



**ATRESMEDIA**

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## LETTER FROM THE CHAIRMAN



José Creuheras



**Atresmedia** has once again obtained excellent results in 2016. The signs of recovery that we noticed a few years ago have solidified and, although the market has still not returned to its highest levels, we can confirm that the worst is over. This factor, coupled with the ability of our **Organisation** to optimise and adapt to its environment, allows us to present an annual balance sheet of which we can feel very proud. These great results are also down to the efforts and talent of an excellent team of professionals and, of course, the support of the Board of Directors and our shareholders. In short, **Atresmedia** has shown its strength once again this year.

**If we have managed to attain a leading position in the market, as the main Spanish communications group, this is thanks to the creation of a highly skilled team. However, it is also thanks to the implementation of a strategy defined many years ago on the basis of four key principles: quality, professionalism, diversity and a commitment to the industry**

The value of any company or project is mainly measured by its ability to create effective teams. This principle forms an essential part of the huge amount that I learned from **José Manuel Lara Bosch** and, believe me, I try to apply it as much as possible every day in all of the projects in which I am involved. I am convinced that this is our great asset and the guarantee of good management.

Therefore, if we have managed to attain a leading position in the market, as the main Spanish communications **Group**, this is thanks to the creation of a highly skilled team. However, it is also thanks to the implementation of a strategy defined many years ago on the basis of four key principles: quality, professionalism, diversity and a commitment to the industry. Four principles that guide our work and that have allowed us to become what we are today. Our position is not the result of one day's work, but rather comes from a medium and long-term process, very distinct to the short-term approaches which have no place at **Atresmedia**. So the figures achieved in 2016 are the result of that work, carried out by all of those who form part of this **Group**, deeply rooted in a strategy designed to look to the future. It has therefore been essential to adapt to the macro-economic environment, search for new business niches to help overcome the crisis and optimise management processes.

The results from 2016 are also due to a sustainable and profitable leadership model that combines commercial needs with recognition and higher ratings from the viewers, listeners and advertisers. This proves that it is a valid model in all respects and a leading brand. We have made it clear that with our way of doing things we can become leaders without the need to betray our principles.

Each and every one of the divisions forming part of the **Atresmedia Group** has once again demonstrated the excellence of its operations. **Atresmedia Televisión** has further strengthened, if possible, a model characterised by quality, prestige and innovation. The leading position of **Antena 3**, our main brand, in December 2016 and January 2017 clearly shows us that the path that we have chosen is the right one, and that in this business it is indeed possible to combine television, a good image and audience success. This has not been easy, it never is, but it is good to remember that, among other factors, during the past year we have had to face the entry of new operators in both DTT and in the different forms of pay TV, and that the changes in consumer patterns force us to reinvent ourselves every day in order to compete for the leisure time of our audiences.

**Atresmedia Radio**, moreover, has closed a year that can only be described as excellent. **Onda Cero** faced yet another test of its ability to overcome the greatest challenges. In these circumstances, continuing to be the market's most profitable broadcaster by listener and managing to achieve the most complete and attractive offer in the sector, with the

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addition of **José Ramón de la Morena**, is something that is worth shouting about. The non-conformist spirit of the professionals in our radio business and their constant desire to develop themselves has been bearing fruit for many years and few can boast of having a project that is so solid and with such promising future prospects. **Europa FM**, meanwhile, continues to provide us with great news year after year. With the arrival at the station of **Frank Blanco** in the afternoons, we are sure that we have taken another great leap in terms of quality, just like the one we took a few years ago with the signing of **Javier Cárdenas**, whose success is undeniable.

**Atresmedia Publicidad** has managed to commercially optimise each and every one of the resources of our **Group** and, thanks to its talent and efforts, it has once again this year become the largest seller of multimedia advertising on the Spanish market and the most valued exclusive television agent, leading in commercial service and effective advertising. In 2016, **Atresmedia Digital** has turned us into the leading audiovisual group on the Internet, establishing ourselves as an unquestionable leader with an innovative product that respects the **Company's** DNA. **Atresmedia Diversificación** includes the **Group's** businesses not linked to traditional advertising. Among its most important successes is the upturn in the number of households subscribing to our three international channels, which now exceeds 45 million across the world and which has positioned us as the leading worldwide operator with the highest number of subscribers after the American 'majors'. Finally, **Atresmedia Cine** released twelve films in 2016 which captured 38.4 % of the entire Spanish box office. In fact, the two highest grossing comedies of the year were productions from our Film Division.

