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 2015, 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 2015, 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 2015 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 2015. 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

Luis Jiménez Guerrero
February, 24 2016

Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries

Auditor's Report

Consolidated Financial Statements for the year ended 31 December 2015

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 in Spain (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 Financial Statements for the year ended 31 December 2015

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (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 AS AT 31 DECEMBER 2015

Thousands of euros	**NOTES**	**31/12/15**	**31/12/14**
ASSETS			
Goodwill	4	150,012	153,193
Other intangible assets	5	140,298	134,957
Property, plant and equipment	6	46,338	48,333
Investments accounted for using the equity method	7	235	254
Non-current financial assets	8	11,858	6,254
Derivative financial instruments	8	2,770	4,484
Deferred tax assets	21-d	289,328	301,966
NON-CURRENT ASSETS		**640,839**	**649,441**
Programme rights	9	348,668	285,875
Inventories		3,382	3,483
Trade receivables for sales and services	10	230,842	214,377
Other receivables	10	3,744	7,111
Current tax assets	21-d	6,793	2,215
Derivative financial instruments	14	13,112	11,740
Other current financial assets		7,223	8,075
Other current assets		205	709
Cash and cash equivalents		1,017	31,081
CURRENT ASSETS		**614,986**	**564,666**
TOTAL ASSETS		**1,255,825**	**1,214,107**
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		279,923	223,537
Treasury shares	11-e	(8,666)	(7,202)
Interim dividends	11-f	(40,490)	(22,341)
Other equity instruments	11-h	2,129	3,088
Valuation adjustments		2,685	2,175
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**485,660**	**449,336**
Non-controlling interests	11-g	(78)	(51)
EQUITY		**485,582**	**449,285**
Provisions	12	-	468
Bank borrowings	13	127,437	126,331
Derivative financial instruments	14-a	2,757	7
Other non-current financial liabilities	14-b	346	345
Deferred tax liabilities	21-d	26,180	26,097
Other non-current liabilities	12	46,611	50,695
NON-CURRENT LIABILITIES		**203,331**	**203,943**
Provisions	12	92,997	87,876
Bank borrowings	13	32,044	39,007
Derivative financial instruments	14-a	145	8
Other current financial liabilities	14-b	1,561	1,342
Payable to suppliers	15	399,194	399,057
Other payables	15	37,110	29,469
Other current liabilities		3,861	4,120
CURRENT LIABILITIES		**566,912**	**560,879**
TOTAL EQUITY AND LIABILITIES		**1,255,825**	**1,214,107**

The accompanying Notes 1 to 28 are an integral part of the consolidated balance sheet as at 31 December 2015.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (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 PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2015

Thousands of euros	**NOTES**	**2015**	**2014**
Revenue	18-a	924,569	849,891
Other operating income		45,637	33,335
Programme amortisation and other procurements	18-b	(467,121)	(448,120)
Staff costs	18-c	(122,115)	(119,347)
Other operating expenses	18-d	(215,272)	(188,090)
Depreciation and amortisation charge	5 and 6	(17,431)	(16,402)
Impairment and gains or losses on disposals of non-current assets		(3,691)	(35)
PROFIT FROM OPERATIONS		**144,576**	**111,232**
Net gains (losses) on changes in value of financial instruments at fair value	19	(8,002)	18,958
Exchange differences	19	4,955	(19,450)
Financial loss	19	(8,985)	(11,790)
Impairment and gains or losses on disposals of financial assets	19	1,323	(1,405)
Result of companies accounted for using the equity method	7	(2,320)	(2,218)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**131,547**	**95,327**
Income tax (expense)/benefit	21-b	(32,340)	(48,675)
PROFIT FOR THE YEAR		**99,207**	**46,652**
Loss attributable to non-controlling interests		27	78
PROFIT ATTRIBUTABLE TO THE PARENT		**99,234**	**46,730**
Earnings per share:		**2015**	**2014**
From continuing operations			
Basic	23	0.440	0.207
Diluted	23	0.440	0.207

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of profit or loss for 2015.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (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 2015**

Thousands of euros	2015	2014
CONSOLIDATED PROFIT FOR THE YEAR	**99,207**	**46,652**
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:	**510**	**1,333**
Cash flow hedges:		
Amounts recognised directly in equity	1,175	1,962
Amounts transferred to profit or loss	(466)	(58)
Tax effect	(199)	(571)
TOTAL COMPREHENSIVE INCOME	**99,717**	**47,985**
Loss attributable to non-controlling interests	27	78
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT	**99,744**	**48,063**

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of comprehensive income for 2015.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (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 2015

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 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
Treasury share transactions:									-	-	
Sale of treasury shares (Note 11-e)	-	-	-	39,601	39,282	-	-		78,883	-	78,883
Transactions with shareholders (Note 11-h)	-	-	-	52,650	(26,726)	-	(39,555)		(13,631)	-	(13,631)
Distribution of profit:											
Dividend out of profit for 2013 paid in 2014 (Note 3-s)		-	-	-	(24,575)	-	-		(24,575)	-	(24,575)
2014 interim dividend paid in 2014 (Note 11-f)	-	-	-	-		(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**
Total comprehensive income	-	-	-	-	99,234	-	-	510	99,744	(27)	99,717
Treasury share transactions:											
Acquisition of treasury shares (Note 11-e)	-	-	-	(7,215)	-	-	-	-	(7,215)	-	(7,215)
Transactions with shareholders (Note 11-h)	-	-	-	5,751	2,111	-	(959)	-	6,903	-	6,903
Distribution of profit:											
2014 interim dividend paid in 2014	-	-	-	-	(22,341)	22,341	-	-	-	-	-
Dividend out of profit for 2014 paid in 2015	-	-	-	-	(22,423)	-	-	-	(22,423)	-	(22,423)
2015 interim dividend paid in 2015	-	-	-	-	-	(40,490)	-	-	(40,490)	-	(40,490)
Changes in the scope of consolidation and other	-	-	-	-	(195)	-	-	-	(195)	-	(195)
Balance at 31 December 2015	**169,300**	**38,304**	**42,475**	**(8,666)**	**279,923**	**(40,490)**	**2,129**	**2,685**	**485,660**	**(78)**	**485,582**

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of changes in equity for 2015.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (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 CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

Thousands of euros	**2015**	**2014**
1.- CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated profit for the year before tax	**131,547**	**95,327**
Adjustments for:	**42,285**	**38,874**
- Depreciation and amortisation charge	17,431	16,402
- Provisions and other	12,822	10,190
- Provisions	8,134	6,532
- Net impairment losses (+/-)	2,368	1,440
- Result of companies accounted for using the equity method	2,320	2,218
Financial profit	12,032	12,282
Changes in working capital	**(57,275)**	**(33,333)**
Cash flows from operating activities	**116,557**	**100,868**
Income tax paid	(22,531)	(18,873)
Net cash flows from operating activities	**94,026**	**81,995**
2.- CASH FLOWS FROM INVESTING ACTIVITIES		
Investments	**(41,310)**	**(48,565)**
Subsidiaries, joint ventures and associates	(9,447)	(13,995)
Property, plant and equipment and intangible assets	(31,863)	(34,570)
Disposals	**3,472**	**-**
Subsidiaries, joint ventures and associates	3,472	-
Net cash flows from investing activities	**(37,838)**	**(48,565)**
3.- CASH FLOWS FROM FINANCING ACTIVITIES		
Finance costs paid	(9,984)	(16,506)
Financing - Associates and related companies	(326)	(33,546)
Net bank borrowings	(5,857)	(41,380)
Capital contributions	-	37
Dividends received	43	-
Dividends paid	(62,913)	(46,916)
Acquisition of treasury shares	(7,215)	-
Sale of treasury shares	-	79,680
Net cash flows from financing activities	**(86,252)**	**(58,631)**
NET INCREASE/DECREASE IN CASH	**(30,064)**	**(25,201)**
Cash and cash equivalents at beginning of year	**31,081**	**56,282**
Changes in the scope of consolidation/IFRSs	-	-
Cash and cash equivalents at beginning of year - new scope of consolidation	**31,081**	**56,282**
Cash and cash equivalents at end of year	**1,017**	**31,081**

The accompanying Notes 1 to 28 are an integral part of the consolidated statement of cash flows for 2015.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (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

Notes to the 2015 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 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.

This Royal Decree 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 would be planned, and adjustments would be established so that the radioelectric channels 61 to 69, which were being used by the digital multiplexes in the previous phase, could be replaced by others in phase 2. This would 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 was composed of four digital television channels that could 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 had 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 included three of the channels being operated by Atresmedia at that date.

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 were operated by Atresmedia (Nitro, Xplora and La Sexta 3), ceased to be broadcast, despite having complied with all the imposed obligations.

At that point in time, 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 was made impossible due to the closure of the aforementioned channels, and for which an impairment loss of EUR 3 million was recognised.

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 the same Chamber Three against the resolutions of the Spanish Cabinet of 28 May and 11 June 2010.

In June 2015 UTECA (the Public Commercial Television Union), an entity encompassing public commercial television operators, reached an agreement with the companies that appealed those resolutions whereby the concessions to operate a public television service were renewed and were transformed into licences to operate an audiovisual communications service. Due to this agreement, the companies that made the appeals applied to Chamber Three of the Spanish Supreme Court to discontinue them. The Chamber has accepted the applications to discontinue the appeals and ordered the proceedings to be set aside. Accordingly, the eight channels included the resolutions of the Spanish Cabinet, two of which belonged to Atresmedia, will not be switched off. The expense incurred in reaching this agreement was recognised in June 2015.

In April 2015 the Spanish Ministry of Industry called a public tender for six licences to operate six public television channels, three of which were to be broadcast in standard quality and three in high definition. A single bidder may not be allocated more than one licence to operate a standard channel and one licence to operate a high definition channel. As a result of this tender, on 16 October 2015 the Parent was awarded a licence to broadcast a high definition public television channel, through which it began to broadcast the Atreseries channel on 22 December 2015. Its TV programming consists of Spanish series (current and old Antena 3 and la Sexta series), as well as international series, mini-series and films.

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 formally 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 consolidated financial position at 31 December 2015 and its results, 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 2015 (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 2015 consolidated financial statements of the Group and the 2015 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 2014 consolidated financial statements, which were approved by the shareholders at the Annual General Meeting on 22 April 2015 and are included for comparison purposes, were also prepared in accordance with EU-IFRSs applied on a basis consistent with that of 2015.

Standards and interpretations effective in 2015:

The standards, amendments and interpretations that came into force in 2015 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		
IFRIC 21, Levies (issued in May 2013)	This interpretation addresses the accounting for a liability to pay a levy.	17 June 2014 (1)
Improvements to IFRSs, 2011-2013 cycle (issued in December 2013)	Minor amendments to a series of standards.	1 January 2015 (2)

(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.
(2) The IASB established that these improvements would come into force on or after 1 July 2014.

New standards, amendments and interpretations mandatorily applicable on or after 1 January 2015

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 the annual and interim financial statements. This means that the 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 entry into force of this interpretation did not have any impact on the consolidated financial statements.

Improvements to IFRSs, 2011-2013 cycle

The improvements to this cycle include amendments to the following standards:

IFRS 3, Business Combinations: amendment to the scope of the standard in relation to joint ventures, which clarifies that IFRS 3 does not apply to the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13, Fair Value Measurement: amendment to the scope of portfolio measurement. The scope of this exception for measuring the fair value of groups of financial assets and financial liabilities on a net basis was amended to clarify that the references to financial assets and financial liabilities should be read as applying to all contracts within the scope of IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32.

IAS 40, Investment Property: interrelationship with IFRS 3. The amendments clarify that IAS 40 and IFRS 3 are not mutually exclusive and both standards may have to be applied.

In addition to the above amendments, there has also been a change to IFRS 1, First-time Adoption of International Financial Reporting Standards.

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

<u>Standards and interpretations issued but not yet in force:</u>

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.

New standards, amendments and interpretations:		Obligatory application in annual reporting periods beginning on or after:
Approved for use in the European Union		
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 February 2015 (1)
Improvements to IFRSs, 2010-2012 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, which do not include methods that are based on revenue.	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.	
Amendments to IAS 16 and IAS 41 - Bearer Plants (issued in June 2014)	Bearer plants shall be measured at cost rather than at fair value.	
Improvements to IFRSs, 2012-2014 cycle (issued in September 2014)	Minor amendments to a series of standards.	
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.	
Amendments to IAS 1, Disclosure Initiative (issued in December 2014)	Various clarifications in relation to disclosures (materiality, aggregation, order of specific items within the notes to the financial statements, etc.).	
Not yet approved for use in the European Union at the date of publication of this document: New standards		
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 2018
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.	
IFRS 16, Leases (issued in January 2016)	The new standard on leases that replaces IAS 17. A lessee shall recognise all leases in its balance sheet as if they were financed purchases.	1 January 2019
Amendments and / or interpretations		
Amendments to IFRS 10, IFRS 12 and IAS 28, Investment Entities (issued in December 2014)	Clarifications on the consolidation exception for investment entities.	1 January 2016
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.	No date has been set

(1) The IASB established that these amendments and improvements would come into force on or after 1 July 2014.

The directors are assessing the potential impacts of the future application of these standards. Based on the information available to date, the Group estimates that their entry into force would not foreseeably have a significant impact on the consolidated financial statements, except for the following standards:

Amendments to IAS 16 and IAS 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.

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.

An entity recognises revenue in accordance with that core principle by 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’s 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.

IFRS 9, Financial Instruments

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 embedded derivatives 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.

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 2015 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 2015 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 statements of profit or loss.

At 2015 year-end the Group had working capital of EUR 48,074 thousand.

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	2015 %
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 Cine, S.L.U. (*)	Madrid	2000	Audiovisual productions	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
Atresmedia Música, S.L.U.	Madrid	2015	Management of music rights	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Cordina Planet, S.L.U.	Barcelona	2010	Production, distribution, dissemination and marketing of audiovisual content	Atresmedia Corporación de Medios de Comunicación, S.A.	100
Flooxplay, S.L.U.	Madrid	2015	Production and distribution 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
Música Aparte, S.A.U. (*)	Madrid	1990	Management of copyrights	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 statement of profit or loss 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 statement of profit or loss, 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	2015 %
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

The Group does not exercise control over the associates that are 50% owned, because under the shareholders agreements it has no powers to participate in the investees' financial and operating policies.

Changes in the scope of consolidation and main transactions in 2015

- On 21 May 2015, Atresmedia Corporación de Medios de Comunicación, S.A. incorporated the subsidiary Atresmedia Música, S.L. (Sole-Shareholder Company), the share capital of which amounted to EUR 3 thousand. Its company object includes the following activities: the recording, production, editing, distribution and marketing of phonograms and all kinds of musical and videographic recordings, regardless of media or format; the performance of activities for the advertising and promotion of its own or acquired products; and company object-related training activities.

- On 22 June 2015, Atresmedia Corporación de Medios de Comunicación, S.A., as sole shareholder of Atres Advertising, S.L. (Sole-Shareholder Company) and Antena 3 Eventos, S.L. (Sole-Shareholder Company), prepared and signed the Common Draft Terms of Merger in relation to the merger by absorption of Antena 3 Eventos, S.L. (Sole-Shareholder Company) (absorbed company) into Antena 3 Eventos, 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, 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 6 July 2015.

On 1 September 2015, the sole shareholder of Atres Advertising, S.L. (Sole-Shareholder Company), 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 as at 31 December 2014. 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., which became the only resulting company. This transaction did not have any impact on the Group's consolidated financial statements.

- On 22 June 2015, the sole director of Música Aparte, S.A. (Sole-Shareholder Company), Atresmedia Corporación de Medios de Comunicación, S.A., and the Board of Directors of La Sexta Editorial Musical, S.L. (Sole-Shareholder Company) together prepared and entered into the Common Draft Terms of Merger in relation to the merger by absorption of La Sexta Editorial Musical, S.L.U. (absorbed company) into Música Aparte, S.A.U. (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, 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 3 July 2015.

On 1 September 2015, the sole shareholder of Música Aparte, S.A.U., 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 as at 31 December 2014. 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, Música Aparte, S.A.U., which became the only resulting company. This transaction did not have any impact on the Group's consolidated financial statements.

- On 24 September 2015, Atresmedia Corporación de Medios de Comunicación, S.A. incorporated the subsidiary Flooxplay, S.L. (Sole-Shareholder Company), setting its share capital at EUR 3 thousand. Its company object comprises activities relating to the creation, production, operation and distribution of all kinds of content (audiovisual, audio, graphic, editorial) by means of any technology enabling public access and, in particular, audiovisual content for Internet broadcast. It also includes activities relating to the design and entry into service of technological or creative solutions for content providers, intermediation in those markets and advertising and consulting activities in matters related to the company's business activities.

- On 29 September 2015, the deed of dissolution, liquidation and extinguishment of Atlantis Global Solutions, S.L., 46.94% owned by the subsidiary Atresmedia Cine, S.L.U., was filed at the Mercantile Registry. This transaction had a negative impact of EUR 45 thousand on the Group's consolidated financial statements.

- On 12 November 2015, Atresmedia Corporación de Medios de Comunicación, S.A. entered into an agreement to sell 100% of the share capital of its subsidiary, Antena 3 Juegos, S.A. (Sole-Shareholder Company). This transaction gave rise to gains of EUR 232 thousand which were recognised in the Group's consolidated financial statements.

<u>Other changes not affecting the scope of consolidation in 2015:</u>

- On 2 March 2015, the subsidiary Antena3 Films, S.L. (Sole-Shareholder Company) subscribed 2,000 shares of Atlantis Global Solutions, S.L. for EUR 20 thousand, increasing its ownership interest in the latter from 33.41% to 46.94%.

- On 3 March 2015, Atresmedia Corporación de Medios de Comunicación, S.A. formalised the sale and transfer to its subsidiary, Atres Advertising, S.L. (Sole-Shareholder Company), of its entire ownership interest in Antena 3 Eventos, S.L. (Sole-Shareholder Company). On the same date, the Parent formalised the sale and transfer to its subsidiary, Música Aparte, S.A. (Sole-Shareholder Company) of its entire ownership interest in La Sexta Editorial Musical, S.L. (Sole-Shareholder Company). These transactions did not have any impact on the Group's consolidated financial statements.

