisual Communications Law does not provide for any safeguard permitting the regulations to be applied prior to their entry into force.

The judgment of the Spanish Supreme Court noted at the time that the matter would have been resolved had the General Audiovisual Communications Law included a provision envisaging that the rules in force prior to its enactment should continue to be valid. The obstacle posed by the judgment of the Spanish Supreme Court is therefore basically formal, because neither the conceptual basis of DTT, nor consequently its completion through the allocation of a multiplex to each operator, have ever been questioned.

On 22 March 2013, the Spanish Cabinet adopted a resolution to comply with the judgment of the Spanish Supreme Court of 27 November 2012, indicating that the affected channels must cease broadcasting and associating this process with the freeing up of the digital dividend. Subsequently, on 18 December 2013, the Spanish Supreme Court issued an order enforcing the aforementioned judgment, referring, inter alia, to the channels affected by its judgment, which would include three of the channels currently being operated by Atresmedia.

On 6 May 2014, as a result of the enforcement of the aforementioned judgment of the Spanish Supreme Court, the channels affected by the decision, three of which are operated by Atresmedia (Nitro, Xplora and La Sexta 3) ceased to be broadcast, despite having complied with all the imposed obligations.

The accounting impact of the closure of these channels on the separate and consolidated financial statements was assessed in accordance with applicable accounting legislation. The assessment did not disclose the need to recognise liabilities or commitments related to the closure of the channels, and it was not necessary to recognise any impairment losses or changes in value in accordance with applicable accounting legislation, except in relation to the rights to broadcast certain programmes, which has been made impossible due to the closure of the aforementioned channels, and for which an impairment loss of EUR 3 million was recognised (see Note 9).

Without prejudice to the aforementioned accounting impact, Atresmedia brought an action for the damages and losses suffered as a result of the closure of these three channels.

Also, three appeals were filed at Judicial Review Chamber Three of the Spanish Supreme Court against the resolutions of the Spanish Cabinet of 28 May and 11 June 2010, under which the concessions to operate a public television service were transformed into licenses to provide an audiovisual communication service. If these appeals are upheld, another eight digital terrestrial television channels, two of which belong to Atresmedia, would be required to cease broadcasting. In this connection, we have also complied with all the obligations imposed on us for the operation of these channels and, accordingly, we do not expect this closure not to go ahead. In any event, an estimate was made of the impact of a hypothetical switch-off. This impact is related to the broadcasting rights that might exist at the date of the judgment and the deadline for enforcement thereof, and a potential impairment loss of between EUR 6 million and EUR 12 million was estimated.

In September 2014 the Spanish Government approved a new Technical Plan for Digital Terrestrial Television under which, in addition to the channels currently being broadcast, frequencies for five additional channels are to be made available which the Government will allocate by means of a competition, in accordance with the General Audiovisual Law. However, at the reporting date no further details on this process are known.

In relation to the renewal of the public radio broadcasting service concessions operated by Uniprex, S.A. (Sole-Shareholder Company), to date, applications have been submitted to the competent authorities, in accordance with the legislation in force, for the renewal of concessions about to expire and for authorisation of a change of operator in other concessions. In certain cases the renewal of the concession was granted expressly, whereas in others it was obtained by the administrative silence route after the pertinent appeals were filed with a higher administrative body, in accordance with Article 43 of the Public Authorities and Common Administrative Procedure Law.

The other Group companies engage mainly in activities relating to the production, reproduction and broadcasting of sounds and images.

The Parent's Annual General Meeting and its Board of Directors Meeting, on 28 April 2003 and 29 July 2003, respectively, resolved to request the admission to trading of all the shares of Atresmedia Corporación de Medios de Comunicación, S.A. on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as their inclusion in the Spanish Stock Market Interconnection System. On 29 October 2003, the Parent's shares commenced trading on these stock exchanges.

On 14 December 2011, following a resolution by its Board of Directors, Atresmedia Corporación de Medios de Comunicación, S.A. entered into an agreement with the shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. to merge the two companies, through the merger by absorption of La Sexta into Atresmedia Corporación de Medios de Comunicación, S.A., subject to the obtainment of the relevant authorisations from the regulatory and competition authorities.

On 25 January 2012, the Boards of Directors of Atresmedia Corporación de Medios de Comunicación, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A. approved the draft terms of merger of the two companies.

The Parent's shareholders at the Annual General Meeting held on 25 April 2012 approved the merger involving the absorption by Atresmedia Corporación de Medios de Comunicación, S.A. (absorbing company) of Gestora de Inversiones Audiovisuales La Sexta, S.A., under the draft terms of merger filed with the Madrid Mercantile Registry on 7 February 2012.

The merger was authorised by the Spanish anti-trust authorities on 24 August 2012, by virtue of a resolution adopted by the Spanish Cabinet on the same date.

On 5 October 2012, the Spanish Cabinet also resolved to authorise the transfer of the audiovisual communication licence held by La Sexta and the assignment for private use of the associated public radioelectric domain. From that date onwards, the operations of La Sexta are deemed to be performed for accounting purposes by Atresmedia Corporación de Medios de Comunicación, S.A.

The public deed of merger of Atresmedia Corporación de Medios de Comunicación, S.A. with Gestora de Inversiones Audiovisuales La Sexta, S.A. was filed with the Madrid Mercantile Registry on 31 October 2012, and as a result the latter was dissolved and all its assets and liabilities were transferred en bloc to the former.

The Parent is obliged to prepare, in addition to its own separate financial statements, the Group's consolidated financial statements, which also include its interests in joint ventures and investments in associates.

In view of the business activities carried on by the Group companies, they do not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to the equity, financial position and results of operations of the corporate Group. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

2. Basis of presentation of the consolidated financial statements and basis of consolidation

a) Basis of presentation

These consolidated financial statements were prepared, on the basis of the accounting records kept by the Parent and by the other Group companies, in accordance with

International Financial Reporting Standards as adopted by the European Union (EU-IFRSs), in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.

The Group's consolidated financial statements were prepared taking into account all the mandatory accounting principles and rules and measurement bases with a material effect on the consolidated financial statements, as well as the alternative treatments permitted by the relevant standards in this connection, and, accordingly, they present fairly the Group's consolidated equity and financial position at 31 December 2013 and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

However, since the accounting policies and measurement bases used in preparing the Group's consolidated financial statements for 2013 (EU-IFRSs) differ from those used by the Group companies (Spanish National Chart of Accounts), the required adjustments and reclassifications were made on consolidation to unify the policies and methods used and to make them compliant with EU-IFRSs. In addition to the International Financial Reporting Standards adopted by the EU (EU-IFRSs), all the requirements included in the Spanish Commercial Code and the Spanish Limited Liability Companies Law were applied in these consolidated financial statements, as well as such other aspects of Spanish accounting regulations in force as might be applicable.

The 2014 consolidated financial statements of the Group and the 2014 separate financial statements of the Group companies, which were formally prepared by the companies' respective directors, will be submitted for approval at the related Annual General Meetings, and it is considered that they will be approved without any changes.

The 2013 consolidated financial statements, which were approved by the shareholders at the Annual General Meeting on April, 23 2014 and are included for comparison purposes, were also prepared in accordance with EU-IFRSs applied on a basis consistent with that of 2013.

Standards and interpretations effective in 2014:

The standards and interpretations that came into force in 2014 and that were taken into account in preparing the accompanying consolidated financial statements are described below:

New standards, amendments and interpretations:		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
IFRS 10, Consolidated Financial Statements (issued in May 2011)	Supersedes the requirements relating to consolidated financial statements in IAS 27.	1 January 2014 (1)
IFRS 11, Joint Arrangements (issued in May 2011)	Supersedes the requirements relating to consolidated financial statements in IAS 31.	
IFRS 12, Disclosure of Interests in Other Entities (issued in May 2011)	Single IFRS presenting the disclosure requirements for interests in subsidiaries, associates, joint arrangements and unconsolidated entities	
IAS 27 (Revised), Separate Financial Statements (issued in May 2011)	The IAS is revised, since as a result of the issue of IFRS 10 it applies only to the separate financial statements of an entity	
IAS 28 (Revised), Investments in Associates and Joint Ventures (issued in May 2011)	Revision in conjunction with the issue of IFRS 11, Joint Arrangements.	
Transition rules: Amendments to IFRS 10, 11 and 12 (issued in June 2012)	Clarification of the guidance for transition to these standards	
Investment Entities: Amendments to IFRS 10, IFRS 12 and IAS 27 (issued in October 2012)	Exception from consolidation for parent companies that meet the definition of an investment entity	
Amendments to IAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (issued in December 2011)	Additional clarifications to the rules for offsetting financial assets and financial liabilities under IAS 32.	1 January 2014
Amendments to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets (issued in May 2013)	Clarifies when certain disclosures are required and extends the disclosures required when recoverable amount is based on fair value less costs to sell.	
Amendments to IAS 39, Novation of Derivatives and Continuation of Hedge Accounting (issued in June 2013)	The amendments establish the cases in which -and subject to which criteria- there is no need to discontinue hedge accounting if a derivative is novated.	

(1) The European Union postponed the mandatory effective date by one year. The original IASB application date was 1 January 2013.

New standards, amendments and interpretations mandatorily applicable on or after 1 January 2014

IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, IFRS 12, Disclosure of Interests in Other Entities, IAS 27 (Revised), Separate Financial Statements and IAS 28 (Revised), Investments in Associates and Joint Ventures

The main change in IFRS 10 is the amended definition of control, which is based on the following three elements of control which the investor must have at all times: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 also addresses the situation commonly known as "de facto control", in which the investor may control another entity even if it holds less than a majority of the voting rights.

In turn, IFRS 11 changes the approach to analysing joint arrangements and classifies them into two types: joint operations and joint ventures. For accounting purposes, the main change proposed by IFRS 11 with respect to the former standard lies in the accounting treatment for joint ventures, since this type of joint arrangement shall always be accounted for using the equity method.

IFRS 12 establishes the disclosure requirements for interests in other entities (whether these be subsidiaries, associates, joint arrangements or other unconsolidated interests).

IAS 27 and IAS 28 are revised in conjunction with the issue of the aforementioned new IFRSs. Specifically, the contents of IAS 27 (Revised) will apply only to the separate financial statements of an entity and IAS 28 now prescribes that jointly controlled entities must be accounted for using the equity method, in the same way as associates.

The entry into force of these amendments did not have any impact on the consolidated financial statements.

Transition guidance: Amendments to IFRS 10, 11 and 12

These amendments clarify that the initial date of application is the beginning of the annual reporting period in which IFRS 10 is applied for the first time and that an entity should assess whether the consolidation conclusion relating to investments is different under IAS 27 and IFRS 10 as at that date.

The entry into force of these amendments did not have any impact for the Group.

Investment entities: Amendments to IFRS 10, IFRS 12 and IAS 27

This amendment establishes an exception to IFRS 10 for investment entities, which are entities that obtain funds from one or more investors for the purpose of providing those investor(s) with investment management services solely for returns from those investments and measure and evaluate the performance of substantially all of their investments on a fair value basis. Accordingly, under IFRS 9 an investment entity will not consolidate its subsidiaries but will measure its investment in a subsidiary at fair value through profit or loss.

The entry into force of these amendments did not have any impact on the consolidated financial statements.

Amendments to IAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

This amendment establishes that the rights of set-off must not be contingent on a future event, and must be legally enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all of the counterparties. It also clarifies in which cases a gross settlement system could be considered equivalent to net settlement.

The entry into force of these amendments did not have any impact for the Group.

Amendments to IAS 36, Recoverable Amount Disclosures for Non-Financial Assets

These amendments restrict the obligation to disclose the recoverable amount of an asset or cash-generating unit to the reporting period in which an entity has recognised or reversed an impairment loss.

Furthermore, when the recoverable amount has been calculated as fair value less costs to sell and an impairment loss has been recognised or reversed, the level of the IFRS 13 hierarchy within which the fair value has been measured must be indicated. For fair value measurements categorised within Level 2 or Level 3, a description of the valuation techniques and key assumptions used, as well as the current and previous discount rates.

The entry into force of these amendments did not have any impact on the consolidated financial statements.

Amendments to IAS 39, Novation of Derivatives and Continuation of Hedge Accounting

The amendments state that the novation of a hedging instrument should not be considered an expiration or termination giving rise to the discontinuation of hedge accounting when the hedging derivative is novated as a consequence of new laws and regulations, with one or more clearing counterparties replacing the original counterparty and any changes in terms of the novated derivative are limited to those necessary to effect the replacement of the counterparty.

The entry into force of these amendments did not have any impact for the Group.

Standards and interpretations issued but not yet in force:

At the date of preparation of these consolidated financial statements, the most significant standards and interpretations that had been published by the IASB but which had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union, were those listed below.

The directors have assessed the potential impact of applying these standards in the future and consider that their entry into force will not have a material effect on the consolidated financial statements.

New standards, amendments and interpretations:		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
IFRIC 21, Levies (issued in May 2013)	This interpretation addresses the accounting for a liability to pay a levy that is triggered by an entity undertaking an activity on a specified date.	17 June 2014 (1)
New standards not yet approved for use in the European Union at the date of publication of this document		
IFRS 9, Financial Instruments (last phase issued in July 2014)	Replaces the requirements in IAS 39 relating to the classification, measurement, recognition and derecognition of financial assets and financial liabilities, hedge accounting and impairment.	1 January 2018
IFRS 15, Revenue from Contracts with Customers (issued in May 2014)	New revenue recognition standard (supersedes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31).	1 January 2017
Amendments and/or interpretations		
Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions (issued in November 2013)	The amendments were issued to allow employee contributions to be deducted from the service cost in the same period in which they are paid, provided certain requirements are met.	1 July 2014
Improvements to IFRSs, 2010-2012 cycle and 2011-2013 cycle (issued in December 2013)	Minor amendments to a series of standards.	
Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (issued in May 2014)	Clarify the acceptable methods of depreciation and amortisation of property, plant and equipment and intangible assets.	1 January 2016
Amendments to IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations (issued in May 2014)	Provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	
Improvements to IFRSs, 2012-2014 cycle (issued in September 2014)	Minor amendments to a series of standards.	
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued in September 2014)	Clarification in relation to the gain or loss resulting from such transactions involving a business or assets.	
Amendments to IAS 27 - Equity Method in Separate Financial Statements (issued in August 2014)	The amendments permit the use of the equity method in the separate financial statements of an investor.	

(1) The EU endorsed IFRIC 21 (EU Journal of 14 June 2014), changing the original effective date established by the IASB (1 January 2014) to 17 June 2014.

IFRIC 21, Levies

The interpretation addressees the timing of recognition of a liability to pay a levy if that liability is based on financial data for a period other than that in which the activity that triggers the payment of the levy occurs.

The interpretation states that the liability must be recognised when the obligating event giving rise to the recognition thereof occurs, which is normally identified by legislation.

The recognition principles outlined above must be applied to both annual and interim financial statements. This means that interim financial statements will not include any prepaid expense in respect of a levy if there is no present obligation to pay the levy at the end of the interim reporting period.

The Group has evaluated the effects of the entry into force of this interpretation, which will foreseeably not have an impact on the consolidated financial statements, although it is expected to have an impact on the interim financial statements.

IFRS 9, Financial Instruments: Classification and Measurement

IFRS 9 will in the future replace the current part of IAS 39 relating to classification and measurement. There are very significant differences with respect to the current standard, in relation to financial assets, including the approval of a new classification model based on only two categories, namely instruments measured at amortised cost and those measured at fair value, the disappearance of the current "held-to-maturity investments" and "available-for-sale financial assets" categories, impairment analyses only for assets measured at amortised cost and the non-separation of derivatives embedded in financial asset contracts.

In relation to financial liabilities, the classification categories proposed by IFRS 9 are similar to those currently contained in IAS 39 and, therefore, there should not be any very significant differences except, in the case of the fair value option for financial liabilities, for the requirement to recognise changes in fair value attributable to own credit risk as a component of equity

There will also be major changes in relation to hedge accounting, since the approach of IFRS 9 is very different from that of the current IAS 39 in that it attempts to align hedge accounting with economic risk management.

The Group is currently analysing the future impact of the adoption of this standard and foreseeably it will not have a material impact on the consolidated financial statements

IFRS 15, Revenue from Contracts with Customers

An entity shall apply this standard to all contracts with customers other than to those that are within the scope of other IFRSs, such as lease, insurance contracts and financial instruments.

This principle is based on applying the following five steps:

- Identify the contract(s) with a customer. The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices).

- Identify the performance obligations in the contract. The customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer and the entity has promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

- Determine the transaction price. An entity shall estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.

- Allocate the transaction price to the performance obligations identified in the contract. An entity shall allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.

- Recognise revenue when (or as) the entity satisfies a performance obligation. A performance obligation is satisfied when control of the promised good or service is transferred to a customer.

The Group is currently analysing the future impact of the adoption of this standard and foreseeably it will not have a material impact on the consolidated financial statements

Amendments to IAS 19, Defined Benefit Plans: Employee Contributions

The amendments were issued to allow employee contributions to be deducted from the service cost in the same period in which they are paid, provided certain requirements are met, without having to perform calculations to attribute the reduction to each year of service. Contributions from employees or third parties set out in the formal terms of a defined benefit plan will be recognised as follows:

- If the amount of the contributions is independent of the number of years of service, such contributions may be recognised as a reduction of the service cost in the period in which they are paid (this accounting option must be applied consistently over time).

- However, if the amount of the contributions is dependent on the number of years of service, an entity must attribute the contributions to periods of service using the same attribution method required by IAS 19.70.

The entry into force of these amendments will not have a significant impact for the Group.

Amendments to IASs 16 and 38, Clarification of Acceptable Methods of Depreciation and Amortisation

These amendments clarify that a depreciation or amortisation method that is based on revenue is not appropriate, since it reflects factors other than the expected pattern of consumption of the future economic benefits embodied in an asset.

The amendments to IAS 16 clarify that revenue is affected by numerous factors, not all of which have a bearing upon the way in which an asset is consumed. The amendments cite as examples changes in sales volumes and prices or inflation.

The amendments to IAS 38, Intangible Assets introduce a rebuttable presumption that an amortisation method that is based on the revenue is inappropriate for the same reasons as those stated above in the case of the IAS 16 amendments. However, this presumption can be overcome only in two very limited circumstances:

- When the intangible asset is expressed as a measure of revenue.

- When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.
In these circumstances, an amortisation method that is based on the revenue that is expected to be generated by an intangible asset may be appropriate.

The Group is analysing the possible impact of the entry into force of these amendments and foreseeably they will not have a significant impact on the consolidated financial statements

Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations

The amendments apply to the acquisition of both the initial interest and additional interests in a joint operation in which the activity of the joint operation constitutes a business. The relevant principles under IFRS 3, Business Combinations will be applied in these cases.

These transactions are subject to the same disclosures as those required by IFRS 3, Business Combinations.

The Group does not consider that application of these amendments will have a significant impact on the consolidated financial statements.

Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments establish that if control of a subsidiary constituting a business is lost but significant influence or joint control is retained, the gain or loss is recognised for the total amount. However, in the case of assets, the gain or loss shall be recognised only in proportion to the percentage of ownership of unrelated third parties in the joint venture or associate.

The entry into force of these amendments will not have a significant impact for the Group.

Responsibility for the information and use of estimates

The information contained in these consolidated financial statements is the responsibility of the Parent's directors.

In the Group's consolidated financial statements for 2013 estimates were occasionally made in order to quantify certain of the assets, liabilities, income, expenses and obligations reported herein.

These estimates relate basically to the following:

- The impairment losses on certain assets (see Notes 5, 6, 9 and 10),

- The useful life of the property, plant and equipment and intangible assets (see Notes 3-c and 3-d).

- The measurement of goodwill arising on consolidation (see Note 4),
- Programme amortisation (see Note 3-f),
- The fair value of certain unquoted assets (see Notes 8 and 14), and
- Provisions (see Note 12).

Although these estimates were made on the basis of the best information available at 31 December 2014 on the events analysed, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the change in estimates in the related consolidated income statements.

At 2014 year-end, the Group had a working capital deficiency of EUR 3,787 thousand covered in full by the undrawn portion of the syndicated loan.

b) Basis of consolidation

Subsidiaries

Following are the subsidiaries included in the scope of consolidation:

Company name	Registered office	Year of incorporation	Line of business	Owner	2013 %
Antena 3 Eventos, S.L.U.	Madrid	2008	Organisation of events	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Films, S.L.U. (*)	Madrid	2000	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Juegos, S.A.U.	Madrid	2011	Organisation, marketing and operation of gaming activities	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Multimedia, S.L.U.	Madrid	2004	Commercial management by television	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Noticias, S.L.U. (*)	Madrid	2012	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atres Advertising, S.L.U. (*)	Madrid	2004	Advertising management	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Atresmedia Foto, S.L.	Madrid	2013	Manufacture and sale of photo albums and promotional materials	Atresmedia Corporación de Medios de Comunicación, S.A.	90
Cordina Planet, S.L.U.	Barcelona	2010	Production, distribution, dissemination and marketing of audiovisual content	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Guadiana Producciones, S.A.U.	Madrid	1994	Audiovisual productions	Atresmedia Corporación de Medios de Comunicación, S.A.	100
La Sexta Editorial Musical, S.L.U.	Madrid	2008	Management of copyrights	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Música Aparte, S.A.U. (*)	Madrid	1990	Management of copyrights	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Publiseis Iniciativas Publicitarias, S.A.U. (*)	Madrid	2006	Advertising management	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Uniprex, S.A.U. (*)	Madrid	1982	Radio broadcasting services	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	Las Palmas	2006	Local digital terrestrial television	Uniprex, S.A.U.	100
Canal Media Radio, S.A.U.	Madrid	1997	Radio broadcasting services	Uniprex, S.A.U.	100
Uniprex Televisión Digital Terrestre de Andalucía, S.L.	Seville	2006	Local digital terrestrial television	Uniprex, S.A.U.	74.2

Uniprex Televisión, S.L.U.	Madrid	2004	Indirect management of TV service	Uniprex, S.A.U.	100
Uniprex Valencia TV, S.L.U.	Valencia	2005	Local digital terrestrial television	Uniprex, S.A.U.	100

(*) Audited companies.

The subsidiaries over which the Group exercises control are fully consolidated and all their assets, liabilities, income, expenses and cash flows are included in the consolidated financial statements after making adjustments to adapt the accounting policies used to those applied by the Group and adjustments and eliminations relating to intra-Group transactions.

The Group considers that it exercises control over a company when it has sufficient power to govern its financial and operating policies so as to obtain benefits from its activities.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end.

Associates

The associates over which Atresmedia Corporación de Medios de Comunicación, S.A. or its subsidiaries do not exercise control but over which they have the capacity to exercise significant influence in their management, normally through agreements with other shareholders, were accounted for in the consolidated financial statements using the equity method. Using this accounting method, the investment is recognised at cost, including any goodwill arising on the acquisition, and is subsequently adjusted on the basis of the changes in its equity, in proportion to the percentage of ownership that corresponds to the Group. The Group's share of the results of these companies is recognised, net of the related tax effect, under "Share of Results of Associates" in the consolidated income statement, and any dividends received from these companies are deducted from the value of the investment.

These associates are as follows:

Company name	Registered office	Year of incorporation	Line of business	Owner	2014 %
I3 Televisión, S.L.	Madrid	2005	IT services	Atresmedia Corporación de Medios de Comunicación, S.A.	50
Hola Televisión América, S.L.	Madrid	2011	Audiovisual communication services	Atresmedia Corporación de Medios de Comunicación, S.A.	50
Hola TV Latam, S.L.	Madrid	2013	Audiovisual communication services	Hola Televisión América, S.L.	37,50
Hola TV US, LLC	Miami	2013	Audiovisual communication services	Hola TV Latam, S.L.	37,50
Atlantis Global Solutions, S.L.	Barcelona	2013	Development and identification of audiovisual content on various platforms	Antena 3 Films, S.A.U.	33.41

The Group does not exercise control over the associates that are 50% or more owned, because under the shareholders agreements it has no powers to govern their financial and operating policies so as to obtain benefits from their activities.

Changes in the scope of consolidation and main transactions in 2014

- In the first six months of 2014 the following companies were included in the scope of consolidation: Hola TV Latam, S.L. in which the associate Hola Televisión América, S.L., (in which Atresmedia Corporación de Medios de Comunicación, S.A. holds a 50% ownership interest), holds an ownership interest of 75% and Hola TV US, LLC in which Hola TV Latam, S.L. holds all the shares.

- Atresmedia Corporación de Medios de Comunicación, S.A. transferred to its subsidiary Atres Advertising, S.L. (Sole-Shareholder Company) all of the shares representing the share capital of Publiseis Iniciativas Publicitarias, S.A. (Sole-Shareholder Company) under a share purchase and sale agreement entered into on 19 May 2014. This transaction did not have any impact on the Group's consolidated financial statements.

- On 20 June 2014, the sole director of Atres Advertising, S.L. (Sole-Shareholder Company), Atresmedia Corporación de Medios de Comunicación, S.A., and the Board of Directors of Publiseis Iniciativas Publicitarias, S.A. (Sole-Shareholder Company) prepared and entered into the draft terms of merger by absorption of Publiseis Iniciativas Publicitarias, S.A. (Sole-Shareholder Company) (absorbed company) into Atres Advertising, S.L. (Sole-Shareholder Company) (absorbing company). This is a case of merger by absorption of a wholly owned company in accordance with the provisions of Article 49 of Law 3/2009 on structural changes to companies formed under the Spanish Commercial Code ("Law 3/2009") as the absorbing company is the sole shareholder and holds directly all of the shares representing the share capital of the absorbed company. The draft terms of merger were filed at the Madrid Mercantile Registry on 25 July 2014.

On 1 September 2014, the sole shareholder of Atres Advertising, S.L., Atresmedia Corporación de Medios de Comunicación, S.A., approved the aforementioned merger, whereby the absorbed company was dissolved without liquidation, and approved the merger balance sheet, i.e. the most recent duly audited balance sheet at 31 December 2013. As a result of this merger, the assets and liabilities of the absorbed company were included in the assets and liabilities of the absorbing company, Atres Advertising, S.L.U. This transaction did not have any impact on the Group's consolidated financial statements.

Other changes not affecting the scope of consolidation in 2014:

- On 3 January 2014, Atresmedia Corporación de Medios de Comunicación, S.A. subscribed 154,412 new shares of Hola Televisión América, S.L. for a total nominal amount and share premium of EUR 618 thousand. On 12 May 2014, Hola Televisión América, S.L. performed another capital increase with a share premium in which the Parent subscribed 99,638 new shares for a total of EUR 399 thousand. Lastly, on 25 September 2014 the Parent subscribed 88,227 new shares of the aforementioned company for a total nominal amount and share premium of EUR 353 thousand. None of the capital increases described above had an impact on the percentage of ownership held in this associate's share capital.

- On 16 December 2014, the Parent increased its investment in the associate I3 Televisión, S.L. by EUR 425 thousand. However, this did not result in an increase in the percentage of ownership held in this associate.

- In December 2014, the Parent Atresmedia Corporación de Medios de Comunicación, S.A. made various shareholders' contributions to offset losses to Cordina Planet, S.L. (Sole-Shareholder Company), Antena 3 Noticias, S.L. (Sole-Shareholder

Company) and Atresmedia Foto, S.L. for EUR 4,919 thousand, EUR 1,661 thousand and EUR 329 thousand, respectively.

On 30 December 2014, Uniprex, S.A. (Sole-Shareholder Company), as the sole shareholder of Uniprex Valencia TV, S.L.U. (Sole-Shareholder Company), made a shareholders' contribution to offset losses amounting to EUR 26 thousand.

Changes in the scope of consolidation and main transactions in 2013:

- On 6 February 2013, Antena 3 de Televisión Colombia, S.A. and Canal 3 Televisión Colombia, S.A. were liquidated. This transaction did not have any impact on the consolidated financial statements.

- On 5 April 2013, the subsidiary Antena 3 Films, S.L. (Sole-Shareholder Company) acquired 33.41% of the share capital of Atlantis Global Solutions, S.L., the company object of which is to develop and identify audiovisual content that enables synergies between various operating platforms to be created. This company was accounted for using the equity method.

- On 20 June 2013, the sole directors of Estaciones Radiofónicas de Aragón, S.A. (Sole-Shareholder Company), Ipar Onda, S.A. (Sole-Shareholder Company), Onda Cero, S.A. (Sole-Shareholder Company) and Canal Media Radio Galicia, S.L. (Sole-Shareholder Company) signed the Common Draft Terms of Merger for the merger with Uniprex, S.A. (Sole-Shareholder Company) (absorbing company), in conformity with Article 49 of Law 3/2009 on structural changes to companies formed under the Spanish Commercial Code, since this merger involved the absorption of wholly-owned investees, given that the absorbing company is the sole shareholder and direct owner of all the share capital of the absorbed companies.

  The aforementioned Common Draft Terms of Merger, drafted and signed by the sole directors of the companies involved in the merger, was filed at the relevant Mercantile Registries in July 2013.

  On 18 September 2013, the Parent Atresmedia Corporación de Medios de Comunicación, S.A., sole shareholder of Uniprex, S.A., resolved to approve the merger, whereby Estaciones Radiofónicas de Aragón, S.A. (Sole-Shareholder Company), Ipar Onda, S.A. (Sole-Shareholder Company), Onda Cero, S.A. (Sole-Shareholder Company) and Canal Media Radio Galicia, S.L. (Sole-Shareholder Company) were absorbed by Uniprex, S.A. (Sole-Shareholder Company) and were dissolved without liquidation. It also approved, as the merger balance sheet, the balance sheet at 31 December 2012, the most recent year-end. The absorbing company recognised the assets and liabilities of the absorbed companies in its accounts following criteria based on current consolidation rules, as well as the goodwill arising from the consolidation of these companies.

- On 5 December 2013, Atresmedia Foto, S.L. was incorporated in which Atresmedia Corporación de Medios de Comunicación, S.A. held a 90% ownership interest. Its company object is the manufacture and sale of photo albums and promotional materials and gifts.

- On 12 December 2013, the Parent acquired the other 50% of Cordina Planet, S.L., which therefore joined the group of fully consolidated subsidiaries.

Other changes not affecting the scope of consolidation in 2013:

- On 4 July 2013, the Parent subscribed to the capital increase at Hola Televisión América, S.L., amounting to EUR 679 thousand, although this did not give rise to an increase in the ownership interest in this company.

c) Comparative information

The information relating to 2013 contained in these consolidated financial statements is presented solely for comparison purposes with the information relating to the year ended 31 December 2014.

3. Accounting policies

The principal accounting policies used in preparing the Group's consolidated financial statements, in accordance with EU-IFRSs, were as follows:

a) Goodwill on consolidation

Goodwill arising on consolidation represents the excess of the cost of acquisition, plus the non-controlling interests and fair value of any previous investment in the acquiree, over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

The assets and liabilities acquired are measured provisionally at the date on which control of the company is obtained, and the resulting value is reviewed within a maximum period of one year from the acquisition date until the fair value of the assets and liabilities has been calculated definitively. Any difference between the acquisition cost and the fair value of the assets and liabilities acquired will be temporarily recognised as goodwill.

Goodwill acquired on or after 1 January 2004 is measured at acquisition cost and that acquired earlier is recognised at the carrying amount at 31 December 2003. In both cases, at the end of each reporting period goodwill is reviewed for impairment (i.e. a reduction in its recoverable amount to below its carrying amount) and, if there is any impairment, the goodwill is written down with a charge to "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the accompanying consolidated income statement.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

b) Business combinations

Business combinations are accounted for using the acquisition method.

The application of the acquisition method requires, as indicated in IFRS 3, Business Combinations, at the acquisition date, the recognition and fair value measurement of the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, and the recognition and measurement of a gain from a bargain purchase made on very favourable terms.

The acquirer shall identify the acquisition date, which is the date on which it obtains control of the acquiree.

The cost of a business combination is the sum of the acquisition-date fair value of the consideration transferred, and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The costs incurred to issue equity or debt securities given up in exchange for the items acquired are not included in the cost of a business combination.

Also, the cost of a business combination does not include the fees paid to legal advisers and other professionals involved in the combination, or any costs incurred internally in this connection. Such amounts are charged directly to the Group's consolidated profit or loss.

Any contingent consideration the Group transfers in exchange for the acquiree shall be recognised at the acquisition-date fair value.

At the acquisition date, the acquirer shall recognise a gain or goodwill, measured as the excess of the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree over the net of the acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed. If consideration is lower, the resulting gain shall be recognised in profit or loss.

The consideration the acquirer transfers in exchange for the acquiree includes any asset or liability resulting from a contingent consideration arrangement. The acquirer shall recognise the acquisition-date fair value of contingent consideration as part of the consideration transferred in exchange for the acquiree.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete, and the provisional amounts may be adjusted in the period required to obtain the necessary information. However, in no case shall the measurement period exceed one year from the acquisition date. The effects of measurement period adjustments are recognised retrospectively against goodwill, and comparative information for prior periods must be revised as needed.

Subsequent changes that are not measurement period adjustments to the fair value of the contingent consideration classified as an asset or a liability shall be recognised in accordance with IAS 39, with any resulting gain or loss recognised either in profit or loss or in other comprehensive income, unless the contingent consideration has been classified as equity, in which case it shall not be remeasured and its subsequent settlement shall be accounted for within equity.