Those of us who make up **Atresmedia** are aware that our leading position, achieved and consolidated in recent years throughout all of the business areas in which we are involved, obliges us to go beyond audience results or figures. For society, this **Group** is synonymous with leadership, with being capable of setting the paths along which current affairs run. Our media channels are positioned among the most credible, which is a source of pride but also an enormous responsibility for us all, aware that we are the ones who set the story that is shared by society and unites it. Everyone at **Atresmedia** knows that this ability to influence creates a series of obligations for us that we cannot leave ignore and we are certain that diversity is the best way of approaching this.

Beyond the challenges that we set ourselves each year as an **Organisation**, the macro-economic circumstances and their influence on the advertising market and the changes that society is constantly generating, **Atresmedia** must address the challenges posed by the legal and administrative environment. We have spent many years demanding that the legislators provide greater levels of stability, which in turn provides more security for our business. The second digital dividend is already

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looming on the horizon and will undoubtedly be one of the key events for the sector in the future, which is why we have been demanding greater levels of understanding from the authorities than were seen with the first dividend. Understanding also when it comes to establishing a schedule that benefits the users and the industry in this transition, and understanding when it comes to setting the keys factors that will result from this process and that to a great extent will determine the evolution of the free-to-air television business. We also expect the Administrations to tackle the regulatory convergence necessary as a result of unstoppable technological convergence. Or, in other words, if the content now travels and is consumed through a wide variety of devices, it seems logical and fair for all operators to have the same rights and obligations. Protecting children, especially, cannot only be confined to the area of free-to-air television.

At **Atresmedia** we are aware of the limits that an activity such as ours must have and know that we have a responsibility to society, not only to establish these limits but also to use the **Group's** potential to positively transform our environment.

As part of our general Corporate Responsibility policy, through the **Compromiso Atresmedia** brand we continue to run numerous campaigns against road traffic accidents, encouraging scientific research, protecting intellectual property and culture, respecting the environment and encouraging healthy lifestyles.

We have succeeded in rolling out the **Ponle Freno** fun-runs to the whole Spain, with these now taking place in Madrid, Vitoria, Tenerife and Vigo, and **Objetivo Bienestar** has held its 2<sup>nd</sup> Conference on well-being. We have also managed to persuade over one hundred thousand people to join the campaign on the use and installation of defibrillators run by **Constantes y Vitales** and, in connection with this issue, in 2016 **Atresmedia** became a cardio-protected space with the instillation of eight defibrillators at its facilities. We have also supported other non-profit organisations with donations and the allocation of slots for NGO advertising campaigns. These are valued at around €12 million, which is 49 % more than in 2015.

The satisfaction and welfare of its employees is also important to Atresmedia. That is why we seek to offer the best possible balance between their personal and professional lives and to contribute to their training. In 2016 we launched **Atresmedia Formación** with the aim of contributing to the progress of the audiovisual sector through courses on subjects relating to the world of television, radio, film, communication skills, computing, etc. I must not forget to express my gratitude to the **Group's** employees who participated in the **Corporate Volunteering Programme**, donating more than 2,500 hours of their time to organisations which took them to soup kitchens, accompanying elderly or disabled people and training workshops for unemployed young people.

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As a way of strengthening our commitment to the General Corporate Responsibility Policy, **Atresmedia** joined Forética, the leading forum in corporate social responsibility. In this way we have become the first communications group associated with this leading CSR organisation. Within Forética, the **Group** participated in the Transparency, Good Governance and Integrity Cluster. This is another sign of the importance of these values to **Atresmedia**.

Whilst in 2015 we received “Best Improver” from the CDP (Carbon Disclosure Project) for our progress in the commitment to climate change, in 2016 we went further in this area by teaming up with the National Geographic Channel for the release of **Before the Flood**, the documentary produced by Leonardo Di Caprio and Martin Scorsese which was a wake-up call on these issues.