- On 13 January 2015, Atresmedia Corporación de Medios de Comunicación, S.A. subscribed 377,675 new shares of Hola Televisión América, S.L. for a total nominal amount and share premium of EUR 1,511 thousand. On 24 April 2015, Hola Televisión América, S.L. performed another capital increase with a share premium in which the Parent subscribed 260,171 new shares for a total of EUR 1,041 thousand. Lastly, on 8 September 2015, the Parent subscribed 132,932 new shares of the aforementioned company for a total nominal amount and share premium of EUR 532 thousand. None of the capital increases described above had an impact on the percentage of ownership held in this associate's share capital.

- On 24 September 2015, the change of name of Antena 3 Films, S.L.U. to Atresmedia Cine, S.L.U. was recorded in a public deed.

- On 30 December 2015, 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 23 thousand.

<u>Changes in the scope of consolidation and main transactions in 2014</u>

- 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, 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 2015.

  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 as 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., which became the only resulting company. 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.

c) Comparative information

The information relating to 2014 contained in these consolidated financial statements is presented solely for comparison purposes with the information relating to the year ended 31 December 2015.

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 statement of profit or loss.

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. performed in 2012 (see Note 5).

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.

In 2013 the Parent reviewed the licence and trademark valuations identified in the purchase price allocation process performed within the framework of the aforementioned merger. For this review, in which an independent expert participated, the standard procedures for analyses of this kind were used, and it was concluded that the assigned values were 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. The measurement of this licence is included in the "Television" cash-generating unit.

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%. Zero perpetual growth was used.

The sensitivity analysis shows that a 1.0% increase in the perpetual growth rate gives rise to an increase in value of EUR 40 million, while a decrease of 1.0% gives rise to a decrease of EUR 32 million. Also, a 1.0% increase in the discount rate gives rise to a decrease of EUR 64 million, and a 1.0% decrease in the discount rate gives rise to an increase of EUR 81 million. The changes in value used in all these sensitivity analyses would not reduce the recoverable amount to below the carrying amount.

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 statement of profit or loss 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 statement of profit or loss 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 statement of profit or loss 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 statement of profit or loss. 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 statement of profit or loss 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 statement of profit or loss.

   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, in 2014 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. Had the criteria for the consumption of these programmes not been changed, the effect on the consolidated statement of profit or loss for 2015 would have been EUR 1 million.

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 statement of profit or loss at the time of the first showing.

2. 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 statement of profit or loss, 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%

3. 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 statement of profit or loss 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, since they are consumed in the operating cycle. There are no programme assets specifically acquired to be consumed within a period of over twelve months.

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 2015 year-end there were no assets or liabilities recognised in this connection 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 2015 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.

Interest rate hedges

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 2015 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 2015 represented 0.350% of the share capital of the Parent of the Group at that date. The transactions involving treasury shares in 2015 and 2014 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 consolidated statement of profit or loss 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 statement of profit or loss 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 statement of profit or loss when the related advertising spot is broadcast.

o) Income taxes; deferred tax assets and liabilities

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. The current rate is 25% for 2016 and subsequent years.

The change in tax rate introduced by Spanish Income Tax Law 27/2014, of 27 November, led the Group to adjust the deferred tax assets and liabilities on the basis of the tax rates at which they are expected to be recovered (see Note 21).

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 21).

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:

Cash flows: 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.

Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

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

Financing activities: 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 net profit for the year attributable to the Parent by the weighted average number of ordinary shares of the Parent outstanding during the year.

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 23).

4. Goodwill

The changes in "Goodwill" in the consolidated balance sheets in 2015 and 2014 were as follows:

Thousands of euros	Balance at 31/12/13	Additions/ Disposals	Balance at 31/12/14	Impairment	Balance at 31/12/15
RADIO BUSINESS:					
Uniprex, S.A.U.	148,113	-	148,113	-	148,113
Canal Media Radio, S.L.U.	1,899	-	1,899	-	1,899
Canal Media Radio Galicia, S.A.U.	-	-	-	-	-
Ipar Onda, S.A.U.	-	-	-	-	-
OTHER BUSINESSES:					
Cordina Planet, S.L.U.	3,181	-	3,181	(3,181)	-
TOTAL	**153,193**	**-**	**153,193**	**(3,181)**	**150,012**

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.

At 31 December 2015, on the basis of the recoverability analysis conducted on the “Other Businesses” cash-generating unit (CGU), the Group recognised an impairment loss on the goodwill relating to Cordina Planet, S.L.U. amounting to EUR 3,181 thousand under “Impairment and Gains and Losses on Disposals of Non-Current Assets” in the consolidated statement of profit or loss.

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 2014 and 2015.

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 sensitivity analysis conducted demonstrates that an increase in the perpetuity growth rate of 1.0% would give rise to an increase in value of EUR 13 million, whereas a decrease in the perpetuity growth rate of 1.0% would give rise to a decrease in value of EUR 11 million. Similarly, a decrease of 1.0% in the discount rate would give rise to an increase of EUR 18 million. The changes in value used in all the sensitivity analyses would not reduce the recoverable amount below the carrying amount. With a perpetuity growth rate of zero and increases in the discount rate of more than 1.0%, the recoverable amount would be below the carrying amount.

5. Other intangible assets

The breakdown of the balances and transactions recognised under "Other Intangible Assets" in the consolidated balance sheets in 2015 and 2014 is as follows:

Thousands of euros	**Balance at 01/01/15**	**Additions or charge for the year**	**Disposals or reductions**	**Transfers**	**Additions/ disposals due to changes in the scope of consolidation**	**Balance at 31/12/15**
Cost:						
Administrative concessions	40,982	-	-	5,325	-	46,307
Licences	82,804	-	-	-	-	82,804
Trademarks	21,591	-	-	-	-	21,591
Intellectual property	1,341	-	-	230	-	1,571
Computer software	49,069	-	(1,304)	5,208	-	52,973
Audiovisual productions	217,246	1,038	-	3,921	-	222,205
Other intangible assets	2,812	-	-	77	-	2,889
Intangible assets in progress	8,715	20,617	(74)	(14,761)	-	14,497
	424,560	**21,655**	**(1,378)**	**-**	**-**	**444,837**
Accumulated amortisation:						
Administrative concessions	(40,467)	(504)	-	-	-	(40,971)
Trademarks	(1,639)	(289)	-	-	-	(1,928)
Intellectual property	(1,862)	(916)	-	-	-	(2,778)
Computer software	(42,333)	(3,330)	1,125	-	-	(44,538)
Audiovisual productions	(198,124)	(10,376)	-	(1,476)	-	(209,976)
Other intangible assets	(642)	(456)	-	-	-	(1,098)
	(285,067)	**(15,871)**	**1,125**	**(1,476)**	**-**	**(301,289)**
Net impairment losses:	**(4,536)**	**(190)**	**-**	**1,476**	**-**	**(3,250)**
Total	**134,957**	**5,594**	**(253)**	**-**	**-**	**140,298**

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**

Fully amortised intangible assets in use at 31 December 2015 amounted to EUR 266,163 thousand (31 December 2014: EUR 235,579 thousand).

The impairment of intangible assets amounting to EUR 190 thousand in 2015 (2014: EUR 3,191 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 2015 and 2014 is as follows:

Thousands of euros	Balance at 01/01/15	Additions or charge for the year	Disposals or reductions	Transfers	Additions/ disposals due to changes in the scope of consolidation	Balance at 31/12/15
Cost:						
Land and buildings	65,833	-	(387)	553	-	65,999
Plant and machinery	91,200	-	(4,539)	5,340	-	92,001
Other fixtures and tools	53,660	-	(116)	826	-	54,370
Furniture	13,296	-	(928)	97	-	12,465
Computer hardware	35,681	-	(3,071)	3,365	-	35,975
Transport equipment and other items of property, plant and equipment	2,120	-	(272)	223	-	2,071
Property, plant and equipment in the course of construction	68	10,473	-	(10,404)	-	137
	261,858	**10,473**	**(9,313)**	**-**	**-**	**263,018**
Accumulated depreciation:						
Land and buildings	(34,920)	(1,638)	330	-	-	(36,228)
Plant and machinery	(79,989)	(6,205)	4,474	-	-	(81,720)
Other fixtures and tools	(49,893)	(1,290)	115	-	-	(51,068)
Furniture	(12,434)	(385)	848	-	-	(11,971)
Computer hardware	(31,607)	(2,352)	2,992	-	-	(30,967)
Transport equipment and other items of property, plant and equipment	(1,998)	(90)	273	-	-	(1,815)
	(210,841)	**(11,960)**	**9,032**	**-**	**-**	**(213,769)**
Net impairment losses:	**(2,684)**	**(227)**	**-**	**-**	**-**	**(2,911)**
Total	**48,333**	**(1,714)**	**(281)**	**-**	**-**	**46,338**

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**

At 31 December 2015, fully depreciated property, plant and equipment in use amounted to EUR 162,740 thousand (31 December 2014: EUR 158,603 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 2015 and 2014 were as follows:

Thousands of euros	Balance at 01/01/15	Changes in the scope of consolidation	Additions or disposals	Share of results	Other changes	Balance at 31/12/15
Investments accounted for using the equity method						
Atlantis Global Solutions, S.L.	45	(45)	-	-	-	-
I3 Televisión, S.L.U.	209	-	-	26	-	235
Hola TV América Group	-	-	3,083	(2,346)	(737)	-
Investments accounted for using the equity method	**254**	**(45)**	**3,083**	**(2,320)**	**(737)**	**235**

Thousands of euros	Balance at 01/01/14	Changes in the scope of consolidation	Additions or disposals	Share of results	Other changes	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
Hola TV América Group	352	(774)	1,369	(2,170)	1,224	-
Investments accounted for using the equity method	**546**	**(774)**	**1,477**	**(2,218)**	**1,224**	**254**

In September 2015 Atlantis Global Solutions, S.L. was liquidated. This transaction had a negative impact of EUR 45 thousand, which is recognised in these consolidated financial statements.

At 31 December 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).

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 2015 and 2014 is as follows:

	2015				
Thousands of euros	**Assets**	**Equity**	**Liabilities**	**Income**	**Profit (Loss)**
I3 Televisión, S.L.	1,790	469	1,321	5,798	51
Hola TV América Group	6,004	(1,115)	7,119	2,635	(4,693)

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

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 2015 and 2014 is as follows:

Thousands of euros	Non-current financial instruments					
	Equity instruments		Loans, derivatives and other		Total	
	2015	2014	2015	2014	2015	2014
Loans and receivables	-	-	328	297	328	297
Available-for-sale financial assets	11,530	5,957	-	-	11,530	5,957
Non-current financial assets	**11,530**	**5,957**	**328**	**297**	**11,858**	**6,254**
Other derivatives	-	-	-	87	-	87
Hedging derivatives (Note 14)	-	-	2,770	4,397	2,770	4,397
Derivative financial instruments	**-**	**-**	**2,770**	**4,484**	**2,770**	**4,484**
Total	**11,530**	**5,957**	**3,098**	**4,781**	**14,628**	**10,738**

"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. The increase in this heading in 2015 relates to the Group's strategy to diversify the avenues for growth other than advertising income.

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.

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 2015 and 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 2015 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	2015	2014
Programme rights, net		
Rights on external productions	330,017	277,114
In-house productions and productions in process	25,171	18,782
Sports broadcasting rights	14,568	3,214
Write-down of external productions	(35,545)	(38,406)
	334,211	**260,704**
Advances to suppliers	**14,457**	**25,171**
Total	**348,668**	**285,875**

At 31 December 2015, the Parent had commitments, mainly for the purchase of audiovisual property rights and the production of programmes, amounting to EUR 299,204 thousand (2014: EUR 279,146 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 2015 the best estimate of these commitments amounted to EUR 120,913 thousand (2014: EUR 94,312 thousand).

It is estimated that inventoriable in-house productions will be amortised in full and approximately EUR 170,000 thousand of external production rights will be amortised in 2016.

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

	Balance at 31/12/13	Additions	Transfers	Disposals or reductions	Balance at 31/12/14	Additions	Transfers	Disposals or reductions	Balance at 31/12/15
Write-downs	**(33,755)**	(7,073)	315	2,106	**(38,406)**	-	-	2,861	**(35,545)**

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. Also, in 2014 in relation to the impact of the shutdown of three channels (see Note 1), an adjustment of EUR 3 million was made to the value of certain audiovisual rights, as it was no longer possible to broadcast the channels. These write-downs were recognised under "Programme Amortisation and Other Procurements" in the consolidated statement of profit or loss.

10. Trade and other receivables

The detail of trade and other receivables in the consolidated balance sheets at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Trade receivables	185,687	166,333
Receivable from associates and related companies (Note 22)	45,155	48,044
Total trade receivables for sales and services	**230,842**	**214,377**
Other receivables	3,744	7,111
Total other receivables	**3,744**	**7,111**

The balances of "Trade Receivables for Sales and Services" are presented net of allowances for doubtful debts. At 31 December 2015, the allowance for doubtful debts amounted to EUR 17,246 thousand (31 December 2014: EUR 15,392 thousand). The charge for the year in 2015 amounted to EUR 3,495 thousand (2014: EUR 3,048 thousand), and EUR 1,641 thousand of the allowance were used in the year (2014: EUR 10,197 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 statement of profit or loss.

At 31 December 2015, EUR 208,447 thousand of the total balance of "Trade Receivables for Sales and Services", related to balances that were not past-due. This amount totalled EUR 194,165 thousand in 2014.

The detail of the ageing of the past-due balances of "Trade Receivables for Sales and Services" in 2015 and 2014 is as follows (in thousands of euros):

2015		**Due date**		
	Total	**0-60 days**	**61-180 days**	**+180 days**
Total trade receivables for sales and services	22,395	18,848	3,547	-

2014		**Due date**		
	Total	**0-60 days**	**61-180 days**	**+180 days**
Total trade receivables for sales and services	20,212	16,301	3,710	201

11. Equity

a) Share capital

On 29 October 2012, the Parent 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 but without entitlement to dividends paid out of the profits generated prior to the date of registration of the merger at the Mercantile Registry, irrespective of the dividend 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, although in this case the restriction shall continue to apply for 24 months following the date on which the merger was registered at the Mercantile Registry.

As indicated in the relevant event communication of 20 November 2014, 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 indicated in the aforementioned relevant event communication of 20 November 2014, 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, which took place on 22 January 2015.

At 31 December 2015 and 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 rights.

At the end of 2015 the Parent's shareholder structure was as follows:

% of ownership	2015
Grupo Planeta-de Agostini, S.L.	41.70
Ufa Film und Fernseh, GMBH	18.65
Imagina Media Audiovisual, S.L.	3.50
Mediapro Contenidos, S.L.U.	0.65
Treasury shares	0.35
Other shareholders	35.15
Total	**100.00**

The shares of the Parent are traded on the Spanish Stock Market Interconnection System and all carry the same voting and dividend rights.

In the first half of 2015, Gamp Audiovisual, S.A., in the context of the restructuring process of the Imagina Group, was absorbed by Mediapro Contenidos, S.L. (Sole-Shareholder Company), an Imagina Media Audiovisual, S.L. Group company.

In 2015, Imagina Media Audiovisual, S.L. performed a series of transactions with shares of the Parent. As a result of these transactions, and including the delivery of shares mentioned in Note 11-e, at the end of 2015 Imagina Media Audiovisual, S.L. held a direct ownership interest equal to 3.500% and an indirect ownership interest through Mediapro Contenidos, S.L. (Sole-Shareholder Company) of 0.648% in the Parent.

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.

For management purposes, the quantitative capital data relating to 2015 and 2014 is presented in the consolidated balance sheet and amounts to EUR 485,660 thousand and EUR 449,336 thousand, respectively.

No qualitative or quantitative changes took place in relation to the management of capital in 2015 in comparison to 2014. The change in capital in 2015 did not arise as a result of external requirements, but basically as a result of the purchase of treasury shares of the Parent, the cancellation of instruments recognised in equity as a result of the agreement described in Note 11-e, and the payment of dividends to the shareholders described in Note 11-f to these consolidated financial statements.

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 to the consolidated financial statements, the difference between the issue price and the par value of the new shares (i.e. EUR 2.62 per share) is 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 24 April 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 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. At 31 December 2015, this reserve amounted to EUR 33,890 thousand (31 December 2014: EUR 26,484 thousand).

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 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Atresmedia Corporación de Medios de Comunicación subgroup	81,716	36,288
Uniprex subgroup	12,729	8,329
Other	4,762	2,035
Total	**99,207**	**46,652**

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 the treasury shares held by the Parent at the end of 2015 and 2014 is as follows:

Year	No. of shares	Par value (euros)	Average acquisition price (euros)	Total acquisition cost (thousands of euros)
2015	789,738	592,304	10.97	8,666
2014	1,145,594	859,196	6.29	7,202

At 31 December 2015, the shares of the Parent held by it represented 0.350% of the Parent's share capital and totalled 789,738 shares, with a value of EUR 8,666 thousand and an average acquisition price of EUR 10.97 per share.

The changes in “Treasury Shares” in 2015 and 2014 were as follows:

Number of shares	2015	2014
At beginning of year	1,145,594	15,818,704
Purchases	558,957	-
Sales	-	(6,298,784)
Delivery of shares (Note 11-h)	(914,813)	(8,374,326)
At end of year	**789,738**	**1,145,594**

Pursuant to the partial novation of the integration agreement entered into on 14 December 2011, which definitively concluded a series of matters related to the guarantee and commitment regime of the initial integration agreement for the merger with Gestora de Medios Audiovisuales la Sexta, S.A., the Parent delivered to the shareholders Imagina Media Audiovisual, S.L. and Mediapro Contenidos, S.L. (Sole-Shareholder Company) an additional ownership interest equal to 0.248% of the Parent's share capital, i.e. a total of 558,957 shares (see Note 11-h).

Also, under the integration agreement relating to Gala Desarrollos Comerciales, S.L. (see Note 11-h), a portion of the aforementioned additional ownership interest, equivalent to 0.158% (355,856 shares) was transferred to that company.

Both transactions represented a total of 914,813 treasury shares delivered in 2015.

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 22 April 2015 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 is set at 10% of the subscribed share capital by Article 509 of the Spanish Limited Liability Companies Law, approved by Legislative Royal Decree 1/2012, of 2 July. This authorisation is in force until 2020 and rendered null and void the authorisation granted by the Annual General Meeting on 24 March 2010.

f) Dividends

At the Annual General Meeting held on 22 April 2015, the shareholders of the Parent ratified, among other resolutions, the distribution of 2014 profit, allocating the maximum amount of EUR 44,878 thousand to the payment of dividends, of which EUR 22,341 related to an interim dividend paid on 18 December 2014.