After initial recognition at cost, goodwill acquired in a business combination is measured at cost less accumulated impairment losses. The impairment tests are performed annually, or more frequently if events or changes in circumstances indicate that the asset may have become impaired.

In accordance with IAS 36, goodwill acquired in a business combination is allocated, from the acquisition date, to the cash-generating units of the Group that are expected to benefit from the synergies of the business combination, irrespective of whether other assets and liabilities of the acquiree are assigned to those cash-generating units.

The impairment of goodwill is measured as the excess of its carrying amount over the recoverable amount of the cash-generating unit or units with which that goodwill is associated.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

c) Other intangible assets

Administrative concessions

"Administrative Concessions" includes mainly the cost assigned to administrative concessions for radio broadcasting acquired by Uniprex, S.A. (Sole-Shareholder Company). The amount recognised in the accompanying consolidated balance sheet relates to the expenses incurred to directly obtain the concession from the State or from the related public body. This amount is amortised on a straight-line basis over the initial term of the radio licence.

Licences and trademarks

These accounts include the amounts relating to the licence and the trademark identified in the purchase price allocation process arising from the merger with Gestora de Inversiones Audiovisuales La Sexta, S.A. (see Note 4).

The trademark is being amortised on a straight-line basis over its useful life, which is estimated to be 20 years.

With regard to the licence, based on an analysis of all the relevant factors, the Group considers that there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Group. As a result, the licence was classified as an intangible asset with an indefinite useful life and, therefore, it is not amortised. This indefinite useful life assessment is reviewed at each reporting date and is consistent with the related business plans.

The Parent has reviewed the licence and trademark valuations identified in the purchase price allocation process performed within the framework of the aforementioned merger. For this review, which included the participation of an independent expert, the standard procedures for analyses of this kind were used, and it was concluded that the assigned values are within reasonable valuation ranges. Consequently, it was not necessary to modify the initial estimates or make any adjustments at 2013 year-end.

Since the asset has an indefinite useful life, a recoverability assessment was performed at year-end. The key assumptions on which the cash flow projections are based relate mainly to advertising markets, audience figures, advertising efficiency ratios and the evolution of expenses. Except for advertising, the data of which are measured on the basis of external sources of information, the assumptions are based on past experience and reasonable projections approved by Parent management and updated in accordance with the performance of the advertising markets.

Taking the correlation between the advertising market and the evolution of domestic demand and private consumption as a reference, a retrospective analysis was conducted using the historical data of these two variables, based on market consensus.

These future projections cover the next five years. The discount rate used to measure this intangible asset was between 9% and 10%.

A variation of 0.5% in cumulative annual growth would give rise to a change in value of EUR 18 million, while a 0.5% increase in the discount rate would give rise to a change of EUR 22 million, and a 0.5% decrease in the discount rate would result in a change of EUR 25 million.

Computer software

The acquisition and development costs incurred vis-à-vis third parties in relation to the basic computer systems used in the Group's management are recognised with a charge to "Other Intangible Assets" in the consolidated balance sheet.

Computer system maintenance costs are recognised with a charge to the consolidated income statement for the year in which they are incurred.

Computer software is amortised on a straight-line basis over a period of between three and five years from the entry into service of each application, on the basis of its estimated useful life.

Audiovisual productions

"Audiovisual Productions" relates to the costs incurred by the Group in relation to film productions. The carrying amount includes the production costs incurred in relation to the remuneration paid to co-producers and the launch and initial marketing costs. The Group begins to amortise the films from the date of commercial release or from the date on which the rating certificate is obtained. Each film production is amortised on an annual basis over the first commercial cycle of the film, which the Group considers to be four years. Accordingly, at each year-end the amortised percentage until that date is approximately the same as the percentage of the income generated until then with respect to the present value of the estimated total income for that period. The Group recognises the appropriate impairment losses to write down the carrying amounts of these film productions when it is considered necessary based on future marketing expectations.

Since the activities relating to the acquisition, production and marketing of audiovisual productions are part of the Group's normal operations, the amortisation charges to consolidated profit or loss are included under "Programme Amortisation and Other Procurements". Acquisitions of productions are classified as investment activities in the statement of cash flows since the related amounts are recovered over various years.

d) Property, plant and equipment

Land and buildings acquired for the performance of the Group's business activity or for administrative purposes are stated in the consolidated balance sheet at acquisition or production cost, less any accumulated depreciation and any recognised impairment losses.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in the income statement on an accrual basis as incurred.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated.

The period property, plant and equipment depreciation charge is recognised in the consolidated income statement using the straight-line method at rates based on the following average years of estimated useful life of the various assets:

	Years of useful life
Buildings	33
Plant	5 to 8
Machinery and tools	6 to 10
Furniture	10
Computer hardware	3 to 7
Transport equipment and other items of property, plant and equipment	5 to 10

Assets held under finance leases are recognised in the corresponding asset category and are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

Impairment of other intangible assets and property, plant and equipment

At each balance sheet date, or whenever there is any indication of impairment of other intangible assets and property, plant and equipment, the Group conducts an impairment test to determine whether the recoverable amount of these assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

In the case of property, plant and equipment and audiovisual productions, impairment is calculated item by item, on an individual basis.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. Such reversal of an impairment loss is recognised as income.

e) Financial assets

The financial assets held by the Group are classified in the following categories:

a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

b) Held-for-trading financial assets: assets acquired with the intention of selling them in the near term and assets that form part of a portfolio for which there is evidence of a recent actual pattern of short-term profit-taking. This category also includes financial derivatives that are not financial guarantees (e.g. suretyships) and that have not been designated as hedging instruments.

c) Available-for-sale financial assets: these include debt securities and equity instruments of other companies that are not classified in any of the aforementioned categories.

Initial recognition

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Subsequent measurement

Loans and receivables and held-to-maturity investments are measured at amortised cost.

Held-for-trading financial assets are measured at fair value, based on the expected results, the estimated dividend payable, the price per share and the volatility thereof, and the risk-free rate at year-end. The result of these fair value changes is recognised in profit or loss.

Lastly, available-for-sale financial assets are measured at fair value and the gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or it is determined that it has become (permanently) impaired, at which time the cumulative gains or losses previously recognised in equity are recognised in the net profit or loss for the year. In this regard, (permanent) impairment is presumed to exist if the market value of the asset has fallen by more than 40% or if there has been a prolonged fall in market value over a period of 18 months without the value having recovered.

At least at each reporting date the Group tests financial assets not measured at fair value through profit or loss (accounts receivable) for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the consolidated income statement. In calculating such valuation adjustments as might be required for trade and other receivables, the Group takes into account the date on which the receivables are due to be settled and the equity position of related debtors.

f) Programme rights

Programme rights are measured, based on their nature, as follows:

1. Inventoriable in-house productions (programmes produced to be re-run, such as fiction series) are measured at acquisition and/or production cost, which includes both external costs billed by third parties for programme production and for the acquisition of resources, and internal production costs, which are calculated by applying pre-established internal rates on the basis of the time during which operating resources are used in production. The costs incurred in producing the programmes are recognised, based on their nature, under the appropriate headings in the consolidated income statement and are included under "Programme Rights" in the consolidated balance sheet with a credit to "Additions to Programme Rights" under "Programme Amortisation and Other Procurements" in the accompanying consolidated income statement.

   Amortisation of these programmes is recognised under "Programme Amortisation and Other Procurements" in the consolidated statement of profit or loss, on the basis of the number of showings. Following the analysis performed by the Parent with respect to the actual showings of this type of programme, a decision was made to change the estimates used in relation to the amortisation of this type of programme; series which are broadcast weekly are amortised at 99% of the production cost when the first showing of each episode is broadcast and at 1% when the broadcast is repeated and series which are broadcast daily are amortised in full when first broadcast. In any event, the maximum period for the amortisation of programmes is three years, after which the unamortised amount is written off. The impact of this change in 2014 was EUR 7.7 million.

2. Non-inventoriable in-house productions (programmes produced to be shown only once) are measured using the same methods and procedures as those used to measure inventoriable in-house productions. Programmes produced and not shown are recognised at year-end under "Programme Rights - In-House Productions and Productions in Process" in the consolidated balance sheet. The cost of these programmes is recognised as an expense under "Programme Amortisation and Other Procurements" in the consolidated income statement at the time of the first showing.

3. Rights on external productions (films, series and other similar productions) are measured at acquisition cost. These rights are deemed to have been acquired when the term of the right commences for the Group.

   When payments to external production distributors are made in foreign currency, these rights are recognised in the consolidated balance sheet by applying to the foreign currency amount the spot exchange rate prevailing when the term of the right commences.

Also, the initial value of all the external productions acquired by the Group for which derivative instruments designated as cash flow hedges pursuant to IAS 39 were arranged in order to hedge foreign currency risk includes:

- the portion of the cumulative gain or loss recognised in equity (effective hedge) on the hedging instrument at the beginning of the term of the right.

- for payments made prior to the commencement of the term of the right, the accumulated exchange gains or losses on that date.

The amortisation of the rights is recognised under "Programme Amortisation and Other Procurements" in the consolidated income statement, on the basis of the number of showings, at the rates shown below, which are established on the basis of the number of showings contracted:

FILMS	Number of showings contracted		
	1	2	3 or more
1st showing	100%	50%	50%
2nd showing	-	50%	30%
3rd showing	-	-	20%

SERIES	Number of showings contracted	
	1	2 or more
1st showing	100%	50%
2nd showing	-	50%

4. Live broadcasting rights are measured at cost. The cost of these rights is recognised as an expense under "Programme Amortisation and Other Procurements" in the consolidated income statement at the time of broadcast of the event on which the rights were acquired.

Advances on purchases of rights

Payments made to external production distributors prior to the commencement of the term of the rights are recognised under "Programme Rights - Advances on Purchases of Rights" in the consolidated balance sheet and if such payments are in foreign currency they are translated to euros at the year-end exchange rate.

Write-downs

The Group recognises write-downs to reduce the unamortised value of in-house productions and of the rights on external productions which it considers will not be shown. When these rights expire, the valuation adjustments are recognised in profit or loss when the cost of the rights is derecognised.

Classification of programme rights

In accordance with standard practice in the industry in which the corporate Group operates, programme rights are classified as current assets and the portion that is amortised over more than one year is detailed in Note 10.

g) Non-current assets and liabilities classified as held for sale and discontinued operations

The Group classifies under this heading in the consolidated balance sheet the non-current assets and disposal groups whose carrying amount is expected to be recovered through a sale transaction or liquidation rather than through continued use.

The non-current assets of discontinued operations are recognised at the lower of carrying amount and market value.

The non-current liabilities of discontinued operations include the fair value of the liabilities associated with the aforementioned assets which are expected to be settled at short term.

At year-end there aren't assets or liabilities recorded for this concept in the Consolidated Balance Sheet.

h) Classification of financial assets and liabilities as current or non-current

In the accompanying consolidated balance sheet, financial assets and liabilities are classified on the basis of the time in which it is estimated that they will be realised or settled, i.e. financial assets and liabilities that are expected to be realised or settled over the course of the company's normal business cycle or within no more than 12 months are classified as current items, and those which do not meet these requirements are classified as non-current items.

Deferred tax assets and liabilities are classified as non-current regardless of when they are expected to be realised or settled.

i) Hedging derivatives

All the derivatives held by the Group at 31 December 2014 were OTC derivatives, whose prices are not quoted on organised futures and options markets and, therefore, it is necessary to apply generally accepted valuation techniques, based on objective market data, used in the measurement of financial instruments of this nature.

Foreign exchange hedges

The derivative financial instruments held by the Group companies are basically cash flow hedges arranged to mitigate the exposure of the cash flows associated with external production rights to fluctuations in the US dollar/euro exchange rate.

Foreign currency hedging contracts are valued using the spot exchange rate and the forward interest rate curves of the related currencies. The "market" foreign currency hedge is calculated at year-end and is compared with the price of the foreign currency hedge arranged.

The Parent arranged interest rate swaps (IRSs) in order to fix the finance cost arising from the floating rates applicable to each of the tranches of the syndicated financing that it had arranged.

With these interest rate swaps the parties agree to swap, on predetermined dates, the cash flows resulting from applying an interest rate to a nominal amount. The rate applied to the payments of a portion is fixed, whereas the other portion is a floating rate (based on market rates).

Hedging instruments are recognised in the consolidated balance sheet at fair value and the changes therein are recognised directly in equity, for the effective portion, as provided for in IAS 39.

With respect to foreign currency hedges, when the term of the broadcasting rights designated as a hedged item commences, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial recognition of the asset and from then on any change in the fair value of the hedging instrument is recognised directly in profit or loss for the year.

The corporate Group periodically tests the effectiveness of the outstanding hedges and the ineffective portion is recognised immediately under financial profit or loss in the consolidated statement of profit or loss.

If a hedged transaction is no longer expected to occur, or no longer qualifies for hedge accounting, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

The Group has established the policy of categorising its assets and liabilities at fair value in the different measurement hierarchy levels, on the basis of the availability of observable market data, and only transfers items between levels when such inputs are not available. In 2014 no transfers were made between the fair value hierarchy levels corresponding to the Group's financial instruments.

j) Treasury shares

All the treasury shares of the Parent at 31 December 2014 represented 0.508% of the issued share capital at that date (the treasury share transactions performed in 2013 and 2012 are summarised in Note 11-e). The amount relating to these treasury shares is recognised as a reduction of equity.

Acquisitions or sales of treasury shares (see Note 11-e) are charged or credited to equity at the amount paid or received, respectively, and, therefore, the gains or losses arising from these transactions are not reflected in the income statement but are recognised as an addition to or a reduction of equity, respectively.

k) Bank borrowings

Interest-bearing bank loans, credit facilities and overdrafts are recorded at the amount received. Borrowing costs are recognised in the consolidated income statement on an accrual basis using the effective interest method and are added to the carrying amount of the liability to the extent that they are not settled in the period in which they arise.

l) Termination benefits

Under current employment legislation, the Group companies are required to pay termination benefits to employees terminated under certain conditions. The Parent's directors do not expect any liabilities to arise other than those already recognised in this connection.

m) Provisions

The present obligations arising from past events which could give rise to a loss for the Group which is uncertain as to its amount and timing are recognised as provisions in the consolidated balance sheet at the present value of the most probable amount that it is considered the Group will have to disburse to settle the obligation.

Provisions are quantified taking into consideration the best information available at the date of preparation of the consolidated financial statements on the consequences of the event giving rise to them and are reestimated at the end of each year.

n) Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis.

Revenue is measured at the fair value of the consideration received or receivable and represents the value of the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

The Group companies basically obtain revenue from the sale of advertising space; this revenue is recognised in the consolidated income statement when the related advertising spot is broadcast.

o) Income taxes; deferred taxes

The current income tax expense is calculated by aggregating the current tax arising from the application of the tax rate to the taxable profit (tax loss) for the year, after deducting the tax credits allowable for tax purposes, plus the change in deferred tax assets and liabilities.

In general, deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets (including those relating to temporary differences and tax loss and tax credit carryforwards) are only recognised to the extent that it is considered probable that the consolidated companies will have sufficient taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities are calculated by applying the tax rates that are expected to apply in the period when the asset is realised or the liability is settled and will be 28% by 2015 and 25% for 2016 and subsequents.

In 2001 the Group began to file consolidated tax returns. Atresmedia Corporación de Medios de Comunicación, S.A. is the Parent of this consolidated tax group (see Note 22).

p) Foreign currency transactions

The functional currency of the Parent and its investees is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

q) Consolidated statements of cash flows

The following terms are used in the consolidated statements of cash flows with the meanings specified:

<u>Cash flows</u>: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

<u>Operating activities</u>: the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.

<u>Investing activities</u>: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

<u>Financing activities</u>: activities that result in changes in the size and composition of equity and borrowings that are not operating activities.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the number of shares of the Parent held by the Group.

The Group has not carried out transactions of any kind that have led to diluted earnings per share differing from basic earnings per share (see Note 24).

s) Dividends

At the Annual General Meeting held on 23 April 2014, the shareholders of the Parent ratified, among other resolutions, the distribution of 2013 profit, allocating the maximum amount of EUR 24,701 thousand to the payment of an ordinary dividend of EUR 0.11 per share eligible to receive it, once the component related to treasury shares had been attributed. The dividend amounting to EUR 24,575 thousand, representing an increase of 15% on the par value, was paid on 18 June 2014.

At the Parent's Board of Directors meeting held on 19 November 2014, it was resolved to distribute out of the Parent's profit for 2014, gross amount of ten euro cents (EUR 0.10) for each of the 224,551,504 shares with a par value of EUR 0.75 carrying dividend rights, of which 1,145,594 are treasury shares. Accordingly, the dividend rights inherent to treasury shares were attributed proportionately to the other shares that are eligible to receive the dividend, in accordance with Article 148 of the Spanish Limited Liability Companies Law.

Under the draft terms of merger by absorption of Atresmedia Corporación de Medios de Comunicación, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A. ("La Sexta"), the remaining shares representing the Parent's share capital, i.e. 1,181,296 shares, that were delivered to the La Sexta shareholders as part of the share exchange and whose related dividend rights were temporarily restricted do not carry rights to this interim dividend. The owners were not eligible to receive dividends distributed out of the Parent's profit in the 24 months following the date of registration of the merger deed at the Madrid Mercantile Registry, which took place on 31 October 2012.

This dividend, which was paid to the shareholders as an interim dividend on 18 December 2014, totalled EUR 22,341 thousand.

4. Goodwill

The changes in "Goodwill" in the consolidated balance sheets in 2014 and 2013 were as follows:

Thousands of euros	Balance at 31/12/12	Additions/ Disposals	Impairment	Balance at 31/12/13	Additions/ Disposals	Transfers	Balance at 31/12/14
RADIO BUSINESS:							
Uniprex, S.A.U.	147,558	-	555	148,113	-	-	148,113
Canal Media Radio, S.L.U.	1,899	-	-	1,899	-	-	1,899
Canal Media Radio Galicia, S.A.U.	295	-	(295)	-	-	-	-
Ipar Onda, S.A.U.	260	-	(260)	-	-	-	-
OTHER BUSINESSES:							
Cordina Planet, S.L.U.	-	3,181	-	3,181	-	-	3,181
TOTAL	**150,012**	**3,181**	**-**	**153,193**	**-**	**-**	**153,193**

The change in the goodwill of the Radio business in 2014 is due to the merger by absorption into the Group company Uniprex, S.A. (Sole-Shareholder Company) of several of its subsidiaries, as described in Note 2-b on changes in the scope of consolidation.

Also, the Parent's acquisition of control over Cordina Planet, S.L.U. gave rise to goodwill of EUR 3,181 thousand (see Note 2-b).

The Group periodically assesses the recoverability of the goodwill described in the foregoing table, considering the cash-generating units on the basis of the business activities of its subsidiaries, which at year-end were the radio business and other businesses.

The Group uses the strategic plans of the various businesses to calculate any possible impairment losses and discounts expected future cash flows. The Group prepares the various projections individually, taking into account the expected future cash flows of each cash-generating unit.

For the radio cash-generating unit (which coincides with the radio segment), the key assumptions on which the cash flow projections are based relate mainly to advertising markets, audience figures, advertising efficiency ratios and cost forecasts. Except for advertising, which is measured on the basis of external sources of information, the data assumptions are based on past experience and reasonable projections approved by management of the Parent and updated in accordance with the performance of the advertising markets.

These future projections cover the next five years. The cash flows for the years not considered in the projections are estimated to be perpetual, with growth of 0%.

In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In order to calculate the rate, the current time value of money and the risk premiums generally used by analysts for the business and geographical area (Spain) are taken into account, giving rise to future discount rates of 9%-10% in 2013 and 2014.

Based on the methods used and the estimates, projections and valuations of value in use available to the Parent's directors, at the date of presentation of these consolidated financial statements, it was determined that the goodwill recognised by the Group represents its recoverable amount and, therefore, it was not necessary to recognise any impairment losses.

The Group also performs sensitivity analyses when there are reasonably possible changes in the key assumptions used to calculate the recoverable amount of the radio cash-generating unit. In this respect, the sensitivity analyses are prepared under various scenarios on the basis of the variables deemed most significant, i.e. advertising revenue, which depends mainly on the performance of the advertising market and the investment share, and the discount rate.

The most sensitive variable is the growth of the radio advertising market, for which cumulative annual growth of 2.4% was used for the projection period, which is in line with a moderate recovery over the next few years. A variation of 0.5% would give rise to a change in value of EUR 6 million. Similarly, a variation of 0.5% in the discount rate would give rise to a change of EUR 9 million. Zero perpetual growth was used. An increase of 0.5% would give rise to an increase in value of EUR 8 million.

5. Other intangible assets

The breakdown of the balances and transactions recognised under "Other Intangible Assets" in the consolidated balance sheets in 2014 and 2013 is as follows:

Thousands of euros	**Balance at 01/01/14**	**Additions or charge for the year**	**Disposals or reductions**	**Transfers**	**Additions/disposals due to changes in the scope of consolidation**	**Balance at 31/12/14**
Cost:						
Administrative concessions	40,982	-	-	-	-	40,982
Licences	82,804	-	-	-	-	82,804
Trademarks	21,591	-	-	-	-	21,591
Intellectual property	1,208	-	-	133	-	1,341
Computer software	44,795	-	-	4,274	-	49,069
Audiovisual productions	205,106	2,226	-	9,913	-	217,246
Other intangible assets	1,570	2,165	-	(923)	-	2,812
Intangible assets in progress	15,804	9,952	-	(17,042)	-	8,715
	413,860	**14,344**	**-**	**(3,644)**	**-**	**424,560**
Accumulated amortisation:						
Administrative concessions	(40,202)	(265)	-	-	-	(40,467)
Trademarks	(1,350)	(289)	-	-	-	(1,639)
Intellectual property	(940)	(922)	-	-	-	(1,862)
Computer software	(38,876)	(3,443)	-	(14)	-	(42,333)
Audiovisual productions	(181,175)	(10,614)	-	(6,335)	-	(198,124)
Other intangible assets	(708)	-	-	66	-	(642)
	(263,250)	**(15,533)**	**-**	**(6,283)**	**-**	**(285,067**
Net impairment losses:	**(7,925)**	**(3,191)**	**-**	**6,580**	**-**	**(4,536)**
Total	**142,685**	**(4,380)**	**-**	**(3,347)**	**-**	**134,957**

Thousands of euros	**Balance at 01/01/13**	**Additions or charge for the year**	**Disposals or reductions**	**Transfers**	**Additions/disposals due to changes in the scope of consolidation**	**Balance at 31/12/13**
Cost:						
Administrative concessions	40,802	-	-	180	-	40,982
Licences	82,804	-	-	-	-	82,804
Trademarks	21,591	-	-	-	-	21,591
Intellectual property	1,096	-	-	112	-	1,208
Computer software	42,306	-	-	2,333	156	44,795
Audiovisual productions	190,542	2,228	-	12,336	-	205,106
Other intangible assets	647	-	-	-	923	1,570
Intangible assets in progress	14,283	16,850	-	(15,329)	-	15,804
	394,071	**19,078**	**-**	**(368)**	**1,079**	**413,860**
Accumulated amortisation:						
Administrative concessions	(39,290)	(912)	-	-	-	(40,202)
Trademarks	(270)	(1,080)	-	-	-	(1,350)
Intellectual property	(807)	(133)	-	-	-	(940)
Computer software	(35,562)	(3,138)	-	16	(191)	(38,876)
Audiovisual productions	(162,120)	(11,565)	-	(7,490)	-	(181,175)
Other intangible assets	(647)	-	-	-	(61)	(708)
	(238,696)	**(16,828)**	**-**	**(7,474)**	**(252)**	**(263,250**
Net impairment losses:	**(14,555)**	**(645)**	**-**	**7,490**	**(215)**	**(7,925)**
Total	**140,820**	**1,605**	**-**	**(353)**	**612**	**142,685**

Fully amortised intangible assets in use and in progress at 31 December 2014 amounted to EUR 235,579 thousand (31 December 2012: EUR 183,744 thousand).

The impairment of intangible assets amounting to EUR 3,191 thousand in 2014 (2013: EUR 645 thousand) relates to the impairment of audiovisual cinema productions detected as a result of analysing the recoverability of the related investment through a case-by-case analysis of the value in use of each film. This analysis takes into account up-to-date estimates of the income produced in each of the commercial exploitation windows and, if necessary, an impairment loss is recognised under "Programme Amortisation and Other Procurements" since the impairment relates to cinema productions shown on television channels.

6. Property, plant and equipment

The breakdown of the balances and transactions recognised under "Property, Plant and Equipment" in the consolidated balance sheets in 2014 and 2013 is as follows:

Thousands of euros	**Balance at 01/01/14**	**Additions or charge for the year**	**Disposals or reductions**	**Transfers**	**Additions/ disposals due to changes in the scope of consolidation**	**Balance at 31/12/14**
Cost:						
Land and buildings	65,498	-	-	335	-	65,833
Plant and machinery	89,327	-	(2,715)	4,588	-	91,200
Other fixtures and tools	52,673	-	-	987	-	53,660
Furniture	13,234	-	(206)	268	-	13,296
Computer hardware	35,761	-	(1,892)	1,812	-	35,681
Transport equipment and other items of property, plant and equipment	2,319	-	(288)	89	-	2,120
Property, plant and equipment in the course of construction	255	7,858	-	(8,045)	-	68
	259,067	**7,858**	**(5,100)**	**34**	**-**	**261,858**
Accumulated depreciation:						
Land and buildings	(33,255)	(1,665)	-	-	-	(34,920)
Plant and machinery	(76,845)	(5,820)	2,662	14	-	(79,989)
Other fixtures and tools	(48,525)	(1,368)	-	-	-	(49,893)
Furniture	(12,142)	(496)	204	-	-	(12,434)
Computer hardware	(31,396)	(2,091)	1,880	-	-	(31,607)
Transport equipment and other items of property, plant and equipment	(2,242)	(44)	288	-	-	(1,998)
	(204,405)	**(11,483)**	**5,034**	**14**	**-**	**(210,841)**
Net impairment losses:	**(2,687)**	**-**	**3**	**-**	**-**	**(2,684)**
Total	**51,975**	**(3,626)**	**(63)**	**48**	**-**	**48,333**

Thousands of euros	Balance at 01/01/13	Additions or charge for the year	Disposals or reductions	Transfers	Additions/ disposals due to changes in the scope of consolidation	Balance at 31/12/13
Cost:						
Land and buildings	65,865	-	(569)	202	-	65,498
Plant and machinery	89,563	-	(4,743)	4,507	-	89,327
Other fixtures and tools	52,627	-	(612)	658	-	52,673
Furniture	13,124	149	(368)	329	-	13,234
Computer hardware	35,897	-	(1,736)	1,330	270	35,761
Transport equipment and other items of property, plant and equipment	2,358	-	(40)	-	1	2,319
Property, plant and equipment in the course of construction	990	5,925	-	(6,660)	-	255
	260,424	**6,074**	**(8,068)**	**366**	**271**	**259,067**
Accumulated depreciation:						
Land and buildings	(31,886)	(1,938)	569	-	-	(33,255)
Plant and machinery	(76,271)	(5,309)	4,735	-	-	(76,845)
Other fixtures and tools	(47,314)	(1,798)	592	(5)	-	(48,525)
Furniture	(11,877)	(623)	366	(8)	-	(12,142)
Computer hardware	(30,772)	(2,237)	1,731	-	(118)	(31,396)
Transport equipment and other items of property, plant and equipment	(2,203)	(79)	40	-	-	(2,242)
	(200,323)	**(11,984)**	**8,033**	**(13)**	**(118)**	**(204,405)**
Net impairment losses:	**(2,687)**	**-**	**-**	**-**	**-**	**(2,687)**
Total	**57,414**	**(5,910)**	**(35)**	**353**	**153**	**51,975**

At 31 December 2014, fully depreciated property, plant and equipment amounted to EUR 158,603 thousand (2013: EUR 152,544 thousand). The Group does not have any temporarily idle items.

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

7. Investments accounted for using the equity method

The changes in the investments accounted for using the equity method in 2014 and 2013 were as follows:

Thousands of euros	Balance at 01/01/14	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Transfers	Balance at 31/12/14
Investments accounted for using the equity method						
Atlantis Global Solutions, S.L.	64	-	-	(19)	-	45
I3 Televisión, S.L.U.	130	-	108	(29)	-	209
Grupo Hola TV América	352	(774)	1,369	(2,170)	1.224	-
Investments accounted for using the equity method	**546**	**(774)**	**1,477**	**(2,218)**	**1.224**	**254**

Thousands of euros	Balance at 01/01/13	Changes in the scope of consolidation	Additions or charge for the year	Disposals or reductions	Transfers	Balance at 31/12/13
Investments accounted for using the equity method						
I3 Televisión, S.L.U.	86	-	44	-	-	130
Cordina Planet, S.L.	-	-	-	(912)	912	-
Hola TV América, S.L.	-	-	478	(126)	-	352
Atlantis Global Solutions, S.L.	-	112	-	(48)	-	64
Investments accounted for using the equity method	**86**	**112**	**522**	**(1,086)**	**912**	**546**

In 2014, as part of the Hola TV América Group, the following companies were included in the scope of consolidation: Hola TV Latam, S.L. and Hola TV US, LLC, which are subsidiaries of the associate Hola TV América, S.L. and whose company objects comprise the management and operation of audiovisual communication services and the creation, acquisition, production, co-production and marketing of audiovisual products. (see Note 2-b).

In February 2013 Antena 3 de Televisión Colombia, S.A. and Canal 3 Televisión Colombia, S.A. were liquidated. This transaction did not have any impact on the consolidated financial statements.

As discussed in Note 2-b in the section on changes in the scope of consolidation, in December 2013 Cordina Planet, S.L. changed from being accounted for using the equity method to being a fully consolidated subsidiary of the Group.

None of the Group's investees are listed on Spanish or foreign stock exchanges.

The detail of the main financial aggregates of the companies accounted for using the equity method for 2014 and 2013 is as follows:

	2014				
Thousands of euros	**Assets**	**Equity**	**Liabilities**	**Income**	**Profit (Loss)**
I3 Televisión, S.L.	2,339	418	1,921	6,429	(58)
Hola TV América, S.L.	3,227	(2,448)	5,675	1,215	(4,341)
Atlantis Global Solutions, S.L.	36	27	9	40	(56)

	2013				
Thousands of euros	**Assets**	**Equity**	**Liabilities**	**Income**	**Profit (Loss)**
I3 Televisión, S.L.	3,156	261	2,896	6,821	26
Hola TV América, S.L.	3,222	702	2,520	-	(253)
Atlantis Global Solutions, S.L.	142	83	59	-	(145)

8. Financial assets and other non-current assets

The detail of “Non-Current Financial Assets” and “Derivative Financial Instruments” in the consolidated balance sheets at 31 December 2014 and 2013 is as follows:

Thousands of euros	Non-current financial instruments					
	Equity instruments		Loans, derivatives and other		Total	
	2014	2013	2014	2013	2014	2013
Loans and receivables	-	-	297	297	297	297
Available-for-sale financial assets	5,957	1,472	-	-	5,957	1,472
Non-current financial assets	**5,957**	**1,472**	**297**	**297**	**6,254**	**1,769**
Other derivatives	-	-	87	9,413	87	9,413
Hedgong Derivatives (Note 14)	-	-	4,397	-	4,397	-
Derivative financial instruments	**-**	**-**	**4,484**	**9,413**	**4,484**	**9,413**
Total	**5,957**	**1,472**	**4,781**	**9,710**	**10,738**	**11,182**

"Non-Current Financial Assets - Available-For-Sale Financial Assets" includes non-current financial investments in the equity instruments of companies over which the Group does not exercise significant influence either because its ownership interest is below 20% or because it does not participate in the setting of financial or commercial policies.

In 2014 the Group acquired ownership interests of 40% and 14% in the "Enelmar Productions" Economic Interest Grouping (EIG) and "Producciones Ramses" EIG, respectively. In view of the peculiarities of the taxation of EIGs (see Note 21-d), at 2014 year-end, the Group had deferred tax assets amounting to EUR 10,724 thousand, disposing of both financial assets in full.

At 2013 year-end, the balance of this item related to the 45% ownership interest in El Armario de la Tele, S.L., measured at the cost incurred; the Group's 15% ownership interest in Audiovisual Española 2000, S.A. was fully impaired. The impact of this impairment was included under "Impairment of Financial Assets" in the consolidated income statement.

In relation to "Other Derivatives", in December 2012 the Parent entered into several agreements with the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A., including one whereby, in exchange for a fixed market consideration determined at the date of the agreement and deliverable by Atresmedia Corporación de Medios de Comunicación, S.A. (premium), the aforementioned counterparty undertook to pay the Parent a variable cash amount to be determined on the basis of the future economic results of Atresmedia and payable in 2017.

On 24 February 2014, as a result of the negotiation process for this agreement and forming part thereof, other agreements were reached with Gamp Audiovisual, S.A. and Imagina Media Audiovisual, S.L. consisting of the cancellation of their proportional share of the aforementioned financial derivative agreement. The recognition of the cancellation had a negative impact on the shareholders' equity of the Parent.

At 31 December 2014, the balance of "Other Derivatives" represented the fair value (Level 2) at that date of the derivative financial instrument arranged with Gala Desarrollos Comerciales, S.L., the terms and conditions of which are unchanged, as indicated in Note 11-h. Changes in the value of the financial instrument are recognised under "Net Gain (Loss) Due to Changes in the Value of Financial Instruments at Fair Value" in the consolidated statement of profit or loss.