Without wanting to boast, I should also mention the recognition that we have received this year as a company. The “RepTrak España 2016” study named us the **Audiovisual Group** with the best reputation based on the opinion of consumers, who took into consideration our financial strength, capacity for innovation, our leadership position ahead of the competition and our news and entertainment offer. We were also rated the most attractive company to work for in the communications groups sector in the 2016 Ransstad Employer Branding Report.

In 2016, **Atresmedia** has taken great steps to improve transparency and its corporate governance system. Thus, it has increased the presence of independent female board members on the Board of Directors and this now represents 31 %. There has also been an increase in the presence of independent female members on the Board’s Committees, leading to the attainment of the proportion of female board members that the **Company** had set as a target for 2020 in its Director Selection Policy, which was 30 % of the total number of Board members. Together with other corporate measures also implemented or improved in 2016 to reinforce the commitment of the **Company** with best practices in Corporate Governance, I would like to highlight that an independent female board member has also been appointed as Coordinating Director, and has been assigned, in addition to the legally established duties, all of those contained in the recommendations of the Code of Good Governance.

Also during 2016, **Atresmedia** reviewed its observance of the Code in accordance with the Technical guide on good practices for the application of the “comply or explain” principle, issued by the CNMV in July 2016. As a result of this analysis, new measures were approved to improve corporate governance including, among others, modifying the Regulations of the Board of Directors in order to ensure the dedication of the directors to the **Company**, limiting the number of boards on which any one director can serve; improving its transparency, adding reports to its corporate website that were previously internal; commissioning an

external and independent firm to assess the board and its committees; and agreeing for the external auditor, who to date has regularly attended the Audit and Control Committee, to also attend the Board at least once a year.

I will finish there. 2016 was yet another excellent year for **Atresmedia** and 2017 will be the same. We know that our strategic focus, based on a leading, sustainable and profitable model, is correct. We have shown that we know how to adapt better than anyone to the changes in our ecosystem, and that the position achieved is the result of the efforts and talent of the best team of professionals. With these certainties and supported by the trust placed in us, we face the future with the security of knowing that we can achieve any objectives we set for ourselves.

## LETTER FROM THE CEO



Silvio González



2016 was undoubtedly a complex year but it has ended with a clearly positive balance. It is true that we have emerged from the economic crisis, although recovery is not yet complete, but despite everything our **Group** has never reached such a high turnover as that obtained this past year. Our continued commitment to management based on quality, professionalism, diversity and support for the audiovisual industry is seen in the market as a benchmark and largely explains why we are capable of exceeding expectations year after year. Knowing how to face challenges from solid foundations, without giving in to short-term temptations, defines and differentiates us, makes us consistent, shields us from adversity and allows us to optimise all opportunities presented to us. With this formula we have been able to successfully overcome the worst situations and can always look to the future from the best position.

**Knowing how to face challenges from solid foundations, without giving in to short-term temptations, defines and differentiates us, makes us consistent, shields us from adversity and allows us to optimise all opportunities presented to us**

**Our activity has been enriched with innovative strategies, new lines of business and improvements in management, based on the fundamental principles and values of our Company**

In recent years **Atresmedia** has had to deal with a fall of 50 % in advertising investment; a digital switch off that brought to an end the broadcasts of the three leading channels in their genre; the entry of new operators, in both free-to-air television and in the different pay TV areas; as well as the appearance in society of new trends for consuming audiovisual content. Despite everything, **Atresmedia** has been able to adapt and achieve more than remarkable results. Our adaptation to environments in constant change is therefore one of our greatest assets. Over these years, the lack of certainty has not paralysed us, rather the opposite. Our activity has been enriched with innovative strategies, new lines of business and improvements in management that, based on the fundamental principles and values of our **Company**, have made us the greatest generator of content and the main multi-platform operator in our country.