Once the dividend rights of the treasury shares had been attributed, a final dividend amounting to EUR 22,423 thousand was paid on 18 June 2015, as per the following detail:

- Final dividend of EUR 0.10 per share relating to 223,405,910 ordinary shares identified by the Spanish National Securities Coding Agency with ISIN 019427734, paid in full out of the Parent's profit for 2014, amounting to EUR 22,340 thousand and representing 13% of the par value.

- Dividend of EUR 0.07 per share relating to 1,181,296 ordinary shares identified by the Spanish National Securities Coding Agency with ISIN 019427015 which, as established when they were issued, represented the share of profits generated by the Parent subsequent to 31 October 2014, amounting to EUR 83 thousand and representing 9% of the par value.

At the Parent's Board of Directors meeting held on 18 November 2015, it was resolved to distribute out of the Parent's profit for 2015, the gross amount of eighteen euro cents (EUR 0.18) for each of the 225,732,800 shares with a par value of EUR 0.75 representing the share capital, of which 789,738 are treasury shares. Accordingly, the dividend rights inherent to treasury shares were attributed proportionately to the other shares in accordance with Article 148 of the Spanish Limited Liability Companies Law.

This dividend, which was paid to the shareholders as an interim dividend on 17 December 2015, totalled EUR 40,490 thousand and represented 24% of the par value.

In 2014 the Parent paid an ordinary dividend out of 2013 profit amounting to EUR 0.11 per share with dividend rights (once the dividend rights inherent to the treasury shares had been attributed), pursuant to a resolution adopted at the Annual General Meeting held on 23 April 2014. The dividend amounting to EUR 24,575 thousand, representing an increase of 15% on the par value, was paid on 18 June 2014.

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 2015 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 Atresmedia Corporación de Medios de Comunicación, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A., both companies agreed to grant La Sexta shareholders an additional ownership interest of 15,818,704 of the Parent's shares representing 7% of its share capital, although the delivery thereof is conditional upon the Group's earnings 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 the remaining 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 2015 and 2014 were as follows:

Thousands of euros	Balance at 31/12/14	Provisions	Amounts used and payments	Excessive provisions	Transfers	Balance at 31/12/15
Operating provisions	44,488	50,554	(41,426)	-	-	53,616
Provisions for litigation	30,307	10,392	(2,137)	(6,602)	(6,903)	25,057
Other provisions	13,549	2,830	(195)	-	(1,860)	14,324
Total provisions	**88,344**	**63,776**	**(43,758)**	**(6,602)**	**(8,763)**	**92,997**

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**

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 statement of profit or loss.

“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 statement of profit or loss.

The agreement for the partial novation of the integration agreement entered into by the Parent for the merger with Gestora de Medios Audiovisuales La Sexta, S.A. on 19 February 2014 (see Note 11-e), included the assumption of a contingency of the former shareholders of La Sexta corresponding to the tax assessments relating to the levy on games of luck, betting or chance, raffles and tombolas. The assumption of this contingency gave rise to the recognition of the related provision of EUR 6,903 thousand in the Parent's financial statements. In the first half of 2015, this provision was reversed as a final judgment was handed down in relation to the proceeding. The accounting entry and the reversal of the provision did not have any impact on the Group's consolidated statement of profit or loss.

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. This account payable does not accrue interest and its measurement at fair value had a negative impact of EUR 1,886 thousand presented 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 detail, by maturity, of the balances of “Trade Payables - Other Non-Current Liabilities” at 31 December 2015 is as follows:

Thousands of euros	2017	2018	2019	Total
Trade payables	44,333	1,644	60	**46,037**
Other non-current payables	574	-	-	**574**
Other non-current liabilities	44,907	1,644	60	**46,611**

The detail, by maturity, of the items included under “Other Non-Current Liabilities” at 31 December 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**

13. Bank borrowings

On 4 May 2015, the Parent, Atresmedia Corporación de Medios de Comunicación, S.A., arranged a new syndicated loan of EUR 270,000 thousand, which was earmarked to repay the syndicated financing arranged in August 2013 and to meet the Parent's general corporate and cash requirements. At 31 December 2015, the limit of the aforementioned financing was EUR 270,000 thousand.

50% of the total amount is a four-year loan with partial repayments and the remaining 50% is a credit facility maturing at four years. Eight banks with which the Parent has regular dealings participated in the transaction.

At 31 December 2015, a portion of the financing had not been drawn down as a result of the cash surplus 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: the debt to EBITDA ratio and the interest coverage ratio. The fair value of this financing approximates its carrying amount.

The detail of the items included under “Bank Borrowings” at 31 December 2015 and 2014 is as follows:

	2015			2014		
Thousands of euros	**Limit**	**Short-term balance drawn down**	**Long-term balance drawn down**	**Limit**	**Short-term balance drawn down**	**Long-term balance drawn down**
Syndicated financing	270,000	13,500	127,437	235,750	37,574	126,331
Credit facilities	70,000	17,823		-	-	-
Interest payable	-	721	-	-	1,432	-
Total	**340,000**	**32,044**	**127,437**	**235,750**	**39,007**	**126,331**

The detail, by maturity, of the long-term balances drawn down at 31 December 2015 is as follows:

Thousands of euros	2017	2018	2019	Total
Syndicated financing	27,000	27,000	73,437	**127,437**

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

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

14. Derivative financial instruments

Foreign currency hedges

The Group uses currency derivatives to hedge significant future transactions and cash flows in US dollars and mitigate the foreign currency risk. They relate, in all cases, to cash flow hedges for payment obligations in US dollars relating to the purchase of broadcasting rights (the underlying), in which the exposure to the EUR/USD exchange rate is hedged (hedged risk), which gives rise to a potential change in the cash flows payable in euros for broadcasting rights. This change affects the profit or loss of the period(s) in which the planned payment transaction has not been performed. The Group applies hedge accounting and documents the hedging relationships and measures their effectiveness as required by IAS 39.

In general, on assumption of the commitment to purchase the broadcasting rights, the Group arranges a foreign currency derivative that expires on the payment dates of the accounts payable to suppliers. A hedging relationship is arranged that covers the entire term of the derivative, i.e. the derivative is considered to be a hedging instrument from its arrangement (when the commitment to purchase the broadcasting rights is assumed) up to the date of payment of the contracted broadcasting rights. Changes in the fair value of the derivative are recognised temporarily in equity up to the beginning of the term of the right, and are finally reclassified from equity to profit or loss in order to offset the impact on profit or loss of changes in the value of the hedged item, as detailed as follows:

- At the beginning of the term of the right (which is the date on which Atresmedia may use the broadcasting rights and, therefore, recognises the acquisition thereof under “Inventories” in the balance sheet) the changes in fair value from arrangement up to that date which have been recognised in equity as the effective portion, are included as an increase in/reduction of the carrying amount at which the inventories were recognised.

- Once the inventories and the related accounts payable to suppliers are recognised, the changes in fair value of the foreign currency derivatives and in the value of the accounts payable are recognised in the statement of profit or loss at each accounting close.

At 31 December 2015, the Group had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 244,048 thousand, at a weighted average exchange rate of 1.1821 (USD/EUR). At 31 December 2014, the Group had arranged hedging instruments amounting to USD 230,233 thousand, at a weighted average exchange rate of 1.3279 (USD/EUR).

At the end of 2015 and 2014, the total amounts of the outstanding forward currency purchase contracts entered into by the Group were as follows:

						Fair value (thousands of euros)	
2015	**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	2016	126,210	-	13,112	145
Currency forwards	Foreign currency hedge	Purchase of USD	2017	57,383	-	2,482	41
Currency forwards	Foreign currency hedge	Purchase of USD	2018	20,465	-	267	107
Currency forwards	Foreign currency hedge	Purchase of USD	2019	2,002	-	18	17
Currency forwards	Foreign currency hedge	Purchase of USD	2020	398	-	3	-

						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

At 31 December 2015, 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 15,882 thousand and a financial liability of EUR 310 thousand (2014: asset of EUR 16,137 thousand and liability of EUR 15 thousand).

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 2015, the swap points (offer/bid), the interest rates prevailing at the valuation date and the credit risk.

The sensitivity analysis of the foreign currency derivative financial instruments demonstrates that changes of +/-10% in the USD/EUR exchange rate prevailing at year-end would give rise to changes in fair value within a range of EUR +/-14.5 million for hedges the underlying of which is in force at year-end and changes of EUR +/-6.6 million for hedges the underlying of which is not yet in force and therefore affect equity. Appreciations in the USD/EUR exchange rate give rise to increases in the value while depreciations in the exchange rate give rise to decreases in the value.

With respect to the sensitivity analysis of the balances payable to suppliers in USD, changes of +/-10% in the USD/EUR exchange rate prevailing at year-end would give rise to changes in the fair value recognised of around EUR +/-15.9 million, and would be sufficiently offset by the changes in the value of the derivatives arranged.

In 2014 changes of +/-10% in the exchange rate prevailing at year-end would have given rise to changes in the fair value of the derivatives of around EUR +/-17.5 million and of EUR +/-18.0 million of the accounts payable in USD. In 2014 the impact of the changes in fair value of the derivatives related mainly to the hedges, the underlying of which was in force at year-end.

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 derivatives detailed in this heading would be classified as level 2, since they are observable inputs that refer to market data.

Interest rate hedges

In May 2015 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 2019 and the hedged amount is EUR 121,500 thousand, with a fixed interest rate of 0.94%. At 31 December 2015, the fair value of the swaps amounted to EUR 2,592 thousand and was recognised as a financial liability. This derivative would be included in level 2.

15. Trade and other payables

The detail of trade and other payables in the consolidated balance sheets as at 31 December 2015 and 2014 is as follows:

Thousands of euros	**2015**	**2014**
Payable to suppliers	346,046	339,879
Payable to associates and related parties (Note 22)	53,148	59,178
Total payable to suppliers	**399,194**	**399,057**
Other accounts payable to public authorities (Note 21-d)	18,067	10,699
Other non-trade payables	17,645	16,218
Customer advances	1,398	2,552
Total other payables	**37,110**	**29,469**

The Group has accounts payable to suppliers, relating mainly to external production rights denominated in foreign currency, mostly US dollars, which are recognised at each accounting close using the USD/EUR exchange rate prevailing at that date. The detail, by maturity, in 2015 and 2014 is as follows (in thousands of euros):

2015 **Thousands of euros**	**2016**	**2017**	**2018**	**2019**	**Total**
Payable to suppliers, foreign currency	126,595	37,411	1,560	61	**165,627**

2014 **Thousands of euros**	**2015**	**2016**	**2017**	**2018**	**Total**
Payable to suppliers, foreign currency	114,926	42,169	4,710	42	**161,847**

Note 14, Derivative financial instruments, refers to the sensitivity analysis of the balances payable to suppliers in US dollars in relation to changes in the exchange rate at year-end.

Set forth below are the disclosures required by Additional Provision Three of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to financial statements in relation to the average period of payment to suppliers in commercial transactions.

As provided for in the Single Additional Provision of the aforementioned ruling, no comparative information is presented since this year is the first in which it is applicable.

	2015
	Days
Average period of payment to suppliers	76
Ratio of transactions settled	86
Ratio of transactions not yet settled	39

	Thousands of euros
Total payments made	614,873
Total payments outstanding	159,282

In accordance with the ICAC Resolution, the average period of payment to suppliers was calculated by taking into account the commercial transactions relating to the supply of goods or services for which payment has accrued since the date of entry into force of Law 31/2014, of 3 December.

For the sole purpose of the disclosures provided for in the Resolution, suppliers are considered to be the trade creditors for the supply of goods or services included in "Payable to Suppliers" and "Payable to Suppliers - Payable to Associates and Related Parties" under current liabilities in the consolidated balance sheet.

"Average period of payment to suppliers" is taken to be the period that elapses from the delivery of the goods or the provision of the services by the supplier to the effective payment of the transaction.

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	2015	2014
Group companies and associates	1,510	2,641
Other guarantees	17,505	10,985
Total	**19,015**	**13,626**

The Parent's directors consider that any liabilities not foreseen at 31 December 2015 that might arise from the guarantees provided would not be material.

b) Litigation and contingent liabilities

At 31 December 2015 and 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.

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.

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

The main financial risks affecting the Group are as follows:

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 2015. The percentage of past-due receivables at 31 December 2015 was 8.97%.

b) Liquidity risk

The Group’s liquidity policy is to arrange credit lines and short-term investments that are sufficient to support its financial needs, on the basis of expected business performance. These are all 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 2015, changes of 100 basis points in the total cost borne would give rise to a +/- EUR 1.6 million change in the interest on the borrowings 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 USD/EUR forward exchange rate. Sensitivity to changes in the exchange rate is described in Note 14.

18. Income and expenses

a) Revenue

The detail, by business line, of the Group's revenue for 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Advertising sales	925,421	858,017
Other sales	41,070	29,578
Trade and other discounts	(41,922)	(37,704)
Total	**924,569**	**849,891**

In 2015 transactions exceeding 10% of total operating income were performed with two customers (media buyers grouping together advertising orders of various advertisers), which represented 19% and 17% (individually) and 36% (as an aggregate) of total advertising sales.

In 2014 transactions exceeding 10% of total operating income were performed with two 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.

The detail, by geographical market, of the Group's revenue for 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Spain	918,853	845,147
Other EU countries	5,102	3,298
Other non-EU countries	614	1,446
Total	**924,569**	**849,891**

b) Programme amortisation and other procurements

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

Thousands of euros	2015	2014
External production services	245,433	215,563
Broadcasting of in-house productions	229,348	221,154
Programme broadcasting rights	167,932	165,364
Live broadcasting rights	49,827	36,706
Performances and contributions of entertainers	13,842	13,219

Other amortisation	7,752	5,449
Addition to programme rights	(247,013)	(209,335)
Total	**467,121**	**448,120**

"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	**2015**	**2014**
Wages and salaries	100,461	98,251
Social security costs	19,405	18,697
Other staff costs	2,249	2,399
Total	**122,115**	**119,347**

In 2015 remuneration in the form of salaries and life insurance premiums of senior executives who are not directors amounted to EUR 6,616 thousand and EUR 32 thousand, respectively (2014: EUR 6,391 thousand and EUR 34 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 2015, by gender and professional category, was as follows:

Professional category	**2015**	
	Women	**Men**
Senior executives	3	17
Managers	73	155
Line personnel	565	605
Clerical staff	123	24
Other	140	95
Total	**904**	**896**

The number of Group employees at 2015 year-end, by gender and professional category, was as follows:

Professional category	**2015**	
	Women	**Men**
Senior executives	3	17
Managers	72	153
Line personnel	582	625
Clerical staff	122	24
Other	162	113
Total	**941**	**932**

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

The detail, by professional category, of the average number of employees in 2015 with a disability of more than 33% is as follows:

Professional category	2015
Managers	2
Line personnel	16
Clerical staff	13
Other	4
Total	**35**

d) Other operating expenses

The detail of "Other Operating Expenses" in the consolidated statement of profit or loss is as follows:

Thousands of euros	2015	2014
Operating leases and charges	61,396	64,382
Work performed by other companies	44,025	42,115
Copyrights	44,898	39,858
Communications	11,135	10,324
Advertising and publicity	8,930	7,343
Other overheads	44,888	24,068
Total	**215,272**	**188,090**

"Operating Leases and Charges" in the accompanying consolidated statement of profit or loss 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 2015 amounted to EUR 241 thousand (2014: EUR 261 thousand). The fees for audit-related services in 2015 amounted to EUR 8 thousand (2014: EUR 8 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 35 thousand in 2015 (2014: EUR 83 thousand). No tax advisory services were provided in 2015 or in 2014.

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

This heading in the consolidated statement of profit or loss includes primarily the net gains or losses due to changes in the fair value of the currency hedges and IRSs disclosed in Note 14 to these consolidated financial statements and the negative impact arising from the recognition at fair value of the non-current payables to suppliers included under " Other Non-Current Liabilities" (see Note 12).

In 2015 and 2014 the net gains or losses due to changes in fair value included under the aforementioned heading, detailed by item, were as follows:

Thousands of euros	2015	2014
Hedging instruments (Note 14)	(6,029)	16,658
Other derivatives (Note 8)	(87)	(595)
Other non-current liabilities (Note 12)	(1,886)	2,894
Total	**(8,002)**	**18,957**

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 statement of profit or loss for 2015 includes mainly the interest expense on bank borrowings. At 31 December 2015, the finance costs amounted to EUR 11,001 thousand and finance income amounted to EUR 2,016 thousand.

“Financial Loss” in the consolidated statement of profit or loss for 2014 includes mainly the interest expense on bank borrowings. At 31 December 2014, the finance costs amounted to EUR 13,459 thousand and finance income amounted to EUR 1,669 thousand.

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

“Impairment and Gains or Losses on Disposals of Financial Assets” in the consolidated statement of profit or loss includes, 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 (see Note 8).

At 31 December 2015, the amount recognised under “Impairment and Gains or Losses on Disposals of Financial Assets” relates mainly to the impairment arising from the adjustment to fair value of the non-current investments in equity instruments and the gains on the disposal of these instruments.

At 31 December 2014, the amount recognised under “Impairment and Gains or Losses on Disposals of Financial Assets” relates mainly to the impairment arising from the adjustment to fair value of the non-current investments in equity instruments.

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 2015 and 2014, taking into account, on the one hand, the nature of the services provided and, on the other, the customer segments targeted by them.