The market variables that influence the value of this asset are the market price of the Parent's share, its volatility and its dividend yield. The Group's estimated results also have an influence. The market price and historical volatility at 31 December 2013 were used to measure the value of the asset at that date, and the market consensus at year-end and credit risk (due to application of IFRS 13) were used to estimate results and the dividend yield.

9. Programme rights

The detail of "Programme Rights" is as follows:

Thousands of euros	2014	2013
Programme rights, net		
Rights on external productions	277,114	242,329
In-house productions and productions in process	18,782	36,456
Sports broadcasting rights	3,214	3,460
Write-down of external productions	(38,406)	(33,755)
	260,704	**248,490**
Advances to suppliers	**25,171**	**31,543**
Total	**285,875**	**280,033**

At 31 December 2014, the Parent had commitments, mainly for the purchase of audiovisual property rights, amounting to EUR 279,146 thousand (2013: EUR 114,342 thousand). In addition, the Parent has purchase commitments to distributors, the definitive amount and price of which will be determined once the programmes are produced and, in certain cases, by establishing the acquisition price on the basis of box-office takings. In 2014 the best estimate of these commitments amounted to EUR 94,312 thousand (2013: EUR 80,400 thousand).

It is estimated that inventoriable in-house productions will be amortised in full and approximately EUR 140,000 thousand of external production rights will be amortised in 2015.

The changes in the write-downs included under "Programme Rights" in the consolidated balance sheet were as follows (in thousands of euros):

	Balance at 31/12/12	Additions	Transfers	Disposals or reductions	Balance at 31/12/13	Additions	Transfers	Disposals or reductions	Balance at 31/12/14
Write-downs	**(19,516)**	(6,976)	(9,509)	2,246	**(33,755)**	(7,073)	315	2,106	**(38,406)**

The write-downs recognised arose since it was decided that certain titles would not be marketable and it was not likely that they would form part of the Parent's programme schedule. In addition, the group has made an adjustement amounted to EUR 3 thousands in the value of certain media rights as a result of the clousure of three media channels. These write-downs were recognised under "Programme Amortisation and Other Procurements" in the consolidated income statement.

10. Trade and other receivables

The detail of trade and other receivables in the consolidated balance sheets at 31 December 2014 and 2013 is as follows:

Thousands of euros	2014	2013
Trade receivables	166,333	184,608
Receivable from associates and related companies	48,044	38,195
Total trade receivables for sales and services	**214,377**	**222,803**
Other receivables	7,111	5,792
Total other receivables	**7,111**	**5,792**

The estimated amounts are recognised in the consolidated balance sheet, net of allowances for estimated bad and doubtful debts, on the basis of prior years' experience and of the Group's assessment of the current economic climate.

At 31 December 2014, the allowance for doubtful debts amounted to EUR 15,392 thousand (2013: EUR 22,541 thousand). The provision recognised in 2014 amounted to EUR 3,048 thousand (2013: EUR 797 thousand), and EUR 10,197 thousand of the allowance were used in the year (2013: EUR 8,889 thousand).

As provided for in the measurement bases disclosed in Note 3 to these consolidated financial statements, impairment losses are recognised or reversed as a result of valuation adjustments of trade and other receivables based on their due dates and the equity position of the debtors. The related write downs and amounts charged to profit or loss are recognised under “Other Operating Expenses” in the consolidated income statement.

11. Equity

a) Share capital

On 29 October 2012, the merger resolutions adopted by the shareholders of Atresmedia Corporación de Medios de Comunicación, S.A., as the absorbing company, and Gestora de Inversiones Audiovisuales La Sexta, S.A., as the absorbed company, at their respective Annual General Meetings on 25 April 2012, were executed in public deeds, as a result of which the draft terms of merger were fully approved.

Following the merger resolution approved by the shareholders at the Annual General Meetings of the two companies and the filing of the merger deed at the Madrid Mercantile Registry on 31 October 2012, the shareholders of La Sexta received, as consideration for the assets and liabilities of this company, 15,801,296 shares of Atresmedia Corporación de Medios de Comunicación, S.A., which represented 7% of its share capital.

For the purposes of the share exchange, on 29 October 2012 Atresmedia Corporación de Medios de Comunicación, S.A. increased share capital by a nominal amount of EUR 10,965 thousand through the issue of (i) 13,438,704 shares of EUR 0.75 par value each, of the same class and series as the shares outstanding prior to the increase and without dividend rights with a charge to the profit generated before the date on which the merger was filed at the Mercantile Registry, irrespective of the payment date, and (ii) 1,181,296 shares of EUR 0.75 par value each, of a different class and carrying the same restriction on dividend rights as the aforementioned shares, applicable for 24 months following the date on which the merger was filed at the Mercantile Registry, which took place on 31 October 2012.

As indicated in the relevant event communication of 20 November 2014, once this period had ended, the Parent's Board of Directors, acting under powers delegated from the Annual General Meeting of 25 April 2012 in which the merger was approved, adopted the necessary resolutions to reword Articles 5 and 7 of the bylaws so that they state that all the shares that represent the share capital of Atresmedia Corporación de Medios de Comunicación, S.A. are of the same class and carry the same dividend rights for the holders thereof in respect of the profit earned by the Company from 31 October 2014 onwards.

In addition, as part of this convergence process and also in accordance with the merger agreements, the Parent's Board of Directors resolved to request the official listing of these 1,181,296 shares on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges through the Spanish stock market interconnection system, as reported in the aforementioned relevant event communication on 20 November 2014.

At 31 December 2014, the share capital of the Parent amounted to EUR 169,300 thousand and was represented by 225,732,800 fully subscribed and paid shares of EUR 0.75 par value each, which carry the same dividend rights.

At the end of 2013 the Parent's shareholder structure was as follows:

% of ownership	2014
Grupo Planeta-de Agostini, S.L.	41.70
Ufa Film und Fernseh, GMBH	19.17
Treasury shares	0.51
Gamp Audiovisual, S.A.*	4.16
Imagina Media Audiovisual, S.L.	4.48
Other shareholders	29.98
Total	**100.00**

* Gamp Audiovisual, S.A. is an Imagina Group company, which is controlled, within the meaning of Article 4 of the Spanish Securities Market Law.

The Parent's shares are listed on the Spanish stock market interconnection system and all carry the same voting and dividend rights, except for the 1,181,296 shares mentioned above, which admission to trading has been applied but not occurred at December 31, 2014.

There are agreements among the main shareholders that guarantee the Parent's shareholder stability, the grant of mutual rights of acquisition on their shares, the undertaking not to take control of the Parent or to permit a third party to do so, and also include Group management agreements, as described in the consolidated directors' report.

For management purposes, the Group treats the equity attributable to the Parent as capital. The only external requirements to which this capital for management purposes is subject are those contained in current Spanish corporate law, and there are no other legal restrictions thereon.

The Group determines the financial resources required with the two-fold objective of ensuring the Group companies' capacity to continue operating and maximising profitability by optimising Group debt and equity. The Group's financial structure taken as a whole consists of the equity attributable to the Parent's shareholders (comprising share capital, share premium, retained earnings and other items), bank borrowings and cash and cash equivalents. The Group reviews this structure regularly and, taking into account the costs and risks associated with each type of funding (debt or equity), takes the appropriate decisions to achieve the aforementioned objectives.

b) Share premium

As indicated in Note 11-a, the difference between the issue price and the par value of the new shares (i.e. EUR 2.62 per share) was treated as a share premium, amounting to EUR 38,304 thousand, which was fully paid as a result of the transfer en bloc of the assets and liabilities of Gestora de Inversiones Audiovisuales La Sexta, S.A.

c) Restricted reserves

Legal reserve

Under the Spanish Limited Liability Companies Law, the Company must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The shareholders at the Annual General Meeting of the Parent held on April, 24 2013 approved, among other resolutions, the proposed distribution of the profit for 2012, whereby EUR 2,193 thousand were transferred to the legal reserve. With this contribution the Parent's legal reserve reached the legally stipulated level.

Reserve for retired capital

As a result of the capital reduction made in 2006, a reserve of EUR 8,333 thousand was established, equal to the par value of the retired shares, which may only be used if the same requirements as those for the reduction of share capital are met, pursuant to Article 335-c of the Spanish Limited Liability Companies Law.

Other restricted reserves

Restricted reserves include an amount of EUR 281 thousand which is restricted as to its use since it corresponds to the "Reserve for the Adjustment of Share Capital to Euros".

"Equity - Retained Earnings" in the consolidated balance sheet includes a restricted reserve arising from the subsidiary Uniprex, S.A. (Sole-Shareholder Company). This is a reserve for goodwill, amounting to EUR 19,079 thousand, recognised by appropriating from profit for the year an amount equal to 5% of the goodwill on the asset side of the subsidiary's balance sheet until the full amount of the reserve is reached, as required by Spanish corporate legislation.

d) Contributions to consolidated profit by company

The detail of the contributions to the consolidated profit for the year of the fully consolidated companies and the companies accounted for using the equity method at 31 December 2014 and 2013 is as follows:

Thousands of euros	**2014**	**2013**
Atresmedia Corporación de Medios de Comunicación subgroup	36,288	33,655
Uniprex subgroup	8,329	8,412
Other	2,035	3,987
TOTAL	**46,652**	**46,054**

The method used to determine the contribution to consolidated profit maintains the transactions between Group companies that are necessary for the conduct of their business activities under normal market conditions.

e) Treasury shares

The detail of "Treasury shares" in the consolidated balance sheets at 31 December 2014 and 2013 is as follows:

Year	**Number of shares**	**Nominal value (EUR)**	**Average Purchase Price (EUR)**	**Total Adquisition Cost (thousand EUR)**
2014	1,145,594	859,196	6.29	7,202
2013	15,818,704	11,864,028	6.29	99,453

At 31 December 2014, the shares of the Parent held by it represented 0.508% of the Parent's share capital and totalled 1,145,594 shares, with a value of EUR 7,202 thousand and an average acquisition price of EUR 6.29 per share.

The changes in "Treasury Shares" in 2014 and 2013 were as follows:

Number of Shares	**2014**	**2013**

At beginning of year	15,818,704	15,818,704
Purchases	-	-
Sellings	(6,298,784)	-
Delivery of shares (Note 4)	(8,374,326)	-
At end of year	**1,145,594**	**15,818,704**

The delivery of shares is framed in the partial novation agreement described in Note 11-h, "Other Equity Instruments".

On 6 March 2014, the Parent reported through a relevant event communication the sale for EUR 79,680 thousand of a total of 6,298,784 treasury shares representing 2.79% of its share capital. The carrying amount of these shares was EUR 39,601 thousand. The difference between both amounts was recognised in equity. This transaction carried a cost of 1% on the sale price, which was also recognised in equity.

The Annual General Meeting held on 24 March 2010 approved a resolution authorising the Parent to acquire treasury shares provided that they did not exceed the maximum legal limit permitted by law at any given time. This limit was established at 10% of subscribed share capital by Law 3/2009, of 3 April, on structural changes to companies.

f) Dividends

At the Parent's Board of Directors meeting held on 19 November 2014 it was resolved to distribute out of the Parent's profit for 2014 a gross amount of ten euro cents (EUR 0.10) for each of the 224,551,504 shares of EUR 0.75 par value each that are entitled to receive it. The payment totalled EUR 22,341 thousand and was made to the shareholders on 18 December 2014 (see Note 3-s).

g) Non-controlling interests

“Non-Controlling Interests” relates to the non-controlling interests of Uniprex Televisión Digital Terrestre de Andalucía, S.L. and Atresmedia Foto, S.L., which at 31 December 2014 held 25.8% and 10%, respectively, of the shares of these companies, the amounts of which are not significant.

h) Other equity instruments

Pursuant to the agreement to merge the two companies, the Parent (Atresmedia Corporación de Medios de Comunicación, S.A.) and Gestora de Inversiones Audiovisuales La Sexta, S.A. agreed to grant La Sexta shareholders an additional ownership interest of 15,818,704 Atresmedia Corporación de Medios de Comunicación, S.A. shares representing 7% of its share capital, although the delivery thereof is conditional upon the consolidated earnings of Atresmedia from 2012 to 2016.

On 19 February 2014, the Parent reported, through a relevant event communication and subsequent to a resolution of its Board of Directors, the partial novation of this agreement, under which Atresmedia Corporación de Medios de Comunicación, S.A., with Gamp Audiovisual, S.A. and Imagina Media Audiovisual, S.L., agreed to bring forward and definitively adjust the delivery of the additional ownership interest that would correspond to these companies. Accordingly, on 24 February 2014, ownership interests in Atresmedia

Corporación de Medios de Comunicación, S.A. equal to 2.079% and 1.631% of its share capital, respectively, were delivered with a charge to treasury shares.

The terms and conditions agreed upon in the integration agreement relating to Gala Desarrollos Comerciales, S.L. remain unchanged and, accordingly, it continues to be entitled to receive an additional ownership interest of 0.508% of the share capital of Atresmedia Corporación de Medios de Comunicación, S.A., conditional upon the earnings performance of the Atresmedia Group in the period 2012 to 2016. The delivery of these additional shares will be carried out in full through treasury shares of the Parent and, therefore, does not constitute an additional issue.

"Other Equity Instruments" includes the measurement of the aforementioned consideration at the fair value of the shares whose delivery continues to be deferred. This measurement was calculated on the basis of the forward price of the shares of Atresmedia Corporación de Medios de Comunicación, S.A. on 5 October 2012 taking into account a 0.90% IRS rate and in accordance with management's estimate of the profit for 2012 to 2016 in order to estimate the time of delivery.

12. Provisions and other liabilities

The changes in the short- and long-term provisions in 2014 and 2013 were as follows:

Thousands of euros	**Balance at 31/12/13**	**Provisions**	**Amounts used and payments**	**Excessive provisions**	**Transfers**	**Balance at 31/12/14**
Operating provisions	34,206	36,602	(26,320)	-	-	44,488
Provisions for litigation	27,502	7,107	(7,274)	(4,369)	7,341	30,307
Other provisions	13,642	6,532	(730)	-	(5,895)	13,549
Total provisions	**75,350**	**50,241**	**(34,324)**	**(4,369)**	**1,446**	**88,344**

Thousands of euros	**Balance at 31/12/12**	**Provisions**	**Amounts used and payments**	**Excessive provisions**	**Transfers**	**Balance at 31/12/13**
Operating provisions	35,715	49,928	(50,437)	(1,000)	-	34,206
Provisions for litigation	24,809	6,556	(1,651)	(2,212)	-	27,502
Other provisions	18,668	3,985	(514)	(1,915)	(6,582)	13,642
Total provisions	**79,192**	**60,469**	**(52,602)**	**(5,127)**	**(6,582)**	**75,350**

Short- and long-term provisions in the consolidated balance sheet include, inter alia, operating provisions relating basically to volume rebates paid yearly which accrue over the course of the year, the period additions, use and excessive amounts of which are recognised under "Revenue" in the consolidated income statement.

"Provisions for litigation" relates mainly to the best estimate in this connection. The payment schedule related to litigation is based on court judgments and is therefore difficult to estimate. "Other Provisions" relates mainly to estimated future payments. The period additions, use and excessive amounts of both these types of provisions are recognised under "Other Operating Expenses" in the consolidated income statement.

Also, "Other Non-Current Liabilities" relates mainly to the amounts maturing at more than twelve months of the payables to suppliers of external production rights; these maturities are set on the basis of the availability periods of those rights.

The detail, by maturity, of the items included under "Other Non-Current Liabilities" as of December 31, 2014 is as follows:

Thousands of euros	**2016**	**2017**	**2018**	**Total**
Trade payables	45,639	4,710	42	**50,391**
Other non-current payables	304	-	-	**304**
Other non-current liabilities	45,943	4,710	42	**50,695**

The detail, by maturity, of the items included under "Other Non-Current Liabilities" as of December 31, 2013 was as follows:

Thousands of euros	**2015**	**2016**	**2017**	**2018**	**2019 and subsequent years**	**Total**
Trade payables	52,908	9,383	807	37	-	**63,135**
Other non-current payables	465	10	10	33	5	**523**
Other non-current liabilities	**53,373**	**9,393**	**817**	**70**	**5**	**63,658**

14. Bank borrowings

On 2 August 2013, the Parent Atresmedia Corporación de Medios de Comunicación, S.A. arranged syndicated financing of EUR 270,000 thousand in order to repay the existing bilateral credit facilities, meet the obligations included in the financial structure assumed as a result of the merger by absorption of Gestora de Inversiones Audiovisuales La Sexta, S.A. and to satisfy the Parent's general cash needs. As of December 31, 2014 the limit funding amounted to EUR 235,750 thousand.

74% of the total amount is a four-year loan with partial repayments and the remaining 26% is a revolving credit facility maturing at four years. Nine banks with which the Parent has regular dealings participated in the transaction.

Part of that funding is not provided by cash surpluses generated at the end of the year.

The applicable interest rate is Euribor plus a market spread and the transaction is subject to compliance with financial covenants habitually used in transactions of this kind, relating to the debt to EBITDA ratio and the interest coverage ratio. This transaction was guaranteed by a security interest in all the treasury shares. Under the agreement reached with the former shareholders of La Sexta (see Note 11-a and 11-h), this guarantee was partially released and, consequently, 1,145,594 shares of the Parent remain pledged as security. The fair value of this financing approximates its carrying amount.

The detail of the items included under "Bank Borrowings" at 31 December 2014 and 2013 is as follows:

	2014			2013		
Thousands of euros	**Limit**	**Short-term balance drawn down**	**Long-term balance drawn down**	**Limit**	**Short-term balance drawn**	**Long-term balance drawn down**
Syndicated financing	235,750	37,574	126,331	270,000	2,671	200,129
Interest payable	-	1,432	-	-	3,918	-
Total	**235,750**	**39,007**	**126,331**	**270,000**	**6,589**	**200,129**

The detail at December 31, 2014, by maturity, of the long-term balances drawn down is as follows:

Thousands of euros	2016	2017	Total
Syndicated financing	62,331	64,000	**126,331**

The detail at December 31, 2013, by maturity, of the long-term balances drawn down is as follows:

Thousands of euros	2015	2016	2017	Total
Syndicated financing	36,350	62,602	101,177	**200,129**

14. Derivative financial instruments and other financial liabilities

a) Hedging derivatives

Foreign currency hedges

The Group uses currency derivatives to hedge significant future transactions and cash flows. The instruments purchased are denominated in US dollars.

The Group applies hedge accounting and documents the hedging relationships and measures their effectiveness as required by IAS 39. All these relationships are cash flow hedges of firm commitments, in which the risk hedged is the exposure to the EUR/USD forward exchange rate, which results in variability in the cash flows payable in euros for broadcasting rights.

For 2014, due to the commencement of the period in which the broadcasting rights underlying the hedge will be in force, EUR 635 thousand were capitalised to inventories from equity. For 2013 the amount deducted from equity and recognised as a deduction from inventories was

EUR 52 thousand. The changes in the fair value of the derivatives arranged by the Group depend on the changes in the EUR/USD exchange rate and on the euro interest rate curves.

At 31 December 2014, the Group had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 230,233 thousand, at a weighted average exchange rate of EUR 1.3279/USD 1. At 31 December 2013, the Group had arranged hedging instruments amounting to USD 89,863 thousand, at a weighted average exchange rate of EUR 1.3117/USD 1.

At the end of 2014 and 2013, the total amounts of the outstanding forward currency purchase contracts entered into by the Group were as follows (the maturity dates reflect the time when the hedged items will be recognised and when the value of the hedging derivatives in equity will be adjusted as an increase in/reduction of inventories):

						Fair value (thousands of euros)	
2014	**Classification**	**Type**	**Maturity**	**Amount arranged (thousands of euros)**	**Ineffective portion recognised in profit or loss (thousands of euros)**	**Assets**	**Liabilities**
Currency forwards	Foreign currency hedge	Purchase of USD	2015	151,142	-	11,740	8
Currency forwards	Foreign currency hedge	Purchase of USD	2016	72,103	-	3,982	6
Currency forwards	Foreign currency hedge	Purchase of USD	2017	6,988	-	415	1

						Fair value (thousands of euros)	
2013	**Classification**	**Type**	**Maturity**	**Amount arranged (thousands of euros)**	**Ineffective portion recognised in profit or loss (thousands of euros)**	**Assets**	**Liabilities**
Currency forwards	Foreign currency hedge	Purchase of USD	2014	62,520	-	698	3,025
Currency forwards	Foreign currency hedge	Purchase of USD	2015	7,313	-	-	189
Currency forwards	Foreign currency hedge	Purchase of USD	2016	8,053	-	-	18

At 31 December 2014, the estimated fair value of the Group's foreign currency derivatives, which are designated and effective as cash flow hedges, represented a financial asset of EUR 16,137 thousand and a financial liability of EUR 15 thousand (2013: asset of EUR 698 thousand and liability of EUR 3,232 thousand). This amount was deferred and recognised in equity, taking into account the tax effect.

The valuation method consists of estimating the present value of the future cash flows that will arise under the terms and conditions arranged by the parties for the derivative instrument. The spot price is taken to be the reference exchange rate of the European Central Bank on 31 December 2014, the swap points (offer/bid) and the interest rates prevailing at the valuation date.

The foreign currency derivatives have been arranged in such a way that they are totally effective and, therefore, they are recognised in full in equity until inventories are recognised.

The sensitivity analysis indicates that positive or negative changes of 10% in the spot EUR/USD exchange rate would give rise to changes of approximately EUR 35 million in the fair value of the foreign currency derivatives in 2014 (2013: EUR 14 million). Increases in the value of the euro (depreciation of the US dollar) would increase negative values while decreases in the value of the euro would increase positive values.

Financial instruments measured at fair value must be classified as levels 1 to 3, based on the degree of verification of their fair value. Therefore, fair values derived from quoted prices on active markets will be classified as level 1. Those derived from external information other than quoted prices will be classified as level 2. And values obtained using valuation techniques including data that are not observable in active markets will be classified as level 3. The Group's derivative instruments detailed in this section on "Foreign Currency Hedges" would be classified as level 2.

Interest rate hedges

In August 2013 the Parent arranged interest rate swaps in order to fix the finance cost arising from the floating rates applicable to each of the tranches of the syndicated financing arranged at that date. These swaps expire in August 2017 and the hedged amount is EUR 111,209 thousand, with an fixed interest rate of 1.01% and EUR 20,844 thousand, with an fixed interest rate of 0.71%. At 31 December 2013, the fair value of the swaps amounted to EUR 5 thousand and was recognised as a financial asset.

b) Other current and non-current financial liabilities

The main item under "Other Current Financial Liabilities" relates mainly to the account payable by Gestora de Inversiones Audiovisuales La Sexta, S.A. to its shareholders, which was assumed by the Parent in the merger transaction carried out in 2012. This account payable amounted to EUR 34,687 thousand at 31 December 2013 and bears interest a floating rate tied to Euribor plus a market spread (see Note 22).

In the first halfyear of 2014 this account payable had been fully repaid.

15. Trade and other payables

The detail of trade and other payables in the consolidated balance sheets at 31 December 2014 and 2013 is as follows:

Thousands of euros	2014	2013
Payable to suppliers	339,879	353,236
Payable to associates and related parties (Note 23)	59,178	67,927
Total payable to suppliers	**399,057**	**421,163**
Other accounts payable to public authorities (Note 22-d)	10,669	15,740
Other non-trade payables	16,218	18,330
Customer advances	2,552	3,649
Total other payables	**29,469**	**37,719**

The maximum payment period applicable to the Parent under Law 3/2004, of 29 December, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, was 60 days in 2014 (2013: 60 days).

The detail of the amounts paid and payable at 31 December 2014 is as follows (in thousands of euros):

	Amount	%
Within the maximum payment period	249,896	43%
Remainder	326,033	57%
Total payments made in 2014	**575,929**	
Weighted average period of late payment (in days)	**48**	
Payments at year-end not made in the maximum payment period	**33,215**	

The detail of the amounts paid and payable at 31 December 2013 is as follows (in thousands of euros):

	Amount	%
Within the maximum payment period	230,546	38%
Remainder	371,564	62%
Total payments made in 2013	**602,110**	
Weighted average period of late payment (in days)	**47**	
Payments at year-end not made in the maximum payment period	**38,355**	

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

16. Other guarantee commitments to third parties and contingent assets and liabilities

a) Guarantee commitments to third parties

The detail of the guarantees provided by the Group to banks for third- and related parties is as follows:

Thousands of euros	2014	2013
Group companies and associates	2,641	5,466
Other guarantees	10,985	13,868
Total	**13,626**	**19,334**

The Parent’s directors consider that any liabilities not foreseen at 31 December 2014 that might arise from the guarantees provided would not be material.

b) Contingent liabilities

At 31 December 2014, certain civil, labour, criminal and administrative lawsuits had been filed against the Group companies, which were taken into account in estimating potential contingent liabilities. Noteworthy, in view of their amount, were the lawsuits with certain collection societies.

The directors of the Parent and its legal advisers do not expect any material liabilities additional to those already recorded to arise from the outcome of the lawsuits in progress.

c) Litigation

In 2014 there were no significant changes in lawsuits and no new litigation proceedings deemed significant were brought against the Group, except as indicated in Note 1 in respect of the decision of the Supreme Court.

17. Risk management policy

The Group has a risk management and control system in place which is periodically reviewed and updated based on the changes in the Group's business activities, the materialisation of risks, legislative developments and the organisation's own development.

This risk management and control system is a tool to aid in management decision-making and to effectively manage risks by identifying and implementing the controls and actions plans, if any, that are necessary for all the identified risks, thereby improving the ability to generate value and minimising any impact that may arise from the materialisation of any risk.

Risk analysis and control affects all Group businesses and activities and also involves all organisational units. It is therefore a corporate risk management and control system in which the entire organisation actively participates and which is managed and overseen by the Board of Directors, with the functions that are granted in this regard to the Audit Committee and the coordination and participation of the Regulatory Compliance Committee and, in particular, the Legal area in risk management and compliance controls, the Finance area in relation to financial risks and the set of controls that compose the System of Internal Control over Financial Reporting and, lastly, the Internal Audit and Process Control area in the coordination and supervision of the overall functioning of the risk management system.

The Group has the tools and the organisation necessary to ensure the effectiveness of the approved control procedures.

a) Credit risk

The Group does not have significant credit risk since the average customer collection period is very short and guarantees are required for deferred payment sales. Cash placements are made and derivative instruments are arranged with institutions of recognised solvency.

The advertising contract terms enable bank guarantees to be demanded prior to the launch of advertising campaigns. Also, it should be noted that the Group does not have a significant concentration of credit risk exposure to third parties and no noteworthy incidents arose in 2014. The percentage of past-due receivables at 31 December 2014 was 5.2%.

The Corporate Governance Report includes an extensive summary of the risk control systems.

b) Liquidity risk

The Group's liquidity policy is to arrange credit lines and short-term investments that are sufficient to support its financing needs, on the basis of expected business performance. All of the foregoing are tied to floating interest rates (see Note 13).

c) Market risk (including interest rate and foreign currency risk)

Both the Group's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows. The Group's financing is arranged at interest rates tied to Euribor. In view of the bank borrowings at 31 December 2014, changes of 100 basis points in the total cost borne would give rise to a +/- EUR 2 million change in the debt at that date. To mitigate this risk, the Parent has arranged interest rate swaps to limit the finance costs arising from its floating-rate borrowings (see Note 14).

Foreign currency risk is concentrated at the Parent and relates basically to the payments to be made in international markets to acquire broadcasting rights. In order to mitigate foreign currency risk, the Parent arranges hedging instruments, mainly currency forwards, to hedge its exposure to the EUR/USD forward exchange rate. Sensitivity to changes in the exchange rate is described in Note 14.

18. <u>Income and expenses</u>

a) Operating income

The breakdown, by line of business and geographical market, of the Group's revenue for 2014 and 2013 is as follows:

Thousands of euros	2014	2013
Advertising sales	858,017	800,482
Other sales	29,578	28,116
Trade and other discounts	(37,704)	(32,824)
Total	**849,891**	**795,774**

In 2014 transactions exceeding 10% of total operating income were performed with three customers (media buyers grouping together advertising orders of various advertisers), which represented 19% and 18% (individually) and 37% (as an aggregate) of total advertising sales.

In 2013 transactions exceeding 10% of total operating income were performed with three customers (media buyers grouping together advertising orders of various advertisers), which represented 17%, 16% and 13% (individually) and 46% (as an aggregate) of total advertising sales.

The breakdown, by geographical market, of the Group's revenue for 2014 and 2013 is as follows:

Thousands of euros	2014	2013
Spain	845,147	791,772
Other EU countries	3,298	2,345
Other non-EU countries	1,446	1,657
Total	**849,891**	**795,774**

b) Programme amortisation and other procurements

The detail of “Programme Amortisation and Other Procurements” is as follows:

Thousands of euros	2014	2013
External production services	215,563	221,961
Broadcasting of in-house productions	221,154	208,767
Programme broadcasting rights	165,364	163,338
Live broadcasting rights	36,706	48,513
Performances and contributions of entertainers	13,219	11,378
Other amortisation	5,449	6,102
Other purchases	-	-
Addition to programme rights	(209,335)	(211,572)
Total	**448,120**	**448,487**

“Addition to Programme Rights” reflects the expenses incurred in making programmes. In accordance with the Parent’s procedures, these expenses are capitalised and subsequently amortised in accordance with the policies described in Note 3-f.

c) Staff costs

The detail of “Staff Costs” is as follows:

Thousands of euros	2014	2013
Wages and salaries	98,251	90,236
Social security costs	18,697	17,805
Other staff costs	2,399	2,839
Total	**119,347**	**110,880**

In 2014 remuneration in the form of salaries and life insurance premiums of senior executives who are not directors amounted to EUR 6,391 thousand and EUR 34 thousand, respectively (2012: EUR 6,957 thousand and EUR 31 thousand, respectively).

The Parent has not granted any loans or advances to its senior executives and it does not have any supplementary pension, retirement bonus or special indemnity obligations to them in their capacity as executives.

The average number of Group employees in 2014, by gender and professional category, was as follows:

Professional category	2014	
	Women	Men
Senior executives	3	17
Managers	76	159
Line personnel	539	596
Clerical staff	121	25
Other	120	83
Total	**856**	**880**

The number of Group employees at 2014 year-end, by gender and professional category, was as follows:

Professional category	2014	
	Women	Men
Senior executives	3	17
Managers	77	159
Line personnel	547	580
Clerical staff	122	25
Other	140	82
Total	**886**	**863**

The number of senior executives includes two directors (both men).

The detail, by professional category, of the average number of employees in 2014 with a disability of more than 33% is as follows:

Professional category	2014
Managers	2
Line personnel	15
Clerical staff	15
Other	4
Total	**36**

d) Other operating expenses

The detail of "Other Operating Expenses" in the consolidated income statement is as follows:

Thousands of euros	2014	2013
Operating leases and charges	64,382	71,042
Work performed by other companies	42,115	41,179
Copyrights	39,858	30,990
Communications	10,324	10,765
Advertising and publicity	7,343	6,386
Other overheads	24,068	29,907
Total	**188,090**	**190,269**

"Operating Leases and Charges" in the accompanying consolidated income statement includes mainly the charge for the distribution of the audiovisual signal and the television operators' contribution to the financing of Corporación RTVE.

e) Other disclosures

The fees for audit services provided to the various companies composing the Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries Group by the principal auditor, Deloitte, S.L., and by other entities related thereto in 2014 amounted to EUR 261 thousand (2013: EUR 247 thousand). The fees for audit-related services in 2014 amounted to EUR 4 thousand (2013: EUR 4 thousand).

Also, the fees for other professional services provided to the various Group companies by the principal auditor and by other entities related thereto amounted to EUR 83 thousand (2013: EUR 36 thousand). No tax advisory services were provided in 2014 or in 2013.

The Annual Corporate Governance Report includes a description of the work of the Audit Committee and an explanation of the manner in which the objectivity and independence of the auditor is guaranteed when the auditors provide non-audit services.

19. Other gains/losses

a) Net gain (loss) due to changes in the value of financial instruments at fair value

"Net Gain (Loss) due to Changes in the Value of Financial Instruments at Fair Value" in the consolidated income statement includes mainly the net gain (loss) due to the change in fair value of the hedging instruments detailed in Note 14 to these consolidated financial statements and the gain on the held-for-trading financial asset at year-end (see Note 8).

b) Exchange differences

"Exchange Differences" includes the exchange differences arising from the Group's commercial transactions, relating mainly to the purchase of audiovisual productions in foreign currencies.

c) Financial loss

"Financial Loss" in the consolidated income statement for 2014 includes mainly the interest expense on bank borrowings and on the debt payable to the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. At 31 December 2014, finance costs amounted to EUR 13,459 thousand and finance income amounted to EUR 1,669 thousand (31 December 2013: EUR 16,436 thousand and EUR 759 thousand, respectively).

d) Impairment and gains or losses on disposals of financial assets

"Impairment of Financial Assets" and "Gains (Losses) on Disposals of Financial Assets" in the consolidated income statement include, on the one hand, the impairment losses recognised in the year on financial assets, which were determined on the basis of an analysis of the recoverability of these investments, including investments in companies accounted for using the equity method, and, on the other hand, the net gains or losses arising from the disposal of these assets and assets held for sale.