The strong performance of all **Atresmedia's** Business Areas, optimised through an effective commercial policy, has enabled the **Group** to increase its net revenue by 5.2 % compared to 2015, reaching €1,021.1 million which, as I mentioned at the start of this letter, is the highest figure ever obtained by our **Company**. Our management model, based on the search for maximum efficiency and profitability, has made it possible to achieve an EBITDA of €202 million, a sales margin of 19.8 % and a net profit of €129.1 million, 30.1 % higher than last year. The work of our Commercial Division **Atresmedia Publicidad** has been key in achieving these figures. This excellent work is reflected in the power ratio (ratio of market share to audience share) which at 1.6 was the highest of all the sellers of television advertising. Once again this year, continuing with the principles of customer focus, innovation, efficiency and profitability, it has been the largest seller of multimedia advertising in the Spanish market with a share of 19 % of the total investment in conventional media.

**Atresmedia Televisión**, our great driving force, has strengthened the leading position of its television model. This shows that a commitment to high quality, innovative and diverse television does have its rewards, and that in television it is possible to combine the highest audience levels with prestige and recognition. Its six channels have positioned this division as the television group that grew the most (27.1 % audience, +0.3 basis points) in an environment of constant fragmentation. The success of our model and its commercial effectiveness, arising from its great social relevance and influence, has also enabled us to obtain an advertising market share above 42 %, establishing ourselves as the leading operator in Spain for viewers and advertisers.

Two of its channels, **Antena 3** and **laSexta**, were undisputed leaders in news coverage over an intense year for political, economic and social matters. Both channels obtained an excellent 24.2 % of the audience with the coverage of the general election on 26 June, unseating the public channel as leader and becoming the public's favourite television channels for keeping them informed throughout the day. The same

**Antena 3 and laSexta, were undisputed leaders in the news coverage over an intense year for political, economic and social matters**

happened with the coverage of the American election, in which both channels achieved a strong figure of 26.6 %, once again surpassing the news coverage of the public channel. These are two signs of the perfect operation of the two channels following the merger process and confirm the great business and editorial success that has resulted.

**Antena 3** ended the year as the leader in television with a 13.3 % audience share, which allowed it to start 2017 in the same position and with the best prospects. It was also once again the leading channel in the mornings (13.3 %) and at weekends (12 %) and remained the most viewed channel in the commercial target at prime time, that preferred by the advertisers, with 14.3 %. **laSexta** celebrated its tenth anniversary established as the third private channel with 7.1 % of the audience compared to the 6.5 % of its direct competitor, something it has achieved for the fourth consecutive year. In 2016 we saw the largest ever distance between the two channels. **laSexta** was leader in prime time (7.7 %) in its commercial target (8.1 %) and beat its afternoon record (6.8 %).

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Moreover, the development of our four second generation channels has been a great success. The two channels that began broadcasting in 2015 were leaders in 2016. **Mega**, aimed at an adult male audience, obtained exceptional audience levels, closing the year with 1.8 % and achieving 7.4 % as absolute leader during the early hours of the morning. **Atreseries**, our new high-definition channel, was leader among the new concession themed channels with a 0.8 % audience share, despite the fact that the bank of HD televisions is still smaller than that of traditional ones. Both channels have demonstrated their strength, joining forces with two established brands, **Neox** and **Nova**, which achieved annual figures of 2.5 % and 2.2 % respectively.

**Atresmedia Radio** ended 2016 as once again the most profitable radio group in the market per listener. This is an unquestionably outstanding result taking into account the renovation that **Onda Cero** faced last year in the important morning time slot. We look to 2017 with the belief that we already have the best offer on the market. A diverse, professional and high quality proposal, from morning to night, where we have been strengthened with the addition of **José Ramón de la Morena**. There is still work to do in order to achieve our maximum potential, but over four million listeners endorse our formula and support the three offers from **Atresmedia's** Radio Division. Our generalist station **Onda Cero** has increased its audience with an average of more than two million listeners according to the last survey and has held third place in its segment. The General Media Survey has also shown that it is the only broadcaster to have grown its audience as the result of a solid brand, satisfactory programming and an outstanding ability to deal with challenges. In terms of annual average audience of **Europa FM** and **Melodía FM**, both have proven to be synonymous with success, with almost two million listeners for the first and growth to 286,000 listeners for the second.