In 2015 and 2014 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	
STATEMENT OF PROFIT OR LOSS	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Revenue and other income, net	857,410	785,331	89,868	81,225	37,225	27,176	(14,297)	(10,506)	970,206	883,226
Operating expenses (excluding depreciation and amortisation charge)	723,886	681,930	68,041	63,647	26,878	20,486	(14,297)	(10,506)	804,508	755,557
GROSS PROFIT FROM OPERATIONS	**133,524**	**103,401**	**21,827**	**17,578**	**10,347**	**6,690**	**-**	**-**	**165,698**	**127,669**
Depreciation and amortisation charge, impairment and gains or losses on disposals of non-current assets	15,258	14,202	1,852	1,789	4,012	446	-	-	21,122	16,437
Gains on bargain purchases arising on business combinations	-	-	-	-	-	-	-	-	-	-
PROFIT FROM OPERATIONS	**118,266**	**89,199**	**19,975**	**15,789**	**6,335**	**6,244**	**-**	**-**	**144,576**	**111,232**
Net gain (loss) due to changes in the value of financial instruments at fair value	(8,002)	18,958	-	-	-	-	-	-	(8,002)	18,958
Exchange differences	4,961	(19,463)	(2)	-	(4)	13	-	-	4,955	(19,450)
Financial loss	(5,275)	(7,093)	(3,244)	(3,747)	(466)	(950)	-	-	(8,985)	(11,790)
Impairment and gains or losses on disposals of financial assets	1,371	-	-	-	(48)	(1,405)	-	-	1,323	(1,405)
Share of results of associates and joint ventures accounted for using the equity method	26	(29)	-	-	(2,346)	(2,189)	-	-	(2,320)	(2,218)
PROFIT BEFORE TAX	**111,347**	**81,572**	**16,729**	**12,042**	**3,471**	**1,713**	**-**	**-**	**131,547**	**95,327**
Income tax	(25,349)	(43,472)	(4,671)	(3,869)	(2,320)	(1,334)	-	-	(32,340)	(48,675)
PROFIT AFTER TAX	**85,998**	**38,100**	**12,058**	**8,173**	**1,151**	**379**	**-**	**-**	**99,207**	**46,652**

Thousands of euros	Television		Radio		Other businesses		Adjustments and eliminations between segments		Consolidated Atresmedia	
BALANCE SHEET	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Segment assets	1,376,919	1,351,850	198,964	222,199	196,325	170,132	(516,618)	(530,328)	1,255,590	1,213,853
Investments accounted for using the equity method	235	209	-	-	-	45	-	-	235	254
Total segment assets	1,377,154	1,352,059	198,964	222,199	196,325	170,177	(516,618)	(530,328)	1,255,825	1,214,107
Total segment liabilities	775,624	781,003	90,559	103,680	326,881	309,065	(422,821)	(428,926)	770,243	764,822

21. Tax matters

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 Income 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 is considered indefinite provided that the requirements established in the current Article 58 of Income Tax Law 27/2014, of 27 November, are met and the Company does not opt to cease to apply the aforementioned 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 -amounting to EUR 76,610 thousand for tax purposes net of the recognised impairment losses can be amortised at a rate of 1% in 2014 and 2015 (5% from 1 January 2016 onwards), as provided for in Article 2.4.2 of Law 16/2013, of 29 October, establishing certain measures on environmental taxation and adopting other tax and financial measures, and Section d) of Transitional Provision Thirty-Four of Income Tax Law 27/2014, respectively, 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. The merger goodwill for tax purposes does not coincide with that recognised for accounting purposes (see Note 4). Goodwill arising from the merger amounted to EUR 99,137 thousand and the amount allocated to impairment losses for accounting purposes recognised was EUR 20,315 thousand. There were also accumulated impairment losses for tax purposes of EUR 2,212 thousand.

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 4, which differs from the merger goodwill for tax purposes (amounting to EUR 24,775 thousand) calculated and amortised as provided for in Article 89.3 of the Consolidated Spanish Income Tax Law which, net of the impairment losses recognised, amounted to EUR 18,955 thousand.

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 Income 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 294 thousand of Radio Media Galicia, S.L.) and is being amortised at an annual rate of 1%, 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.

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 Income Tax Law.

On 24 November 2015, the merger, whereby Antena 3 Eventos, S.L.U. 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 2014 was approved as the merger balance sheet. The company availed itself of the special merger regime provided for in Title VII, Chapter VII of the Spanish Income Tax Law 27/2014.

Also on 24 November 2015, the merger, whereby La Sexta Editorial Musical, S.L.U. was absorbed by Música Aparte, 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 2014 was approved as the merger balance sheet. The company availed itself of the special merger regime provided for in Title VII, Chapter VII of the Spanish Income Tax Law 27/2014.

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	2015	2014
Consolidated profit before tax	**131,547**	**95,327**
Permanent differences	9,570	4,769
Tax losses incurred prior to the formation of the tax group used in 2015	(9)	(9)
Adjusted profit	**141,108**	**100,087**
Tax rate	28.00%	30.00%
Adjusted profit multiplied by tax rate	39,510	30,026
Tax credits	(6,520)	(13,158)
Current income tax expense	32,990	16,868
Deferred tax expense	(61)	(1,426)
Income tax adjustment	(589)	33,233
Total tax expense	**32,340**	**48,675**
Effective tax rate	**24.58%**	**51.06%**

The 2015 permanent differences include mainly negative consolidation differences (EUR 4,124 thousand), non-deductible impairment losses on equity instruments (EUR 11,036 miles thousand), other non-deductible expenses (EUR 1,956 thousand) and donations (EUR 703 thousand).

The negative consolidation differences arise from the share of results of companies accounted for using the equity method (+ EUR 2,321 thousand), increased amortisation of the trademark under IFRSs (+ EUR 289 thousand) and accounting elimination differences (- EUR 6,734 thousand).

In 2015 the Group earned tax credits for investment in audiovisual production amounting to EUR 15,442 thousand. However, the tax credits indicated in the table above were recognised by the Group in 2015 of which EUR 6,274 thousand relate to investment in audiovisual production and EUR 246 thousand to donations to not-for-profit organisations.

In 2014 the Group made adjustments to bring the existing balance of deferred tax assets and deferred tax liabilities -calculated in the past at a rate of 30%- into line with the recoverable amount thereof calculated at 25%, based on the Company's best estimates of the recovery of tax assets in future reporting periods.

The differences between the estimate made at year-end and the tax return effectively filed gave rise to differences that not only affect the income tax expense, but also the adjustment arising from the change in the tax rate, amounting to EUR 8 thousand and EUR (597) thousand, respectively. These amounts are included under "Income Tax Adjustment".

The deferred tax expense relates to the tax effect of the deferred tax liability under IFRSs (see Note 21-e).

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 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Accounting profit after tax	**99,207**	**46,652**
Income tax	32,340	48,675
Permanent differences	9,570	4,769
Temporary differences	(12,855)	13,134
Offset of prior years' tax losses	(32,070)	(28,313)
Taxable profit	**96,192**	**84,917**
Tax rate	28.00%	30.00%
Gross tax payable	**26,933**	**25,475**
Tax credits used in 2015	(7,552)	(6,704)
2015 tax prepayments	(23,865)	(19,739)
Tax payable (refundable)	**(4,484)**	**(968)**

The 2015 temporary differences include additions of EUR 11,669 thousand and reductions of EUR 24,524 thousand (see Note 21-e).

Additions break down into deferred tax assets of EUR 10,878 thousand and deferred tax liabilities of EUR 791 thousand, while reductions include deferred tax assets of EUR 19,598 thousand, EUR 3,935 thousand in relation to the tax losses of EIGs in which the Group has an interest and EUR 991 thousand of deferred tax liabilities.

d) Tax receivables and payables

The detail of the tax receivables and payables at 31 December 2015 and 2014 is as follows:

Thousands of euros	2015	2014
NON-CURRENT ASSETS		
Deferred tax assets (Note 21-e)	17,114	21,132
Tax loss carryforwards	168,851	177,485
Unused tax credits and tax relief	103,363	103,349
	289,328	**301,966**
CURRENT ASSETS		
Income tax refundable	2,309	1,247
2015 income tax refundable (Note 21-c)	4,484	968
Other tax receivables	8	10
VAT refundable	572	3,815
	7,373	**6,040**
Total tax receivables	**296,701**	**308,006**
OTHER NON-CURRENT LIABILITIES		
Deferred tax liabilities (Note 21-e)	**26,180**	**26,097**
CURRENT LIABILITIES		
Tax withholdings payable	6,432	4,670
Accrued social security taxes payable	2,206	2,012
VAT payable	9,429	4,017
	18,067	**10,699**
Total tax payables	**44,247**	**36,796**

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 23,472 thousand were considered to be recoverable in the tax return for the coming year, EUR 1,532 thousand of which relate to deferred taxes, EUR 2,987 thousand to unused tax credits and tax relief and EUR 18,953 thousand to tax loss carryforwards.

e) Deferred tax assets and liabilities 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					
	2014	Additions	Disposals	Other	Effect of change in tax rate	2015
Contingencies and charges	14,006	2,917	(2,653)	(767)	(989)	12,514
Accounts payable	717	129	(352)	(212)	(58)	224
Hedging instruments	(777)	-	(198)	-	21	(954)
Tax effect of assets at fair value	530	-	(544)	(201)	607	392
Other	6,656	-	(1,938)	(611)	831	4,938
Total	**21,132**	**3,046**	**(5,685)**	**(1,791)**	**412**	**17,114**

The detail for 2014 is as follows:

CHANGES IN DEFERRED TAX ASSETS	Thousands of euros						
	2013	Transfers	Additions	Disposals	Other	Effect of change in tax rate	2014
Contingencies and charges	12,389	203	6,221	(3,323)	77	(1,561)	14,006
Accounts payable	607	181	300	(795)	568	(144)	717
Hedging instruments	(361)	-	(571)	-	-	155	(777)
Tax effect of assets at fair value	2,541	-	-	(1,287)	-	(724)	530
Other	5,280	(384)	3,097	(212)	627	(1,752)	6,656
Total	**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 2014 and the tax return actually filed.

At 31 December 2015 the Group had unused tax credits amounting to EUR 112,349 thousand, of which EUR 2,148 relate to La Sexta. Of the total unused tax credits, the Group has recognised EUR 103,363 thousand.

Amount	Limit
15,136	2025
26,166	2026
18,971	2027
12,955	2028
23,679	2029
15,442	2030
112,349	

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), in 2015 the Group recognised a tax loss amounting to EUR 3,936 thousand.

The changes in “Deferred Tax Liabilities” were as follows:

DEFERRED TAX LIABILITIES Thousands of euros	**Balance at 31/12/13**	**Additions**	**Disposals**	**Other**	**Income tax rate effect**	**Balance at 31/12/14**	**Additions**	**Disposals**	**Balance at 31/12/15**
Recognition of intangible assets at fair value	30,914	-	(324)	-	(5,051)	25,539	-	(302)	25,237
Grants	59	-	(48)	96	(13)	94	108	-	202
Amortisation of merger goodwill	372	297	-	(76)	(129)	464	277	-	741
Total	**31,345**	**297**	**(372)**	**20**	**(5,193)**	**26,097**	**385**	**(302)**	**26,180**

“Hedging Instruments” in the “Deferred Tax Assets” table is not included in the temporary differences or deferred tax assets in the tables in Note 21-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 2015 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 15,582 thousand were considered to be recoverable in the long term while EUR 1,532 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 aforementioned analyses do not disclose any evidence of non-recoverability of the tax assets and tax credits recognised.

f) Tax recognised in equity

In addition to the income tax recognised in the consolidated statement of profit or loss, in 2015 and 2014 the Group recognised the following amounts in consolidated equity:

Thousands of euros	**2015**	**2014**
Hedging instruments	(1,044)	(932)
Total	**(1,044)**	**(932)**

g) Other information

Following is a detail of the last years for offset of prior years' tax loss carryforwards at 31 December 2015. EUR 168,851 thousand of these carryforwards have been recognised, of which EUR 168,832 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 Income Tax Law approved by Legislative Royal Decree 4/2004, of 5 March.

Thousands of euros					
Year incurred	**Available for offset at 31/12/14**	**Deducted in the year**	**Other**	**Effect of change in tax rate**	**Available for offset at 31/12/15**
1998	46	-	-	-	46
2001	6	(3)	-	-	3
2002	10	-	-	-	10
2003	1	-	-	-	1
2004	1	-	-	-	1
2006	42,166	(8,977)	572	96	33,857
2007	37,654	-	-	-	37,654
2008	31,918	-	-	-	31,918
2009	28,965	-	-	-	28,965
2010	8,379	-	-	-	8,379
2011	15,475	-	-	-	15,475
2012	12,896	-	-	77	12,972
2013	505	-	-	-	505
2014	416	-	(416)	-	-
	178,438	**(8,980)**	**156**	**173**	**169,787**

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 31/12/15	Thousands of euros				
	Trade receivables (Note 10)	Current trade payables (Note 15)	Current receivables	Non-current payables	Current payables
Associates:					
Fundación Atresmedia	10	-	-	-	1,524
Hola Televisión América, S.L.	119	-	5,972	-	-
Hola TV US, LLC	159	3	-	-	-
I3 Televisión, S.L.	8	1,062	-	-	-
Total associates	**296**	**1,065**	**5,972**	**-**	**1,524**
Related companies:					
Imagina Media Audiovisual, S.L.	-	108	-	-	-
Imagina Group	42,146	46,166	-	7	-
Planeta - De Agostini Group	2,713	5,703	44	-	-
RTL Group	-	106	-	-	-
Total related companies	**44,859**	**52,083**	**44**	**7**	**-**

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 Atresmedia	22	-	-	-	1,280
Hola Televisión América, S.L.	119	-	5,305	-	-
Hola TV US, LLC	275	150	-	-	-
I3 Televisión, S.L.	79	898	-	-	-
Total associates	**521**	**1,048**	**5,305**	**-**	**1,280**
Related companies:					
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**	**-**

Transactions at 31/12/15	Thousands of euros		
	Sales	**Purchases, acquisition of rights and other services**	**Finance costs**
Associates:			
Fundación Atresmedia	60	497	11
Hola TV US, LLC	1,005	453	-
I3 Televisión, S.L.	-	4,522	-
Total associates	**1,065**	**5,472**	**11**
Related companies:			
Imagina Media Audiovisual, S.L.	-	108	-
Imagina Group	177,304	115,671	-
Planeta - De Agostini Group	1,597	3,356	-
RTL Group	0	151	-
PCsoporte Consultores, S.L.	22	11	-
Total related companies	**178,923**	**119,297**	**-**

In addition to these transactions, in 2015 the Group sold and purchased advertising space to and from related companies, amounting to EUR 3,006 thousand and EUR 970 thousand, respectively, through advertising agencies.

Transactions at 31/12/14	Thousands of euros		
	Sales	**Purchases, acquisition of rights and other services**	**Finance costs**
Associates:			
Fundación Atresmedia	37	35	12
Hola TV US, LLC	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.

23. Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to holders of ordinary equity instruments of the Parent by the weighted average number of ordinary shares outstanding in the period.

Accordingly:

	2015	2014
Net profit for the year attributable to the Parent (thousands of euros)	99,234	46,730
Weighted average number of shares outstanding (thousands of shares)	225,733	225,733
Basic earnings per share (euros)	**0.440**	**0.207**

Average number of shares outstanding including treasury shares since they are considered to be shares outstanding.

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

	2015
Interim dividends paid in 2015 (EUR 0.18/share)	40,490
Maximum final dividend (EUR 0.18/share)	40,632
To voluntary reserves	8,381
Total	**89,503**

At the Company's Board of Directors meeting held on 18 November 2015 it was resolved to distribute out of the Company's profit for 2015 a gross amount of eighteen euro cents (EUR 0.18) for each of the shares entitled to receive this interim dividend, implying a total dividend of EUR 40,490 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 2015 INTERIM DIVIDEND

	Thousands of euros
Liquidity at 31 October 2015	**150,331**
Projected cash until 31 December 2015:	
Current transactions from November to December 2015	8,557
Financial transactions from November to December 2015	10,347
Projected dividend payment	(37,717)
Projected liquidity at 31 December 2015	**131,518**

25. Remuneration of the Board of Directors

In 2015 the remuneration earned by the current and former members of the Parent's Board of Directors (composed at 31 December 2015 of three women and nine men) in the form of salaries, attendance fees and life insurance premiums amounted to EUR 4,274 thousand, EUR 777 thousand and EUR 15 thousand, respectively. In 2014 these remuneration items amounted to EUR 3,940 thousand, EUR 795 thousand and EUR 16 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 2015 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

There were no significant events between the reporting date and the date of formal preparation of the consolidated financial statements.

28. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (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. and Subsidiaries

Consolidated directors' report

2015

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

ATRESMEDIA AND SUBSIDIARIES GROUP (CONSOLIDATED GROUP)
DIRECTORS' REPORT FOR 2015

Business performance and situation of the Group

The backdrop against which the Atresmedia Group carried on its activities in 2015 was characterised by the consolidation of the economic growth that had begun in 2014. Thus, according to initial forecasts released by the Spanish National Statistics Institute, the annual increase in GDP would have been 3.2%, compared to the 1.4% in 2014 and the significant falls of the previous three years. It should be noted that demand in Spain and, particularly due to the impact that it has on our businesses, household spending, have performed highly positively. Without doubt, the improvement in the labour market with growth in total employment of 3%, made a major contribution. Unemployment rates also performed positively, falling from 24.4% to 22.1%, although they continue to stand at excessively high levels.

The advertising market, in line with the rest of the economy, has returned to significant growth for the second successive year, with estimates pointing to a figure of 6.9%. Within this market, television advertising increased by 6.4%, radio by 8.1% and Internet by 14.3%, media in which the Group has significant ownership interests and which constitute our primary source of income.

As has previously been indicated, due to enforcement of the judgment of the Supreme Court that rendered null and void a decision of the Spanish Cabinet, Atresmedia was obliged to cease broadcasting three television channels, which had the largest audiences among all those that had to close down.

In the first half of 2015 an agreement was entered into with the lessee of one of the channels allocated to the licence of Gestora de Medios Audiovisuales La Sexta, S.A., absorbed in October 2014, obtaining use of this channel from the month of July onwards. Accordingly, in the second half of the year it was possible to include it in our offering under the name of Mega.

In April the Ministry of Industry called a public tender for six licences to operate six public television channels, three of which were to be broadcast in standard quality and three in high definition. Atresmedia submitted two tender bids in each of the categories. Ultimately, it was the successful bidder for a high-definition channel, broadcasting on which commenced at the end of 2015 under the name of Atreseries.

As a result of all this, the Group's set of channels achieved an average audience share of 26.8%, down nine tenths on 2014. It should be noted that as a result of the changes discussed above, Atresmedia operated an average of 4.5 channels in 2015, compared to 5 in 2014. Even so, the efforts made in the areas of finance and programming meant that audience levels in the most competitive time slots and demographic groups (prime time and commercial target) suffered only a slight change, i.e. 31.4% compared to 31.6%.

As regards the radio business, according to data from the most recent survey by the General Media Study (rolling year ended at the third survey of 2015), Atresmedia Radio obtained an audience of EUR 4.6 million listeners. Of this total, Onda Cero has 2.4 million listeners and continues to be the second ranked general interest radio station, while Europa FM with 2.0 million is the third ranked music radio station and Melodía FM reaches 230,000 listeners.

The Group's revenue amounted to EUR 925 million, compared to EUR 850 million in 2014. Other operating income increased by 37% to EUR 46 million. Including this, the Group's total income amounted to EUR 970 million, up 6.4% on 2014.