At December 31, 2014, the amount recorded under "Impairment of financial assets" is primarily related to impairment arising from the adjustment to fair value of long term investments in equity instruments (see Note 8).

At 31 December 2013, the amount included under "Impairment of Financial Assets" is related to the impairment of the investment in Audiovisual Española 2000, S.A.

20. Business and geographical segments

Basis of segmentation

Segment reporting is structured on the basis of the Group's various business lines at the end of 2014 and 2013, taking into account, on the one hand, the nature of the services provided and, on the other, the customer segments targeted by them.

In 2014 and 2013 the Group focused its business activities on the following major business lines in Spain:

- Television
- Radio
- Other businesses, the most noteworthy of which are event management and audiovisual production

Thousands of euros	Television		Radio		Other businesses		Adjustments and eliminations between segments		Atresmedia consolidated	
INCOME STATEMENT	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Revenue and other income, net	785,331	728,699	81,225	80,549	27,176	28,289	(10,506)	(7,747)	883,226	829,790
Operating expenses (excluding depreciation and amortisation	681,930	676,605	63,647	63,588	20,486	17,190	(10,506)	(7,747)	755,557	749,636

GROSS PROFIT FROM OPERATIONS	**103,401**	**52,094**	**17,578**	**16,961**	**6,690**	**11,099**	**-**	**-**	**127,669**	**80,154**
Depreciation and amortisation charge, impairment and gains or losses on disposals of non-current	14,202	14,434	1,789	2,651	446	190	-	-	16,437	17,275
Gains on bargain purchases arising on business combinations	-	-	-	-	-	-	-	-	-	-
PROFIT (LOSS) FROM OPERATIONS	**89,199**	**37,660**	**15,789**	**14,310**	**6,244**	**10,909**	**-**	**-**	**111,232**	**62,879**
Net gain (loss) due to changes in the value of financial instruments at fair value	18,958	(952)	-	-	-	-	-	-	18,958	(952)
Exchange differences	(19,463)	6,475	-	-	13	(59)	-	-	(19,450)	6,416
Financial profit (loss)	(7,093)	(10,268)	(3,747)	(4,209)	(950)	(1,200)	-	-	(11,790)	(15,677)
Impairment of financial assets	-	-	-	-	(1,405)	(3,786)	-	-	(1,405)	(3,786)
Gains (losses) on disposals of financial assets	-	-	-	-	-	-	-	-	-	-
Share of results of associates and joint ventures accounted for using the equity method	(29)	13	-	-	(2,189)	(1,086)	-	-	(2,218)	(1,073)
PROFIT (LOSS) BEFORE TAX	**81,572**	**32,928**	**12,042**	**10,101**	**1,713**	**4,778**	**-**	**-**	**95,327**	**47,807**
Income tax	43,472	(744)	3,869	1,814	1,334	683	-	-	48,675	1,753
PROFIT (LOSS) AFTER TAX	**38,100**	**33,672**	**8,173**	**8,287**	**379**	**4,095**	**-**	**-**	**46,652**	**46,054**

Thousands of euros	**Television**		**Radio**		**Other businesses**		**Adjustments and eliminations between segments**		**Atresmedia consolidated**	
BALANCE SHEET	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
ASSETS										
Segment assets	1,351,850	1,381,177	222,199	222,838	170,132	111,601	(530,364)	(455,166)	1,213,853	1,260,450
Investments accounted for using the equity method	209	130	-	-	45	416	-	-	254	546
TOTAL ASSETS	**1,352,059**	**1,381,307**	**222,199**	**222,838**	**170,177**	**112,017**	**(530,364)**	**(455,166)**	**1,214,107**	**1,260,996**
EQUITY AND LIABILITIES										
Segment liabilities	1,352,059	1,381,307	222,199	222,838	170,177	112,017	(530,364)	(455,166)	1,214,107	1,260,996
TOTAL EQUITY AND LIABILITIES	**1,352,059**	**1,381,307**	**222,199**	**222,838**	**170,177**	**112,017**	**(530,364)**	**(455,166)**	**1,214,107**	**1,260,996**

21. <u>Tax matters</u>

a) Consolidated tax group

Pursuant to current legislation, the consolidated tax group includes Atresmedia Corporación de Medios de Comunicación, S.A., as the Parent, and the Spanish subsidiaries that meet the requirements provided for in Spanish legislation regulating the taxation of the consolidated profits of corporate groups (in which an ownership interest of more than 75% is held).

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

Pursuant to Spanish Corporation Tax Law 43/1995, of 27 December, on 26 December 2000, Atresmedia Corporación de Medios de Comunicación, S.A. notified the Madrid tax authorities of its decision to file consolidated income tax returns. Application of the consolidated tax regime shall be considered indefinite provided that the requirements established in the current Article 67 of the Consolidated Spanish Corporation Tax Law are met and the Group does not opt to cease to apply the regime. The filing of consolidated tax returns gives rise to reciprocal intra-Group balances, due to the offset of the losses incurred by certain companies against the profit earned by other Group companies.

On 16 December 2011, the joint merger agreement entered into on 30 June 2011 was executed in a public deed; under this agreement, Publicidad 3, S.A.U. absorbed Antena de Radiodifusión, S.A.U., Medipress Valencia, S.A.U., Canal Radio Baleares, S.L.U., Radio Media Aragón, S.L.U., Canal Radio Madrid, S.L.U., Canal Radio Valencia, S.L.U. and Uniprex, S.A.U., which simultaneously and in the same act absorbed Radio Noticias Noventa, S.A.U., Radio Sistemas Radiofónicos Cinco, S.L.U. and Rkor Radio, S.L.U. in a preliminary phase.

The resolution to change the resulting company's name to Uniprex, S.A.U. is contained in the aforementioned deed.

Consequently, the new company Uniprex, S.A.U. acquired the assets and liabilities of the absorbed companies, which were dissolved without liquidation, in accordance with their balance sheets, whose assets and liabilities were transferred en bloc to the absorbing company.

The merger goodwill, which amounted to EUR 65,172 thousand for tax purposes may be amortised at an annual rate of 1% in 2014 and 2015, as defined in Article 2.2nd.4.2 of Royal Decree-Law 16/2013, of 29 October, introducing measures in environmental taxaion matters and adopting tax and financial measures, and the 34th DT d) of Law 27/2014 on Corporate Tax, respectively and twentieths parts from 2016 regardless of it being recorded. This amortisation is deductible for tax purposes. The merger goodwill for tax purposes does not coincide with that recognised for accounting purposes (see Note 4).

On 5 June 2009, the public deed was executed of the agreement for the merger by absorption of Radio Tormes, S.A. (Sole-Shareholder Company), Radio Alamedilla, S.A. (Sole-Shareholder Company), Compañía Tres Mil Ochocientos, S.L. (Sole-Shareholder Company), La Veu de LLeida, S.L. (Sole-Shareholder Company), Grupo Universal de Emisoras Radio Amanecer, S.A. (Sole-Shareholder Company), Ondadit, S.L. (Sole-Shareholder Company) and Unión Ibérica de Radio, S.A. (Sole-Shareholder Company) into the sole shareholder Uniprex, S.A. (Sole-Shareholder Company) through the dissolution without liquidation of the absorbed companies and the transfer en bloc of their assets and liabilities to Uniprex, S.A. (Sole-Shareholder Company), the absorbing company, which acquired them by universal succession and was subrogated to all the rights and obligations of the absorbed companies, as stipulated in Article 233 of the Spanish Public Limited Liability Companies Law. The date from which the transactions of the absorbed companies are considered to have been performed for accounting and tax purposes by the absorbing company was taken to be 1 January 2009.

The merger gave rise to the merger goodwill shown in Note 5, which differs from the merger goodwill for tax purposes calculated and amortised as provided for in Article 89.3 of the Consolidated Spanish Corporation Tax Law.

On 31 October 2012, the merger by absorption of Gestora de Inversiones Audiovisuales La Sexta ("La Sexta") into Antena 3 de Televisión was registered at the Mercantile Registry of Madrid.

As a result of the merger, Antena 3 de Televisión acquired all the assets and liabilities of La Sexta by universal succession and was subrogated to all the rights and obligations of the absorbed company.

The merger became effective for accounting purposes on 5 October 2012.

The Company opted to avail itself of the special tax regime for mergers, spin-offs, asset contributions and security exchanges provided in Title VII, Chapter VIII of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

In the process of allocating the price of the business combination to assets and liabilities, the La Sexta trademark and the La Sexta multiplex operating licence were identified. The trademark will be amortised for accounting purposes over 20 years and the licence is considered to have an indefinite useful life.

On 8 November 2013 the merger, whereby Estaciones Radiofónicas de Aragón, S.A. (Sole-Shareholder Company), Ipar Onda, S.A. (Sole-Shareholder Company), Onda Cero, S.A. (Sole-Shareholder Company) and Radio Media Galicia, S.L. (Sole-Shareholder Company) were absorbed by Uniprex, S.A. (Sole-Shareholder Company) and dissolved without liquidation, was executed in a public deed, which also reflected the approval of the balance sheet for the year ended 31 December 2012 as the merger balance sheet.

Merger goodwill for tax purposes amounted to EUR 554 thousand (EUR 260 thousand of Ipar Onda, S.A. and EUR 295 thousand of Radio Media Galicia, S.L.) and is being amortised at an annual rate of 5%, regardless of the rate at which the related amortisation is charged to profit or loss for accounting purposes. This amortisation is deductible for tax purposes (see Note 5).

On 3 November 2014, the merger, whereby Publiseis Iniciativas Publicitarias was absorbed by Atres Advertising, S.L.U. and dissolved without liquidation, was executed in a public deed subsequent to the sale of the ownership interest by Atresmedia Corporación to its subsidiary. In addition, the balance sheet for the year ended 31 December 2013 was approved as the merger balance sheet. The company availed itself of the special merger regime provided for in Title VII, Chapter VIII of the Consolidated Spanish Corporation Tax Law.

b) Reconciliation of the accounting profit to the income tax expense

The reconciliation of the accounting profit to the income tax expense is as follows:

Thousands of euros	2014	2013
Consolidated profit before tax	**95,327**	**47,807**
Permanent differences	4,769	7,312
Tax losses incurred prior to the formation of the tax group used in 2013	(9)	(4,029)
Adjusted profit (loss)	**100,087**	**51,090**
Tax rate	30.00%	30.00%
Adjusted profit (loss) multiplied by tax rate	30,026	15,327
Tax credits	(13,158)	(13,198)

Current income tax expense (benefit)	16,868	2,129
Deferred tax expense	(1,426)	(87)
Income tax adjustment	33,233	(289)
Total tax expense (benefit)	**48,675**	**1,753**
Effective tax rate	**51.06%**	**3.67%**

The 2013 permanent differences include mainly negative consolidation differences (EUR 1,661 thousand) and, with a positive sign, non-deductible impairment losses on equity instruments (EUR 5,781 thousand), other non-deductible expenses (EUR 361 thousand) and donations (EUR 287 thousand).

The negative consolidation differences arise from changes in the scope of consolidation (EUR 22 thousand), the share of results of companies accounted for using the equity method (EUR 2,218 thousand), increased amortisation of the trademark under IFRSs (EUR 289 thousand) and accounting elimination differences (- EUR 4,167 thousand).

The tax credits indicated in the table above were earned by the Group in 2013 for investment in audiovisual production and donations to not-for-profit organisations (EUR 13,073 thousand and EUR 85 thousand, respectively).

"Income Tax Adjustment" includes the difference between the projected income tax expense recognised in 2013 and the effective tax return filed (- EUR 1,242 thousand) and the effect on profit or loss of the tax rate, provided for in Spanish Corporation Tax Law 27/2014, of 27 November, effective from 1 January 2015, which establishes, among other changes, a change in the income tax rate to 28% in 2015 and 25% in 2016 and subsequent years.

This change affects the balances of "Deferred Tax Assets" and "Deferred Tax Liabilities", which must be adjusted to the tax rates at which are expected to be reversed.

Accordingly, the Company made an adjustment of EUR 34,475 thousand with a charge to "Adjustments to Income Tax" arising from the calculation of the balance of "Deferred Tax Assets" (deferred tax assets and tax loss carryforwards, see Table 21-e) and "Deferred Tax Liabilities" (see Table 21-e) at the 28% rate and a subsequent calculation of these balances at 25% based on the Company's best estimate of the recovery of tax assets in future years.

"Deferred Tax Expense" relates to the tax effect of the deferred tax liability under IFRSs (see Note 21-e) amounting to EUR 1,426 thousand, of which EUR 1,340 thousand relate to the effect of the tax rate.

Accordingly, of the total adjustment in this connection (EUR 33,135 thousand), EUR 34,475 thousand are recognised under "Adjustments to Income Tax" and a negative figure of EUR 1,340 thousand is recognised under "Deferred Tax Expense".

c) Reconciliation of the accounting profit to the taxable profit

The reconciliation of the accounting profit to the taxable profit for income tax purposes for 2014 and 2013 is as follows:

Thousands of euros	2014	2013
Accounting profit after tax	**46,652**	**46,054**

Income tax	48,675	1,753
Permanent differences –	4,769	7,312
Temporary differences –	13,134	(18,751)
Offset of prior years' tax losses	(28,313)	(5,172)
Taxable profit	**84,917**	**31,196**
Tax rate	30,00%	30.00%
Gross tax payable	**25,475**	**9,359**
Tax credits used in 2013	(6,704)	(3,002)
2013 tax prepayments	(19,739)	(7,004)
Tax payable (refundable)	**(968)**	**(647)**

The 2014 temporary differences include additions of EUR 24,038 thousand and reductions of EUR 19,716 thousand (see Note 21-e).

Additions break down into deferred tax assets of EUR 32,059 thousand and deferred tax liabilities of EUR 791 thousand, while reductions include deferred tax assets of EUR 18,725 thousand and deferred tax liabilities of EUR 991 thousand.

d) Tax receivables and payables

The detail of the tax receivables and payables at 31 December 2014 and 2013 is as follows:

Thousands of euros	2014	2013
NON-CURRENT ASSETS		
Deferred tax assets (Note 22-e)	21,132	20,456
Tax loss carryforwards (Note 22-g)	177,485	221,363
Unused tax credits and tax relief	103,349	85,364
	301,966	**327,183**
CURRENT ASSETS		
Income tax refundable	1,247	911
2013 income tax refundable (Note 22-c)	968	647
Other tax receivables	10	26
VAT refundable	3,815	2,906
	6,040	**4,490**
Total tax receivables	**308,006**	**331,673**
OTHER NON-CURRENT LIABILITIES		
Deferred tax liabilities (Note 22-e)	**26,097**	**31,345**
CURRENT LIABILITIES		
Tax withholdings payable	4,670	4,044
Accrued social security taxes payable	2,012	1,881
VAT payable	4,017	9,815
	10,699	**15,740**
Total tax payables	**36,769**	**47,085**

On the basis of the timing estimate of future profits made by the Parent's directors for the offset and use of these tax items, only EUR 15,562 thousand were considered to be recoverable in the tax return for the coming year, EUR 2,985 thousand of which relate to deferred taxes, EUR 5,390 thousand to unused tax credits and tax relief and EUR 7,187 thousand to tax loss carryforwards.

e) Deferred tax assets recognised

The difference between the tax charge allocated to the current year and to prior years and the tax charge already paid or payable for such years, which is recognised under deferred tax assets, arose as a result of temporary differences derived from the following items:

CHANGES IN DEFERRED TAX ASSETS Thousands of euros	**Balance at 31/12/12**	**Additions**	**Disposals**	**Other**	**Balance at 31/12/13**	**Transfers**	**Additions**	**Disposals**	**Other**	**Tax Effect**	**Balance at 31/12/14**
4Contingencies and charges	12,275	3,620	(4,027)	521	12,389	203	6,221	(3,323)	77	(1,561)	14,006
Non-current accounts payable	2,228	5	(982)	(644)	607	181	300	(795)	568	(144)	717
Hedging instruments	(209)	-	(152)	-	(361)	-	(571)	-	-	155	(777)
Tax effect of assets at fair value	9,483	-	(6,845)	(97)	2,541	-	-	(1,287)	-	(724)	530
Other	2,266	3,349	(611)	276	5,280	(384)	3,097	(212)	627	(1,752)	6,656
Total	**26,043**	**6,974**	**(12,617)**	**56**	**20,456**	**-**	**9,047**	**(5,617)**	**1,272**	**(4,026)**	**21,132**

The changes in deferred tax assets, included in the "Other" column, include most notably the difference between the projected income tax expense for 2012 and the tax return actually filed.

At 31 December 2013, the Group had recognised unused tax credits amounting to EUR 103,469 thousand, of which EUR 4,801 thousand relate to La Sexta.

Amount	**Limit**
1,794	2024
19,458	2025
26,166	2026
18,971	2027
12,955	2028
24,126	2029
103,469	

In 2014 the Group acquired ownership interests of 40% and 14% in the Enelmar Productions economic interest grouping (EIG) and Producciones Ramsés economic interest grouping (EIG), respectively.

Under Transitional Provision 37 of Spanish Corporation Tax Law 27/2014, companies subject to the limit on the depreciation and amortisation charge established in Article 7 of Law 16/2012, of 27 December, adopting various tax measures aimed at shoring up public finances and boosting economic activity, will be entitled to a tax credit, to be deducted from the gross tax payable, of 5% of the taxable profit, arising from the depreciation and amortisation not deducted in the tax periods commencing in 2013 and 2014.

The tax credit earned at Group level in this connection is EUR 820 thousand and was credited to "Adjustments to Income Tax".

In 2014 the Group acquired ownership interests of 40% and 14% in the Enelmar Productions economic interest grouping (EIG) and Producciones Ramsés economic interest grouping (EIG), respectively.

In view of the particular nature of income taxation of EIGs (including the assignation of tax credits and tax losses to the partners), deferred tax assets amounting to EUR 10,724 thousand were generated at the Group.

Under Transitional Provision 37 of the Spanish Corporation Tax Law 27/2014, companies subject to the limit on the depreciation and amortisation charge established in Article 7 of Law 16/2012, of 27 December, adopting various tax measures aimed at shoring up public finances and boosting economic activity, will be entitled to a tax credit, to be deducted from the gross tax payable, of 5% of the taxable profit, arising from the depreciation and amortisation not deducted in the tax periods commencing in 2013 and 2014.

The tax credit earned at the Company in this connection is EUR 820 thousand and was credited to "Adjustments to Income Tax".

Of the total tax credits, EUR 120 thousand were not recognised.

The changes in "Deferred Tax Liabilities" were as follows:

DEFERRED TAX LIABILITIES Thousands of euros	**Balance at 31/12/11**	**Additions**	**Disposals**	**Balance at 31/12/12**	**Additions**	**Disposals**	**Other**	**Tax Effect**	**Balance at 31/12/13**
Recognition of intangible assets at fair value	31,238	-	(324)	30,914	-	(324)	-	(5,051)	25,539
Grants	250	-	(191)	59	-	(48)	96	(13)	94
Amortisation of merger goodwill	-	372	-	372	297	-	(76)	(129)	464
Total	**31,488**	**372**	**(515)**	**31,345**	**297**	**(372)**	**20**	**(5,193)**	**26,097**

"Hedging Instruments" in the "Deferred Tax Assets" table is not included in the temporary differences or deferred tax assets in the tables in Note 22-c) since for tax purposes they are recognised directly in equity.

The "Recognition of Intangible Assets at Fair Value" deferred tax liability relates to the temporary difference arising as a result of the difference between the carrying amount and the tax base of the identified trademark and signal broadcasting licence (IAS 12).

The trademark is amortised for accounting purposes at a rate of 5%, the amortisation charge in 2014 being EUR 1,079 thousand.

The amortisation is not deductible for tax purposes and, therefore, gives rise to a positive adjustment to the taxable profit which is recognised as a deferred tax liability.

The different interpretation provided under International Financial Reporting Standards, as compared with local accounting standards, in relation to the recognition of intangible assets at fair value, gives rise to a greater deferred tax liability under IFRSs than that recognised in accordance with the Spanish National Chart of Accounts, to which the income tax legislation is not applicable.

On the basis of the timing estimate of future profits made by the Parent's directors for the offset and use of these deferred tax assets, EUR 18,147 thousand were considered to be recoverable in the long term while EUR 2,985 thousand were considered to be recoverable in the short term. Both amounts are recognised under "Deferred Tax Assets".

Also, on the basis of the aforementioned timing estimate of future profits, the directors consider that there are no reasonable doubts as to the recovery of the amounts recognised in the accompanying balance sheet within the statutory time periods and limits on the basis of the projections prepared.

The key assumptions on which these projections are based relate mainly to advertising markets, audience, advertising efficiency ratios and the evolution of expenses. Except for advertising, the data of which are measured on the basis of external sources of information, the assumptions are based on past experience and reasonable projections approved by Parent management and updated in accordance with the performance of the advertising markets. These future projections cover the next ten years.

The Group analyses the sensitivity of the projections to reasonable changes in the key assumptions used to determine the recoverability of these assets. Therefore, the sensitivity analyses are prepared under various scenarios based on the variables that are considered to be most relevant, i.e. advertising income, which depends mainly on the performance of the advertising market, the investment share reached and the operating margin achieved. The discount rate used ranges from 9% to 10%.

f) Tax recognised in equity

In addition to the income tax recognised in the consolidated income statement, in 2014 and 2013 the Group recognised the following amounts in consolidated equity:

Thousands of euros	2014	2013
Hedging instruments	(932)	(361)
Total	**(932)**	**(361)**

g) Other information

In 2009 the Company acquired non-current assets as required under the terms established in Article 36.ter of the Spanish Corporation Tax Law as amended in Law 24/2001, for the reinvestment of the extraordinary income obtained by the Company arising from the transfer of the ownership interest in Gloway Broadcasting Services, S.L. This ownership interest met the requirements set forth in Article 42 of this Law.

The Company used these tax credits in 2011.

The aforementioned non-current assets continue to be held in use at Atresmedia Corporación in accordance with Article 42.8 of Spanish Corporation Tax Royal-Decree Law 4/2004.

Following is a detail of the last years for offset of prior years' tax loss carryforwards at 31 December 2014. EUR 177,485 thousand of these carryforwards have been recognised, of which EUR 177,064 thousand were transferred to Atresmedia Corporación from the absorbed company, Gestora de Inversiones Audiovisuales La Sexta, as a result of the universal succession of the former to the rights and obligations of the transferor arising from the application of the special tax regime for mergers, spin-offs, asset contributions and security exchanges provided for in Title VII, Chapter VIII of the Consolidated Spanish Corporation Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

Pending at 31/12/2013	Additions	Other	Tax Effect	Thousand euros
46	-	-	-	46
9	(3)	-	-	6
10	-	-	-	10
1	-	-	-	1
1	-	-	-	1
58,166	(8,491)	-	(7,509)	42,166
45,185	-	-	(7,531)	37,654
38,301	-	-	(6,383)	31,918
34,758	-	-	(5,793)	28,965
10,054	-	-	(1,675)	8,379
18,570	-	-	(3,095)	15,475
15,950	-	(459)	(2,595)	12,896
505	-	-	-	505
498	-	-	(82)	416
222,054	**(8,494)**	**(459)**	**(34,663)**	**178,438**

22. Related party transactions

Transactions between the Parent and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note. Balances and transactions between the Group and its associates and other related companies are disclosed below:

Balances at 31/12/14	Thousands of euros				
	Trade receivables (Note 10)	Current trade payables (Note 15)	Current receivables	Non-current payables	Current payables
Associates:					
Atlantis Global Solutions, S.L.	25	-	-	-	-
Fundación Antena3	22	-	-	-	1,280
Hola Televisión América, S.L.	119	-	5,305	-	-
I3 Televisión, S.L.	79	898	-	-	-
Total associates	**521**	**1,048**	**5,305**	**-**	**1,280**
Related companies:					
Gamp Audiovisual, S.A.	-	-	-	-	-
Gala Desarrollos Comerciales, S.L.	-	-	-	-	-
Imagina Media Audiovisual, S.L.	-	112	-	-	-
Imagina Group	44,624	52,263	-	7	-
Planeta - De Agostini Group	2,762	5,512	44	-	-
RTL Group	-	147	-	-	-

PCsoporte Consultores, S.L.	137	96	-	-	-
Total related companies	**47,523**	**58,130**	**44**	**7**	**-**

Balances at 31/12/13	Thousands of euros				
	Trade receivables (Note 10)	Current trade payables (Note 15)	Current receivables	Non-current payables	Current payables
Associates:					
Atlantis Global Solutions, S.L.	25	-	-	-	607
Fundación Antena3	60	-	-	-	-
Hola Televisión América, S.L.	119	-	2,450	-	-
I3 Televisión, S.L.	28	784	-	-	-
Total associates	**232**	**784**	**2,450**	**-**	**607**
Related companies:					
Gamp Audiovisual, S.A.	-	-	-	-	18,029
Gala Desarrollos Comerciales, S.L.	-	-	-	-	2,516
Imagina Media Audiovisual, S.L.	-	130	-	-	14,142
Imagina Group	34,963	59,550	-	7	-
Planeta - De Agostini Group	2,799	7,011	44	-	-
RTL Group	201	406	-	-	-
PCsoporte Consultores, S.L.	-	46	-	-	-
Total related companies	**37,963**	**67,143**	**44**	**7**	**34,687**

Transactions at 31/12/14	Thousands of euros		
	Sales	Purchases, acquisition of rights and other services	Finance costs
Associates:			
Fundación Antena3	37	35	12
Hola Televisión América, S.L.	652	150	-
I3 Televisión, S.L.	-	4,487	-
Total associates	**689**	**4,672**	**12**
Related companies:			
Gamp Audiovisual, S.A.	-	-	222
Gala Desarrollos Comerciales, S.L.	-	-	31
Imagina Media Audiovisual, S.L.	-	1,332	174
Imagina Group	177,736	115,655	-
Planeta - De Agostini Group	1,474	4,393	-
RTL Group	157	59	-
PCsoporte Consultores, S.L.	689	1,174	-
Total related companies	**180,056**	**122,614**	**427**

In addition to these transactions, in 2014 the Group sold and purchased advertising space to and from related companies, amounting to EUR 3,843 thousand and EUR 1,332 thousand, respectively, through advertising agencies.

Transactions at 31/12/13	Thousands of euros		
	Sales	Purchases, acquisition of rights and other services	Finance costs
Associates:			
Atlantis Global Solutions, S.L.	21	-	-
Cordina Planet, S.L.	-	37	-
Fundación Antena3	75	230	9
Hola Televisión América, S.L.	72	-	-
I3 Televisión, S.L.	-	3,755	-
Total associates	**168**	**4,022**	**9**
Related companies:			
Gamp Audiovisual, S.A.	-	-	1,797
Gala Desarrollos Comerciales, S.L.	-	-	251
Imagina Media Audiovisual, S.L.	-	95	1,413
Imagina Group	141,921	76,284	-
Planeta - De Agostini Group	860	2,610	-
RTL Group	671	291	-
PCsoporte Consultores, S.L.	-	33	-
Total related companies	**143,452**	**79,313**	**3,461**

In addition to these transactions, in 2013 the Group sold and purchased advertising space to and from related companies, amounting to EUR 3,298 thousand and EUR 1,309 thousand, respectively, through advertising agencies.

23. Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to the Group by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

Accordingly:

	2014	2013
Net profit for the year (thousands of euros)	46,730	46,054
Weighted average number of shares outstanding (thousands of shares)	225,733	225,733
Basic earnings per share (euros)	**0,207**	**0.204**

The diluted earnings per share coincide with basic earnings per share since there are no equity instruments with a dilutive effect.

24. Proposed distribution of profit

The Parent's directors will propose to the shareholders at the Annual General Meeting that the profit for 2014 be distributed as follows:

Thousands of euros	2014
Interim Dividends paid in 2014 (0.10 EUR/share)	22,341
To voluntary reserves	28,892
Total	**45,233**

At the Company's Board of Directors meeting held on 19 November 2014 it was resolved to distribute out of the Company's profit for 2014 a gross amount of ten euro cents (EUR 0.10) for each of the shares entitled to receive this interim dividend, implying a total dividend of EUR 22,341 thousand, which were recognised under "Equity - Interim Dividend" in the accompanying consolidated balance sheet.

The provisional accounting statement prepared in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the dividends is as follows:

LIQUIDITY STATEMENT FOR THE PAYMENT OF THE 2014 INTERIM DIVIDEND

	Thousands of euros
Liquidity at 31 October 2014	**88,843**
Projected cash until 31 December 2014:	
Current transactions from November to December 2014	10,103
Financial transactions from November to December 2014	-
Projected dividend payment	(20,534)
Projected liquidity at 31 December 2014	**78,412**

25. Remuneration of the Board of Directors

In 2014 the remuneration earned by the current and former members of the Parent's Board of Directors (composed of two women and eleven men) in the form of salaries, attendance fees and life insurance premiums amounted to EUR 3,940 thousand, EUR 795 thousand and EUR 16 thousand, respectively. In 2012 these remuneration items amounted to EUR 5,538 thousand, EUR 680 thousand and EUR 15 thousand, respectively.

The Parent has not granted any loans or advances to its Board members and it does not have any supplementary pension, retirement bonus or special indemnity obligations to them in their capacity as directors.

26. Information regarding situations of conflict of interest involving the directors

Pursuant to Article 229 of the Spanish Limited Liability Companies Law (LSC), the following information is included:

In 2014 none of the directors reported to the Board of Directors any direct or indirect conflict of interest that they or persons related to them, as defined in Article 213 of the LSC, might have with respect to the Company.

27. Events after the reporting period

José Manuel Lara Bosch, Chairman of the Board of Directors and of its Executive Committee, died on 31 January 2015, as reported in a relevant event communication to the Spanish National Securities Market Commission (CNMV) on 2 February 2015.

On February 25, 2015 , the board of directors of the parent company has agreed to appoint Mr. José Crehuelas Margenat as Chairman of the Board and member of the Managing Committee.

On 30 January 2015, GAMP AUDIOVISUAL, S.A. reported to the CNMV a sale of the Parent's shares. Following the sale, GAMP AUDIOVISUAL, S.A. held 2.52% of the Company's voting power, which along with the participation of Imagina Media Audivisual, S.L. makes them jointly owned 7% of the voting rights.

Gamp Audiovisual S.A., as part of Imagina corporate group restructuring, has been absorbed by Mediapro Contenidos S.L., Sole Shareholder, associated company. The merger is still pending of registration in the Commercial Market Register. Once the merger is registered, Mediapro Contenidos S.L., Sole Shareholder, becomes the owner of 2.52% of which is now owner Gamp Audiovisual S.A.

On February 16, 2015 the resignation of director Gamp Audiovisual S.A was communicated. To cover his vacancy, on the date of the preparation of these annual accounts and because of the shareholder proposal, Imagina Media Audivisual, S.L., it has been appointed the director of Mediaproducción, S.L. Sole Shareholder. It has appointed as representative for its performance to the same person who once named the company that has been replaced, Mr. Josep Maria Benet Ferran.

As detailed in Note 11-a to these consolidated financial statements, the Parent's Board of Directors resolved to request the official listing of these 1,181,296 shares on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges through the Spanish stock market interconnection system. This listing took place on 22 January 2015.

28. Explanation added for translation to English

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2-a). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Atresmedia Corporación de Medios de Comunicación, S.A. (formerly Antena 3 de Televisión, S.A.) and Subsidiaries

Consolidated Management Report

Year ended 31 December 2014

ATRESMEDIA GROUP AND SUBSIDIARIES (CONSOLIDATED GROUP)
MANAGEMENT REPORT FOR THE YEAR ENDIND DECEMBER 31, 2014

Business performance and situation of the Group

The Spanish economy has been on a clear road to recovery throughout 2014, in line with the improvement that began in autumn 2013. Relief from financial stress brought about an increasingly greater dynamism in domestic demand. Both investments and private consumption have gone on to witness increasingly positive changes. The latter -particularly relevant to our business activity- rebounded from a 2.3% drop in 2013 to more than 2% growth in an initial estimate for 2014. Although still at very high levels, the unemployment rate fell for the first time since the start of this lengthy crisis.

Against this backdrop, it is not surprising that the advertising market has reacted in extraordinarily positive fashion. Compared with an 8.1% fall in 2013, it is estimated that the conventional media market on the whole grew by 6.4% in 2014. Even more important was the change in the television advertising market, which bounced back from a 6.2% fall to grow by more than 10% - an improvement that was already presaged in the final quarter of 2013. Television advertising represents 42% of the total market, proving once again that it is the most powerful and effective means for advertisers.

The most significant event for the Atresmedia Group in 2014 was the loss of three channels as a result of the enforcement of a judgment handed down by the Supreme Court on 27 November 2012, which rendered null and void the resolution of the Spanish Cabinet of 16 July 2010 to allocate a national digital multiplex made up of four channels to each of the digital terrestrial television (DTT) license holders. Irrespective of the claim for damages filed as a result of the damage suffered by the shutdown of these three channels, the fact is that we have been the most adversely affected operator, not only because we have lost the most channels but also because these channels, due to the investment efforts made and the talents applied, had the highest audience ratings. It should be noted that this effort formed part of the commitments we acquired under the former regulation, which sought to make the rollout of DTT a success -which indeed it was- while giving in return the allocation, which has now been rendered void, to balance the efforts made.