Operating expenses increased by 6.5% to total EUR 805 million. This increase came about as a result of the aforementioned increase in the number of channels, the strengthening of the programming of the main channels and the increase in expenses for items directly related to revenue. Furthermore, in 2015 certain non-recurring expenses were incurred, primarily in relation to the early recovery of the leased channel and the expense incurred as a result of the request to discontinue the appeals made at the Supreme Court against the resolutions of the Spanish Cabinet of 28 May and 11 June 2010, as detailed in Note 1 to the consolidated financial statements for 2015.

Profit from operations amounted to EUR 144 million, compared to EUR 111 million in 2014. Profit before tax stood at EUR 132 million, an increase of 38%.

Net profit amounted to EUR 99 million, up from EUR 47 million in 2014. It should be remembered that in 2014, as a result of Income Tax Law 27/2014, of 27 November, establishing new tax rates (28% in 2015 and 25% in 2016 and subsequent years), the Parent made an extraordinary income tax adjustment amounting to EUR 33,135 thousand.

Significant events for the Group after the reporting period

There were no significant events between the reporting date and the date of formal preparation of the Group's consolidated financial statements.

Outlook for the Group

The consensus of economic forecasts for 2016 and 2017 continues to be positive, with actual GDP growth at around 2.7% for both years, similar figures for private consumer spending, foreseeable increases in employment and a decrease in the rate of unemployment. It is true that domestic and international scenarios have recently become more uncertain, which must be taken into consideration when drawing up plans or setting targets for 2016.

Based on this favourable economic performance, the outlook for the advertising market is also clearly positive. In the main scenario, advertising will continue to grow at a good pace both as a whole and in the markets in which the Group is most active: television, radio and Internet. Accordingly, the core activities of television and radio will hopefully continue along the path of growth seen over the last two years. The maintenance of cost control will continue to be a basic management objective and, therefore, expenditure will remain close to current levels despite having more channels than in 2015 (6 as opposed to 4.5).

Moreover, the risk control policy applied in recent years will continue. In this regard, the business opportunities that may arise or that are sought by the Group to increase its value will be exploited to the maximum, although care will be taken not to endanger the Group's financial equilibrium. All the foregoing will be completed by the habitual shareholder remuneration policy of recent years.

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

Pursuant to the partial novation of the integration agreement entered into on 14 December 2011, which definitively concluded a series of matters related to the guarantee and commitment regime of the initial integration agreement for the merger with Gestora de Medios Audiovisuales la Sexta, S.A., the Parent delivered to the shareholders Imagina Media Audiovisual, S.L. and Mediapro Contenidos, S.L. (Sole-Shareholder Company) an additional ownership interest equal to 0.248% of the Parent's share capital, i.e. a total of 558,957 shares. Also, Gala Desarrollos Comerciales, S.L. received 355,856 shares, equal to 0.158% of the share capital.

In order to fulfil outstanding obligations to Gala Desarrollos Comerciales, S.L. in relation to the integration agreement entered with Gestora de Medios Audiovisuales la Sexta, S.A., in 2015 558,957 treasury shares were acquired for EUR 7,215 thousand.

As a result of the aforementioned transactions, the number of treasury shares in the Parent's balance sheet is 789,738, equal to 0.350% of the share capital.

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 2015, the Parent had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 244,048 thousand, at a weighted average exchange rate of USD 1.1821/EUR 1. The net fair value of these hedging instruments gave rise to a financial asset of EUR 15,882 thousand and a financial liability of EUR 310 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 May 2015. The fair value of these swaps at 31 December 2015 gave rise to a financial liability of EUR 2.6 thousand.

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 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 2015, 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 the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein 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 2015, 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 2015 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 2015. 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

Luis Jiménez Guerrero
February, 24 2016

Atresmedia Corporación de Medios de Comunicación, S.A.

Auditor's Report

Financial Statements for the year ended 31 December 2015

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 in Spain (see Notes 2 and 22). In the event of a discrepancy, the Spanish-language version prevails.

Atresmedia Corporación de Medios de Comunicación, S.A.

Financial Statements for the year ended
31 December 2015

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.

BALANCE SHEET AS AT 31 DECEMBER 2015

(Thousands of euros)

ASSETS	Notes	2015	2014
NON-CURRENT ASSETS		**598,269**	**622,941**
Intangible assets	**5**	**83,725**	**82,935**
Licences and trademarks		73,914	74,705
Computer software		8,025	6,065
Other intangible assets		1,786	2,165
Property, plant and equipment	**6**	**39,060**	**40,691**
Land and buildings		22,693	23,618
Plant and other items of property, plant and equipment		16,263	17,059
Property, plant and equipment in the course of construction		104	14
Non-current investments in Group companies and associates	**8 & 19.2**	**204,839**	**223,387**
Equity instruments		97,648	94,906
Loans to companies		107,191	128,481
Non-current financial assets	**8 & 10**	**14,419**	**10,515**
Other financial assets		14,419	10,515
Deferred tax assets	**16**	**256,226**	**265,413**
CURRENT ASSETS		**596,019**	**550,611**
Inventories	**11**	**350,005**	**285,885**
Programme rights		340,794	264,693
Raw and other materials		3,379	3,480
Advances to suppliers		5,832	17,712
Trade and other receivables		**189,818**	**180,453**
Trade receivables for sales and services		7,921	6,429
Trade receivables from Group companies and associates	**19.2**	172,346	166,229
Sundry accounts receivable		2,454	2,518
Employee receivables		139	56
Current tax assets	**16**	6,793	2,215
Other accounts receivable from public authorities	**16**	165	3,005
Current investments in Group companies and associates	**19.2**	**40,961**	**38,459**
Loans to companies		40,961	38,459
Current financial assets	**8**	**14,303**	**14,184**
Derivatives	**10**	13,112	11,740
Financial assets	**19.2**	260	2,211
Other financial assets		931	233
Current prepayments and accrued income		**-**	**630**
Cash and cash equivalents		**932**	**31,000**
Cash		932	31,000
TOTAL ASSETS		**1,194,288**	**1,173,552**

EQUITY AND LIABILITIES	Notes	2015	2014
EQUITY		**434,826**	**408,038**
SHAREHOLDERS' EQUITY-	**12**		
Share capital		**207,604**	**207,604**
Registered share capital		169,300	169,300
Share premium		38,304	38,304
Reserves		**182,061**	**179,481**
Legal and bylaw reserves		42,474	42,474
Other reserves		139,587	137,007
Treasury shares		**(8,666)**	**(7,202)**
Other equity instruments		**2,129**	**3,088**
Profit for the year		**89,503**	**45,233**
Interim dividend		**(40,490)**	**(22,341)**
VALUATION ADJUSTMENTS-			
Hedges		**2,685**	**2,175**
NON-CURRENT LIABILITIES		**194,829**	**196,019**
Long-term provisions	**13**	**-**	**468**
Non-current payables	**14.1**	**176,348**	**176,849**
Bank borrowings		127,437	126,331
Derivatives	**10**	2,757	7
Other non-current payables		46,154	50,511
Non-current payables to Group companies and associates	**19.2**	**2**	**2**
Deferred tax liabilities	**16**	**18,479**	**18,700**
CURRENT LIABILITIES		**564,633**	**569,495**
Short-term provisions	**13**	**22,906**	**28,088**
Bank borrowings	**14.2**	**31,838**	**38,859**
Financial derivatives	**10**	**145**	**8**
Current payables to Group companies and associates	**19.2**	**95,531**	**92,556**
Trade and other payables		**411,346**	**408,162**
Payable to suppliers		326,511	324,878
Payable to suppliers - Group companies and associates	**19.2**	62,402	68,275
Sundry accounts payable		29	40
Remuneration payable		11,513	11,042
Other accounts payable to public authorities	**16**	10,709	3,745
Customer advances		182	182
Current accruals and deferred income		**2,867**	**1,822**
TOTAL EQUITY AND LIABILITIES		**1,194,288**	**1,173,552**

The accompanying Notes 1 to 22 are an integral part of the balance sheet as at 31 December 2015.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.

STATEMENT OF PROFIT OR LOSS FOR 2015

(THOUSANDS OF EUROS)

	Notes	2015	2014
CONTINUING OPERATIONS			
Revenue	**18.1**	**764,232**	**704,188**
Advertising revenue		764,232	704,188
Procurements	**18.2**	**(452,708)**	**(431,741)**
Programme amortisation and other		(686,099)	(634,910)
Cost of raw materials and other consumables used		(2,345)	(1,215)
Inventories		235,736	204,384
Other operating income		**37,567**	**29,841**
Non-core and other current operating income/Other services		37,567	29,841
Staff costs		**(44,973)**	**(47,062)**
Wages, salaries and similar expenses		(38,407)	(40,464)
Employee benefit costs	**18.3**	(6,566)	(6,598)
Other operating expenses	**18.4**	**(205,943)**	**(169,876)**
Outside services		(202,876)	(168,781)
Taxes other than income tax		(953)	(1,095)
Losses on and write-down of trade receivables and changes in provisions for commercial transactions		(2,114)	-
Depreciation and amortisation charge	**5 & 6**	**(14,654)**	**(13,692)**
Excessive provisions	**13**	**6,602**	**4,369**
Impairment and gains or losses on disposals of non-current assets	**6**	**(46)**	**(45)**
Gains or losses on disposals and other		(46)	(45)
PROFIT FROM OPERATIONS		**90,077**	**75,982**
Finance income	**18.5**	**29,489**	**9,901**
From investments in equity instruments		**23,220**	**3,359**
- Group companies and associates	*19.1*	23,220	3,359
From marketable securities and other financial instruments		**6,269**	**6,542**
- Group companies and associates	*19.1*	5,518	5,632
- Third parties		751	910
Finance costs	**18.5**	**(11,435)**	**(13,456)**
On debts to Group companies and associates	19.1	(1,060)	(1,123)
On debts to third parties		(10,375)	(12,333)
Changes in fair value of financial instruments	**18.6**	**(8,002)**	**18,957**
Held-for-trading financial assets/liabilities and other		(8,002)	18,957
Exchange differences	**17**	**4,961**	**(19,463)**
Impairment and gains or losses on disposals of financial instruments		**2,559**	**15,209**
Impairment and other losses	**8.3**	54	15,209
Gains or losses on disposals and other		2,505	-
FINANCIAL PROFIT		**17,572**	**11,148**
PROFIT BEFORE TAX		**107,649**	**87,130**
Income tax	**16.4**	(18,146)	(41,897)
PROFIT FOR THE YEAR		**89,503**	**45,233**

The accompanying Notes 1 to 22 are an integral part of the statement of profit or loss for 2015.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2015

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

(Thousands of euros)

	2015	2014
PROFIT/LOSS PER INCOME STATEMENT (I)	**89,503**	**45,233**
Income and expense recognised directly in equity:		
- Arising from cash flow hedges	1,175	1,962
- Tax effect	(329)	(588)
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)	**846**	**1,374**
Transfers to profit or loss:		
- Arising from cash flow hedges	(466)	(58)
- Tax effect	130	17
TOTAL TRANSFERS TO PROFIT OR LOSS (III)	**(336)**	**(41)**
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)	**90,013**	**46,566**

The accompanying Notes 1 to 22 are an integral part of the statement of recognised income and expense for 2015.

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.

STATEMENT OF CHANGES IN EQUITY FOR 2015

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 01/01/14	**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
Other transactions with shareholders	-	-	(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**
Total recognised income / (expense)	-	-	-	-	-	89,503	-	510	90,013
Distribution of profit									
Interim dividends paid	-	-	-	(40,490)	-	-	-	-	(40,490)
Prior year's dividends paid	-	-	(22,423)	22,341	-	(22,341)	-	-	(22,423)
Treasury share transactions						-			
Treasury share transactions (net)	-	-		-	(7,215)	-	-	-	(7,215)
Other transactions with shareholders	-	-	2,111	-	5,751	-	(959)	-	6,903
Other changes in equity						-			
Transfers between equity items	-	-	22,892	-	-	(22,892)	-	-	-
ENDING BALANCE AT 31/12/15	**169,300**	**38,304**	**182,061**	**(40,490)**	**(8,666)**	**89,503**	**2,129**	**2,685**	**434,826**

The accompanying Notes 1 to 22 are an integral part of the statement of changes in total equity for 2015.

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

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.

STATEMENT OF CASH FLOWS FOR 2015

(Thousands of euros)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES (I)	**33,203**	**(1,079)**
Profit for the year before tax	**107,649**	**87,130**
Adjustments for:	**4,669**	**10,547**
- Depreciation and amortisation charge	14,654	13,692
- Impairment losses	(2,559)	(15,209)
- Changes in provisions	7,541	7,958
- Gains on derecognition and disposal of non-current assets	46	45
- Finance income	(29,489)	(9,901)
- Finance costs	11,435	13,456
- Exchange differences	(4,961)	19,463
- Changes in fair value of financial instruments	8,002	(18,957)
Changes in working capital	**(70,333)**	**(67,265)**
- Inventories	(63,585)	2,732
- Trade and other receivables	(4,829)	2,598
- Trade and other payables	(9,760)	(41,629)
- Other current assets and liabilities	7,841	(30,966)
Other cash flows from operating activities	**(8,782)**	**(31,491)**
- Interest paid	(9,514)	(15,977)
- Dividends received	23,263	3,359
- Income tax recovered (paid)	(22,531)	(18,873)
CASH FLOWS FROM INVESTING ACTIVITIES (II)	**(17,158)**	**(26,719)**
Payments due to investment	**(23,321)**	**(26,719)**
- Group companies and associates	(9,452)	(14,201)
- Property, plant and equipment and intangible assets	(13,869)	(12,518)
Proceeds from disposal	**6,163**	**-**
- Group companies and associates	6,163	-
CASH FLOWS FROM FINANCING ACTIVITIES (III)	**(46,113)**	**2,853**
Proceeds and payments relating to equity instruments	**(7,215)**	**79,680**
- Disposal of treasury shares	(7,215)	79,680
Proceeds and payments relating to financial liability instruments	**24,015**	**(29,912)**
- Repayment of bank borrowings	(5,915)	(41,244)
- Proceeds from issue of borrowings from Group companies and associates	29,930	11,332
Dividends and returns on other equity instruments paid	**(62,913)**	**(46,915)**
- Dividends	(62,913)	(46,915)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)	-	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)	**(30,068)**	**(24,945)**
Cash and cash equivalents at beginning of year	31,000	55,945
Cash and cash equivalents at end of year	932	31,000

The accompanying Notes 1 to 22 are an integral part of the statement of cash flows for 2015.

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

Atresmedia Corporación de Medios de Comunicación, S.A.

Notes to the financial statements for the year ended 31 December 2015

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 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. This Royal Decree 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 would be planned, and adjustments would be established so that the radioelectric channels 61 to 69, which were being used by the digital multiplexes in the previous phase, could be replaced by others in phase 2. This would 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 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 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 had 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 were operated by Atresmedia: (Nitro, Xplora and La Sexta 3), ceased to be broadcast, despite having complied with all the imposed obligations.

At that point in time, the accounting impact of the closure of these channels on the separate 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 was made impossible due to the closure of the aforementioned channels, and for which an impairment loss of EUR 3 million was recognised.

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.

In June 2015 UTECA (the Public Commercial Television Union), an entity encompassing public commercial television operators, reached an agreement with the companies that appealed those resolutions whereby the concessions to operate a public television service were renewed and were transformed into licences to operate an audiovisual communications service. Due to this agreement, the companies that made the appeals applied to Chamber Three of the Spanish Supreme Court to discontinue them. The Chamber has accepted the applications to discontinue the appeals and ordered the proceedings to be set aside. Accordingly, the eight channels included the resolutions of the Spanish Cabinet, two of which belonged to Atresmedia, will not be switched off. The expense incurred in reaching this agreement was recognised in June 2015.

In April 2015 the Spanish Ministry of Industry called a public tender for six licences to operate six public television channels (three of standard quality and three high definition). A single bidder may not be allocated more than one licence to operate a standard channel and one licence to operate a high definition channel. Atresmedia submitted two bids, one for a standard channel and the other for a high definition channel, which were accepted by the assessment board. As a result of this tender, on 16 October 2015 the Parent was awarded a licence to broadcast a high definition public television channel, through which it began to broadcast the Atreseries channel on 22 December 2015. Its TV programming consists of Spanish series (current and old Antena 3 and la Sexta series), as well as international series, mini-series and films.

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 Gestora de Inversiones Audiovisuales La Sexta, S.A. into Antena 3 de Televisión, S.A., 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 Atresmedia Corporación de Medios de Comunicación, 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 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.

The consolidated financial statements of Atresmedia for 2015 were formally prepared by the directors at the Board of Directors Meeting held on 24 February 2016. The financial statements for 2014 were approved without any changes by the Company's shareholders at the Annual General Meeting held on 22 April 2015.

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 2015. 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 2014 were approved by the shareholders at the Annual General Meeting held on 22 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 2015 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 2015 year-end the Company had working capital of EUR 31,386 thousand.

Comparative information

The information relating to 2015 contained in these notes to the financial statements is presented, for comparison purposes, with the information for 2014.

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 2015 there were no significant changes in accounting policies with respect to those applied in 2014.

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 2014.

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 2015 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 2015 the main aggregates in the consolidated financial statements are as follows: total assets EUR 1,256 million; equity EUR 486 million; revenue EUR 925 million; and profit for the year EUR 99 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):

	2015
Interim dividends paid in 2015 (EUR 0.18/share)	40,490
Maximum final dividend (EUR 0.18/share)	40,632
To voluntary reserves	8,381
Total	**89,503**

At the Company's Board of Directors meeting held on 18 November 2015 it was resolved to distribute out of the Company's profit for 2015 a gross amount of eighteen euro cents (EUR 0.18) for each of the shares entitled to receive this interim dividend, implying a total dividend of EUR 40,490 thousand, which were recognised under "Equity - Interim Dividend" in the accompanying 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 2015 INTERIM DIVIDEND

	Thousands of euros
Liquidity at 31 October 2015	**150,331**
Projected cash until 31 December 2015:	
Current transactions from November to December 2015	8,557
Financial transactions from November to December 2015	10,347
Projected dividend payment	(37,717)
Projected liquidity at 31 December 2015	**131,518**

4.- Accounting policies

The principal accounting policies used by the Company in preparing its financial statements for 2015 and 2014, 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 2015 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%. Zero perpetual growth was used.