However, it has been possible to mitigate this impact and achieve an average audience of 27.7% in 2014, down only 1.1 points on 2013. The Antena 3 channel rose 0.2 points to 13.6% and held its lead with 13.8% of the target audience (individuals aged 16-54 in places with more than 10,000 inhabitants). In spite of a lack of sporting events, La Sexta increased from 6.0% to 7.2%, the highest figure in its history. Together with the commercial efforts undertaken, this brought the market share to nearly 42%, down only 0.8 points.

The Group's revenue amounted to EUR 850 million, compared to EUR 796 million euros in 2013. Other operating income amounted to EUR 33 thousand, in line with 2013. The Group's total income amounted to EUR 883 million, up 6.4% on 2013.

The evolution of operating expenses is highly satisfactory, as they have increased by only 0.8% while maintaining the cost synergies achieved in the merger with La Sexta and the high degree of discipline that has always characterised the Group in this regard.

Profit from operations amounted to EUR 111 million, compared to EUR 62 million in 2013. Profit before tax stood at EUR 95 million, compared to EUR 48 million in 2012.

As a result of Spanish Corporation Tax Law 27/2014, of 27 November, effective from 1 January 2015, which establishes, among other changes, a change in the income tax rate to 28% in 2015 and 25% in 2016 and subsequent years. Accordingly, the Parent made an income tax adjustment of EUR 33,135 thousand on the basis of the calculation of the balance of "Deferred Tax Assets" and "Deferred Tax Liabilities" at the 28% rate and a subsequent calculation of these balances at 25% based on the Parent's best estimate of the recovery of tax assets in future years. This extraordinary adjustment did not and will not have any effect on the Company's cash flows.

Net profit amounted to EUR 47 million, up from EUR 46 million in 2013.

Significant events for the Group after the reporting period

José Manuel Lara Bosch, Chairman of the Board of Directors and of its Executive Committee, died on 31 January 2015, as reported in a relevant event communication to the Spanish National Securities Market Commission (CNMV) on 2 February 2015.

On February 25, 2015 , the board of directors of the parent company has agreed to appoint Mr. José Crehuelas Margenat as Chairman of the Board and member of the Managing Committee.

On 30 January 2015, GAMP AUDIOVISUAL, S.A. reported to the CNMV a sale of the Parent's shares. Following the sale, GAMP AUDIOVISUAL, S.A. held 2.52% of the Company's voting power, which along with the participation of Imagina Media Audivisual, S.L. makes them jointly owned 7% of the voting rights.

Gamp Audiovisual S.A., as part of Imagina corporate group restructuring, has been absorbed by Mediapro Contenidos S.L., Sole Shareholder, associated company. The merger is still pending of registration in the Commercial Market Register. Once the merger is registered, Mediapro Contenidos S.L., Sole Shareholder, becomes the owner of 2.52% of which is now owner Gamp Audiovisual S.A.

On February 16, 2015 the resignation of director Gamp Audiovisual S.A was communicated. To cover his vacancy, on the date of the preparation of these annual accounts and because of the shareholder proposal, Imagina Media Audivisual, S.L., it has been appointed the director of Mediaproducción, S.L. Sole Shareholder. It has appointed as representative for its performance to the same person who once named the company that has been replaced, Mr. Josep Maria Benet Ferran.

As detailed in Note 11-a to these consolidated financial statements, the Parent's Board of Directors resolved to request the official listing of these 1,181,296 shares on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges through the Spanish stock market interconnection system. This listing took place on 22 January 2015.

Outlook for the Group

For the first time in several years the outlook for the context in which the Group operates is clearly positive. Although the Spanish economy is far from being in an acceptable situation, the dynamic is highly favourable and all forward-looking and confidence indicators point to a further significant improvement in activity with job creation and decreased unemployment. Credit demand must encounter the necessary funds while the many indebted sectors must deleverage, which will only be achieved if, as is expected, the economy grows. European monetary policy has been implementing the necessary stimuli, first in word and more recently, in deed. The new tax reform should also help to improve availability for both families and businesses. Lastly, oil prices, the strength of the US dollar (with certain opposing effects) and a glimpse of an improvement in Europe support the forecast of significant growth in GDP and consumption.

Against this backdrop, traditional television and radio businesses will be able to take advantage of the expected growth in the advertising market, which looks to maintain or improve the current market share. To this end, a commercial policy is in place that offers our advertisers the best media for their business communication. This media takes the form of a higher quality and more innovative and varied programming tailored to viewers. These are proven and recognised attributes which the Group will continue to develop.

In addition, plans are being made to strengthen the new activities so that, in the medium term, they make up a significant portion of our activity based on our expertise on the audiovisual stage while continuing our progress into the connected world. Significant successes have already achieved, such as the 17 million unique users of our web pages and 3.9 million downloads of our Atresplayer online content platform.

As usual, this is all framed within a demanding cost management structure, thus ensuring that growth translates into a stable source of value creation. Also, ensuring the soundness of the Group's financial position and maintaining the shareholder remuneration policy complete the framework for action for the coming future.

Research and development activities

The Group does not itself carry on any specific research and development activities. However, it invests, on an ongoing basis, in all new technologies related to engineering, systems and content distribution. In this field Atresmedia Corporación de Medios de Comunicación, S.A. has and uses state-of-the-art technology, which enables it to be at the forefront in the deployment of digital activities and in the Internet.

Treasury share acquisitions

On 18 February 2014, a partial novation was arranged of the merger agreement entered into with Gestora de Inversiones Audiovisuales La Sexta and its shareholders, which had been reached on 14 December 2011. This novation related to the terms and conditions whereby La Sexta shareholders earned the right to receive an additional ownership interest of 7% in the share capital of Atresmedia Corporación. In particular, it was agreed with Gamp Audiovisual, S.A. and Imagina Media Audiovisual, S.L. to bring forward and permanently adjust the additional ownership interest that would correspond to them through a single immediate delivery of treasury shares equal to 2.079% and 1.631% of share capital. This transaction was reported through a relevant event communication on 19 February 2014.

On 5 March 2014, an accelerated placement was carried out on the market of 6,298,784 treasury shares - 2.79% of the Parent's share capital - and was reported at the time through the issue of a relevant event communication.

As a result of both transactions, the number of treasury shares in the Parent's balance sheet is 1,145,597, equal to 0.508% of the share capital. No acquisitions have been carried out since then.

Use of financial instruments by the Group and main financial risks

The Group performs transactions with financial instruments to hedge the foreign currency risk on the purchases of broadcasting rights in the year.

At 31 December 2014, the Parent had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 230,233 thousand, at a weighted average exchange rate of EUR 1.3279/USD 1. The net fair value of these hedging instruments gave rise to a financial asset of EUR 16,137 thousand and a financial liability of EUR 15 thousand at year-end.

Also, interest rate swaps were arranged in order to fix the financial cost arising from the floating rates established in the syndicated financing agreement entered into in August 2014. The fair value of these swaps at 31 December 2014 gave rise to a financial asset of EUR 5 thousand.

The Group has established the risk management systems required to ensure that transactions in markets are performed in accordance with its established policies, rules and procedures and within the limits approved for each case. The Group’s main financial risks are as follows:

a) Foreign currency risk. Foreign currency risks relate mainly to the payments to be made in international markets to acquire broadcasting rights. In order to mitigate foreign currency risk, the Group arranges hedging instruments, mainly currency forwards.

b) Liquidity risk. The Group’s liquidity policy is to arrange credit lines and short-term investments that are sufficient to support its financing needs, on the basis of expected business performance.

c) Credit risk. The Group does not have significant credit risk since the average customer collection period is very short and guarantees are required for deferred payment sales. Cash placements are made and derivative instruments are arranged with institutions of recognised solvency.

d) Interest rate risk. Both the Group's cash and its bank borrowings are exposed to interest rate risk. The Group's financing is arranged at interest rates tied to Euribor. To mitigate this risk, the Parent has arranged interest rate swaps to limit the finance costs arising from its floating-rate borrowings.

In accordance with Article 538 of the Spanish Limited Liability Companies Law, the Annual Corporate Governance Report (IAGC) forms part of this Directors' Report. The IAGC constitutes a relevant event and is communicated to the Spanish National Securities Market Commission, which publishes it on its website: www.cnmv.es. It is also available on the Parent's corporate website, www.atresmediacorporacion.com.

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Shareholders of Atresmedia Corporación de Medios de Comunicación, S.A.,

Report on the Financial Statements

We have audited the accompanying financial statements of Atresmedia Corporación de Medios de Comunicación, S.A, which comprise the balance sheet as at 31 December 2014, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended.

Directors' Responsibility for the Financial Statements

The Parent's directors are responsible for preparing the accompanying financial statements so that they present fairly the equity, financial position and results of Atresmedia Corporación de Medios de Comunicación, S.A. in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the audit regulations in force in Spain. Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation by the Parent's directors of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of Atresmedia Corporación de Medios de Comunicación, S.A. as at 31 December 2014, and their results and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group in Spain.

Report on Other Legal and Regulatory Requirements

The accompanying directors' report for 2014 contains the explanations which the Parent's directors consider appropriate about the situation of Atresmedia Corporación de Medios de Comunicación, S.A., the evolution of their business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2014. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Atresmedia Corporación de Medios de Comunicación, S.A..

DELOITTE, S.L.
Inscribed in R.O.A.C. nº S0692

Jesús Mota Robledo
February, 25 2014

Atresmedia Corporación de Medios de Comunicación, S.A. (formerly Antena 3 de Televisión, S.A.)

Auditors' Report

Financial Statements for the year ended
31 December 2014

Atresmedia Corporación de Medios de Comunicación, S.A. (formerly Antena 3 de Televisión, S.A.)

Financial Statements for the year ended 31 December 2014

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22).
In the event of a discrepancy, the Spanish-language version prevails.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.

BALANCE SHEET AT 31 DECEMBER 2014

(Thousands of euros)

ASSETS	Notes	2014	2013
NON-CURRENT ASSETS		**622,941**	**642,733**
Intangible assets	**5**	**82,935**	**81,285**
Licences and trademarks		74,705	75,496
Computer software		6,065	5,789
Other Intangible Assets		2,165	-
Property, plant and equipment	**6**	**40,691**	**43,492**
Land and buildings		23,618	24,866
Plant and other items of property, plant and equipment		17,059	18,390
Property, plant and equipment in the course of construction		14	236
Non-current investments in Group companies and associates	**8 & 19.2**	**223,387**	**201,610**
Equity instruments		94,906	76,288
Loans to companies		128,481	125,322
Non-current financial assets	**8 & 10**	**10,515**	**10,960**
Other financial assets		10,515	10,960
Deferred tax assets	**16**	**265,413**	**305,386**
CURRENT ASSETS		**550,611**	**549,150**
Inventories	**11**	**285,885**	**292,502**
Programme rights		264,693	260,305
Raw and other materials		3,480	3,016
Advances to suppliers		17,712	29,181
Trade and other receivables		**180,453**	**167,831**
Trade receivables for sales and services		6,429	6,148
Receivable from Group companies and associates	**19.2**	166,229	157,843
Sundry accounts receivable		2,518	2,050
Remuneration payable		56	105
Current tax assets	**16**	5,221	1,685
Current investments in Group companies and associates	**19.2**	**38,459**	**31,124**
Loans to companies		38,459	31,124
Current financial assets	**8**	**14,184**	**1,376**
Derivatives	**10**	11,740	698
Financial investments	**19.2**	2,211	-
Other financial assets		233	678
Current prepayments and accrued income		**630**	**372**
Cash and cash equivalents		**31,000**	**55,945**
Cash		31,000	55,945
TOTAL ASSETS		**1,173,552**	**1,191,883**

EQUITY AND LIABILITIES	Notes	2014	2013
EQUITY		**408,038**	**343,136**
SHAREHOLDERS' EQUITY-	**12**		
Share capital		**207,604**	**207,604**
Registered share capital		169,300	169,300
Share premium		38,304	38,304
Reserves		**179,481**	**157,032**
Legal and bylaw reserves		42,474	42,474
Other reserves		137,007	114,558
Treasury shares		**(7,202)**	**(99,453)**
Other equity instruments		**3,088**	**42,643**
Profit for the year		**45,233**	**34,468**
Interim dividend		**(22,341)**	**-**
VALUATION ADJUSTMENTS-			
Hedges		**2,175**	**842**
NON-CURRENT LIABILITIES		**196,019**	**288,579**
Long-term provisions	**13**	**468**	**2,328**
Non-current payables	**14.1**	**176,849**	**263,600**
Bank borrowings		126,331	200,129
Derivatives	**10**	7	207
Other non-current payables		50,511	63,264
Non-current payables to Group companies and associates	**19.2**	**2**	**2**
Deferred tax liabilities	**16**	**18,700**	**22,649**
CURRENT LIABILITIES		**569,495**	**560,168**
Short-term provisions	**13**	**28,088**	**31,976**
Bank borrowings	**14.2**	**38,859**	**6,305**
Financial derivatives	**10**	**8**	**3,025**
Current payables to Group companies and associates	**19.2**	**92,556**	**87,411**
Trade and other payables		**408,162**	**431,021**
Payable to suppliers		324,878	332,714
Payable to suppliers - Group companies and associates	**19.2**	68,275	75,601
Sundry accounts payable		40	40
Remuneration payable		11,042	13,565
Other accounts payable to public authorities	**16**	3,745	8,558
Customer advances		182	543
Current accruals and deferred income		**1,822**	**430**
TOTAL EQUITY AND LIABILITIES		**1,173,552**	**1,191,883**

The accompanying Notes 1 to 22 are an integral part of the balance sheet at 31 December 2014.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.

INCOME STATEMENT FOR 2014

(THOUSANDS OF EUROS)

	Notes	2014	2013
CONTINUING OPERATIONS			
Revenue	**18.1**	**704,188**	**652,493**
Advertising revenue		704,188	652,493
Procurements	**18.2**	**(431,741)**	**(432,033)**
Programme amortisation and other		(634,910)	(625,744)
Cost of raw materials and other consumables used		(1,215)	(1,686)
Inventories		204,384	195,397
Other operating income		**29,841**	**25,616**
Non-core and other current operating income/Other services		29,841	25,616
Staff costs		**(47,062)**	**(41,415)**
Wages, salaries and similar expenses		(40,464)	(34,562)
Employee benefit costs	**18.3**	(6,598)	(6,853)
Other operating expenses	**18.4**	**(169,876)**	**(170,625)**
Outside services		(168,781)	(170,485)
Taxes other than income tax		(1,095)	(1,503)
Losses on, impairment of and change in allowances for trade receivables		-	1,363
Depreciation and amortisation charge	**5 y 6**	**(13,692)**	**(13,567)**
Excessive provisions	**13**	**4,369**	**4,127**
Impairment and gains or losses on disposals of non-current assets	**6**	**(45)**	**8**
Gains or losses on disposals and other		(45)	8
PROFIT (LOSS) FROM OPERATIONS		**75,982**	**24,604**
Finance income	**18.5**	**9,901**	**18,923**
From investments in equity instruments		**3,359**	**12,354**
- Group companies and associates	*19.1*	3,359	12,354
From marketable securities and other financial instruments		**6,542**	**6,569**
- Group companies and associates	*19.1*	5,632	5,943
- Third parties		910	626
Finance costs	**18.5**	**(13,456)**	**(16,642)**
On debts to Group companies and associates	19.1	(1,123)	(4,046)
On debts to third parties		(12,333)	(12,596)
Changes in fair value of financial instruments		**18,957**	**(952)**
Held-for-trading financial assets/liabilities and other		18,957	(952)
Exchange differences	**17**	**(19,463)**	**6,476**
Impairment and gains or losses on disposals of financial instruments		**15,209**	**(1,947)**
Impairment and other losses	**8.3**	15,209	(1,949)
Gains or losses on disposals and other		-	2
FINANCIAL PROFIT		**11,148**	**5,858**
PROFIT BEFORE TAX		**87,130**	**30,462**
Income tax	**16.4**	(41,897)	4,006
PROFIT FOR THE YEAR		**45,233**	**34,468**

The accompanying Notes 1 to 22 are an integral part of the income statement for 2014.

STATEMENT OF CHANGES IN EQUITY FOR 2014

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

(Thousands of euros)

	2014	2013
PROFIT PER INCOME STATEMENT (I)	**45,233**	**34,468**
Income and expense recognised directly in equity:		
- Arising from cash flow hedges	1,962	506
- Tax effect	(588)	(152)
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)	**1,374**	**354**
Transfers to profit or loss:		
- Arising from cash flow hedges	(58)	-
- Tax effect	17	-
TOTAL TRANSFERS TO PROFIT OR LOSS (III)	**(41)**	**-**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)	**46,566**	**34,822**

The accompanying Notes 1 to 22 are an integral part of the statement of recognised income and expense for 2014.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2013

B) STATEMENT OF CHANGES IN TOTAL EQUITY

(Thousands of euros)

	Share capital	Share premium	Reserves	Interim dividend	Treasury shares	Profit for the year	Other equity instruments	Valuation adjustments	Total equity
BEGINNING BALANCE AT 01/01/13	**169,300**	**38,304**	**142,521**	**(21,352)**	**(99,453)**	**35,862**	**42,643**	**488**	**308,313**
Total recognised income/(expense)	-	-	-	-	-	34,468	-	354	34,822
Distribution of profit									
Interim dividends paid									
Prior year's dividends paid	-	-	-	21,352	-	(21,352)	-	-	-
Treasury share transactions									
Treasury share transactions (net)	-	-	-	-	-	-	-	-	-
Other changes in equity									
Transfers between equity items			14,510	-	-	(14,510)			
ENDING BALANCE AT 31/12/13	**169,300**	**38,304**	**157,032**	**-**	**(99,453)**	**34,468**	**42,643**	**842**	**343,136**
Total recognised income/(expense)	-	-	-	-	-	45,233	-	1,333	46,566
Distribution of profit									
Interim dividends paid	-	-	-	(22,341)	-	-	-	-	(22,341)
Prior year's dividends paid	-	-	(24,575)	-	-	-	-	-	(24,575)
Treasury share transactions									
Treasury share transactions (net)	-	-	39,282	-	39,601	-	-	-	78,883
Transactions with shareholders or owners	-	-	(26,726)	-	52,650	-	(39,555)	-	(13,631)
Other changes in equity									
Transfers between equity items	-	-	34,468	-	-	(34,468)	-	-	-
ENDING BALANCE AT 31/12/14	**169,300**	**38,304**	**179,481**	**(22,341)**	**(7,202)**	**45,233**	**3,088**	**2,175**	**408,038**

The accompanying Notes 1 to 22 are an integral part of the statement of changes in total equity for 2014.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.

STATEMENT OF CASH FLOWS FOR 2014

(Thousands of euros)

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES (I)	**(1,079)**	**27,263**
Profit for the year before tax	**87,130**	**30,462**
Adjustments for:	**10,547**	**10,001**
- Depreciation and amortisation charge	13,692	13,567
- Impairment losses	(15,209)	1,949
- Changes in provisions	7,958	2,298
- Gains on derecognition and disposal of non-current assets	45	(8)
- Finance income	(9,901)	(18,923)
- Finance costs	13,456	16,642
- Exchange differences	19,463	(6,476)
- Changes in fair value of financial instruments	(18,957)	952
Changes in working capital	**(67,265)**	**(2,102)**
- Inventories	2,732	(44,008)
- Trade and other receivables	2,598	817
- Trade and other payables	(41,629)	75,393
- Other current assets and liabilities	(30,966)	(34,304)
Other cash flows from operating activities	**(31,491)**	**(11,098)**
- Interest paid	(15,977)	(17,700)
- Dividends received	3,359	12,353
- Income tax recovered (paid)	(18,873)	(5,751)
CASH FLOWS FROM INVESTING ACTIVITIES (II)	**(26,719)**	**(5,822)**
Payments due to investment	**(26,719)**	**(16,795)**
- Group companies and associates	(14,201)	(8,844)
- Property, plant and equipment and intangible assets	(12,518)	(7,951)
Proceeds from disposal	**-**	**10,973**
- Group companies and associates	-	10,973
CASH FLOWS FROM FINANCING ACTIVITIES (III)	**2,853**	**30,764**
Proceeds and payments relating to equity instruments	**79,680**	**-**
- Purchase of treasury shares	79,680	-
Proceeds and payments relating to financial liability instruments	**(29,912)**	**30,764**
- Repayment of bank borrowings	(41,244)	69,047
- Proceeds from issue of borrowings from Group companies and associates	11,332	(38,283)
Dividends and returns on other equity instruments paid	**(46,915)**	**-**
- Dividends	(46,915)	-
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)	-	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)	**(24,945)**	**52,205**
Cash and cash equivalents at beginning of year	55,945	3,740
Change due to merger	-	-
Cash and cash equivalents at end of year	31,000	55,945

The accompanying Notes 1 to 22 are an integral part of the statement of cash flows for 2014.

Translation of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Atresmedia Corporación de Medios de Comunicación, S.A. (formerly Antena 3 de Televisión, S.A.)

Notes to the financial statements for the year ended 31 December 2014

1.- Company activities

Atresmedia Corporación de Medios de Comunicación, S.A. (formerly Antena 3 de Televisión, S.A.) ("the Company"), with registered office at Avenida Isla Graciosa, 13, San Sebastián de los Reyes (Madrid), was incorporated on 7 June 1988, and its then sole company object was the indirect management of a public television service.

For this purpose, it submitted a bid in response to the call for tenders made under Article 8 of Private Television Law 10/1988, of 3 May, and, pursuant to a resolution of the Spanish Cabinet of 25 August 1989, was awarded a concession for the indirect management of the public television service, for a period of ten years, which ended on 3 April 2000.

On 7 May 1996, the shareholders at the Annual General Meeting resolved to change and extend the Parent's company object, as permitted by Satellite Telecommunications Law 37/1995.

On 10 March 2000, the Spanish Cabinet adopted a resolution renewing the concession for the indirect management of the public television service for a period of ten years from 3 April 2000. The terms of this renewal were the same as for the former concession, with the added obligation of commencing digital broadcasting on 3 April 2002. The Company made all the necessary investments to enable it to begin broadcasting on that date the Antena 3 de Televisión, S.A. signal pursuant to Royal Decree 2169/1998, of 9 October, approving the Spanish Technical Plan for Digital Terrestrial Television (DTT). On 3 April 2010, the National Government renewed, for a period of ten years, the concession for the indirect management of the public television service, under the same terms and conditions as the previous concession.

The Company's Annual General Meeting and its Board of Directors Meeting, on 28 April 2003 and 29 July 2003, respectively, resolved to request the admission to trading of all the shares of Antena 3 de Televisión, S.A. on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges and their inclusion in the Spanish Stock Market Interconnection System. On 29 October 2003, the Company's shares commenced trading on these stock exchanges.

Additional Provision One of Royal Decree 944/2005, of 29 July, approving the Spanish Technical Plan for Digital Terrestrial Television established 3 April 2010 as the date for the switch-off of analogue television broadcasting in all the transition projects defined in the National Plan for the Transition to Digital Terrestrial Television. From that date onwards, all terrestrial television was broadcast using digital technology.

Following this milestone, in accordance with Additional Provision Three of Royal Decree 944/2005, of 29 July, each national terrestrial public television service concession operator would gain access to a digital multiplex with national coverage.

Royal Decree 365/2010, of 26 March, governs the allocation of the Digital Terrestrial Television multiplexes following the switch-off of terrestrial television broadcasting using analogue technology.

It established two phases for the allocation of the digital multiplexes. Phase 1 (transitional), in which each national terrestrial public service television concession operator would gain access to the capacity equivalent to one digital multiplex with national coverage, provided they demonstrated that they had met the terms and conditions established in relation to the drive and development of digital terrestrial television, and phase 2, in which new digital multiplexes will be planned, and adjustments will be established so that the radioelectric channels 61 to 69, which were being used by the digital multiplexes in the previous phase can be replaced by others in phase 2. This will conclude before 1 January 2015 with the allocation of the definitive digital multiplexes to each qualifying company, thereby ending the shared use of digital multiplex capacity by the national terrestrial public service concession operators.

On 16 July 2010, the Spanish Cabinet adopted a resolution to allocate a national digital multiplex to each national DTT concession operator: Antena 3, Gestevisión Telecinco, Sogecable, Veo Televisión, NET TV and Gestora de Inversiones Audiovisuales La Sexta. The digital multiplex is composed of four digital television channels that can be operated twenty-four hours a day.

The allocation was made upon request and after the switch-off of analogue broadcasting, once it had been verified that the digital terrestrial television service concession operators had met the obligations relating to the drive and development of digital terrestrial television that they had assumed in the framework of the Spanish Technical Plan for Digital Terrestrial Television and the Royal Decree governing the specific allocation of DTT multiplexes, following the switch-off of analogue terrestrial television broadcasting.

A judgment handed down on 27 November 2012 by Chamber Three of the Spanish Supreme Court rendered void the resolution of the Spanish Cabinet of 16 July 2010 which allocated to each of the Digital Terrestrial Television (DTT) licence holders, including Antena 3 de Televisión, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A., the capacity equivalent to a digital multiplex with national coverage composed of four channels.

This allocation had been made pursuant to a set of rules which, since 1997, upon approval of the National Plan for Digital Terrestrial Television, and particularly upon enactment of Law 10/2005, of 14 June, governed the transition from analogue terrestrial television to DTT, which was completed in 2010. The allocation was made once the Government had verified that the licence holders had complied with all the requirements and obligations incumbent upon them to foster transition to DTT, as a condition for gaining access to the multiplex.

The judgment of the Spanish Supreme Court annulling the allocation was based primarily on the fact that the allocation was made after the General Audiovisual Communications Law came into force (which had been enacted one month before the Spanish Cabinet adopted the annulled resolution), which stipulates that the licences must be granted through a tendering procedure. The Supreme Court inferred from this that "the licences must reflect the content which existed upon entry into force of the Law, with no more channels being allowed", while the General Audiovisual Communications Law does not provide for any safeguard permitting the regulations to be applied prior to their entry into force.

The judgment of the Spanish Supreme Court noted at the time that the matter would have been resolved had the General Audiovisual Communications Law included a provision envisaging that the rules in force prior to its enactment should continue to be valid. The obstacle posed by the judgment of the Spanish Supreme Court is therefore basically formal, because neither the conceptual basis of DTT, nor consequently its completion through the allocation of a multiplex to each operator, have ever been questioned.

On 22 March 2013, the Spanish Cabinet approved a decision to comply with the judgment of the Supreme Court handed down on 27 November 2012, indicating that the channels affected had to cease broadcasting, and linking this process with that of the liberalisation of the digital dividend.
Subsequently, on 18 December 2013, the Spanish Supreme Court issued a writ of execution for the aforementioned judgment, referring, inter alia, to the channels affected by its judgment, which would include three of the channels currently being operated by Atresmedia.

On 6 May 2014, as a result of the enforcement of the aforementioned judgment of the Spanish Supreme Court, the channels affected by the decision, three of which are operated by Atresmedia (Nitro, Xplora and La Sexta 3) ceased to be broadcast, despite having complied with all the imposed obligations.

The accounting impact of the closure of these channels on the separate and consolidated financial statements was assessed in accordance with applicable accounting legislation. The assessment did not disclose the need to recognise liabilities or commitments related to the closure of the channels, and it was not necessary to recognise any impairment losses or changes in value in accordance with applicable accounting legislation, except in relation to the rights to broadcast certain programmes, which has been made impossible due to the closure of the aforementioned channels, and for which an impairment loss of EUR 3 million was recognised (see Note 9).

Without prejudice to the aforementioned accounting impact, Atresmedia brought an action for the damages and losses suffered as a result of the closure of these three channels.

Also, three appeals were filed at Judicial Review Chamber Three of the Spanish Supreme Court against the resolutions of the Spanish Cabinet of 28 May and 11 June 2010, under which the concessions to operate a public television service were transformed into licenses to provide an audiovisual communication service. If these appeals are upheld, another eight digital terrestrial television channels, two of which belong to Atresmedia, would be required to cease broadcasting. In this connection, we have also complied with all the obligations imposed on us for the operation of these channels and, accordingly, we do not expect this closure not to go ahead. In any event, an estimate was made of the impact of a hypothetical switch-off. This impact is related to the broadcasting rights that might exist at the date of the judgment and the deadline for enforcement thereof, and a potential impairment loss of between EUR 6 million and EUR 12 million was estimated.

In September 2014 the Spanish Government approved a new Technical Plan for Digital Terrestrial Television under which, in addition to the channels currently being broadcast, frequencies for five additional channels are to be made available which the Government will allocate by means of a competition, in accordance with the General Audiovisual Law. However, at the reporting date no further details on this process are known.

The Company is the head of a group of subsidiaries and is obliged under current legislation to prepare, in addition to its own separate financial statements, the Atresmedia Group's consolidated financial statements, which also include its interests in joint ventures and investments in associates.

In addition, on 14 December 2011 following a resolution by its Board of Directors, Antena 3 de Televisión, S.A. entered into an agreement with the shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A. to merge the two companies, through the merger by absorption of La Sexta into Antena 3, subject to the obtainment of the relevant authorisations from the regulatory and competition authorities.

On 25 January 2012, the Board of Directors of Antena 3 de Televisión, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A. approved the draft terms for the merger of the two companies.

The shareholders at the Annual General Meeting held on 25 April 2012 approved the merger involving the absorption by Antena 3 de Televisión, S.A. (absorbing company) of Gestora de Inversiones Audiovisuales La Sexta, S.A. under the draft terms of merger filed with the Madrid Mercantile Registry on 7 February 2012.

The merger was authorised by the Spanish anti-trust authorities on 24 August 2012, by virtue of a resolution adopted by the Spanish Cabinet on the same date.

On 5 October 2012, the Spanish Cabinet also resolved to authorise the transfer of the audiovisual communication licence held by La Sexta and the assignment for private use of the associated public radioelectric domain. From that date onwards, the operations of La Sexta are deemed to be performed for accounting purposes by Antena 3 de Televisión, S.A.

The public deed of merger of Antena 3 de Televisión, S.A. with Gestora de Inversiones Audiovisuales La Sexta, S.A. was filed at the Madrid Mercantile Registry on 31 October 2012, and as a result the latter was dissolved and all its assets and liabilities were transferred en bloc to the former.

The consolidated financial statements of Atresmedia for 2014 were formally prepared by the directors at the Board of Directors Meeting held on 25 February 2015. The financial statements for 2013 were approved without any changes by the Company's shareholders at the Annual General Meeting held on 23 April 2014. The shareholders also resolved to change the Company's name from Antena 3 de Televisión, S.A. to Atresmedia Corporación de Medios de Comunicación, S.A.

In view of the business activity carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

2.- Basis of presentation of the financial statements

Regulatory financial reporting framework applicable to the Company

The accompanying financial statements were formally prepared by the Company’s directors in accordance with the regulatory financial reporting framework applicable to the Company, which consists of:

a) The Spanish Commercial Code and all other Spanish corporate law.
b) The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and its industry adaptations, and Spanish National Securities Market Commission (CNMV) Circular 1/2008, of 30 January, on the periodic information of issuers whose securities are admitted to trading on regulated markets.
c) The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation, in addition to the mandatory rules approved by the Spanish National Securities Market Commission.
d) All other applicable Spanish accounting legislation.

Fair presentation

The accompanying financial statements, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for 2014. These financial statements, which were formally prepared by the Company's directors, will be submitted for approval by the shareholders at the Annual General Meeting, and it is considered that they will be approved without any changes. The financial statements for 2013 were approved by the shareholders at the Annual General Meeting held on 23 April 2015.

Non-obligatory accounting principles applied

No non-obligatory accounting principles were applied. Also, the directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon. All obligatory accounting principles were applied.

Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements estimates were made by the Company's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of possible impairment losses on certain assets (see Notes 4.4 and 8).
- The useful life of the property, plant and equipment and intangible assets (see Notes 4.1 and 4.2).
- The calculation of provisions (see Notes 4.9 and 13).
- Programme amortisation (see Notes 4.5 and 18.2).
- The calculation of income tax and recoverability of tax losses (see Notes 4.7 and 16).

Although these estimates were made on the basis of the best information available at 2014 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

At 2014 year-end the Company had a working capital deficiency of EUR 18,884 thousand covered in full by the undrawn portion of the syndicated loan.

Comparative information

The information relating to 2014 contained in these notes to the financial statements is presented, for comparison purposes, with the information for 2013.

Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

Changes in accounting policies

In 2014 there were no significant changes in accounting policies with respect to those applied in 2013.

Correction of errors

In preparing the accompanying financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2012.

Effect of not consolidating

The Company is the majority shareholder of certain companies and has ownership interests equal to or exceeding 20% in the share capital of other companies (see Note 8). The separate financial statements at 31 December 2014 do not reflect the increases in the value of the Company’s ownership interests in these companies which would arise from fully consolidating majority ownership interests and accounting for investments in associates using the equity method. Pursuant to current legislation, the Company prepared consolidated financial statements separately in accordance with International Financial Reporting Standards.

In 2014 the main aggregates in the consolidated financial statements are as follows: total assets EUR 1,214 million; equity EUR 449 million; revenue EUR 850 million; and profit for the year EUR 47 million.

3.- Distribution of profit

The proposed distribution of the profit for the year that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows (in thousands of euros):

	2014
Interim dividends paid	22,341
To voluntary reserves	22,892
Total	**45,233**

At the Company's Board of Directors meeting held on 19 November 2014 it was resolved to distribute out of the Company's profit for 2014 a gross amount of ten euro cents (EUR 0.10) for each of the shares entitled to receive this interim dividend, implying a total dividend of EUR 22,341 thousand, which were recognised under "Equity - Interim Dividend" in the accompanying consolidated balance sheet.

The provisional accounting statement prepared in accordance with legal requirements evidencing the existence of sufficient liquidity for the distribution of the dividends is as follows:

LIQUIDITY STATEMENT FOR THE PAYMENT OF THE 2014 INTERIM DIVIDEND

	Thousands of euros
Liquidity at 31 October 2014	**88,843**
Projected cash until 31 December 2014:	
Current transactions from November to December 2014	10,103
Financial transactions from November to December 2014	-
Projected dividend payment	(20,534)
Projected liquidity at 31 December 2014	**78,412**

4.- Accounting policies

The principal accounting policies used by the Company in preparing its financial statements for 2014 and 2013, in accordance with the Spanish National Chart of Accounts, were as follows:

4.1 Intangible assets

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses. These assets are amortised over their years of useful life.

Licences and trademarks

These accounts include the amounts relating to the licence and the trademark identified in the purchase price allocation process arising from the merger with Gestora de Inversiones Audiovisuales La Sexta, S.A.

The trademark is amortised on a straight-line basis over its useful life, which is estimated to be 20 years.

With regard to the licence, based on an analysis of all the relevant factors, the Company considers that there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Company. As a result, the licence was classified as an intangible asset with an indefinite useful life and, therefore, it is not amortised. This indefinite useful life assessment is reviewed at each reporting date and is consistent with the Company's related business plans.

The Company has reviewed the licence and trademark valuations identified in the purchase price allocation process performed within the framework of the aforementioned merger. For this review, which included the participation of an independent expert, the standard procedures for analyses of this kind were used, and it was concluded that the assigned values are within reasonable valuation ranges. Consequently, it was not necessary to modify the initial estimates or make any adjustments at 2014 year-end.

Since the asset has an indefinite useful life, a recoverability assessment was performed at year-end. The key assumptions on which the cash flow projections are based relate mainly to advertising markets, audience, advertising efficiency ratios and the evolution of expenses. Except for advertising data, which is measured on the basis of external sources of information, the assumptions are based on past experience and reasonable projections approved by Company management and updated in accordance with the performance of the advertising markets.

Taking the correlation between the advertising market and the evolution of domestic demand and private consumption as a reference, a retrospective analysis was conducted using the historical data of these two variables, based on market consensus.

These future projections cover the next five years. The discount rate used to measure this intangible asset was between 9% and 10%.

A variation of 0.5% in cumulative annual growth would give rise to a change in value of EUR 18 million, while a 0.5% increase in the discount rate would give rise to a change of EUR 22 million, and a 0.5% decrease in the discount rate would result in a change of EUR 25 million. Zero perpetual growth was used.

Computer software

The Company recognises under "Computer Software" the costs incurred in the acquisition and development of computer programs, including website development costs. Computer software maintenance costs are recognised with a charge to the income statement for the year in which they are incurred. Computer software is amortised on a straight-line basis over three to five years.

4.2 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition or production cost and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognised, as indicated in this note.

Property, plant and equipment upkeep and maintenance expenses are recognised in the income statement for the year in which they are incurred. However, the costs of improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

The Company depreciates its property, plant and equipment by the straight-line method at annual rates based on the years of estimated useful life of the assets, the detail being as follows:

	Years of estimated useful life
Buildings	33
Plant	5 to 8
Computer hardware	3 to 5
Other fixtures	6 to 10
Other items of property, plant and equipment	6 to 10

Impairment of intangible assets and property, plant and equipment

At the end of each reporting period (for intangible assets with indefinite useful lives) or whenever there are indications of impairment (for other tangible and intangible assets), the Company tests these assets for impairment to determine whether the recoverable amount of the assets has been reduced to below their carrying amount.

Recoverable amount is the higher of fair value less costs to sell and value in use.

In the case of property, plant and equipment, the impairment tests are performed individually for each asset.

Where an impairment loss subsequently reverses (not permitted in the specific case of goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income.

4.3 Operating leases

Lease income and expenses from operating leases are recognised in income on an accrual basis.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

The leases in which the Company is a lessor consist basically of facilities which the Company has leased to companies in its Group.

4.4 Financial instruments

4.4.1. Financial assets

Classification -

The financial assets held by the Company are classified in the following categories:

a) Loans and receivables: financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

b) Equity investments in Group companies and associates: Group companies are deemed to be those related to the Company as a result of a relationship of control and associates are companies over which the Company exercises significant influence.

c) Held-to-maturity investments: debt securities with fixed maturity and determinable payments that are traded in an active market and which the Company has the positive intention and ability to hold to the date of maturity.

d) Held-for-trading financial assets: assets acquired with the intention of selling them in the near term and assets that form part of a portfolio for which there is evidence of a recent actual pattern of short-term profit-taking. This category also includes financial derivatives that are not financial guarantees (e.g. suretyships) and that have not been designated as hedging instruments.

Initial recognition -

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

In the case of equity investments in Group companies affording control over the subsidiary the fees paid to legal advisers and other professionals relating to the acquisition of the investment have been recognised directly in profit or loss.

Subsequent measurement -

Loans and receivables and held-to-maturity investments are measured at amortised cost.

Held-for-trading financial assets are measured at fair value, based on the expected results, the estimated dividend payable, the price per share and the volatility thereof, and the risk-free rate at year-end. The result of these fair value changes is recognised in profit or loss.

Investments in Group companies and associates are measured at cost net, where appropriate, of any accumulated impairment losses. These losses are calculated as the difference between the carrying amount of the investments and their recoverable amount. Recoverable amount is the higher of fair value less costs to sell and the present value of the future cash flows from the investment. Unless there is better evidence of the recoverable amount, it is based on the value of the equity of the investee, adjusted by the amount of the unrealised gains existing at the date of measurement (including any goodwill).

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement.

The Company uses the strategic plans of the various businesses to calculate any possible impairment and discounts expected future cash flows. The Company prepares the various projections individually, taking into account the expected future cash flows of each cash-generating unit.

For the radio unit, the key assumptions on which the cash flow projections are based relate mainly to advertising markets, audience, advertising efficiency ratios and the evolution of expenses. Except for advertising data, which is measured on the basis of external sources of information, the assumptions are based on past experience and reasonable projections approved by Company management and updated in accordance with the performance of the advertising markets.

These future projections cover the next five years. The cash flows for the years not considered in the projections are estimated to be perpetual, with growth of 0%.

In assessing value in use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. In order to calculate the rate, the current value of money and the risk premiums generally used by analysts for the business and geographical area are taken into account, giving rise to future discount rates of 9%-10%.

The most sensitive variable is the growth of the radio advertising market, for which cumulative annual growth of 2.6% was used for the projection period, which is in line a mild recovery in the coming years. A change of 0.5% would change the amount by EUR 6 million. Also, a variation of 0.5% in the discount rate would give rise to a change of EUR 9 million. Zero perpetual growth was used. An increase of 0.5% would increase the amount by EUR 8 million.

In calculating such valuation adjustments as might be required for trade and other receivables, the Company takes into account the date on which the receivables are due to be settled and the equity position of related debtors.

The Company derecognises a financial asset when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred, such as in the case of firm asset sales.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of bill discounting.

4.4.2 Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.4.3 Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments issued by the Company are recognised in equity at the proceeds received, net of issue costs.

Treasury shares acquired by the Company during the year are recognised at the value of the consideration paid and are deducted directly from equity. Gains and losses on the acquisition, sale, issue or retirement of treasury shares are recognised directly in equity and in no case are they recognised in profit or loss.

4.4.4 Hedges

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. Basically, these risks relate to changes in exchange rates. The Company arranges hedging financial instruments in this connection.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as such and the hedging relationship is documented. Also, the Company verifies, both at inception and periodically over the term of the hedge (at least at the end of each reporting period), that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument and that, retrospectively, the gain or loss on the hedge was within a range of 80-125% of the gain or loss on the hedged item.

In 2014 the Company used the following type of hedge, which is accounted for as described below:

Cash flow hedges: in hedges of this nature, the portion of the gain or loss on the hedging instrument that has been determined to be an effective hedge is recognised temporarily in equity and is recognised in the income statement in the same period during which the hedged item affects profit or loss, unless the hedge relates to a forecast transaction that results in the recognition of a non-financial asset or a non-financial liability, in which case the amounts recognised in equity are included in the initial cost of the asset or liability when it is acquired or assumed.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

4.5 Inventories

Programme rights

Rights and programme inventories are valued, based on their nature, as follows:

- Inventoriable in-house productions (programmes produced to be re-run, such as series) are measured at acquisition and/or production cost, which includes both external costs billed by third parties for programme production and for the acquisition of resources and internal production costs, which are calculated by applying pre-established internal rates on the basis of the time during which operating resources are used in production. The costs incurred in producing the programmes are recognised, based on their nature, under the appropriate headings in the income statement and are included under "Programme Rights" in the balance sheet with a credit to "Procurements – Inventories" in the income statement.

Amortisation of these programmes is recognised under "Programmes Amortisation and Other" in the income statement, on the basis of the number of showings, in accordance with the rates shown below:

	Amortisation rate
1st showing	90%
2nd showing	10 %

The maximum period for the amortisation of series is three years, after which the unamortised amount is written off.

Given their special nature, the series which are broadcast daily are amortised in full when the first showing of each episode is broadcast.

- Non-inventoriable in-house productions (programmes produced to be shown only once) are measured using the same methods and procedures as those used to measure inventoriable in-house productions. Programmes produced and not shown are recognised at year-end under "Programme Rights - In-House Productions and Productions in Process" in the balance sheet. The cost of these programmes is recognised as an expense under "Programme Amortisation and Other" in the income statement at the time of the first showing.

- Rights on outside productions (films, series and other similar productions) are measured at acquisition cost. These rights are deemed to have been acquired when the term of the right commences for the Company. Payments made to outside production distributors prior to commencement of the term of the right are recorded under "Advances to Suppliers" in the balance sheet.

The amortisation of the rights is recognised under "Programme Amortisation and Other" in the income statement on the basis of the number of showings, in accordance with the rates shown below, which are established on the basis of the number of showings contracted:

FILMS	Number of showings contracted		
	1	2	3 or more
1st showing	100%	50%	50%
2nd showing	-	50%	30%
3rd showing	-	-	20%

SERIES	Number of showings contracted	
	1	2 or more
1st showing	100%	50%
2nd showing	-	50%

- Live broadcasting rights are measured at cost. The cost of these rights is recognised as an expense under "Programme Amortisation and Other" in the income statement at the time of broadcast of the event on which the rights were acquired.

Raw and other materials

Dubbings, sound tracks, titles and signature tunes of outside productions are recorded at acquisition or production cost. The amortisation of rights is recorded under "Programme

Amortisation and Other" in the income statement at the time of the showing, using the same methods as those used for outside productions.

Other inventories are recorded at acquisition cost and are allocated to profit or loss by the effective or actual amortisation method over the production period.

Write-downs

The Company recognises write-downs to reduce the unamortised value of in-house productions and of the rights on outside productions which it considers will not be shown. When these rights expire, the valuation adjustments are recognised in profit or loss when the cost of the rights is derecognised.

Classification of programmes

In accordance with the Spanish National Chart of Accounts, programme inventories are classified as current assets on the basis of the normal business cycle and standard practice in the industry in which the Company operates. However, programmes are amortised over several years (see Note 12).

4.6 Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in currencies other than the euro are deemed to be "foreign currency transactions" and are recognised by applying the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to euros at the rates then prevailing. Any resulting gains or losses are recognised directly in the income statement in the year in which they arise.

Monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The resulting gains or losses are recognised in equity or in profit or loss by applying the same methods as those used to recognise changes in fair value, as indicated in Note 4.4 on financial instruments.

4.7 Income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit (loss) nor taxable profit (tax loss).

Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

In 2001 the Company began to be taxed on a consolidated basis with other Group companies (see Note 16). In this connection, in calculating its income tax, the Company took into consideration the corresponding Spanish Accounting and Audit Institute (ICAC) resolutions, establishing the methods for the recognition of income tax at companies that file consolidated tax returns.

4.8 Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Revenue from sales is recognised when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably.

At present, the Company basically obtains revenue from the sale of advertising space; this revenue is recognised in the income statement when the related advertising spot is broadcast.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income.

4.9 Provisions and contingencies

When preparing the financial statements the Company's directors made a distinction between:

- Provisions: credit balances covering present obligations arising from past events with respect to which it is probable that an outflow of resources embodying economic benefits that is uncertain as to its amount and/or timing will be required to settle the obligations; and

- Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the Company's control.

The financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Where discounting is used, adjustments made to provisions are recognised as interest cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable; in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

4.10 Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

4.11 Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company's operations whose main purpose is to minimise environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

In view of the business activities carried on by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

4.12 Business combinations

Business combinations are accounted for by applying the acquisition method, for which the acquisition date is determined and the cost of the combination is calculated, and the identifiable assets acquired and the liabilities assumed are measured at their acquisition-date fair value.

Goodwill or gains from a bargain purchase arising from a combination are calculated as the difference between the acquisition-date fair value of the assets acquired and liabilities assumed and the cost of the business combination at the acquisition date.

The cost of a business combination is the aggregate of:

- The acquisition-date fair value of the assets acquired, the liabilities assumed and the equity instruments issued.
- The fair value of any contingent consideration that depends on future events or on the fulfilment of certain specified conditions.

The costs incurred to issue equity or debt securities given up in exchange for the items acquired are not included in the cost of a business combination.

Also, since 1 January 2010 the cost of a business combination does not include the fees paid to legal advisers and other professionals involved in the combination or, clearly, any costs incurred internally in this connection. Such amounts are charged directly to profit or loss.

If, exceptionally, a gain from a bargain purchase arises from the business combination, it is recognised as income in the income statement.

When the fair value of intangible assets cannot be determined by reference to an active market, Recognition and Measurement Standard no.19 of the Spanish National Chart of Accounts, as drafted by Royal Decree 1159/2010, limits the recognition thereof up to the amount in which the value of the net assets acquired is equal to the cost of the business combination.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete, and the provisional amounts may be adjusted in the period required to obtain the necessary information. However, the measurement period shall not exceed one year from the acquisition date. The effects of the adjustments made in that period are recognised retrospectively and comparative information for prior periods must be revised as needed.

Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss, unless the consideration has been classified as equity, in which case subsequent changes in its fair value are not recognised.

4.13 Related party transactions

The Company performs all its transactions with related parties on an arm's length basis. Also, the transfer prices are adequately supported and, therefore, the Company's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

4.14 Non-current assets and disposal groups classified as held for sale

The Company classifies a non-current asset or disposal group as held for sale when the decision to sell it has been taken and the sale is expected to occur within twelve months.

These assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale are not depreciated, but rather at the end of each reporting period the related valuation adjustments are made to ensure that the carrying amount is not higher than fair value less costs to sell.

Income and expenses arising from non-current assets and disposal groups classified as held for sale which do not qualify for classification as discontinued operations are recognised under the related heading in the income statement on the basis of their nature.

4.15 Current and non-current items

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realised within twelve months from the end of the reporting period, financial assets held for trading, except for financial derivatives that will be settled in a period exceeding one year; and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities held for trading, except for financial derivatives that will be settled in a period exceeding one year; and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

5.- Intangible assets

The changes in "Intangible Assets" in the balance sheets in 2014 and 2013 were as follows (in thousands of euros):

Cost	Balance at 01/01/14	Additions	Increase or decrease due to transfer	Balance at 31/12/14
Licence	60,666	-	-	60,666
Trademark	15,819	-	-	15,819
Computer software	35,890	3,444	(33)	39,301
Other intangible assets	304	2,165	-	2,469
Total cost	**112,679**	**5,609**	**(33)**	**118,255**

Accumulated amortisation	Balance at 01/01/14	Charge for the year	Increase or decrease due to transfer	Balance at 31/12/14
Trademark	(989)	(791)	-	(1,780)
Computer software	(30,101)	(3,121)	(14)	(33,236)
Other intangible assets	(304)	-	-	(304)
Total accumulated amortisation	**(31,394)**	**(3,912)**	**(14)**	**(35,320)**

Total intangible assets	Balance at 01/01/14	Balance at 31/12/14
Cost	112,679	118,255
Accumulated amortisation	(31,394)	(35,320)
Total, net	**81,285**	**82,935**

Cost	Balance at 01/01/13	Additions	Increase or decrease due to merger (Note 5)	Balance at 31/12/13
Licence	60,666	-	-	60,666
Trademark	15,819	-	-	15,819
Computer software	33,675	2,583	(368)	35,890
Other intangible assets	304	-	-	304
Total cost	**110,464**	**2,583**	**(368)**	**112,679**

Accumulated amortisation	Balance at 01/01/13	Charge for the year	Disposals or reductions	Balance at 31/12/13
Trademark	(198)	(791)	-	(989)
Computer software	(27,127)	(2,989)	15	(30,101)
Other intangible assets	(304)	-	-	(304)
Total accumulated amortisation	**(27,629)**	**(3,780)**	**15**	**(31,394)**

Total intangible assets	Balance at 01/01/13	Balance at 31/12/13
Cost	110,464	112,679
Accumulated amortisation	(27,629)	(31,394)
Total, net	**82,835**	**81,285**

At the end of 2014 and 2013 the Company had fully amortised intangible assets still in use, the detail being as follows (in thousands of euros):

	Gross carrying amount	
	2014	**2013**
Computer software	29,417	25,433
Other intangible assets	304	304
Total	**29,721**	**25,737**

6.- Property, plant and equipment

The changes in 2014 and 2013 in "Property, Plant and Equipment" in the balance sheets and the most significant information affecting this heading were as follows (in thousands of euros):

Cost	Balance at 01/01/14	Additions	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/14
Land and buildings	55,647	-	213	-	55,860
Plant	104,369	-	5,121	(2,660)	106,830
Machinery	192	-	-	-	192
Tools	93	-	-	-	93
Furniture	8,495	-	181	(184)	8,492
Computer hardware	26,353	-	1,647	(1,685)	26,315
Transport equipment	52	-	89	-	141
Property, plant and equipment in the course of construction	237	6,995	(7,218)	-	14
Total cost	**195,437**	**6,995**	**33**	**(4,529)**	**197,937**

Accumulated depreciation	Balance at 01/01/14	Charge for the year	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/14
Land and buildings	(30,780)	(1,462)	-	-	(32,242)
Plant	(90,773)	(6,052)	14	2,609	(94,202)
Machinery	(189)	-	-	-	(189)
Tools	(93)	-	-	-	(93)
Furniture	(7,628)	(401)	-	183	(7,846)
Computer hardware	(22,430)	(1,849)	-	1,674	(22,605)
Transport equipment	(52)	(17)	-	-	(69)
Total accumulated depreciation	**(151,945)**	**(9,781)**	**14**	**4,466**	**(157,246)**

Total property, plant and equipment	Balance at 01/01/14	Balance at 31/12/14
Cost	195,437	197,937
Accumulated depreciation	(151,945)	(157,246)
Total, net	**43,492**	**40,691**

Cost	Balance at 01/01/13	Additions	Increase or decrease due to transfer	Increase or decrease due to merger (Note 5)	Balance at 31/12/13
Land and buildings	56,024	-	192	(569)	55,647
Plant	104,865	-	4,497	(4,993)	104,369
Machinery	192	-	-	-	192
Tools	93	-	-	-	93
Furniture	8,336	150	324	(315)	8,495
Computer hardware	26,867	-	1,199	(1,713)	26,353
Transport equipment	52	-	-	-	52
Property, plant and equipment in the course of construction	810	5,271	(5,844)	-	237
Total cost	**197,239**	**5,421**	368	**(7,590)**	**195,437**

Accumulated depreciation	Balance at 01/01/13	Charge for the year	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/13
Land and buildings	(29,585)	(1,764)	-	569	(30,780)
Plant	(90,155)	(5,579)	(5)	4,966	(90,773)
Machinery	(188)	(1)	-	-	(189)
Tools	(92)	(1)	-	-	(93)
Furniture	(7,408)	(524)	(8)	312	(7,628)
Computer hardware	(22,219)	(1,918)	(2)	1,709	(22,430)
Transport equipment	(52)	-	-	-	(52)
Total accumulated depreciation	**(149,699)**	**(9,787)**	**(15)**	**7,556**	**(151,945)**

Total property, plant and equipment	Balance at 01/01/13	Balance at 31/12/13
Cost	197,239	195,437
Accumulated depreciation	(149,699)	(151,945)
Total, net	**47,540**	**43,492**

The Company owns buildings, the value of which, net of depreciation, and that of the land, at the end of 2014 and 2013 were as follows (in thousands of euros):

Property	2014	2013
Land	11,517	11,517
Buildings	12,101	13,350
Total	**23,618**	**24,867**

In 2014 the Company derecognised items of property, plant and equipment, giving rise to a net gain of EUR 45 thousand (2013: EUR 8 thousand).

At the end of 2014 and 2013 the Company had fully depreciated items of property, plant and equipment still in use, the detail being as follows (in thousands of euros):

	Gross carrying amount	
	2014	2013
Buildings	8,661	7,804
Other assets	104,941	104,592
Total	**113,602**	**112,396**

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At the end of 2014 and 2013 the property, plant and equipment were fully insured against these risks.

7.- Leases

At the end of 2014 and 2013 the Company, as a lessor under operating leases, had annual lease arrangements with certain Group companies for facilities and other scantly material lease arrangements with a term of more than one year with non-Group companies. Since the leased facilities are in the same building as the Company, they are not considered to be investment property included in the Company's assets.

Income from operating leases in 2014 amounted to EUR 7,421 thousand (2013: EUR 7,531 thousand).

8.- Financial assets (non-current and current)

8.1 Non-current financial assets

The detail of "Non-Current Financial Assets" at the end of 2014 and 2013 is as follows (in thousands of euros):

	2014	2013
Held-for-trading financial assets:		
Hedging Derivatives	4,397	
Other derivatives	87	9,413
Available-for-sale financial assets:		
At cost (Note 21.2)	5,956	1,472
Loans and receivables:		
Long-term guarantees and deposits	75	75
Total	**10,515**	**10,960**

In relation to "Other Derivatives", in December 2012 the Company entered into various agreements with the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A., including one whereby, in exchange for a fixed market consideration determined at the date of the agreement and deliverable by Atresmedia Corporacion Medios de Comunicacion, S.A., the aforementioned counterparty undertook to pay the Company a variable cash amount to be determined on the basis of the future economic results of the Atresmedia Group and payable in 2017.

On February 24, 2014, as a result of the negotiation process Novation Agreement described in Note 12.2 will be achieved, among other agreements with Gamp Audiovisual, S.A. and Imagina Media Audiovisual, S.A., the cancellation of its share in the financial derivative contract described in said Note 5. The amount at December 31, 2014 includes the fair value at that date of the financial derivative instrument closed with Gala Desarrollos Comerciales, S.L., whose agreed terms remain unchanged, as specified in Note 12.2.

The assets available for sale reflects the long-term financial investments in equity instruments of companies over which the Company does not exercise significant influence in accordance with the provisions of the standard preparation of annual accounts number 13, by not participating in the setting process financial and trade policies. The increase in this term reflects the strategy of diversification, additional to the advertising revenue growth developed by the Company, through investments in broadcast advertising in exchange of participation in the society. Among them we can highlight the investment in El Armario de la Tele, S.L. and Groupalia Compra Colectiva, S.L. (see Note 19.2).

8.2 Current financial assets

The detail of "Current Financial Assets" at the end of 2014 and 2013 is as follows (in thousands of euros):

	2014	2013
Derivatives:		
Derivatives (Note 10)	11,740	698
Assets available for sale		
Valuated at cost	2,211	-
Loans and receivables:		
Short-term guarantees and deposits	233	678
Total	**14,184**	**1,376**

8.3 Non-current investments in Group companies and associates

The detail of "Non-Current Investments in Group Companies and Associates" at the end of 2014 and 2013 is as follows (in thousands of euros):

	2014	2013
Investments in Group companies and associates (Note 21.2)	94,906	76,288
Long-term loans to Group companies and associates (Note 21.2)	128,481	125,322
Total	**223,387**	**201,610**

The most significant information in relation to investments in **Group companies and associates** at the end of 2014 is as follows:

Company name / Location / Line of business	Thousands of euros									
	Particip ation %	Share capital	Profit (Loss)		Other equity items	Total equity	Dividend received	Carrying amount		
			From operations	Net				Cost	Impairment losses recognised in the year	Accumulated impairment losses
Antena 3 Multimedia, S.L.U. Madrid/ Commercial management by television	100%	3	17	-	195	198	-	3	-	-
Atres Advertising, S.L.U. Madrid/ Advertising management	100%	3	16,509	11,145	(10,970)	178	-	3	-	-
Antena 3 Noticias, S.A.U. Madrid/ News producer	100%	6	378	7	329	342	-	4,233	(1,319)	(3,891)
Antena 3 Juegos, S.A.U. Madrid/ Games	100%	100	(58)	(43)	63	120	415	100	-	-
Antena 3 Eventos, S.L.U. Madrid/ Organisation of events	100%	150	278	192	1,154	1,496	-	1,622	214	(124)
Guadiana Producciones, S.A.U. Madrid/ Producer	100%	60	2	2	(11)	51	-	716	-	(664)
Música Aparte, S.A.U. Madrid/ Management of copyrights	100%	60	3,970	2,823	(2,408)	475	1,800	60	-	-
Antena 3 Films, S.L.U. Madrid/ Audiovisual productions	100%	1,900	(4,502)	(347)	3,894	5,447	-	34,022	(347)	(28,576)
La Sexta Editorial Musical, S.A.U. Madrid/ Management of copyrights	100%	3	1,624	1,146	43	1,192	1,144	1,180	-	-
Uniprex, S.A.U. Madrid/ Radio broadcasting services	100%	900	15,774	7,891	86,933	95,724	-	106,635	19,981	(26,354)
I3 Televisión, S.L. Madrid/ IT services	50%	310	38	26	(66)	270	-	575	(346)	(366)
Cordina Planet, S.L. Barcelona/ Management of intellectual works	100%	203	(1,581)	(1,141)	1,841	903	-	5,923	(1,337)	(1,840)
Hola TV América, S.L. Madrid/ Television	50%	1,056	(246)	(253)	584	1,387	-	2,107	(72)	(458)
Atresmedia Foto Madrid/ Photography	90%	50	(1,056)	(744)	276	(418)	-	374	(374)	(374)
TVI Televisao Independente, S.A. Lisbon/ Television	0,001 %	(a)	(a)	(a)	(a)	(a)	-	2,016	-	(2,016)
Total investments		**4,804**	**31,147**	**20,704**	**81,857**	**107,365**	**3,359**	**159,569**	**16,400**	**(64,663)**

(a) Information not available

The most significant information in relation to investments in **Group companies and associates** at the end of 2013 was as follows:

Company name / Location / Line of business	% of ownership		Thousands of euros								
				Profit (Loss)					Carrying amount		
	Direct	Indirect	Share capital	From operations	Net	Other equity items	Total equity	Dividend received	Cost	Impairment losses recognised in the year	Accumulated impairment losses
Antena 3 Multimedia, S.L.U. Madrid/ Commercial management by television	100%	-	3	14	-	195	198	-	3	-	-
Atres Advertising, S.L.U. Madrid/ Advertising management	100%	-	3	17,338	12,322	(10,126)	2,199	11,780	3	-	-
Antena 3 Noticias, S.A.U. Madrid/ News producer	100%	-	6	(420)	(4,227)	2,895	(1,361)	-	2,572	(2,572)	(2,572)
Antena 3 Eventos, S.L.U. Madrid/ Organisation of events	100%	-	150	(21)	(2)	1,156	1,304	-	1,623	(21)	(338)
Antena 3 Juegos, S.A.U. Madrid/ Games	100%	-	100	223	152	325	577	-	100	-	-
Cordina Planet, S.L. Barcelona/ Management of intellectual works	100%	-	203	(1,716)	(2,018)	(1,060)	(2,875)	-	1,004	-	(503)
Guadiana Producciones, S.A.U. Madrid/ Producer	100%	-	60	(3)	(2)	(8)	50	-	716	(2)	(664)
Hola TV América, S.L. Madrid/ Television	50%	-	371	(246)	(253)	584	702	-	737	(328)	(386)
Uniprex, S.A.U. Madrid/ Radio broadcasting services	100%	-	900	14,298	7,621	79,313	87,834	-	106,635	-	(46,335)
Música Aparte, S.A.U. Madrid/ Management of copyrights	100%	-	60	4,098	2,895	3,297	6,252	-	60	-	-
Antena 3 Films, S.L.U. Madrid/ Audiovisual productions	100%	-	1,900	(7,131)	665	3,229	5,794	-	34,022	665	(28,229)
La Sexta Editorial Musical, S.A.U. Madrid/ Management of copyrights	100%	-	3	986	660	526	1,189	574	1,180	77	-
Publiseis, Iniciativas Comerciales, S.A.U. Madrid/ Advertising management	100%	-	5,000	202	187	1,297	6,484	-	8,264	187	(1,780)
I3 Televisión, S.L. Madrid/ IT services	50%	-	300	38	26	(66)	260	-	150	45	(20)
Antena 3 de Televisión Colombia, S.A. Colombia/ Television	55%	-	576	(10)	(10)	(527)	39	-	366	(366)	(366)
Canal 3 Televisión de Colombia, S.A. Colombia/ Television	2%	22%	1,265	(95)	(95)	(1,109)	61	-	29	(29)	(29)
TVI Televisao Independente, S.A. Lisbon/ Television	0.001%	-	(a)	(a)	(a)	(a)	(a)	-	2,016	-	(2,016)
Atresmedia Foto Madrid/ Photography	90%	-	50	(127)	(89)	-	(39)	-	45	-	-

Total investments			9,109	27,533	17,937	81,557	108,603	12,354	159,130	(1,949)	(82,842)

(a) Information not available

The detail of the long-term loans granted to Group companies and associates is as follows (in thousands of euros):

Loans	Balance at 01/01/14	Additions	Transfers	Disposals	Balance at 31/12/14
Uniprex, S.A.U.	78,000	-	(14,000)	-	64,000
Antena 3 Films, S.L.U.	47,322	-	17,159	-	64,481
Total	**125,322**	**-**	**3,159**	**-**	**128,481**

Loans	Balance at 01/01/13	Additions	Transfers	Disposals	Balance at 31/12/13
Uniprex, S.A.U.	90,000	-	(12,000)	-	78,000
Antena 3 Films, S.L.U.	46,729	593	-	-	47,322
Hola TV América, S.L.	572	-	(572)	-	-
Total	**137,301**	**593**	**(12,572)**	**-**	**125,322**

In December 2012 the Company formaliced a loan with Uniprex, S.A.U. amounting to EUR 100,000 thousand, of which EUR 90,000 thousand are in long term, with annual maturities from 2014 until 2018, and bearing a fixed interest rate of 4.5%, annually revisable. During 2014 the Company has transferred to short-term EUR 14,000 thousand (see Note 19.2).

Moreover, the Company has granted a loan to Antena 3 Films, S.L., amounted to EUR 150,000 thousand. This loan accrues variable interest at Euribor. The amount drawn at 31 December 2014 was EUR 64,481 thousand (see Note 19.2)

The most representative acquisitions and sales of ownership interests in other entities and other significant corporate transactions in 2014 were as follows:

- Atresmedia Corporación de Medios de Comunicación, S.A. transferred to its subsidiary Atres Advertising, S.L. (Sole-Shareholder Company) all of the shares representing the share capital of Publiseis Iniciativas Publicitarias, S.A. (Sole-Shareholder Company) under a share purchase and sale agreement entered into on 19 May 2014. This transaction did not have any impact on the Group's consolidated financial statements.

- On 3 January 2014, Atresmedia Corporación de Medios de Comunicación, S.A. subscribed 154,412 new shares of Hola Televisión América, S.L. for a total nominal amount and share premium of EUR 618 thousand. On 12 May 2014, Hola Televisión América, S.L. performed another capital increase with a share premium in which the Parent subscribed 99,638 new shares for a total of EUR 399 thousand. Lastly, on 25 September 2014 the Parent subscribed 88,227 new shares of the aforementioned company for a total nominal amount and share premium of EUR 353 thousand. None of the capital increases described above had an impact on the percentage of ownership held in this associate's share capital.

- On 16 December 2014, the Parent increased its investment in the associate I3 Televisión, S.L. by EUR 425 thousand. However, this did not result in an increase in the percentage of ownership held in this associate.

- In December 2014, the Parent Atresmedia Corporación de Medios de Comunicación, S.A. made various shareholders' contributions to offset losses to Cordina Planet, S.L. (Sole-Shareholder Company), Antena 3 Noticias, S.L. (Sole-Shareholder Company) and Atresmedia Foto, S.L. for EUR 4,919 thousand, EUR 1,661 thousand and EUR 329 thousand, respectively.

The most representative acquisitions and sales of ownership interests in other entities and other significant corporate transactions in 2013 were as follows:

- On 6 February 2013, Antena 3 de Televisión Colombia, S.A. and Canal 3 Televisión Colombia, S.A. were liquidated.

- On 4 July 2013, Hola Televisión América, S.L. increased its capital by EUR 679 thousand. However, this did not result in an increase in the percentage of ownership held in this company.