The sensitivity analysis shows that a 1.0% increase in the perpetual growth rate gives rise to an increase in value of EUR 40 million, while a decrease of 1.0% gives rise to a decrease of EUR 32 million. Also, a 1.0% increase in the discount rate gives rise to a decrease of EUR 64 million, and a 1.0% decrease in the discount rate gives rise to an increase of EUR 81 million. The changes in value used in all the sensitivity analyses would not reduce the recoverable amount below the carrying amount.

Spanish Audit Law 22/2015, of 20 July, introduced certain changes to the Spanish Commercial Code (Article 39.4) which affect intangible assets and goodwill. The new wording establishes that intangible assets are assets with a finite useful life and when the useful life of these assets cannot be estimated reliably, they shall be amortised over a period of ten years, unless another legal provision or regulation establishes a different time period. Unless there is evidence to the contrary, it is established that goodwill shall be assumed to have a useful life of ten years. These changes shall be applicable for financial statements relating to the years beginning on or after 1 January 2016.

In addition, in December 2015, the Spanish Accounting and Audit Institute (ICAC) published the draft Royal Decree amending the Spanish National Chart of Accounts which implements the aforementioned amendments with an accounting impact made to the Commercial Code, although at the date of formal preparation of these financial statements, the Royal Decree in question had not been approved.

The Company is currently analysing the future impacts of these amendments although, since the Royal Decree has not yet been approved and it will include the rules on transition, it is not possible to provide a reliable estimate of its effects.

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 statement of profit or loss 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 statement of profit or loss 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

4.3 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.

4.4 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.

4.5 Financial instruments

4.5.1. 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 are 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 statement of profit or loss.

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 Company 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 sensitivity analysis conducted demonstrates that an increase in the perpetuity growth rate of 1.0% would give rise to an increase in value of EUR 13 million, whereas a decrease in the perpetuity growth rate of 1.0% would give rise to a decrease in value of EUR 11 million. Similarly, a decrease of 1.0% in the discount rate would give rise to an increase of EUR 18 million. The changes in value used in all the sensitivity analyses would not reduce the recoverable amount below the carrying amount. With a perpetuity growth rate of zero and increases in the discount rate of more than 1.0%, the recoverable amount would be below the carrying amount.

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.

4.5.2 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.

4.5.3 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.

4.5.4 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 2015 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 statement of profit or loss 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.

4.6 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 statement of profit or loss and are included under “Programme Rights” in the balance sheet with a credit to “Procurements – Inventories” in the statement of profit or loss.

Amortisation of these programmes is recognised under “Programme Amortisation and Other” in the statement of profit or loss, on the basis of the number of showings. Following the analysis performed by the Company with respect to the actual showings of this type of programme, in 2014 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. Had the criteria for the consumption of these programmes not been changed, the effect on the statement of profit or loss for 2015 would have been EUR 1 million.

- 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 statement of profit or loss 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 statement of profit or loss 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 statement of profit or loss 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 statement of profit or loss 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.

Provisions

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 11).

4.7 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 4.5 on financial instruments.

4.8 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.

4.9 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 statement of profit or loss 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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 pre-determined 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 statement of profit or loss.

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.

4.14 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.

4.15 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 statement of profit or loss on the basis of their nature.

4.16 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 2015 and 2014 were as follows (in thousands of euros):

Cost	Balance at 01/01/15	Additions	Increase or decrease due to transfer	Balance at 31/12/15
Licence	60,666	-	-	60,666
Trademark	15,819	-	-	15,819
Computer software	39,301	4,902	(411)	43,792
Other intangible assets	2,469	77	-	2,546
Total cost	**118,255**	**4,979**	**(411)**	**122,823**

Accumulated amortisation	Balance at 01/01/15	Additions	Increase or decrease due to transfer	Balance at 31/12/15
Trademark	(1,780)	(791)	-	(2,571)
Computer software	(33,236)	(2,942)	411	(35,767)
Other intangible assets	(304)	(456)	-	(760)
Total accumulated amortisation	**(35,320)**	**(4,189)**	**411**	**(39,098)**

Total intangible assets	Balance at 01/01/15	Balance at 31/12/15
Cost	118,255	122,823
Accumulated amortisation	(35,320)	(39,098)
Total, net	**82,935**	**83,725**

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	Additions	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**

At the end of 2015 and 2014 the Company had fully amortised intangible assets still in use, the detail being as follows (in thousands of euros):

	Gross carrying amount	
	2015	2014
Computer software	32,011	29,417
Other intangible assets	304	304
Total	**32,315**	**29,721**

6.- Property, plant and equipment

The changes in 2015 and 2014 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 01/01/15	Additions	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/15
Land and buildings	55,860	-	517	(273)	56,104
Plant	106,830	-	5,568	(4,519)	107,879
Machinery	192	-	-	(5)	187
Tools	93	-	-	(16)	77
Furniture	8,492	-	79	(748)	7,823
Computer hardware	26,315	-	2,710	(2,641)	26,384
Transport equipment	141	-	-	(11)	130
Property, plant and equipment in the course of construction	14	8,964	(8,874)	-	104
Total cost	**197,937**	**8,964**	**-**	**(8,213)**	**198,688**

Accumulated depreciation	Balance at 01/01/15	Additions	Increase or decrease due to transfer	Disposals or reductions	Balance at 31/12/15
Land and buildings	(32,242)	(1,442)	-	273	(33,411)
Plant	(94,202)	(6,608)	-	4,455	(96,355)
Machinery	(189)	-	-	4	(185)
Tools	(93)	-	-	16	(77)
Furniture	(7,846)	(307)	-	715	(7,438)
Computer hardware	(22,605)	(2,078)	-	2,609	(22,074)
Transport equipment	(69)	(30)	-	11	(88)
Total accumulated depreciation	**(157,246)**	**(10,465)**	**-**	**8,083**	**(159,628)**

Total property, plant and equipment	Balance at 01/01/15	Balance at 31/12/15
Cost	197,937	198,688
Accumulated depreciation	(157,246)	(159,628)
Total, net	**40,691**	**39,060**

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	Additions	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**

The Company owns buildings, the value of which, net of depreciation, and that of the land, at the end of 2015 and 2014 were as follows (in thousands of euros):

Property	2015	2014
Land	11,517	11,517
Buildings	11,176	12,101
Total	**22,693**	**23,618**

In 2015 the Company derecognised items of property, plant and equipment, giving rise to a net loss of EUR 46 thousand (2014: EUR 45 thousand).

At the end of 2015 and 2014 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	
	2015	**2014**
Buildings	9,297	8,661
Other assets	106,243	104,941
Total	**115,540**	**113,602**

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment are subject. At the end of 2015 and 2014 the property, plant and equipment were fully insured against these risks.

7.- Leases

At the end of 2015 and 2014 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 2015 amounted to EUR 3,991 thousand (2014: EUR 7,421 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 2015 and 2014 is as follows (in thousands of euros):

	2015	2014
Held-for-trading financial assets:		
Hedging derivatives (Note 10)	2,770	4,397
Other derivatives	-	87
Available-for-sale financial assets:		
At cost (Note 19.2)	11,531	5,956
Loans and receivables:		
Long-term guarantees and deposits	118	75
Total	**14,419**	**10,515**

In relation to “Other Derivatives”, in December 2012 the Company 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 Company 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 the novation agreement described in Note 12.2 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 financial derivative agreement. At 31 December 2014, the balance included the fair value 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 12.2.

"Available-For-Sale Financial Assets" includes non-current financial investments in the equity instruments of companies over which the Company does not exercise significant influence under Rule for the Preparation of Financial Statements no. 13 since it does not participate in the process to set financial or commercial policies. The increase in this heading relates to the Company's strategy to diversify the avenues for growth other than advertising income, by means of investments using the model whereby the broadcasting of advertising is exchanged for an ownership interest in a company. Noteworthy among the companies in which such investments have been made are Eshop Venture, S.L. and Kzemos Technologies, S.L. (see Note 19.2).

8.2 Current financial assets

The detail of “Current Financial Assets” at the end of 2015 and 2014 is as follows (in thousands of euros):

	2015	2014
Derivatives:		
Derivatives (Note 10)	13,112	11,740
Available-for-sale financial assets:		
At cost (Note 19.2)	260	2,211

Loans and receivables: Short-term guarantees and deposits	931	233
Total	**14,303**	**14,184**

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 2015 and 2014 is as follows (in thousands of euros):

	2015	2014
Investments in Group companies and associates (Note 19.2)	97,648	94,906
Long-term loans to Group companies and associates (Note 19.2)	107,191	128,481
Total	**204,839**	**223,387**

The most significant information in relation to investments in **<u>Group companies and associates</u>** at the end of 2015 is as follows:

Company Name/Location/ Line of Business	% of ownership	Thousands of euros								
			Profit (Loss)					Carrying amount		
		Share capital	From operations	Net	Other equity	Total equity	Dividends received	Cost	Impairment losses recognised in the year	Accumulated impairment losses
Antena 3 Multimedia, S.L.U. Madrid/ Commercial management by television	100%	3	124	-	195	198	-	3	-	-
Atres Advertising, S.L.U. Madrid/ Advertising management	100%	3	30,787	22,238	(2,782)	19,459	16,120	3	-	-
Antena 3 Noticias, S.A.U. Madrid/ News producer	100%	6	(20)	(60)	258	204	-	4,233	(139)	(4,029)
Flooxplay, S.L.U. Madrid/ Audiov. communication	100%	3	(1)	(1)	-	2	-	3	-	-
Guadiana Producciones, S.A.U. Madrid/ Producer	100%	60	-	-	(9)	51	-	715	2	(664)
Música Aparte, S.A.U. Madrid/ Management of copyrights	100%	60	5,845	4,261	116	4,437	7,100	60	-	-
Atresmedia Cine, S.L.U. Madrid/ Audiovisual productions	100%	1,900	448	601	3,547	6,048	-	34,022	601	(27,975)
Atresmedia Música, S.L.U. Madrid Management of music rights	100%	3	(81)	(59)	-	(56)	-	3	(3)	(3)
Uniprex, S.A.U. Madrid/ Radio broadcasting services	100%	900	19,957	12,157	94,824	107,881	-	106,635	10,464	(15,889)
I3 Televisión, S.L. Madrid/ IT services	50%	310	71	51	108	469	-	575	26	(340)
Cordina Planet, S.L. Barcelona Management of intellectual works	100%	203	(1,134)	(607)	700	296	-	5,924	(3,788)	(5,628)
Hola TV América, S.L. Madrid/ Television (b)	50%	2,597	(4,724)	(4,693)	980	(1,116)	-	5,190	(4,731)	(5,190)
Atresmedia Foto Madrid/ Photography	90%	50	(280)	(220)	(467)	(637)	-	374	-	(374)

TVI Televisao Independente, S.A. Lisbon/ Television	0.001 %	(a)	(a)	(a)	(a)	(a)	-	2,016	-	(2,016)
Total investments		**6,098**	**50,992**	**33,668**	**97,470**	**137,236**	**23,220**	**159,756**	**2,432**	**(62,108)**

(a) Information not available
(b) Consolidated information

The most significant information in relation to investments in **Group companies and associates** at the end of 2014 was as follows:

Company Name/Location/ Line of Business	% of ownership	Thousands of euros								
			Profit (Loss)					Carrying amount		
		Share capital	From operations	Net	Other equity	Total equity	Dividends received	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 detail of the long-term loans granted to Group companies and associates is as follows (in thousands of euros):

Loans	Balance at 01/01/15	Additions	Transfers	Disposals	Balance at 31/12/15
Uniprex, S.A.U.	64,000	-	(16,000)	-	48,000
Atresmedia Cine, S.L.U.	64,481	-	(5,290)	-	59,191
Total	**128,481**	**-**	**(21,290)**	**-**	**107,191**

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**

In December 2012 the Company granted a loan to Uniprex, S.A.U. for a total amount of EUR 100,000 thousand, EUR 90,000 thousand of which were non-current, mature annually between 2014 and 2018 and earn fixed interest of 4.5%, reviewable annually. In 2015 EUR 16,000 thousand were transferred to short term (see Note 19.2).

In addition, the Company granted a loan to Atresmedia Cine, S.L. (Sole-Shareholder Company) (formerly Antena 3 Films, S.A. (Sole-Shareholder Company), which matures on 31 December 2020 and has a limit of EUR 150,000 thousand. This loan earns interest at a floating market rate. The amount drawn down at 31 December 2015 was EUR 59,191 thousand (see Note 19.2).

The most representative acquisitions and sales of ownership interests in other entities and other significant corporate transactions in 2015 were as follows:

- on 13 January 2015, the Company made a capital contribution of EUR 1,511 thousand to the associate Hola Televisión América, S.L. On 24 April 2015, the Company made a new contribution of EUR 1,041 thousand. Neither transaction changed the percentage of ownership.

- on 3 March 2015, the Company formalised the sale and transfer to its subsidiary Atres Advertising, S.L. (Sole-Shareholder Company) of its entire ownership interest in Antena 3 Eventos, S.L. (Sole-Shareholder Company). On the same date, the Company formalised the sale and transfer to its subsidiary, Música Aparte, S.A. (Sole-Shareholder Company) of its entire ownership interest in La Sexta Editorial Musical, S.L. (Sole-Shareholder Company).

- on 21 May 2015, the Company incorporated the subsidiary Atresmedia Música, S.L. (Sole-Shareholder Company), the share capital of which amounted to EUR 3 thousand. Its company object includes the following activities: the recording, production, editing, distribution and marketing of phonograms and all kinds of musical and videographic recordings, regardless of media or format; the performance of activities for the advertising and promotion of its own or acquired products; and company object-related training activities.

- on 24 September 2015, the Company incorporated the subsidiary Flooxplay, S.L. (Sole-Shareholder Company) with share capital of EUR 3 thousand. Its company object is the provision of all manner of audiovisual communication services.

- on 12 November 2015, the Company sold its subsidiary Antena 3 Juegos, S.L. (Sole-Shareholder Company) for a gain of EUR 247 thousand.

The most representative acquisitions and sales of ownership interests in other entities and other significant corporate transactions in 2014 were as follows:

- the Company 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.

- on 3 January 2014, the Company 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 Company subscribed 99,638 new shares for a total of EUR 399 thousand. Lastly, on 25 September 2014, the Company 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 Company increased its investment in 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 Company 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.

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.

In 2015 the Company recognised net results from reversals and impairment losses on financial instruments totalling EUR 54 thousand. Impairment losses of EUR 5,289 thousand relating to the ownership interest in Hola Televisión América, S.L. and of EUR 3,778 thousand relating to the ownership interest in Cordina Planet, S.L. were recognised. In addition, provisions of EUR 11,093 thousand were reversed, of which EUR 10,464 thousand related to the use of a portion of the existing provision for Uniprex S.A. (Sole-Shareholder Company), as a result of the analysis performed for the valuation of this investment.

9.- Information on the nature and level of risk of financial instruments

The Company and its 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, changes to legislation 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 Company and its Group have 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 2015.

At 31 December 2015, 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 4,706 thousand at 31 December 2015 (31 December 2014: EUR 2,601 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 in US dollars, thereby mitigating the foreign currency risk. All these relationships are cash flow hedges of firm payment commitments in US dollars relating to the purchase of broadcasting rights (underlying), in which the exposure to the USD/EUR exchange rate is hedged (hedged risk), which results in variability in the cash flows payable in euros for broadcasting rights. This variability affects the profit or loss of the period(s) in which the planned payment transaction has not been performed. The Company applies hedge accounting and documents the hedging relationships and the measurement of their effectiveness as required by current legislation.

In general, on assumption of the commitment to purchase the broadcasting rights, the Company arranges a foreign currency derivative that expires on the payment dates of the accounts payable to suppliers. A hedging relationship is arranged that covers the entire term of the derivative, i.e. the derivative is considered to be a hedging instrument from its arrangement (when the commitment to purchase the broadcasting rights is assumed) up to the date of payment of the contracted broadcasting rights. . Changes in the fair value of the derivative are recognised temporarily in equity up to the beginning of the term of the right, and are finally reclassified from equity to profit or loss in order to offset the impact on profit or loss of changes in the value of the hedged item, as detailed as follows:

a) At the date of entry into force (which is the date on which Atresmedia may use the broadcasting rights and, therefore, recognises the acquisition thereof under “Inventories” in the balance sheet), the changes in fair value from arrangement up to that date which have been recognised in equity as the effective portion, are included as an increase in/reduction of the carrying amount at which the inventories were recognised.

b) Once the inventories and the corresponding accounts payable to suppliers have been recognised, the changes in the fair value of the foreign currency derivatives and the value of the accounts payable are recognised in the statement of profit or loss at each accounting close.

At 31 December 2015, the Company had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 244,048 thousand, at a weighted average exchange rate of EUR 1.1821/USD 1. At 31 December 2014, the Company had arranged hedging instruments amounting to USD 230,233 thousand, at a weighted average exchange rate of EUR 1.3279/USD 1.

At the end of 2015 and 2014, the total amount of outstanding forward currency contracts entered into by the Company 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	**Classification**	**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	2016	126,210	-	13,112	145
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2017	57,383	-	2,482	41
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2018	20,465	-	267	107
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2019	2,002	-	18	17
Foreign currency hedges	Foreign currency hedge	Purchase of USD	2020	398	-	3	-

The information in this connection at 31 December 2014 is as follows:

						Fair value (Thousands of euros)	
	Classification	**Classification**	**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

At 31 December 2015, 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 15,882 thousand and negative by EUR 310 thousand (31 December 2014: positive by EUR 16,224 thousand and negative by EUR 15 thousand). This amount was deferred and recognised in equity, taking into account the tax effect.

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 2015, the swap points (offer/bid), the interest rates prevailing at the measurement date and the credit risk.

The sensitivity analysis of the foreign currency derivative financial instruments demonstrates that changes of +/-10% in the USD/EUR exchange rate prevailing at year-end would give rise to changes in fair value within a range of EUR +/-14.5 million for hedges the underlying of which is in force at year-end and changes of EUR +/-6.6 million for hedges the underlying of which is not yet in force and therefore affect equity. Appreciations in the USD/EUR exchange rate give rise to increases in the value while depreciations in the exchange rate give rise to decreases in the value.

With respect to the sensitivity analysis of the balances payable to suppliers in USD, changes of +/-10% in the USD/EUR exchange rate prevailing at year-end would give rise to changes in the fair value recognised of around EUR +/-15.9 million, and would be sufficiently offset by the changes in the value of the derivatives arranged.

In 2014 changes of +/-10% in the exchange rate prevailing at year-end would have given rise to changes in the fair value of the derivatives of around EUR +/-17.5 million and of EUR +/-18.0 million of the accounts payable in USD. In 2014 the impact of the changes in fair value of the derivatives related mainly to the hedges, the underlying of which was in force at year-end.

Interest rate hedges

In May 2015 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 in August 2019 and the hedged amount is EUR 121,500 thousand with a fixed interest rate of 0.94%. At 31 December 2015, the fair value of the swaps amounted to EUR 2,592 thousand and was recognised as a financial liability.

11.- Inventories

The detail of "Inventories" in the balance sheets at 31 December 2015 and 2014 is as follows:

Thousands of euros		
Programme rights, net-		
Rights on outside productions	336,601	280,497
In-house productions and programmes in process	25,170	18,782
Sports broadcasting rights	14,568	3,214
Inventory write-downs - outside productions	(35,545)	(37,800)
	340,794	**264,693**
Consumables and other inventories-		
Dubbings, soundtracks and titles	2,356	2,454
Other materials	1,023	1,026
	3,379	**3,480**
Advances to suppliers	**5,832**	**17,712**
	350,005	**285,885**

"Advances to Suppliers" in the accompanying balance sheets as at 31 December 2015 and 2014 includes basically advances paid in connection with outside production commitments and live broadcasting.

The changes in the write-downs relating to "Inventories" in the accompanying balance sheets were as follows (in thousands of euros):

	Balance at 01/01/15	Additions	Transfers	Disposals or reductions	Balance at 31/12/15
Inventory write-downs	**(37,800)**	-	-	2,255	**(35,545)**

	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)**

The write-downs 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. In addition, in 2014 in relation to the impact of the shutdown of three channels (see Note 1), an adjustment of EUR 3 million was made to the value of certain audiovisual rights, as it was no longer possible to broadcast the channels. These write-downs were recognised under "Programme Amortisation and Other" in the accompanying statement of profit or loss.

At 31 December 2015, the Company had commitments, mainly for the purchase of audiovisual property rights and programme production, amounting to EUR 299,204 thousand (31 December 2014: EUR 279,146 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 2015 the best estimate of these commitments amounted to EUR 120,913 thousand (2014: EUR 94,312 thousand).

It is estimated that in 2016 inventoriable in-house productions will be amortised in full and approximately EUR 170,000 thousand of programme rights on outside productions (see Note 4.7).

12.- Equity and shareholders' equity

The detail of the shareholder structure at the end of 2015 is as follows:

	% of ownership
Grupo Planeta-de Agostini, S.L.	41.70
Ufa Film und Fernseh, GMBH	18.65
Imagina Media Audiovisual, S.L.	3.50
Mediapro Contenidos, S.L.U.	0.65
Treasury shares	0.35
Other shareholders	35.15
Total	**100.00**

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.

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 represent 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 2015 and 2014, 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, which carry the same rights.

In the first half of 2015, Gamp Audiovisual, S.A., as part of the restructuring at the Imagina group of companies, was absorbed by Mediapro Contenidos, S.L. (Sole-Shareholder Company), a Imagina Media Audiovisual, S.L. Group company.

In 2015, Imagina Media Audiovisual, S.L. performed a series of transactions involving the Company's shares. As a result of these transactions, and including the delivery of shares mentioned in Note 12.2, at the end of 2015 Imagina Media Audiovisual, S.L. held a direct ownership interest equal to 3.500% and an indirect ownership interest through Mediapro Contenidos, S.L. (Sole-Shareholder Company) of 0.65% in the Parent.

The Company's shares are listed on the Spanish Stock Market Interconnection System. The aforementioned 1,181,296 shares were admitted to trading on 22 January 2015.

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 2015, 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

Under the merger agreement between Atresmedia Corporación de Medios de Comunicación, S.A. and Gestora de Inversiones Audiovisuales La Sexta, S.A., the companies agreed to grant La Sexta shareholders an additional ownership interest of 15,818,704 of the Company's shares representing 7% of its share capital, although the delivery thereof is conditional upon the earnings of the Antena 3 Group from 2012 to 2016.

On 19 February 2014 the Company 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 (see Note 12.3).

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 from 2012 to 2016, as indicated above. The delivery of these additional shares will be carried out in full through treasury shares of the Company 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 was 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 the treasury shares held by the Company at the end of 2015 and 2014 is as follows:

	No. of shares	Par value (euros)	Average acquisition price (euros)	Total acquisition cost (Thousands of euros)
2015	789,738	592,304	10.97	8,666
2014	1,145,594	859,196	6.29	7,202

At 31 December 2015, the shares of the Company held by it represented 0.350% of the Company's share capital and totalled 789,738 shares, with a value of EUR 8,666 thousand and an average acquisition price of EUR 10.97 per share.

The changes in “Treasury Shares” in 2015 and 2014 were as follows:

Number of shares	**2015**	**2014**
At beginning of year	1,145,594	15,818,704
Purchases	558,957	-
Sales	-	(6,298,784)
Delivery (Note 12.2)	(914,813)	(8,374,326)
At end of year	**789,738**	**1,145,594**

Pursuant to the partial novation of the integration agreement entered into on 14 December 2011, which definitively concluded a series of matters related to the guarantee and commitment regime of the initial integration agreement for the merger with Gestora de Medios Audiovisuales la Sexta, S.A., the Company delivered to the shareholders Imagina Media Audiovisual, S.L. and Mediapro Contenidos, S.L. (Sole-Shareholder Company) an additional ownership interest equal to 0.248% of the Company's share capital, i.e. a total of 558,957 shares (see Note 8-b).

Also, under the integration agreement relating to Gala Desarrollos Comerciales, S.L. (see Note 12.2), a portion of the aforementioned additional ownership interest, equivalent to 0.158% (355,856 shares) was transferred to that company.

On 6 March 2014, the Company 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 shareholders at the Annual General Meeting held on 22 April 2015 adopted a resolution authorising the Company to acquire treasury shares provided that they did not exceed the maximum legal limit permitted by law at any given time. This limit is set at 10% of the subscribed share capital by Article 509 of the Spanish Limited Liability Companies Law, approved by Legislative Royal Decree 1/2012, of 2 July. This authorisation is in force until 2020 and rendered null and void the authorisation granted by the Annual General Meeting on 24 March 2010.

12.4 Dividends

At the Annual General Meeting held on 22 April 2015, the shareholders of the Company ratified, among other resolutions, the distribution of 2014 profit, allocating the maximum amount of EUR 44,878 thousand to the payment of dividends, of which EUR 22,341 thousand related to the interim dividend paid on 18 December 2014.

Once the dividend rights of the treasury shares had been attributed, a final dividend amounting to EUR 22,423 thousand was paid on 18 June 2015, as per the following detail:

- final dividend of EUR 0.10 per share relating to 223,405,910 ordinary shares identified by the Spanish National Securities Coding Agency with ISIN 019427734, paid in full out of the Parent's profit for 2014, amounting to EUR 22,340 thousand and representing 13% of the par value.

- dividend of EUR 0.07 per share relating to 1,181,296 ordinary shares identified by the Spanish National Securities Coding Agency with ISIN 019427015 which, as established when they were issued, represented the share of profits generated by the Company subsequent to 31 October 2014, amounting to EUR 83 thousand and representing 9% of the par value.

At the Company's Board of Directors meeting held on 18 November 2015, it was resolved to distribute out of the Company's profit for 2015, the gross amount of eighteen euro cents (EUR 0.18) for each of the 225,732,800 shares with a par value of EUR 0.75 representing the share capital, of which 789,738 are treasury shares. Accordingly, the dividend rights inherent to treasury shares were attributed proportionately to the other shares in accordance with Article 148 of the Spanish Limited Liability Companies Law.

This dividend, which was paid to the shareholders as an interim dividend on 17 December 2015, totalled EUR 40,490 thousand.

13.- Provisions and contingencies

The detail of short- and long-term provisions in 2015 and 2014 were as follows (in thousands of euros):

Provisions	Balance at 01/01/15	Charge for the year	Transfers	Amounts used	Excessive provisions	Balance at 31/12/15
Litigation and other provisions	28,556	11,242	(8,763)	(1,527)	(6,602)	22,906
Total	**28,556**	**11,242**	**(8,763)**	**(1,527)**	**(6,602)**	**22,906**

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**

The charge for the year is reflected under "Outside Services" and the excessive provisions are recognised under "Excessive Provisions” in the accompanying statement of profit or loss.

The agreement for the partial novation of the integration agreement entered into by the Company for the merger with Gestora de Medios Audiovisuales La Sexta, S.A. on 19 February 2014 (see Note 12.3), included the assumption of a contingency of the former shareholders of La Sexta corresponding to the tax assessments relating to the levy on games of luck, betting or chance, raffles and tombolas. The assumption of this contingency gave rise to the recognition of the related provision of EUR 6,903 thousand in the Company's financial statements. In the first half of 2015, this provision was reversed as a final judgment was handed down in relation to the proceeding. The accounting entry and the reversal of the provision did not have any impact on the Company's statement of profit or loss.

At 31 December 2015 and 2014, 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.

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 2015 and 2014 is as follows (in thousands of euros):

	Non-current financial instruments					
	Bank borrowings		Derivatives and other		Total	
	2015	2014	2015	2014	2015	2014
Accounts payable	127,437	126,331	46,154	50,511	173,591	176,842
Derivatives	-	-	2,757	7	2,757	7
Total	**127,437**	**126,331**	**48,911**	**50,518**	**176,348**	**176,849**

The detail, by maturity, of "Non-Current Payables" is as follows (in thousands of euros):

	2017	2018	2019	2020	2021 and subsequent years	Total
Bank borrowings	27,000	27,000	73,437	-		127,437
Trade payables	44,333	1,644	61	-	-	46,038
Derivatives	2,633	107	17	-	-	2,757
Other payables	48	9	41	9	9	116
Total at 31/12/15	**74,014**	**28,760**	**73,556**	**9**	**9**	**176,348**

	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 at 31/12/14	**108,052**	**68,719**	**51**	**9**	**18**	**176,849**

On 4 May 2015, the Company arranged a new syndicated loan of EUR 270,000 thousand, which was earmarked to repay the syndicated financing arranged in August 2013 and to meet the Company's general corporate and cash requirements. At 31 December 2015, the limit of the aforementioned financing was EUR 270,000 thousand.

50% of the total amount is a four-year loan with partial repayments and the remaining 50% is a credit facility maturing at four years. Eight 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: the debt to EBITDA ratio and the interest coverage ratio. 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 46 million.

14.2 Current financial liabilities

At 31 December 2015, the current bank borrowings amounted to EUR 31,838 thousand (2014: EUR 38,859 thousand).

The rate of interest paid by the Company in 2015 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 from 2013.

Set forth below are the disclosures required by Additional Provision Three of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to financial statements in relation to the average period of payment to suppliers in commercial transactions.

As permitted by the Single Additional Provision of the aforementioned Resolution, since this is the first reporting period in which it is applicable, no comparative information is presented.

	2015
	Days
Average period of payment to suppliers	77
Ratio of transactions settled	87
Ratio of transactions not yet settled	39

	Thousands of euros
Total payments made	591,850
Total payments outstanding	160,547

In accordance with the ICAC Resolution, the average period of payment to suppliers was calculated by taking into account the commercial transactions relating to the supply of goods or services for which payment has accrued since the date of entry into force of Law 31/2014, of 3 December.

For the sole purpose of the disclosures provided for in the Resolution, suppliers are considered to be the trade creditors for the supply of goods or services included in “Payable to Suppliers” and “Payable to Suppliers - Group Companies and Associates” under current liabilities in the balance sheet.

“Average period of payment to suppliers” is taken to be the period that elapses from the delivery of the goods or the provision of the services by the supplier to the effective payment of the transaction.

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

	2015	2014
To be settled in 2016:	**22,539**	**13,314**
Deferred tax assets	598	737
Tax loss carryforwards	18,954	7,187
Unused tax credits and tax relief	2,987	5,390
To be settled from 2017:	**233,687**	**252,098**
Deferred tax assets	9,407	12,034
Tax loss carryforwards	149,878	169,877
Unused tax credits and tax relief	74,402	70,188
Total non-current assets	**256,226**	**265,413**
Income tax refundable	2,308	1,248
2015 income tax refundable	4,485	968
VAT refundable	12	2,879
Other tax receivables	153	126
Total current assets	**6,958**	**5,221**
TOTAL TAX RECEIVABLE	**263,184**	**270,637**

Tax payables

	2015	2014
Deferred tax liabilities	18,479	18,700
Total non-current liabilities	**18,479**	**18,700**
Short-term-		
Tax withholdings payable	4,864	3,056
Accrued social security taxes payable	745	689
VAT payable	5,100	-
Total current liabilities	**10,709**	**3,745**
TOTAL TAX PAYABLE	**29,188**	**22,445**

16.2 Reconciliation of the accounting profit to the taxable profit

Pursuant to Spanish Income 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. This application is considered indefinite provided that the requirements established in the current Article 67 of the Consolidated Spanish Income 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 2015 are as follows:

TAXPAYER IDENTIFICATION NUMBER	SUBSIDIARY	Date of inclusion in the Group
B85384881	Antena 3 Eventos, S.L.	01/01/08
B82832841	Atresmedia Cine, S.L.U.	01/01/03
B84187335	Antena 3 Multimedia, S.L.U.	01/01/04
A84920230	Antena 3 Televisión Digital Terrestre de Canarias, S.A.U.	01/01/06
B86424132	Antena 3 Noticias, S.L.U.	01/01/12
B84171453	Atres Advertising, S.L.U.	01/01/04
B86885530	Atresmedia Foto, S.L.	01/01/13
B87294187	Atresmedia Música, S.L.	01/01/15
A81797656	Canal Media Radio, S.A.U.	01/01/05
B65273914	Cordina Planet, S.L. U.	01/01/14
B87377230	Flooxplay, S.L.	01/01/15
A80847601	Guadiana Producciones, S.A.U.	01/01/01
B85408128	La Sexta Editorial Musical, S.L.U.	01/10/12
A79458535	Música Aparte, S.A.U.	01/01/01
B84196914	Uniprex Televisión, S.L.U.	01/01/04
B84405422	Uniprex Valencia TV, S.L.U.	01/01/05
A28782936	Uniprex, S.A.U.	01/01/01

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 2015 is as follows:

	Thousands of euros		
	Increase	Decrease	Total
Accounting profit after tax			**89,503**
Income tax	**18,146**	**-**	**18,146**
Permanent differences -	**14,410**	**34,534**	**(20,124)**
Penalties	737	-	737
Donations	530	-	530
Impairment of investments	11,013	-	11,013
Elimination of dividends	-	23,220	(23,220)
Inclusion of impairment of investments		11,067	(11,067)
Elimination of intra-Group transactions	809		809
Other permanent differences	1,321		1,321
Double taxation exemption		247	(247)
Deductible temporary differences:	**7,146**	**10,968**	**(3,821)**
Arising in the year:			
Provision for contingencies and charges	7,146	-	7,146
Non-current accounts payable	-	-	-
Net impairment losses	-		-
Arising in prior years:			
Provision for contingencies and charges	-	6,975	(6,975)
Non-current accounts payable	-	1,257	(1,257)
Net impairment losses		2,736	(2,736)
Taxable temporary differences:	**791**	**-**	**791**
Arising in the year:			
Net impairment losses	791	-	791
Gross taxable profit	**22,347**	**45,502**	**84,494**
Offset of prior years' tax losses			**(32,061)**
Tax rate			**28%**
Gross tax payable			**14,681**
Accounts receivable from (payable to) Group companies			12,258
Tax credits used in 2015			(7,552)
2015 tax prepayments			(23,871)
Income tax payable (refundable)			**(4,485)**

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)
Inclusion of impairment of investments		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
Net 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)
Net impairment losses		6,944	(6,944)
Taxable temporary differences:	**791**	**-**	**791**
Arising in the year:			
Net impairment losses	791	-	791
Gross taxable profit	**19,765**	**37,505**	**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 2014			(6,704)
2014 tax prepayments			(19,745)
Income tax payable (refundable)			**(968)**

16.3 Tax recognised in equity

The detail of the taxes recognised directly in equity in 2015 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	-	198	(198)
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			
Total deferred taxes	-	198	(198)
Total tax recognised directly in equity			**(198)**

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)**

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):

	2015	2014
Accounting profit before tax	**107,649**	**87,130**
Tax charge at 28%	30,141	26,139
Tax credits earned in the year:	**(6,297)**	**(11,425)**
Audiovisual productions	(6,112)	(11,342)
Donations to not-for-profit entities	(185)	(83)
Other	-	-
Offset of tax losses:		
Other -		
Permanent differences (Note 16.2)	(5,635)	(5,081)
Total income tax expense for the year	**18,209**	**9,633**
Income tax adjustments	**(63)**	**32,264**
Adjustment - difference in income tax per tax return	569	(1,242)
Adjustment - change in income tax rate	(632)	33,506
Total income tax expense recognised in profit or loss	**18,146**	**41,897**

The breakdown of the income tax expense for the year is as follows (in thousands of euros):

	2015	2014
Current tax	8,384	902
Deferred tax	9,825	8,731
Total income tax expense for the year	**18,209**	**9,633**

Spanish Income Tax Law 27/2014, of 27 November, effective from 1 January 2015, established, among other changes, a change in the income tax rate to 28% in 2015 and 25% in 2016 and subsequent years.

In 2014 the Company made adjustments to bring the existing balance of deferred tax assets and deferred tax liabilities -calculated in the past at a rate of 30%- into line with the recoverable amount thereof calculated at 25%, based on the Company's best estimates of the recovery of tax assets in future reporting periods.

The differences between the estimate made at year-end and the tax return effectively filed gave rise to differences that not only affect the income tax expense, but also the adjustment arising from the change in the tax rate, amounting to EUR 569 thousand and EUR (632) thousand, respectively.

16.5 Deferred tax assets recognised

The difference between the tax charge allocated to 2015 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					
	2014	Additions	Reductions	Other tax receivables	Effect of change in tax rate	2015
Contingencies and charges	10,095	2,001	(1,953)	(658)	(929)	8,556
Accounts payable	613	-	(352)	(212)	73	122
Other items	2,311	-	(222)	(887)	687	1,889
Tax effect of assets at fair value	530	-	(544)	(201)	607	392
Financial hedging instruments	(777)	-	(198)	-	21	(954)
Total	**12,772**	**2,001**	**(3,269)**	**(1,958)**	**459**	**10,005**

The detail for 2014 is as follows:

CHANGES IN DEFERRED TAX ASSETS	Thousands of euros					
	2013	Additions	Reductions	Other tax receivables	Effect of change in tax rate	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**

At 31 December 2015, the tax effect of the valuation adjustments relating to the hedging instruments amounting to EUR (198) 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 9,407 thousand were considered to be recoverable in the long term while EUR 598 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 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 aforementioned analyses do not disclose any evidence of non-recoverability of the tax assets and tax credits recognised.