- On 5 December 2013, Atresmedia Foto, S.L. was formed with Atresmedia Corporación de Medios de Comunicación, S.A. holding a 90% ownership interest therein. Its company object is the manufacture and sale of photo albums and promotional and gift items.

- On 12 December 2013, the Company acquired the other 50% of Cordina Planet, S.L., thereby giving the Company a full ownership interest in this company's share capital.

- In December 2013 a shareholder contribution of EUR 2,566 thousand was made to offset losses at Antena 3 Noticias, S.L. (Sole-Shareholder Company).

None of the investees of Atresmedia Corporación de Medios de Comunicación, S.A. are listed on Spanish or foreign stock exchanges.

At the end of each year or period the directors assess the business plans of the Company's investees, revise them if necessary and estimate the value of the ownership interests and the recoverability of the investments made.

For investments for which business plans are not available, impairment is estimated on the basis of the company's equity and the unrealised gains at the end of the year or period.

During 2014 the Company reported reversals and impairment of financial instruments, net totaling EUR 15,209 thousand. Although, there were reversed provisions amounting to EUR 21,761 thousand, of which EUR 19,981 thousand are relate to the application of the existing provision for Uniprex S.A.U. as a result of the analysis of the value of this investment. On the other hand, are recorded, among others, a deterioration of EUR 1,337 thousand relating to the participation in Cordina Planet, S.L. and EUR 1,319 thousand for Antena 3 Noticias, S.L.

9.- Information on the nature and level of risk of financial instruments

The Group has a risk management and control system in place which is periodically reviewed and updated based on the changes in the Group's business activities, the materialisation of risks, legislative developments and the organisation's own development.

This risk management and control system is a tool to aid in management decision-making and to effectively manage risks by identifying and implementing the controls and actions plans, if any, that are necessary for all the identified risks, thereby improving the ability to generate value and minimising any impact that may arise from the materialisation of any risk.

Risk analysis and control affects all Group businesses and activities and also involves all organisational units. It is therefore a corporate risk management and control system in which the entire organisation actively participates and which is managed and overseen by the Board of Directors, with the functions that are granted in this regard to the Audit Committee and the coordination and participation of the Regulatory Compliance Committee and, in particular, the Legal area in risk management and compliance controls, the Finance area in relation to financial risks and the set of controls that compose the System of Internal Control over Financial Reporting and, lastly, the Internal Audit and Process Control area in the coordination and supervision of the overall functioning of the risk management system.

The Group has the tools and the organisation necessary to ensure the effectiveness of the approved control procedures.

The Company's financial risk management is centralised in its Financial Department, which has established the mechanisms required to control exposure to interest rate and exchange rate fluctuations and credit and liquidity risk. The main financial risks affecting the Company are as follows:

a) Credit risk:

In general, the Company holds its cash and cash equivalents at banks with high credit ratings.

The advertising contracting terms enable bank guarantees to be demanded prior to the launch of advertising campaigns. Also, it should be noted that the Company does not have a significant concentration of credit risk exposure to third parties and no significant incidents arose in 2014.

At 31 December 2014, 1.29% of total borrowings were past-due.

In any case, the Company estimates allowances for doubtful debts based on the age of the debt. Allowances for doubtful debts amounted to EUR 2,601 thousand at 31 December 2014 (31 December 2013: EUR 3,578 thousand) (see Note 18.4).

b) Liquidity risk:

The Company’s liquidity policy is to arrange credit lines and current financial assets that are sufficient to support its financial needs, on the basis of expected business performance. These are all tied to floating interest rates.

The Company, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its balance sheet, together with the credit and financing facilities detailed in Note 14.

c) Foreign currency risk:

Foreign currency risk relates mainly to the payments to be made in international markets to acquire broadcasting rights, primarily from major production companies in the US, denominated in US dollars. In order to mitigate this risk, the Company arranges financial instruments (mainly foreign currency hedges) which reduce exchange differences on foreign currency transactions (see Note 10).

d) Interest rate risk:

Both the Company's cash and its bank borrowings are exposed to interest rate risk, which could have an adverse effect on financial profit or loss and cash flows. The Company's financing is arranged at interest rates tied to Euribor. To mitigate this risk, the Company has arranged interest rate swaps to reduce the finance costs arising from the pegging to floating rates (see Note 10).

10.- Derivative financial instruments

The Company uses derivative financial instruments to hedge the risks to which its business activities, operations and future cash flows are exposed. As part of these transactions, the Company has arranged certain hedging financial instruments, the detail of which is as follows:

Foreign currency hedges

The Company uses currency derivatives to hedge significant future transactions and cash flows. The instruments purchased are denominated in US dollars.

The Company applies hedge accounting and documents the hedging relationships and the measurement of their effectiveness as required by current legislation. In all cases, these include the cash flow hedges of firm commitments, of which the EUR/USD forward exchange rate exposures to possible variations in the cash flows payable in euros associated with broadcasting rights is hedged.

For 2014, due to the commencement of the period in which the broadcasting rights being hedged come into force, EUR 635 thousand was capitalised to inventories from equity. For 2013, inventories were reduced by EUR 52 thousand with a charge to equity. The changes in the fair value of the derivatives arranged by the Company depend on the change in the EUR/USD exchange rate and on the euro yield curve.

At 31 December 2014, the Company had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 230,233 thousand, at a weighted average exchange rate of EUR 1.3279/USD 1. At 31 December 2013, the Company had arranged hedging instruments amounting to USD 89,863 thousand, at a weighted average exchange rate of EUR 1.3117/USD 1.

At the end of 2014 and 2013, the total amount of outstanding forward currency contracts entered into by the Group is as follows (the terms reflect the moment in which the hedged portion is recognised and in which the value of the hedging instruments is adjusted in equity as an increase in/reduction of inventories):

						Fair value (thousands of euros)	
	Classification	**Type**	**Maturity**	**Amount arranged (thousands of euros)**	**Ineffectiveness recognised in profit or loss (thousands of euros)**	**Assets**	**Liabilities**
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2015	151.142	-	11.740	8
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2016	72.103	-	3.982	6
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2017	6.988	-	415	1

The information in this connection at 31 December 2013 is as follows:

						Fair value (thousands of euros)	
	Classification	**Type**	**Maturity**	**Amount arranged (thousands of euros)**	**Ineffectiveness recognised in profit or loss (thousands of euros)**	**Assets**	**Liabilities**
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2014	62,520	-	698	3,025
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2015	7,313	-	-	189
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2016	8,053	-	-	18

At 31 December 2014, the fair value of the Company's foreign currency derivatives, which are designated and are effective as cash flow hedges, was estimated to be positive by EUR 16,224 thousand and negative by EUR 15 thousand (31 December 2013: positive by EUR 698 thousand and negative by EUR 3,232 thousand). This amount was deferred and recognised in equity.

The derivatives were measured by estimating the present value of the future cash flows that will arise under the terms and conditions arranged by the parties in the derivative contract. The cash price is taken to be the reference exchange rates of the European Central Bank on

31 December 2014, the swap points (offer/bid) and the interest rates prevailing at the measurement date.

The foreign currency derivatives have been arranged in such a way that they are fully effective at each reference date and, accordingly, are recognised in full in equity, until the inventories are recognised.

The sensitivity analysis indicates that positive or negative changes of 10% in spot EUR/USD exchange rates would give rise to changes of approximately EUR 35 million in the fair value of the foreign currency derivatives (2013: EUR 14 million). Increases in the value of the euro (depreciation of the US dollar) would increase negative values while decreases in the value of the euro would increase positive values.

Interest rate hedges

In August 2013 the Company arranged interest rate derivatives (IRSs) in order to fix the financial cost arising from the floating interest rates applicable to each of the tranches of syndicated financing arranged at that date.

These IRSs expire on August 2017 and the hedged amount is EUR 111,209 thousand with a fixed interest rate of 1.01%. At 31 December 2014, the fair value thereof amounted to EUR 5 thousand (2013: EUR 5 thousand)

11.- Inventories

The detail of “Inventories” in the balance sheets at 31 December 2014 and 2013 is as follows:

Thousands of euros		
Programme rights, net-		
Rights on outside productions	280,497	254,144
In-house productions and programmes in process	18,782	36,455
Sports broadcasting rights	3,214	3,460
Inventory write-downs - outside productions	(37,800)	(33,754)
	264,693	**260,305**
Consumables and other inventories-		
Dubbings, soundtracks and titles	2,454	2,076
Other materials	1,026	940
	3,480	**3,016**
Advances to suppliers	**17,712**	**29,181**
	285,885	**292,502**

“Advances to Suppliers” in the accompanying balance sheets at 31 December 2014 and 2013 includes basically advances paid in connection with outside production commitments.

The changes in the write-downs relating to “Inventories” in the accompanying balance sheets were as follows (in thousands of euros):

	Balance at 01-01-14	Additions	Transfers	Disposals or reductions	Balance at 31-12-14
Inventory write-downs	**(33,754)**	(6,347)	529	1,772	**(37,800)**

	Balance at 31-12-12	Additions	Transfers	Disposals or reductions	Balance at 31-12-13
Inventory write-downs	**(19,516)**	(6,976)	(9,508)	2,246	**(33,754)**

The write-downs recognised arose since it was decided that certain titles would not be marketable and it was not likely that they would form part of the Company's programme schedule. These write-downs were recognised under "Programme Amortisation and Other" in the accompanying income statement. In addition, regarding the impact of the closure of three channels (see Note 1), the Company has made an adjustment in the value of certain media rights amounted to EUR 3 million. These movements are reflected in the caption consumption and other programs of the accompanying income statement.

At 31 December 2014, the Company had commitments, mainly for the purchase of audiovisual property rights, amounting to EUR 279,146 thousand (31 December 2013: EUR 116,704 thousand). In addition, the Company has purchase commitments to distributors, the definitive amount and price of which will be determined once the programmes are produced and, in certain cases, by establishing the acquisition price on the basis of box-office takings. In 2014 the best estimate of these commitments amounts to EUR 94,312 thousand (2013: EUR 80,400 thousand).

It is estimated that in 2015 inventoriable in-house productions will be amortised in full and approximately EUR 140,000 thousand of programme rights on outside productions (see Note 4.5).

12.- Equity and shareholders' equity

On 29 October 2012, the merger resolutions adopted by the shareholders of Atresmedia Corporación de Medios de Comunicación, S.A., as the absorbing company, and Gestora de Inversiones Audiovisuales La Sexta, S.A., as the absorbed company, at their respective Annual General Meetings on 25 April 2012, were executed in public deeds, as a result of which the draft terms of merger were fully approved.

Following the merger resolution approved by the shareholders at the Annual General Meetings of the two companies and the filing of the merger deed at the Madrid Mercantile Registry on 31 October 2012, the shareholders of La Sexta received, as consideration for the assets and liabilities of this company, 15,801,296 shares of Atresmedia Corporación de Medios de Comunicación, S.A., which represented 7% of its share capital.

For the purposes of the share exchange, on 29 October 2012 Atresmedia Corporación de Medios de Comunicación, S.A. increased share capital by a nominal amount of EUR 10,965 thousand through the issue of (i) 13,438,704 shares of EUR 0.75 par value each, of the same class and series as the shares outstanding prior to the increase and without dividend rights with a charge to the profit generated before the date on which the merger was filed at the Mercantile Registry, irrespective of the payment date, and (ii) 1,181,296 shares of EUR 0.75 par value each, of a different class and carrying the same restriction on dividend rights as the aforementioned shares, applicable for 24 months following the date on which the merger was filed at the Mercantile Registry, which took place on 31 October 2012.

As a result, once this period had ended, the Company's Board of Directors, acting under powers delegated from the Annual General Meeting of 25 April 2012 in which the merger was approved, adopted the necessary resolutions to reword Articles 5 and 7 of the bylaws so that they state that all the shares that represent the share capital of Atresmedia Corporación de Medios de Comunicación, S.A. are of the same class and carry the same dividend rights for the holders thereof in respect of the profit earned by the Company from 31 October 2014 onwards.

In addition, as part of this convergence process and also in accordance with the merger agreements, the Company's Board of Directors resolved to request the official listing of these 1,181,296 shares on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges through the Spanish stock market interconnection system.

Once 24 months elapsed from the registration of the merger, i.e. on 31 October 2014, the 1,181,296 shares that at that date were B shares became ordinary shares. From this date, all the shares composing the share capital of Atresmedia Corporación carried the same dividend rights.

At 31 December 2014 and 2013, the share capital of the Company amounted to EUR 169,300 thousand and was represented by 225,732,800 fully subscribed and paid shares of EUR 0,75 par value each, with the same rights except for the restriction on dividend rights mentioned in Note 12.3.

The detail of the shareholder structure at the end of 2014 is as follows:

	% of ownership
Planeta-de Agostini, S.L. Group	41.70
Ufa Film und Fernseh, GMBH	19.17
Imagina Media Audiovisual, S.L.	4.48
Gamp Audiovisual, S.A. (*)	4.16
Treasury shares	0.51
Other shareholders	29.98
Total	**100.00**

* Gamp Audiovisual, S.A. is an Imagina Group company, which is controlled, pursuant to Article 4 of the Spanish Securities Market Law.

The Company's shares are listed on the Spanish stock market interconnection system and all carry the same voting and dividend rights, except for the 1,181,296 shares mentioned above, which admission to trading has been applied but not occurred at December 31, 2014.

There are agreements between the main shareholders that guarantee the Company’s shareholder stability, the grant of mutual rights of acquisition on their shares and the undertaking not to take control of the Company or to permit a third party to do so, and also include management agreements, as described in the Corporate Governance Report.

12.1 Reserves

LEGAL RESERVE

Under the Spanish Limited Liability Companies Law, the Company must transfer 10% of net profit for each year to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2014, the legal reserve had reached the legally required minimum (EUR 33,860 thousand).

OTHER RESERVES

“Other Reserves” includes an amount of EUR 281 thousand which is restricted as to its use since it corresponds to the “Reserve for the Adjustment of Share Capital to Euros”.

As a result of the capital reduction made in 2006, a reserve of EUR 8,333 thousand was established, equal to the par value of the retired shares, which may only be used if the same requirements as those for the reduction of share capital are met, pursuant to Article 335-c of the Spanish Limited Liability Companies Law.

The remaining reserves recognised under “Other Reserves” are unrestricted.

12.2 Other equity instruments

Pursuant to the agreement to merge the two companies, the Parent (Atresmedia Corporación de Medios de Comunicación, S.A.) and Gestora de Inversiones Audiovisuales La Sexta, S.A. agreed to grant La Sexta shareholders an additional ownership interest of 15,818,704 Atresmedia Corporación de Medios de Comunicación, S.A. shares representing 7% of its share capital, although the delivery thereof is conditional upon the consolidated earnings of Atresmedia from 2012 to 2016.

On 19 February 2014 the Parent reported, through a relevant event communication and subsequent to a resolution of its Board of Directors, the partial novation of this agreement, under which Atresmedia Corporación de Medios de Comunicación, S.A., with Gamp Audiovisual, S.A. and Imagina Media Audiovisual, S.L., agreed to bring forward and definitively adjust the delivery of the additional ownership interest that would correspond to these companies. Accordingly, on 24 February 2014, ownership interests in Atresmedia Corporación de Medios de Comunicación, S.A. equal to 2.079% and 1.631% of its share capital, respectively, were delivered with a charge to treasury shares

The terms and conditions agreed upon in the integration agreement relating to Gala Desarrollos Comerciales, S.L. remain unchanged and, accordingly, it continues to be entitled to receive an additional ownership interest of 0.508% of the share capital of Atresmedia Corporación de Medios de Comunicación, S.A., conditional upon the earnings performance of the Atresmedia Group in the period 2012 to 2016. The delivery of these additional shares will be carried out in full through treasury shares of the Parent and, therefore, does not constitute an additional issue.

"Other Equity Instruments" includes the measurement of the aforementioned consideration at the fair value of the shares whose delivery continues to be deferred. This measurement was calculated on the basis of the forward price of the shares of Atresmedia Corporación de Medios de Comunicación, S.A. on 5 October 2012 taking into account a 0.90% IRS rate and in accordance with management's estimate of the profit for 2012 to 2016 in order to estimate the time of delivery.

12.3 Treasury shares

The detail of “Treasury shares” in the consolidated balance sheets at 31 December 2014 and 2013 is as follows:

-

Year	Number of shares	Nominal value (EUR)	Average Purchase Price (EUR)	Total Adquisition Cost (thousand EUR)
2014	1,145,594	859,196	6.29	7,202
2013	15,818,704	11,864,028	6.29	99,453

-

At 31,594 shares, with a value of EUR 7,202 thousand and an average acquisition price of EUR 6.29 per share.

- The changes in "Treasury Shares" in 2014 and 2013 were as follows:
-

Number of Shares	2014	2013
At beginning of year	15,818,704	15,818,704
Purchases	-	-
Sellings	(6,298,784)	-
Delivery of shares (Note 4)	(8,374,326)	-
At end of year	**1,145,594**	**15,818,704**

On 6 March 2014, the Parent reported through a relevant event communication the sale for EUR 79,680 thousand of a total of 6,298,784 treasury shares representing 2.79% of its share capital. The carrying amount of these shares was EUR 39,601 thousand. The difference between both amounts was recognised in equity. This transaction carried a cost of 1% on the sale price, which was also recognised in equity.

The Annual General Meeting held on 24 March 2010 approved a resolution authorising the Parent to acquire treasury shares provided that they did not exceed the maximum legal limit permitted by law at any given time. This limit was established at 10% of subscribed share capital by Law 3/2009, of 3 April, on structural changes to companies.

12.4 Dividends

At the Parent's Board of Directors meeting held on 19 November 2014, it was resolved to distribute out of the Parent's profit for 2014, gross amount of ten euro cents (EUR 0.10) for each of the 224,551,504 shares with a par value of EUR 0.75 carrying dividend rights, of which 1,145,594 are treasury shares. Accordingly, the dividend rights inherent to treasury shares were attributed proportionately to the other shares that are eligible to receive the dividend, in accordance with Article 148 of the Spanish Limited Liability Companies Law.

Under the draft terms of merger by absorption of Atresmedia Corporación de Medios de Comunicación, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A. ("La Sexta"), the remaining shares representing the Parent's share capital, i.e. 1,181,296 shares, that were delivered to the La Sexta shareholders as part of the share exchange and whose related dividend rights were temporarily restricted do not carry rights to this interim dividend. The owners were not eligible to receive dividends distributed out of the Parent's profit in the 24 months following the date of registration of the merger deed at the Madrid Mercantile Registry, which took place on 31 October 2012.

This dividend, which was paid to the shareholders as an interim dividend on 18 December 2014, totalled EUR 22,341 thousand.

13.- Provisions and contingencies

The detail of short- and long-term provisions in 2014 and 2013 were as follows (in thousands of euros):

Provisions	Balance at 01/01/14	Charge for the year	Transfers	Amounts used	Excessive provisions	Balance at 31/12/14
Litigation and other provisions	34,304	2,301	1,446	(5,126)	(4,369)	28,556
Total	**34,304**	**2,301**	**1,446**	**(5,126)**	**(4,369)**	**28,556**

Provisions	Balance at 01/01/13	Charge for the year	Transfers	Amounts used	Excessive provisions	Balance at 31/12/13
Litigation and other provisions	41,692	5,044	(6,566)	(1,739)	(4,127)	34,304
Total	**41,692**	**5,044**	**(6,566)**	**(1,739)**	**(4,127)**	**34,304**

The charge for the year is reflected under "Outside Services" and the excessive provisions are recognised under "Excessive Provisions" in the accompanying income statement.

At 31 December 2014 and 2013, certain civil, labour, criminal and administrative lawsuits had been filed against the Company which were taken into account in estimating potential contingent liabilities. Noteworthy, in view of their amount, were the lawsuits with certain collection societies.

As mentioned in Note 1, on 18 December 2013 the Supreme Court issued a writ of execution enforcing the aforementioned judgment, rendering void the resolution of the Spanish Cabinet regarding the allocation of channels. The Company does not consider it necessary to recognise a provision in this connection.

The directors of the Company and its legal advisers do not expect any material liabilities additional to those already recognised to arise from the outcome of the lawsuits in progress.

14.- Non-current and current liabilities

14.1 Non-current financial liabilities

The detail of "Non-Current Payables" at the end of 2014 and 2013 is as follows (in thousands of euros):

	Non-current financial instruments					
	Bank borrowings		Derivatives and other		Total	
	2014	2013	2014	2013	2014	2013
Accounts payable	126,331	200,129	50,511	63,264	176,842	263,393
Derivatives	-	-	7	207	7	207
Total	**126,331**	**200,129**	**50,518**	**63,471**	**176,849**	**263,600**

The detail at December 31, 2014, by maturity, of "Non-Current Payables" is as follows (in thousands of euros):

	2016	2017	2018	2019	2020 and subsequent years	Total
Bank borrowings	62,331	64,000	-	-	-	126,331
Trade payables	45,639	4,710	42	-	-	50,391
Derivatives	7	-	-	-	-	7
Other payables	75	9	9	9	18	120
Total 31/12/2014	**108,052**	**68,719**	**51**	**9**	**18**	**176,849**

The detail at December 31, 2013, by maturity, of "Non-Current Payables" is as follows (in thousands of euros):

	2015	2016	2017	2018	2019 and subsequent years	Total
Bank borrowings	36,350	62,602	101,177	-	-	200,129
Trade payables	52,908	9,383	807	37	-	63,135
Derivatives	189	18	-	-	-	207
Other payables	71	10	10	33	5	129
Total at 31/12/13	**89,518**	**72,013**	**101,994**	**70**	**5**	**263,600**

On 2 August 2013, the Company arranged syndicated financing of EUR 270,000 thousand in order to repay the existing bilateral credit facilities, meet the obligations included in the financial structure assumed as a result of the merger by absorption of Gestora de Inversiones Audiovisuales La Sexta, S.A. and to satisfy the Company's general cash needs. At December 31, 2014, the limit of the funding amounted to EUR 235,750 thousand.

74% of the total amount is a four-year loan with partial repayments and the remaining 26% is a revolving credit facility maturing at four years. Nine banks with which the Company has regular dealings participated in the transaction.

The applicable interest rate is Euribor plus a market spread and the transaction is subject to compliance with financial covenants habitually used in transactions of this kind, relating to the debt to EBITDA ratio and the interest coverage ratio. This transaction was guaranteed by a security interest in all the treasury shares. Under the agreement reached with the former shareholders of La Sexta (see Note 12.2), this guarantee was partially released and, consequently, 1,145,594 shares of the Parent remain pledged as security. The fair value of this financing approximates its carrying amount.

The balance of "Non-Current Trade Payables" relates to the maturities at more than twelve months of the amounts payable to suppliers for rights on outside productions set on the basis of the periods in which the productions become available. These payables do not bear interest and the fair value thereof amounts to approximately EUR 50 million.

14.2 Current financial liabilities

At 31 December 2014, current bank borrowings amounted to EUR 38,859 thousand (2013: EUR 6,305 thousand).

The rate of interest paid by the Company in 2014 on the loans and credit facilities arranged with banks was mainly tied to Euribor.

15.- Trade payables

The maximum payment period applicable to the Company under Law 3/2004, of 29 December, on combating late payment in commercial transactions and pursuant to the transitional provisions contained in Law 15/2010, of 5 July, is 60 days in 2014 (2013: 60 days).

The detail of the amounts paid and payable at 31 December 2014 is as follows (in thousands of euros):

	Amount	%
Within the maximum payment period	207,498	40%
Other	314,267	60%
Total payments made in 2014	**521,765**	
Weighted average period of late payment (in days)	**48**	
Payments at year-end not made in the maximum payment period	**31,440**	

The detail of the amounts paid and payable at 31 December 2013 is as follows (in thousands of euros):

	Amount	%
Within the maximum payment period	189,760	35%
Other	359,981	65%
Total payments made in 2013	**549,741**	
Weighted average period of late payment (in days)	**47**	
Payments at year-end not made in the maximum payment period	**37,084**	

Weighted average period of late payment was calculated as the quotient whose numerator is the result of multiplying the payments made to suppliers outside the maximum payment period by the number of days of late payment and whose denominator is the total amount of the payments made in the year outside the maximum payment period.

16.- Tax matters

16.1 Current tax receivables and tax payables

The detail of the current tax receivables and payables is as follows (in thousands of euros):

Tax receivables

	2014	2013
To be settled in 2015:	**13,314**	**6,556**
Deferred tax assets	737	1,472
Tax loss carryforwards	7,187	2,905
Unused tax credits and tax relief	5,390	2,179
To be settled from 2016:	**252,098**	**298,830**
Deferred tax assets	12,034	14,429
Tax loss carryforwards	169,877	218,452
Unused tax credits and tax relief	70,188	65,949
Total non-current assets	**265,413**	**305,386**
Income tax refundable	1,248	911
2014 income tax refundable	968	647
VAT tax refundable	2,879	-
Other tax receivables	126	128
Total current assets	**5,221**	**1,686**
TOTAL TAX RECEIVABLE	**270,637**	**307,073**

Tax payables

	2014	2013
Deferred tax liabilities	18,700	22,649
Total non-current liabilities	**18,700**	**22,649**
Short term-		
Tax withholdings payable	3,056	2,229
Accrued social security taxes payable	689	696
VAT payable	-	5,633
Total current liabilities	**3,745**	**8,558**
TOTAL TAX PAYABLE	**22,445**	**31,207**

16.2 Reconciliation of the accounting profit to the taxable profit

Pursuant to Corporation Tax Law 43/1995, of 27 December, on 26 December 2000, Atresmedia Corporación de Medios de Comunicación, S.A. notified the Madrid tax authorities of its decision to file income tax returns under the special regime for corporate groups. This application is considered indefinite provided that the requirements established in the current Article 67 of the Consolidated Spanish Corporation Tax Law are met and the Company does not opt to cease to apply the aforementioned regime.

The companies composing the tax Group at 31 December 2014 are as follows:

TAXPAYER IDENTIFICATION NUMBER	SUBSIDIARY	Date of inclusion in the Group
B85384881	Antena 3 Eventos, S.L.U.	01/01/2008
B82832841	Antena 3 Films, S.L.U.	01/01/2003
A86317872	Antena 3 Juegos, S.A.U.	01/012011
B84187335	Antena 3 Multimedia, S.L.U	01/01/2004
A84920230	Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	01/01/2006
B86424132	Antena 3 Noticias, S.L.U.	01/01/2012
B84171453	Atres Advertising, S.L.U.	01/01/2004
B86885530	Atresmedia Foto, S.L.	01/01/2013
A81797656	Canal Media Radio, S.A.U.	01/01/2005
B65273914	Cordina Planet, S.L. U.	01/01/2014

A80847601	Guadiana Producciones, S.A.U.	01/01/2001
B85408128	La Sexta Editorial Musical, S.L.U.	01/10/2012
A79458535	Música Aparte S.A.U.	01/01/2001
A84615178	Publiseis Iniciativas Comerciales, S.A.U.	01/10/2012
B84196914	Uniprex Televisión, S.L.U.	01/01/2004
B84405422	Uniprex Valencia TV, S.L.U.	01/01/2005
A28782936	Uniprex, S.A.U.	01/01/2001

The filing of consolidated tax returns gives rise to reciprocal intra-Group balances, due to the offset of the losses incurred by certain companies against the profit earned by other Group companies. These balances are recognised under "Payable to Group Companies" and "Receivable from Group Companies", as appropriate.

Income tax is calculated on the basis of the accounting profit determined by application of generally accepted accounting principles, which does not necessarily coincide with the taxable profit.

The reconciliation of the accounting profit to the taxable profit for income tax purposes for 2014 is as follows:

	Thousands of euros		
	Increase	**Decrease**	**Total**
Accounting profit after tax			**45,233**
Income tax	**41,897**	**-**	**41,897**
Permanent differences –	**6,616**	**23,554**	**(16,938)**
Penalties	79	-	79
Donations	237	-	237
Impairment of investments	5,195	-	5,195
Elimination of dividends	-	3,359	(3,359)
Incorporation of Impairment Participations		20,195	(20,195)
Elimination of intra-Group transactions	1,105		1,105
Deductible temporary differences:	**12,358**	**13,951**	**(1,593)**
Arising in the year:			
Provision for contingencies and charges	7,251	-	7,251
Non-current accounts payable	1,000	-	1,000
Impairment losses	4,107		4,107
Arising in prior years:			
Provision for contingencies and charges	-	6,954	(6,954)
Non-current accounts payable	-	53	(53)
Impairment losses		6,944	(6,944)
Taxable temporary differences:	**791**	**-**	**791**
Arising in the year:			
Impairment losses	791	-	791
Gross taxable profit	**19,765**	**37,489**	**69,390**
Offset of prior years' tax losses			**(28,303)**
Tax rate			**30%**
Gross tax payable			**12,326**
Accounts receivable from (payable to) Group companies			13,155
Tax credits used in 2013			(6,704)
2013 tax prepayments			(19,745)
Income tax payable (refundable)			**(968)**

The reconciliation of the accounting profit to the taxable profit for income tax purposes for 2013 is as follows:

	Thousands of euros		
	Increase	**Decrease**	**Total**
Accounting profit after tax			**34,468**
Income tax		**4,006**	**(4,006)**
Permanent differences –	**7,041**	**12,353**	**(5,312)**
Penalties	1,143	-	1,143
Donations	809	-	809
Elimination of provisions	1,949	-	1,949
Elimination of dividends	-	12,353	(12,353)
Elimination of intra-Group transactions	3,140	-	3,140

Deductible temporary differences:	**15,145**	**36,803**	**(21,658)**
Arising in the year:			
Provision for litigation	10,723	-	10,723
Non-current accounts payable	-	-	-
Impairment losses	4,422		4,422
Arising in prior years:			
Provisions and accounts payable	-	8,765	(8,765)
Provision for contingencies and charges	-	3,184	(3,184)
Impairment losses		24,854	(24,854)
Taxable temporary differences:	**791**	**-**	**791**
Arising in the year:			
Impairment losses	791	-	791
Gross taxable profit	**22,978**	**53,163**	**4,283**
Offset of prior years' tax losses			**(1,143)**
Tax rate			**30%**
Gross tax payable			**942**
Accounts receivable from (payable to) Group companies			8,416
Tax credits used in 2012			(3,002)
2012 tax prepayments			(7,003)
Income tax payable (refundable)			**(647)**

16.3 Tax recognised in equity

The detail of the taxes recognised directly in equity in 2014 is as follows:

	Thousands of euros		
	Increase	**Decrease**	**Total**
Current taxes: Capital increase expenses Capital reduction expenses			
Total current taxes			
Deferred taxes: Arising in the year: Available-for-sale financial assets Revaluation of other financial assets Grants Effect of first-time application of New Spanish National Chart of Accounts Arising in prior years: Available-for-sale financial assets Revaluation of other financial assets Grants	-	571	(571)
Total deferred taxes	-	571	(571)
Total tax recognised directly in equity			**(571)**

The detail of the taxes recognised directly in equity in 2013 is as follows:

	Thousands of euros		
	Increase	**Decrease**	**Total**
Current taxes: Capital increase expenses Capital reduction expenses			
Total current taxes	-	-	-
Deferred taxes: Arising in the year: Available-for-sale financial assets Revaluation of other financial assets Grants Effect of first-time application of New Spanish National Chart of Accounts Arising in prior years: Available-for-sale financial assets Revaluation of other financial assets Grants	-	152	(152)
Total deferred taxes	-	152	(152)
Total tax recognised directly in equity			**(152)**

16.4 Reconciliation of the accounting profit to the income tax expense

The reconciliation of the accounting profit to the income tax expense is as follows (in thousands of euros):

	2014	2013
Accounting profit before tax	**87,130**	**30,462**
Tax charge at 30%	26,139	9,139
Tax credits earned in the year:	**(11,425)**	**(11,273)**
Audiovisual productions	(11,342)	(10,990)
Donations to not-for-profit entities	(83)	(283)
Other	-	-
Offset of tax losses:		
Other -		
Permanent differences (Note 18.2)	(5,081)	(1,594)
Total income tax expense for the year	**9,633)**	**(3,728)**
Income tax adjustments	**32,264**	**(278)**
Adjustment - difference in income tax per tax return	(1,242)	(278)
	33,506	
Total income tax expense recognised in profit or loss	**41,897**	**(4,006)**

The breakdown of the income tax expense for the year is as follows (in thousands of euros):

	2014	2013
Current tax	902	(10,332)
Deferred tax	8,731	6,604
Total income tax expense for the year	**9,633**	**(3,728)**

Spanish Corporation Tax Law 27/2014, of 27 November, effective from 1 January 2015, which establishes, among other changes, a change in the income tax rate to 28% in 2015 and 25% in 2016 and subsequent years.

This change affects the balances of "Deferred Tax Assets" and "Deferred Tax Liabilities", which must be adjusted to the tax rates at which are expected to be reversed.

Accordingly, the Company made an adjustment of EUR 34,475 thousand with a charge to "Adjustments to Income Tax" arising from the calculation of the balance of "Deferred Tax Assets" (deferred tax assets and tax loss carryforwards, see Table 16.5) and "Deferred Tax Liabilities" (see Table 16.6) at the 28% rate and a subsequent calculation of these balances at 25% based on the Company's best estimate of the recovery of tax assets in future years.

16.5 Deferred tax assets recognised

The difference between the tax charge allocated to 2014 and to prior years and the tax charge already paid or payable for such years, which is recognised under "Deferred Tax Assets", arose as a result of temporary differences derived from the following:

CHANGES IN DEFERRED TAX ASSETS	**Thousands of euros**					
	2013	**Additions**	**Disposals**	**Other**	**Tax Effect**	**2014**
Contingencies and charges	10,747	2,175	(2,086)	38	(779)	10,095
Accounts payable	653	300	(795)	576	(123)	611
Other items	2,321	1,232	(16)	(143)	(1,081)	2,313
Tax effect of assets at fair value	2,541	-	(1,287)	-	(724)	530
Financial hedging instruments	(361)	-	(571)	-	155	(777)
Total	**15,901**	**3,707**	**(4,755)**	**471**	**(2,552)**	**12,772**

The detail for 2013 is as follows:

CHANGES IN DEFERRED TAX ASSETS	Thousands of euros				
	2012	Additions	Disposals	Other	2013
Contingencies and charges	9,609	3,217	(2,630)	551	10,747
Accounts payable	2,148	-	(955)	(540)	653
Other items	1,320	1,327	(611)	285	2,321
Tax effect of assets at fair value	9,483	-	(6,845)	(97)	2,541
Financial hedging instruments	(209)		(152)	-	(361)
Total	**22,351**	**4,544**	**(11,193)**	**199**	**15,901**

At 31 December 2014, the tax effect of the valuation adjustments relating to the hedging instruments amounting to EUR (571) thousand was recognised under "Non-Current Assets".

The deferred tax assets indicated above were recognised because the Company's directors considered that, based on their best estimate of the Company's future earnings, including certain tax planning measures, it is probable that these assets will be recovered.

On the basis of the estimate made by the Company's directors of the timing of future profits for the offset and use of these deferred tax assets, EUR 14,429 thousand were considered to be recoverable in the long term while EUR 1,472 thousand were considered to be recoverable in the short term. Both amounts are recognised under "Deferred Tax Assets". Also, on the basis of the aforementioned estimate of the timing of future profits, the directors consider that there are no reasonable doubts as to the recovery of the amounts recognised in the accompanying balance sheet within the statutory time periods and limits.

Also, on the basis of the aforementioned timing estimate of future profits, the directors consider that there are no reasonable doubts as to the recovery of the amounts recognised in the accompanying balance sheet within the statutory time periods and limits on the basis of the prepared projections.

The key assumptions on which the cash flow projections are based relate mainly to advertising markets, audience, advertising efficiency ratios and the evolution of expenses. Except for advertising data, which is measured on the basis of external sources of information, the assumptions are based on past experience and reasonable projections approved by Company management and updated in accordance with the performance of the advertising markets. These future projections cover the next ten years.

The Company performs sensitivity analyses in the event of reasonable changes in the key assumptions used to determine the recoverability of these assets. Therefore, the sensitivity analyses are prepared under various scenarios based on the variables that are considered to be most relevant, i.e. advertising income, which mainly depends on the performance of the advertising market, the investment share reached and the operating margin achieved.

The changes in deferred tax assets recognised under "Other" include the difference between the estimated tax for 2013 and the amount actually reported in the tax return, giving rise to an adjustment of EUR 471 thousand to deferred tax assets. Also, the effect of this difference, amounting to EUR (1,241) thousand, on the income tax expense is recognised under "Negative Adjustments to Income Tax".

At 31 December 2014, the Company had recognised unused tax credits amounting to EUR 75,577 thousand (of which EUR 4,801 thousand arise from the merger with La Sexta) and tax loss carryforwards (arising from the merger with La Sexta in their entirety) amounting to EUR 177,064 thousand.

Under Transitional Provision 37 of Spanish Corporation Tax Law 27/2014, companies subject to the limit on the depreciation and amortisation charge established in Article 7 of Law 16/2012, of 27 December, adopting various tax measures aimed at shoring up public finances and boosting economic activity, will be entitled to a tax credit, to be deducted from the gross tax payable, of 5% of the taxable profit, arising from the depreciation and amortisation not deducted in the tax periods commencing in 2013 and 2014.

The tax credit earned at Group level in this connection is EUR 373 thousand and was credited to "Adjustments to Income Tax".

Thousands of euros				
Amount	**Deducted in the year**	**Additions (DT 37th Law 27/2014)**	**Carried forward**	**Last year for deduction**
482	482	-	-	2023
3,909	3,909	-	-	2024
14,391	22	-	14,369	2025
21,023	-	-	21,023	2026
17,478	-	-	17,478	2027
10,990	-	-	10,990	2028
11,342	-	373	11,715	2029
79,615	**4,412**	**373**	**75,577**	

As a result of the merger by universal succession, the Company assumed the right to deduct the tax credits and tax loss carryforwards of the transferor, in accordance with the following schedule of deductions:

	Thousand euros 31/12/2013	**Deducted in the year**	**Pending 31/12/2014**	**Maturity**
Year	**5,257**	**2,099**	**4,801**	
2008	482	482	-	2023
2009	1,617	1,617	-	2024
2010	1,010	-	1,034	2025
2011	2,148	-	2,150	2026
Outstanding deductions	**5,257**	**2,099**	**4,801**	

Generation Year	Amount	Deducted in the year	Others	Tax Effect	Pending 31/12/14
2006	58,166	8,491	-	(7,509)	42,166
2007	45,185	-	-	(7,531)	37,654
2008	38,301	-	-	(6,383)	31,918
2009	34,758	-	-	(5,793)	28,965
2010	10,053	-	-	(1,675)	8,378
2011	18,568	-	-	(3,095)	15,473
2012	15,564	-	(459)	(2,595)	12,510
Total deferred tax assets	**220,595**	**8,491**	**(459)**	**(34,581)**	**177,064**

In the column "Other" it is recognised the regularization of taxable income generated by La Sexta in 2012, derived from the difference between the estimate at the time of the merger and the amount finally declared in the statement of income tax collected. The counterpart is recorded in the "adjustments to income tax" account.

Deductions applied during the year (EUR 6,704 thousand), EUR 6,287 thousand are deductions for audiovisual production, of which EUR 4,412 thousand correspond to Atresmedia Corporacion Medios de Comunicacion, S.A. and EUR 1,875 thousand to a group company, EUR

332 thousand deduction for international double taxation and EUR 85 thousand deduction for donation to Nonprofit Organizations.

16.6 Deferred tax liabilities recognised

The detail of "Deferred Tax Liabilities" and of the changes therein is as follows:

DEFERRED TAX LIABILITIES	2012	Additions	Disposals	2013	Additions	Disposals	Tax Effect	2013
Tax effect of identification of intangible assets	22,886	-	(237)	22,649	-	(237)	(3,712)	18,700
Total	**22,886**	**-**	**(237)**	**22,649**	**-**	**(237)**	**(3,712)**	**18,700**

In accordance with income tax recognition and measurement standard number 13, the Company will recognise the deferred tax liabilities relating to goodwill provided that these do not arise on the initial recognition thereof.

The deferred tax liabilities relate to the identification of the "La Sexta" brand and signal transmission licence. The brand is amortised for accounting purposes at an annual rate of 5% (amortisation charge for 2013: EUR 792 thousand), while the licence is not amortised.

The amortisation is not deductible for tax purposes and, therefore, gives rise to a positive adjustment to the taxable profit (tax loss) which is recognised as a deferred tax liability.

16.7 Years open for review and tax audits

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At 31 December 2014, the Company had open for review for income tax since 2010.

The Company's directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities as might arise would not have a material effect on the accompanying financial statements.

16.8. Other disclosures

In 2009 the Company acquired non-current assets as required under the terms established in Article 36.ter of the Spanish Corporation Tax Law as amended in Law 24/2001, for the reinvestment of the extraordinary income obtained by Gloway Broadcasting Services, S.L., in compliance with the requirement of Article 42.

The Company used these tax credits in 2011.

These non-current assets continue to be used and are held in the equity of Atresmedia Corporación de Medios de Comunicación, S.A., as set out in the 42.8 Decree of RDL 4/2004 Tax Law.

17.- Foreign currency balances and transactions

The detail of the most significant balances and transactions in foreign currency, valued at the year-end exchange rate and the average exchange rates for the year, respectively, is as follows (in thousands of euros):

	2014	2013
Accounts receivable	990	1,075
Accounts payable	182,131	201,386
Sales	-	3,181
Purchases	131,750	128,370

The detail, by class of financial instrument, of the exchange differences recognised in 2014 in profit or loss is as follows (in thousands of euros):

	Transactions settled in the year	Unmatured balances	Total
Trade receivables	(218)	128	(90)
Total financial assets	**(218)**	**128**	**(90)**
Trade payables	833	(20,206)	(19,373)
Total financial liabilities	**833**	**(20,206)**	**(19,373)**

The detail for 2013 is as follows (in thousands of euros):

	Transactions settled in the year	Unmatured balances	Total
Trade receivables	(28)	(19)	(47)
Total financial assets	**(28)**	**(19)**	**(47)**
Trade payables	348	6,175	6,523
Total financial liabilities	**348**	**6,175**	**6,523**

18.- Income and expenses

18.1 Revenue

The breakdown, by business line and geographical market, of the Company's revenue for 2013 and 2012 is as follows (in thousands of euros):

Business activity	2014	2013
Advertising sales	704,188	652,493
Total	**704,188**	**652,493**

Geographical market	2014	2013
Spain	704,188	652,493
Total	**704,188**	**652,493**

18.2 Procurements

The detail of "Procurements" in 2014 and 2013 is as follows:

	2014	2013
Broadcasting of in-house productions	221,154	263,098
Outside production services	207,596	201,956
Programme broadcasting rights	155,015	151,997

Live broadcasting rights	36,535	48,593
Performances and contributions of entertainers	9,490	8,223
Other amortisation	6,335	8,140
Addition to inventories	(204,384)	(249,974)
Total	**431,741**	**432,033**

"Addition to Inventories" reflects the expenses incurred in making programmes that, in accordance with the Company's procedures, are capitalised and subsequently amortised in accordance with the policies described in Note 4.5.

In 2014 EUR 38 million of total procurements relate to purchases in other European Union countries (2013: EUR 23 million) and approximately EUR 60 million to purchases made in countries outside the European Union, mainly the United States (2013: EUR 61 million).

18.3 Employee benefit costs

The detail of "Employee Benefit Costs" in 2014 and 2013 is as follows:

	2014	**2013**
Employer social security costs	5,309	5,201
Other employee benefit costs	1,289	1,652
	6,598	**6,853**

18.4 Other operating expenses

The detail of "Other Operating Expenses" in the income statements for 2014 and 2013 is as follows:

Thousands of euros	**2014**	**2013**
Rent and royalties	58,578	65,394
Work performed by other companies	55,217	52,130
Communications	7,676	7,139
Advertising and publicity	8,655	8,789
Copyrights and other expenses	39,750	37,173
	169,876	**170,625**

"Rent and Royalties" includes mainly, inter alia, the amounts paid to Retevisión I, S.A. for the audiovisual signal distribution and the contribution of the television operators to the financing of Corporación RTVE.

"Copyrights and Other Expenses" includes changes in the allowance for doubtful debts. In 2014 the Company used provisions amounting to EUR 979 thousand (2013: EUR 3,096 thousand).

18.5 Finance income and finance costs

The detail of the finance income and finance costs calculated by applying the effective interest method is as follows (in thousands of euros):

	2014	**2013**
Finance income	9,901	18,923
Finance costs	13,456	16,642

EUR 3,359 thousand of total finance income for 2014 relate to dividends received by Atresmedia Corporación de Medios de Comunicación, S.A. from its subsidiaries (2013: EUR 12,354 thousand) (see Note 8.3).

19.- Related party transactions and balances

19.1 Related party transactions

The detail of the transactions with related parties in 2014 and 2013 is as follows (in thousands of euros):

	2014		2013	
	Group companies	Associates	Group companies	Associates
Income	703,804	8,356	652,498	8,786
Purchases and services received	30,311	121,938	26,186	77,963
Accrued interest expense	684	438	580	3,466
Accrued interest income	5,660	32	5,943	-
Guarantees (provided and received)	2,641	-	5,466	-
Dividends received	3,359	-	12,354	-

"Accrued Interest Expense" includes borrowing costs payable to the former shareholders of Gestora de Inversiones Audiovisuales La Sexta, S.A., totalling EUR 3,457 thousand (2013: EUR 3,457 thousand).

In addition to these transactions, in 2014 the Company has not purchased advertising space from related companies (2013: EUR 1,188 thousand).

19.2 Related party balances

The detail of the on-balance sheet balances with related parties at 31 December 2014 and 2013 is as follows (in thousands of euros):

2014	Equity instruments	Non-current loans to companies	Trade receivables	Current financial assets	Non-current payables	Current payables	Trade payables
Group companies	**93.049**	**128.481**	**164.496**	**31.930**	**2**	**91.274**	**10.513**
Antena 3 Eventos, S.L.U.	1.499	-	16	86	-	754	40
Antena 3 Films, S.L.U.	5.447	64.481	254	-	-	1.046	1.416
Antena 3 Juegos, S.A.	100	-	8	-	-	109	5
Antena 3 Multimedia, S.L.U.	3	-	10	430	-	-	1.229
Antena 3 Noticias, S.L.U.	342	-	83	3.378	-	-	6.826
Antena 3 TDT de Canarias, S.A.	-	-	-	-	-	644	396
Atres Advertising, S.L.U.	3	-	163.475	6.823	-	73.150	-
Atresmedia Foto, S.L.	-	-	-	827	-	319	-
Cordina Planet, S.L.	4.084	-	190	-	-	1.317	-
Guadiana Producciones, S.A.	49	-	-	-	-	89	-
La Sexta Editorial Musical, S.L.U.	1.180	-	-	491	-	1.432	-
Música Aparte, S.A.U.	60	-	92	1.222	-	7.687	1
Publiseis Iniciativas Publicit	-	-	34	89	-	83	142
Uniprex Televisión, S.L.U.	-	-	-	-		11	-
Uniprex Valencia Telev, S.L.U.	80.282	64.000	334	18.584	2	4.633	458
Uniprex, S.A.U.							
Associates:	**1.857**	**-**	**228**	**6.529**	**-**	**1.280**	**828**
Fundación Atresmedia	-	-	1	-	-	1.280	-

Hola Televisión América, S.L.	1.648	-	105	6.529	-	-	-
Hola Televisión América, S.L. US	-	-	43	-	-	-	-
I3 Televisión, S.L.	209	-	79	-	-	-	828
Financial assets	**5.956**	**-**	**-**	**2.211**	**-**	**-**	**-**
Related companies:	**-**	**-**	**1.505**	**-**	**-**	**2**	**56.934**
Imagina Media Audiovisual, S.L.	-	-	-	-	-	-	112
Planeta Group	-	-	221	-	-	2	4.375
RTL Group	-	-	-	-	-	-	362
Imagina Group	-	-	1.284	-	-	-	52.085

2013	Equity instruments	Non-current loans to companies	Trade receivables	Current financial assets	Non-current payables	Current payables	Trade payables
Group companies	**75,807**	**125,322**	**155,029**	**28,674**	**2**	**52,118**	**9,418**
Antena 3 Eventos, S.L.U.	1,285	-	16	3	-	111	49
Antena 3 Films, S.L.U.	5,794	47,322	29	-	-	283	605
Antena 3 Juegos, S.A.	100	-	-	65	-	409	21
Antena 3 Multimedia, S.L.U.	3	-	25	505	-	-	1,482
Antena 3 Noticias, S.L.U.	-	-	103	4,328	-	189	5,844
Antena 3 TDT de Canarias, S.A.	-	-	-	-	-	1,002	350
Atres Advertising, S.L.U.	3	-	154,225	5,282	-	33,006	111
Atresmedia Foto, S.L.	45	-	-	-	-	38	-
Cordina Planet, S.L.	502	-	8	2,270	-	-	-
Guadiana Producciones, S.A.	50	-	-	-	-	89	-
La Sexta Editorial Musical, S.L.U.	1,180	-	-	283	-	592	-
Música Aparte, S.A.U.	60	-	142	1,253	-	6,928	-
Publiseis Iniciativas Publicit	6,485	-	-	80	-	4,387	-
Uniprex Televisión, S.L.U.	-	-	56	526	-	-	287
Uniprex Valencia Telev, S.L.U.	-	-	-	-	-	6	-
Uniprex, S.A.U.	60,300	78,000	425	14,079	2	5,078	669
Associates:	**481**	**-**	**159**	**2,450**	**-**	**607**	**749**
Fundación Atresmedia	-	-	26	-		607	-
I3 Televisión, S.L.	130	-	28	-		-	749
Hola Televisión América, S.L.	351	-	105	2,450		-	-
Financial assets	**1,472**	**-**	**-**		**-**	**-**	-
El Armario de la Tele, S.L. (Note 9.1)	1,472	-	-		-	-	-
Related companies:	**-**	**-**	**2,655**	**-**	**-**	**34,686**	**65,434**
GAMP Audiovisual, S.A.	-	-	-	-	-	18,029	-
Imagina Media Audiovisual, S.L.	-	-	-	-	-	14,141	130
Gala Desarrollos Comerciales, S.L.	-	-	-	-	-	2,516	-
Planeta Group	-	-	24	-	-	-	5,510
RTL Group	-	-	183	-	-	-	402
Imagina Group	-	-	2,448	-	-	-	59,392

"Current Financial Assets" includes the amounts drawn down against the credit facilities granted by the Company to companies in its Group and the balances receivable from them relating to income tax.

The short-term participating loan granted by the Company to Uniprex, S.A. (Sole-Shareholder Company) for EUR 223,000 thousand was repaid at the maturity date, 30 November 2012. In December 2012, a loan was entered into with this subsidiary for a total of EUR 100,000 thousand, of which EUR 10,000 thousand mature at short term and earn interest at a fixed rate of 3%, subject to review each year. In 2013 EUR 12,000 thousand were transferred to short term and EUR 10,000 thousand were repaid (see Note 8.3).

"Current Payables" includes the balances relating to cash surpluses managed by the Company on behalf of its Group companies and the balances payable to them relating to income tax.

The sale of television advertising services has been managed by the Group company Atres Advertising, S.L. (Sole-Shareholder Company) since its incorporation. On 1 April 2010, Atresmedia Corporación de Medios de Comunicación, S.A. decided to begin billing the aforementioned service from Atres Advertising, S.L. (Sole-Shareholder Company), in line with the most widely used sales model in the television advertising industry. Accordingly, Atresmedia Corporación de Medios de Comunicación, S.A. invoices this Group company for the sale of advertising space and Atres Advertising, S.L. (Sole-Shareholder Company) bills the end customers.

The Company centrally manages its cash and the cash of its subsidiaries (see Note 19.5).

19.3 Remuneration of directors and senior executives

The remuneration earned in 2014 by the current and former members of the Company's Board of Directors (composed of two women and eleven men) in the form of salaries, attendance fees and life insurance premiums amounted to EUR 3,940 thousand, EUR 795 thousand and EUR 16 thousand, respectively. In 2013 this remuneration amounted to EUR 5,538 thousand, EUR 680 thousand and EUR 15 thousand, respectively.

In 2014 remuneration in the form of salaries and life insurance premiums of senior executives who are not directors amounted to EUR 6,468 thousand and EUR 30 thousand, respectively (2012: EUR 6,231 thousand and EUR 27 thousand, respectively).

The Company has not granted any loans or advances to its Board members or senior executives and it does not have any supplementary pension, retirement bonus, special indemnity or life insurance obligations to them in their capacity as directors and executives.

19.4 Information regarding situations of conflict of interest involving the directors

Pursuant to Article 229 of the Spanish Limited Liability Companies Law (LSC), the following information is included:

In 2014 none of the directors reported to the Board of Directors any direct or indirect conflict of interest that they or persons related to them, as defined in Article 213 of the LSC, might have with respect to the Company.

19.5 Financial structure

As indicated in Note 1, the Company is the head of a group of subsidiaries. It holds its cash and cash equivalents at banks with high credit ratings.

External financing is basically obtained by the Company, which also manages the financial transactions of the rest of the Group, including both financing activities and asset management activities (see Note 21.2).

20.- Other disclosures

22.1 Employees

The average number of employees in 2014 was 422 (2012: 430). The detail, by professional category, is as follows:

	2014	
	Women	**Men**
Senior executives	3	12
Managers	31	56
Line personnel	107	120
Clerical staff	35	13
Other	26	19
	202	**220**

There were 413 employees at 2014 year-end. The detail, by gender and professional category, is as follows:

	2014	
	Women	**Men**
Senior executives	3	12
Managers	31	56
Line personnel	107	109
Clerical staff	36	13
Other	29	17
	206	**207**

The number of senior executives includes two directors (both men).

The average number of employees in 2014 with a disability of more than 33%, by professional category, is as follows:

	2014
Line personnel	1
Other	1
	2

20.2 Fees paid to auditors

In 2014 and 2013 the fees for financial audit and other services provided by the Company's auditors, Deloitte, S.L., or by a firm in the same group or related to the auditors, were as follows (in thousands of euros):

	Financial audit services	**Audit-related services**	**Tax advisory services**	**Other services**
2014	204	8	-	83
2013	184	4	-	36

The Annual Corporate Governance Report contains a description of the work of the Audit Committee and explains how auditor objectivity and independence is guaranteed when auditors provide other non-audit services.

20.3 Off-balance-sheet agreements

The detail of the guarantees provided by the Company to banks for third parties is as follows:

	2014	2013
Group companies and associates	2,641	5,466
Other guarantees	10,985	13,868
Total	**13,626**	**19,334**

The Company's directors consider that any liabilities not foreseen at 31 December 2014 that might arise from the guarantees provided would not be material.

21.- Events after the reporting period

José Manuel Lara Bosch, Chairman of the Board of Directors and of its Executive Committee, died on 31 January 2015, as reported in a relevant event communication to the Spanish National Securities Market Commission (CNMV) on 2 February 2015.

On February 25, 2015 , the board of directors of the parent company has agreed to appoint Mr. José Crehuelas Margenat as Chairman of the Board and member of the Managing Committee.

On 30 January 2015, GAMP AUDIOVISUAL, S.A. reported to the CNMV a sale of the Parent's shares. Following the sale, GAMP AUDIOVISUAL, S.A. held 2.52% of the Company's voting power, which along with the participation of Imagina Media Audivisual, S.L. makes them jointly owned 7% of the voting rights.

Gamp Audiovisual S.A., as part of Imagina corporate group restructuring, has been absorbed by Mediapro Contenidos S.L., Sole Shareholder, associated company. The merger is still pending of registration in the Commercial Market Register. Once the merger is registered, Mediapro Contenidos S.L., Sole Shareholder, becomes the owner of 2.52% of which is now owner Gamp Audiovisual S.A.

On February 16, 2015 the resignation of director Gamp Audiovisual S.A was communicated. To cover his vacancy, on the date of the preparation of these annual accounts and because of the shareholder proposal, Imagina Media Audivisual, S.L., it has been appointed the director of Mediaproducción, S.L. Sole Shareholder. It has appointed as representative for its performance to the same person who once named the company that has been replaced, Mr. Josep Maria Benet Ferran.

As detailed in Note 11-a to these consolidated financial statements, the Parent's Board of Directors resolved to request the official listing of these 1,181,296 shares on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges through the Spanish stock market interconnection system. This listing took place on 22 January 2015.

22.- Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2). Certain accounting practices applied by the Company that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Atresmedia Corporación de Medios de Comunicación, S.A. (formerly Antena 3 de Televisión, S.A.)

Management Report

Year ended 31 December 2014

ATRESMEDIA CORPORACIÓN MEDIOS DE COMUNICACIÓN, S.A.
MANAGEMENT REPORT FOR THE YEAR ENDIND DECEMBER 31, 2014

Business performance and situation of the Company

The Spanish economy has been on a clear road to recovery throughout 2014, in line with the improvement that began in autumn 2013. Relief from financial stress brought about an increasingly greater dynamism in domestic demand. Both investments and private consumption have gone on to witness increasingly positive changes. The latter -particularly relevant to our business activity- rebounded from a 2.3% drop in 2013 to more than 2% growth in an initial estimate for 2014. Although still at very high levels, the unemployment rate fell for the first time since the start of this lengthy crisis.

Against this backdrop, it is not surprising that the advertising market has reacted in extraordinarily positive fashion. Compared with an 8.1% fall in 2013, it is estimated that the conventional media market on the whole grew by 5% in 2014. Even more important was the change in the television advertising market, which bounced back from a 6.2% fall to grow by more than 10% - an improvement that was already presaged in the final quarter of 2013. Television advertising represents 42% of the total market, proving once again that it is the most powerful and effective means for advertisers.

The most significant event for the Atresmedia in 2014 was the loss of three channels as a result of the enforcement of a judgment handed down by the Supreme Court on 27 November 2012, which rendered null and void the resolution of the Spanish Cabinet of 16 July 2010 to allocate a national digital multiplex made up of four channels to each of the digital terrestrial television (DTT) license holders. Irrespective of the claim for damages filed as a result of the damage suffered by the shutdown of these three channels, the fact is that we have been the most adversely affected operator, not only because we have lost the most channels but also because these channels, due to the investment efforts made and the talents applied, had the highest audience ratings. It should be noted that this effort formed part of the commitments we acquired under the former regulation, which sought to make the rollout of DTT a success - which indeed it was- while giving in return the allocation, which has now been rendered void, to balance the efforts made.

However, it has been possible to mitigate this impact and achieve an average audience of 27.7% in 2014, down only 1.1 points on 2013. The Antena 3 channel rose 0.2 points to 13.6% and held its lead with 13.8% of the target audience (individuals aged 16-54 in places with more than 10,000 inhabitants). In spite of a lack of sporting events, La Sexta increased from 6.0% to 7.2%, the highest figure in its history. Together with the commercial efforts undertaken, this brought the market share to nearly 42%, down only 0.8 points.

The Company's revenue amounted to EUR 704 million, compared to EUR 652 million euros in 2013. Other operating income amounted to EUR 30 thousand, in line with 2013. The Company's total income amounted to EUR 734 million, up 8% on 2013.

The evolution of operating expenses is highly satisfactory, as they have increased by only 0.7% while maintaining the cost synergies achieved in the merger with La Sexta and the high degree of discipline that has always characterised the Group in this regard.

Profit from operations amounted to EUR 76 million, compared to EUR 25 million in 2013. Profit before tax stood at EUR 87 million, compared to EUR 30 million in 2012.

As a result of Spanish Corporation Tax Law 27/2014, of 27 November, effective from 1 January 2015, which establishes, among other changes, a change in the income tax rate to 28% in 2015 and 25% in 2016 and subsequent years. Accordingly, the Parent made an income tax adjustment of EUR 33,506 thousand on the basis of the calculation of the balance of "Deferred Tax Assets" and "Deferred Tax Liabilities" at the 28% rate and a subsequent calculation of these balances at 25% based on the Parent's best estimate of the recovery of tax assets in future years. This extraordinary adjustment did not and will not have any effect on the Company's cash flows.

Net profit amounted to EUR 45 million, exceeding 31% on the previous year.

Significant events for the Company after the reporting period

José Manuel Lara Bosch, Chairman of the Board of Directors and of its Executive Committee, died on 31 January 2015, as reported in a relevant event communication to the Spanish National Securities Market Commission (CNMV) on 2 February 2015.

On February 25, 2015 , the board of directors of the parent company has agreed to appoint Mr. José Crehuelas Margenat as Chairman of the Board and member of the Managing Committee.

On 30 January 2015, GAMP AUDIOVISUAL, S.A. reported to the CNMV a sale of the Parent's shares. Following the sale, GAMP AUDIOVISUAL, S.A. held 2.52% of the Company's voting power, which along with the participation of Imagina Media Audivisual, S.L. makes them jointly owned 7% of the voting rights.

Gamp Audiovisual S.A., as part of Imagina corporate group restructuring, has been absorbed by Mediapro Contenidos S.L., Sole Shareholder, associated company. The merger is still pending of registration in the Commercial Market Register. Once the merger is registered, Mediapro Contenidos S.L., Sole Shareholder, becomes the owner of 2.52% of which is now owner Gamp Audiovisual S.A.

On February 16, 2015 the resignation of director Gamp Audiovisual S.A was communicated. To cover his vacancy, on the date of the preparation of these annual accounts and because of the shareholder proposal, Imagina Media Audivisual, S.L., it has been appointed the director of Mediaproducción, S.L. Sole Shareholder. It has appointed as representative for its performance to the same person who once named the company that has been replaced, Mr. Josep Maria Benet Ferran.

As detailed in Note 11-a to these consolidated financial statements, the Parent's Board of Directors resolved to request the official listing of these 1,181,296 shares on the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges through the Spanish stock market interconnection system. This listing took place on 22 January 2015.

Outlook for the Company

For the first time in several years the outlook for the context in which the Company operates is clearly positive. Although the Spanish economy is far from being in an acceptable situation, the dynamic is highly favourable and all forward-looking and confidence indicators point to a further significant improvement in activity with job creation and decreased unemployment. Credit demand must encounter the necessary funds while the many indebted sectors must deleverage, which will only be achieved if, as is expected, the economy grows. European monetary policy has been implementing the necessary stimuli, first in word and more recently, in deed. The new tax reform should also help to improve availability for both families and businesses. Lastly, oil prices, the strength of the US dollar (with certain opposing effects) and a glimpse of an improvement in Europe support the forecast of significant growth in GDP and consumption.

Against this backdrop, traditional television and radio businesses will be able to take advantage of the expected growth in the advertising market, which looks to maintain or improve the current market share. To this end, a commercial policy is in place that offers our advertisers the best media for their business communication. This media takes the form of a higher quality and more innovative and varied programming tailored to viewers. These are proven and recognised attributes which the Company will continue to develop.

In addition, plans are being made to strengthen the new activities so that, in the medium term, they make up a significant portion of our activity based on our expertise on the audiovisual stage while continuing our progress into the connected world. Significant successes have already achieved, such as the 17 million unique users of our web pages and 3.9 million downloads of our Atresplayer online content platform.

As usual, this is all framed within a demanding cost management structure, thus ensuring that growth translates into a stable source of value creation. Also, ensuring the soundness of the Company's financial position and maintaining the shareholder remuneration policy complete the framework for action for the coming future.

Research and development activities

The Company does not itself carry on any specific research and development activities. However, it invests, on an ongoing basis, in all new technologies related to engineering, systems and content distribution. In this field Atresmedia Corporación de Medios de Comunicación, S.A. has and uses state-of-the-art technology, which enables it to be at the forefront in the deployment of digital activities and in the Internet.

Treasury share acquisitions

On 18 February 2014, a partial novation was arranged of the merger agreement entered into with Gestora de Inversiones Audiovisuales La Sexta and its shareholders, which had been reached on 14 December 2011. This novation related to the terms and conditions whereby La

Sexta shareholders earned the right to receive an additional ownership interest of 7% in the share capital of Atresmedia Corporación. In particular, it was agreed with Gamp Audiovisual, S.A. and Imagina Media Audiovisual, S.L. to bring forward and permanently adjust the additional ownership interest that would correspond to them through a single immediate delivery of treasury shares equal to 2.079% and 1.631% of share capital. This transaction was reported through a relevant event communication on 19 February 2014.

On 5 March 2014, an accelerated placement was carried out on the market of 6,298,784 treasury shares - 2.79% of the Parent's share capital - and was reported at the time through the issue of a relevant event communication.

As a result of both transactions, the number of treasury shares in the Parent's balance sheet is 1,145,597, equal to 0.508% of the share capital. No acquisitions have been carried out since then.

Use of financial instruments by the Company and main financial risks

The Company performs transactions with financial instruments to hedge the foreign currency risk on the purchases of broadcasting rights in the year.

At 31 December 2014, the Parent had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 230,233 thousand, at a weighted average exchange rate of EUR 1.3279/USD 1. The net fair value of these hedging instruments gave rise to a financial asset of EUR 16,137 thousand and a financial liability of EUR 15 thousand at year-end.

Also, interest rate swaps were arranged in order to fix the financial cost arising from the floating rates established in the syndicated financing agreement entered into in August 2014. The fair value of these swaps at 31 December 2014 gave rise to a financial asset of EUR 5 thousand.

The Company has established the risk management systems required to ensure that transactions in markets are performed in accordance with its established policies, rules and procedures and within the limits approved for each case. The Company’s main financial risks are as follows:

a) Foreign currency risk. Foreign currency risks relate mainly to the payments to be made in international markets to acquire broadcasting rights. In order to mitigate foreign currency risk, the Company arranges hedging instruments, mainly currency forwards.

b) Liquidity risk. The Company’s liquidity policy is to arrange credit lines and short-term investments that are sufficient to support its financing needs, on the basis of expected business performance.

c) Credit risk. The Company does not have significant credit risk since the average customer collection period is very short and guarantees are required for deferred payment sales. Cash placements are made and derivative instruments are arranged with institutions of recognised solvency.

d) Interest rate risk. Both the Company's cash and its bank borrowings are exposed to interest rate risk. The Company's financing is arranged at interest rates tied to Euribor. To mitigate this risk, the Parent has arranged interest rate swaps to limit the finance costs arising from its floating-rate borrowings.

In accordance with Article 538 of the Spanish Limited Liability Companies Law, the Annual Corporate Governance Report (IAGC) forms part of this Directors' Report. The IAGC constitutes a relevant event and is communicated to the Spanish National Securities Market Commission, which publishes it on its website: www.cnmv.es. It is also available on the Parent's corporate website, www.atresmediacorporacion.com.