The changes in deferred tax assets recognised under "Other" include the difference between the estimated tax for 2014 and the amount actually reported in the tax return, giving rise to an adjustment of EUR (1,958) thousand to deferred tax assets. Also, the effect of this difference, amounting to EUR (569) thousand, on the income tax expense is recognised under "Adjustments to Income Tax".

At 31 December 2015, the Company had unused tax credits amounting to EUR 86,555 thousand, of which EUR 77,389 thousand are recognised in the balance sheet. Of the total tax credits, EUR 2,148 thousand arose from the merger with La Sexta. The Company also recognised tax losses arising in full from the merger with La Sexta amounting to EUR 168,832 thousand.

Amount	Used in the year	Carried forward	Limit
14,369	4,300	10,069	2025
21,023	-	21,023	2026
17,478	-	17,478	2027
10,990	-	10,990	2028
11,715	-	11,715	2029
15,280	-	15,280	2030
90,855	**4,300**	**86,555**	

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:

	Thousands of euros at 31/12/14	Used in the year	Unused at 31/12/15	Last year for deduction
2010	1,010	1,010	-	2025
2011	2,148	-	2,148	2026
Unused	**3,158**	**1,010**	**2,148**	

Year earned	Amount	Used in the year	Other	Effect of change in the tax rate	Unused at 31/12/15
2006	42,166	8,977	572	96	33,857
2007	37,654	-	-	-	37,654
2008	31,918	-	-	-	31,918
2009	28,965	-	-	-	28,965
2010	8,378	-	-	-	8,378
2011	15,473	-	-	-	15,473
2012	12,510	-	-	77	12,587
Total tax assets	**177,064**	**8,977**	**572**	**173**	**168,832**

The "Other" column includes the differences between the estimate at year-end and the tax return actually filed.

Of the EUR 7,552 thousand of tax credits taken in 2015, EUR 6,544 thousand were deductions for audiovisual production, of which EUR 4,300 thousand related to Atresmedia Corporación de Medios de Comunicación, S.A. and EUR 2,244 thousand to a Group company, EUR 762 thousand were for international double taxation and EUR 246 thousand for donations to not-for-profit entities.

16.6 Deferred tax liabilities recognised

The detail of “Deferred Tax Liabilities" and of the changes therein is as follows:

DEFERRED TAX LIABILITIES	2013	Additions	Reductions	Effect of the change in the tax rate	2014	Additions	Reductions	2015
Tax effect of identification of intangible assets	22,649	-	(237)	(3,712)	18,700	-	(221)	18,479
Total	**22,649**	**-**	**(237)**	**(3,712)**	**18,700**	**-**	**(221)**	**18,479**

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 2015: EUR 791 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 2015, the Company had from 2010 open to review for all the taxes applicable to it.

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.

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):

	2015	2014
Accounts receivable	1,141	990
Accounts payable	167,858	182,131
Sales	-	-
Purchases	139,891	131,750

The detail, by class of financial instrument, of the exchange differences recognised in 2015 in profit or loss is as follows (in thousands of euros):

	Transactions settled in the year	Unmatured balances	Total
Trade receivables	127	-	127
Total financial assets	**127**	**-**	**127**
Trade payables	977	3,857	4,834
Total financial liabilities	**977**	**3,857**	**4,834**

The detail for 2014 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)**

18.- Income and expenses

18.1 Revenue

The breakdown, by business line and geographical market, of the Company's revenue for 2015 and 2014 is as follows (in thousands of euros):

Line of business	2015	2014
Advertising sales	764,232	704,188
Total	**764,232**	**704,188**

Geographical market	2015	2014
Spain	764,232	704,188
Total	**764,232**	**704,188**

18.2 Procurements

The detail of "Procurements" in 2015 and 2014 is as follows:

	2015	2014
Outside production services	235,132	207,596
Broadcasting of in-house productions	229,348	221,154
Programme broadcasting rights	155,231	155,015
Live broadcasting rights	49,642	36,535
Performances and contributions of entertainers	10,724	9,490
Other amortisation	8,367	6,335
Addition to inventories	(235,736)	(204,384)
Total	**452,708**	**431,741**

“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 4.7.

In 2015 EUR 25 million of total procurements relate to purchases in other European Union countries (2014: EUR 38 million) and approximately EUR 82 million to purchases made in countries outside the European Union, mainly the United States (2014: EUR 60 million).

18.3 Employee benefit costs

The detail of "Employee Benefit Costs" in 2015 and 2014 is as follows:

	2015	2014
Employer social security costs	5,392	5,309
Other employee benefit costs	1,174	1,289
	6,566	**6,598**

18.4 Other operating expenses

The detail of “Other Operating Expenses” in the statements of profit or loss for 2015 and 2014 is as follows:

Thousands of euros	2015	2014
Work performed by other companies	58,873	55,217
Rent and royalties	55,153	58,578
Communications	9,974	7,676
Advertising and publicity	9,841	8,655
Copyrights and other expenses	72,102	39,750
Total	**205,943**	**169,876**

“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 2015 the Company recognised provisions amounting to EUR 2,114 thousand and used provisions of EUR 9 thousand (2014: EUR 979 thousand used).

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):

	2015	2014
Finance income	29,489	9,901
Finance costs	11,435	13,456

EUR 23,220 thousand of total finance income for 2015 relate to dividends received by Atresmedia Corporación de Medios de Comunicación, S.A. from its subsidiaries (2014: EUR 3,359 thousand) (see Note 8.3).

18.6 Changes in fair value of financial instruments

“Net Gain (Loss) due to Changes in the Value of Financial Instruments at Fair Value” in the statement of profit or loss includes mainly the net gain (loss) due to the change in fair value of the currency hedges and interest rate swaps (IRSs) detailed in Note 10 to these consolidated financial statements and the negative impact arising from the recognition at fair value of the non-current payables to suppliers included under "Other Non-Current Payables" (see Note 14.1).

In 2015 and 2014 the net gains or losses due to changes in fair value included under the aforementioned heading, detailed by item, were as follows:

Thousands of euros	2015	2014
Hedging instruments (Note 14)	(6,029)	16,658
Other derivatives (Note 8)	(87)	(595)
Other non-current liabilities (Note 12)	(1,886)	2,894
Total	**(8,002)**	**18,957**

19. Related party transactions and balances

19.1 Related party transactions

The detail of the transactions with related parties in 2015 and 2014 is as follows (in thousands of euros):

	2015		2014	
	Group companies	**Associates**	**Group companies**	**Associates**
Income	764,231	4,659	703,804	8,356
Purchases and services received	32,973	118,527	30,311	121,938
Accrued interest expense	1,060	-	684	439
Accrued interest income	5,499	19	5,600	32
Guarantees (provided and received)	1,510	-	2,641	-
Dividends received	23,220	-	3,359	-

In addition to these transactions, in 2015 the Company purchased advertising space from related companies through advertising agencies amounting to EUR 859 thousand (there were no purchases in this connection in 2014).

19.2 Related party balances

The detail of the on-balance sheet balances with related parties at 31 December 2015 and 2014 is as follows (in thousands of euros):

2015	Equity instruments	Non-current loans to companies	Trade receivables	Current financial assets	Non-current payables	Current payables	Trade payables
Group companies	**97,413**	**107,191**	**171,698**	**34,990**	**2**	**94,008**	**10,603**
Música Aparte, S.A.U.	60	-	151	1,636	-	4,043	-
Antena 3 Eventos, S.L.U.	-	-	-	-	-	-	3
Atresmedia Foto, S.L.	-	-	5	26	-	86	-
Antena 3 Multimedia, S.L.U.	3	-	10	300	-	-	1,297
Antena 3 Noticias, S.L.U.	204	-	84	2,172	-	35	5,264
Atres Advertising, S.L.U.	3	-	170,974	9,433	-	82,850	153
Antena 3 TDT de Canarias, S.A.	-	-	-	13	-	874	383
Cordina Planet, S.L.	296	-	-	213	-	465	-
Atresmedia Cine, S.L.U.	6,048	59,191	20	-	-	4,814	722
Flooxplay, S.L.U.	2	-	-	-	-	2	-
Guadiana Producciones, S.A.	51	-	-	-	-	88	-
Atresmedia Música, S.L.U.	-	-	5	55	-	23	-
Uniprex, S.A.U.	90,746	48,000	382	20,874	2	-	661
Uniprex Televisión, S.L.U.	-	-	67	268	-	719	2,120
Uniprex Valencia TV, S.L.U.	-	-	-	-	-	9	-
Associates	**235**	**-**	**224**	**5,971**	**-**	**1,523**	**1,056**
Hola Televisión América, S.L.	-	-	105	5,971	-	-	-
Hola Televisión América, S.L. US	-	-	111	-	-	-	3
I3 Televisión, S.L.	235	-	8	-	-	-	1,053
Fundación Antena3	-	-	-	-	-	1,523	-
Financial assets	**11,531**	**-**	**-**	**260**	**-**	**-**	**-**
Related companies	**-**	**-**	**424**	**-**	**-**	**-**	**50,743**
Imagina Media Audiovisual, S.L.	-	-	-	-	-	-	108
Planeta Group	-	-	133	-	-	-	5,075
RTL Group	-	-	-	-	-	-	103
Imagina Group	-	-	291	-	-	-	45,457

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
Uniprex Televisión, S.L.U.	-	-	34	89	-	83	142
Uniprex Valencia TV, S.L.U.	-	-	-	-		11	-
Uniprex, S.A.U.	80,282	64,000	334	18,584	2	4,633	458
Associates	**1,857**	**-**	**228**	**6,529**	**-**	**1,280**	**828**
Fundación Antena3	-	-	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

“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.

"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 2015 by the current and former members of the Company’s Board of Directors (composed at 31 December 2015 of three women and nine men) in the form of salaries, attendance fees and life insurance premiums amounted to EUR 4,274 thousand, EUR 777 thousand and EUR 15 thousand, respectively. In 2014 this remuneration amounted to EUR 3,940 thousand, EUR 795 thousand and EUR 16 thousand, respectively.

In 2015 remuneration in the form of salaries and life insurance premiums of senior executives who are not directors amounted to EUR 5,456 thousand and EUR 29 thousand, respectively (2014: EUR 6,468 thousand and EUR 30 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 et seq. of the Spanish Limited Liability Companies Law (LSC), the following information is included:

In 2015 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 19.2).

20.- Other disclosures

20.1 Employees

The average number of employees in 2015 was 427 (2014: 422). The detail, by professional category, is as follows:

	2015	
	Women	**Men**
Senior executives	3	11
Managers	31	56
Line personnel	116	116
Clerical staff	37	12
Other	27	18
Total	**214**	**213**

There were 435 employees at 2015 year-end. The detail, by gender and professional category, is as follows:

	2015	
	Women	**Men**
Senior executives	3	11
Managers	31	54
Line personnel	119	120
Clerical staff	37	13
Other	28	19
Total	**218**	**217**

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

The average number of employees in 2015 with a disability of more than 33%, by professional category, is as follows:

	2015
Line personnel	1
Other	1
Total	**2**

20.2 Fees paid to auditors

In 2015 and 2014 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**
2015	184	8	-	35
2014	204	8	-	83

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:

	2015	2014
Group companies and associates	1,510	2,641
Other guarantees	17,505	10,985
Total	**19,015**	**13,626**

The Company's directors consider that any liabilities not foreseen at 31 December 2015 that might arise from the guarantees provided would not be material.

21.- Events after the reporting period

There were no significant events between the reporting date and the date of formal preparation of the Company's financial statements.

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 in Spain (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.

Directors' Report
2015

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

ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A. DIRECTORS' REPORT FOR 2015

Business performance and situation of the Company

The backdrop against which Atresmedia Corporación de Medios de Comunicación S.A. (Atresmedia) carried on its activities in 2015 was characterised by the consolidation of the economic growth that had begun in 2014. Thus, according to initial forecasts released by the Spanish National Statistics Institute, the annual increase in GDP would have been 3.2%, compared to the 1.4% in 2014 and the significant falls of the previous three years. It should be noted that demand in Spain and, particularly due to the impact that it has on our businesses, household spending, have performed highly positively. Without doubt, the improvement in the labour market with growth in total employment of 3%, made a major contribution. Unemployment rates also performed positively, falling from 24.4% to 22.1%, although they continue to stand at excessively high levels.

The advertising market, in line with the rest of the economy, has returned to significant growth for the second successive year, with estimates pointing to a figure of 6.9%. Within this market, television advertising increased by 6.4%, radio by 8.1% and Internet by 14.3%, media in which Atresmedia has significant involvement and which constitute our primary source of income.

As has previously been indicated, due to enforcement of the judgment of the Supreme Court that rendered null and void a decision of the Spanish Cabinet, Atresmedia was obliged to cease broadcasting three television channels, which had the largest audiences among all those that had to close down.

In the first half of 2015 an agreement was entered into with the lessee of one of the channels allocated to the licence of Gestora de Medios Audiovisuales La Sexta, S.A., absorbed in October 2014, obtaining use of this channel from the month of July onwards. Accordingly, in the second half of the year it was possible to include it in our offering under the name of Mega.

In April the Ministry of Industry called a public tender for six licences to operate six public television channels, three of which were to be broadcast in standard quality and three in high definition. Atresmedia submitted two tender bids in each of the categories. Ultimately, it was the successful bidder for a high-definition channel, broadcasting on which commenced at the end of 2015 under the name of Atreseries.

As a result of all this, the set of channels managed achieved an average audience share of 26.8%, down nine tenths on 2014. It should be noted that as a result of the changes discussed above, Atresmedia operated an average of 4.5 channels in 2015, compared to 5 in 2014. Even so, the efforts made in the areas of finance and programming meant that audience levels in the most competitive time slots and demographic groups (prime time and commercial target) suffered only a slight change, i.e. 31.4% compared to 31.6%.

The Company's revenue amounted to EUR 764 million, compared to EUR 704 million euros in 2014. Other operating income increased by 26% to EUR 37 million. Including this, the Company's total income amounted to EUR 802 million, up 9% on 2014.

Operating expenses increased by 8% to total EUR 712 million. This increase came about as a result of the aforementioned increase in the number of channels, the strengthening of the programming of the main channels and the increase in expenses for items directly related to revenue. Furthermore, in 2015 certain non-recurring expenses were incurred, primarily in relation to the early recovery of the leased channel and the expense incurred as a result of the request to discontinue the appeals made at the Supreme Court against the resolutions of the Spanish Cabinet of 28 May and 11 June 2010, as detailed in Note 1 to the financial statements for 2015.

Profit from operations amounted to EUR 90 million, compared to EUR 76 million in 2014. Profit before tax stood at EUR 108 million, an increase of 24%.

Net profit amounted to EUR 89 million, up from EUR 45 million in 2014. It should be remembered that in 2014, as a result of Income Tax Law 27/2014, of 27 November, establishing new tax rates (28% in 2015 and 25% in 2016 and subsequent years), the Company made an extraordinary income tax adjustment amounting to EUR 33,506 thousand.

Significant events for the Company after the reporting period

There were no significant events between the reporting date and the date of formal preparation of the Company's financial statements.

Outlook for the Company

The consensus of economic forecasts for 2016 and 2017 continues to be positive, with actual GDP growth at around 2.7% for both years, similar figures for private consumer spending, foreseeable increases in employment and a decrease in the rate of unemployment. It is true that domestic and international scenarios have recently become more uncertain, which must be taken into consideration when drawing up plans or setting targets for 2016.

Based on this favourable economic performance, the outlook for the advertising market is also clearly positive. In the main scenario, advertising will continue to grow at a good pace both as a whole and in the markets in which the Group is most active: television, radio and Internet. Accordingly, the core activities of television and radio will hopefully continue along the path of growth seen over the last two years. The maintenance of cost control will continue to be a basic management objective and, therefore, expenditure will remain close to current levels despite having more channels than in 2015 (6 as opposed to 4.5).

Moreover, the risk control policy applied in recent years will continue. In this regard, the business opportunities that may arise or that are sought by the Group to increase its value will be exploited to the maximum, although care will be taken not to endanger the Company's and Group's financial equilibrium, as a whole. All the foregoing will be completed by the habitual shareholder remuneration policy of recent years.

Research and development activities

The Company did not carry out any specific research and development activities. However, it updates its investments in all new technologies related to engineering, systems and content distribution on an on-going basis. 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

Pursuant to the partial novation of the integration agreement entered into on 14 December 2011, which definitively concluded a series of matters related to the guarantee and commitment regime of the initial integration agreement for the merger with Gestora de Medios Audiovisuales la Sexta, S.A., the Company delivered to the shareholders Imagina

Media Audiovisual, S.L. and Mediapro Contenidos, S.L. (Sole-Shareholder Company) an additional ownership interest equal to 0.248% of the Company's share capital, i.e. a total of 558,957 shares. Also, Gala Desarrollos Comerciales, S.L. received 355,856 shares, equal to 0.158% of the share capital.

In order to fulfil outstanding obligations to Gala Desarrollos Comerciales, S.L. in relation to the integration agreement entered into with Gestora de Medios Audiovisuales la Sexta, S.A., in 2015 558,957 treasury shares were acquired for EUR 7,215 thousand.

As a result of the aforementioned transactions, the number of treasury shares in the Company's balance sheet is 789,738, equal to 0.350% of the share capital.

Use of financial instruments by the Company and main financial risks

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

At 31 December 2015, the Company had arranged instruments to hedge its foreign currency asset and liability positions amounting to USD 244,048 thousand, at a weighted average exchange rate of USD 1.1821/EUR 1. The net fair value of these hedging instruments gave rise to a financial asset of EUR 15,882 thousand and a financial liability of EUR 310 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 May 2015. The fair value of these swaps at 31 December 2015 gave rise to a financial liability of EUR 2.6 thousand.

The Company and the Group as a whole have 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 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 this risk, the Company arranges hedging instruments (mainly foreign currency hedges).

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.

c) Credit risk. The Company does not have a 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 Company 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 Company's corporate website, www.atresmediacorporacion.com.