**Atresmedia Radio ended 2016 as once again the most profitable radio group in the market per listener. An unquestionably outstanding result taking into account the renovation that Onda Cero faced last year**

**Atresmedia was also the leading audiovisual group on the Internet in 2016**

**Our three international channels, Antena 3 Internacional, Atreseries and ¡HOLA! TV, have established us as the commercial operator with the most subscribed households, reaching 45 million outside of Spain and being leaders just behind the American 'majors'**

**Atresmedia** has also been the leading audiovisual group on the Internet in 2016. Its commitment to the world of multimedia has allowed it to retain its leading position established last year. **Atresmedia Digital** ended 2016 with a monthly average of over 24 million unique users, 14 % more than in 2015, being a complement to the great content factory that is this **Group**. **Flooxer**, our high quality online platform for short videos, has become established with more than one million monthly users. These figures confirm the good sense behind the step taken to strengthen the **Group's** multi-platform strategy. To this we must add the leadership of **Atresplayer** as the leading platform with more than 4.8 million monthly users and more than 600 million video playbacks throughout the year.

Our strategy of seeking new paths for growth in addition to the revenue from traditional advertising has established the **Atresmedia Diversificación** model. Our three international channels, **Antena 3 Internacional**, **Atreseries** and **¡HOLA! TV**, have established us as the commercial operator with the most subscribed households, reaching 45 million outside of Spain and being leaders just behind the American 'majors'. **Atresmedia** has also continued to encourage entrepreneurship through the **Media for Equity** model, through which it has holdings in ten companies including some well-known start-ups.

In terms of **Atresmedia Cine**, this area has experienced growth in terms of box office success. Our Film Division stands out with twelve films released in 2016, which took 38.4 % of the total box office for Spanish cinema throughout the year, something which gives us great satisfaction. By law we are required to participate in Spanish film production. However, far from just seeing this as an obligation, it has been an opportunity to explore new paths for our business model with the quality standards that guide us as a **Group**.

In 2016, we have worked more intensely on **Compromiso Atresmedia**, which brings together the **Group's** Corporate Responsibility initiatives such as **Ponle Freno**, **Objetivo Bienestar**, **Constantes y Vitales**, **Hazte Eco** and **Crea Cultura**, along with the **Fundación Atresmedia** initiatives and the **Corporate Volunteering Programme** through which our employees devote their time to various social organisations. The **Tolerancia Cero** campaign, in collaboration with the Mutua Madrileña Foundation, broadcast over 70 reports and pieces on **Antena 3 Noticias** to raise awareness about domestic violence.

Some of this work even affects those who form part of **Atresmedia**. This year we have converted the **Group's** facilities into a cardio-protected space. Along with this, we have increased accessibility to content and platforms, provided more training and more measures for a good work-life balance and complied with the Global Compact, all of which shows our degree of commitment. In 2016 **Atresmedia** joined Forética, a leading corporate social responsibility organisation, marking a milestone on being the first communications group associated with this forum. The 2016 the Randstad Employer Branding Report named us as the most



**Another of our principles is a commitment to society. Our objective is to generate value for our shareholders but also to assume our responsibility through the multi-platform organisation that we manage and we do this through Compromiso Atresmedia**

attractive company to work for in the communications groups sector. We have also created **Atresmedia Formación** to train the future professionals of the audiovisual industry in order to commit to the advancement and development of the sector.

For over ten years **Fundación Atresmedia** has been promoting projects in favour of children's welfare, improving education and normalising disability through all the media channels in our multi-platform.

Of course, all of this is only part of the path that we still have to travel. Our commitment to a positive change in society is based on enhancing corporate responsibility and dialogue with the groups and forums dedicated to these areas. It forms part of our DNA, being committed to positive change, and we will continue to work to achieve this.

In 2016 we have not only met our objectives but also surpassed them. **Atresmedia** continues to be a benchmark in business but also in society as a result of our diverse and high quality model. Our ability to deal with new challenges through hard work, innovation and enthusiasm means that we can look to the future with optimism.

## KEY FIGURES OF ATRESMEDIA

The following table shows, by way of executive summary, the main results of **Atresmedia** grouped into three areas: **economic**, **social** and **environmental**.

<b>Economic dimension</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total net revenues (millions of €)	883.2	970.2	1,021.1
Gross operating profit (millions of €)	127.7	165.7	202.0
Net profit (millions of €)	46.8	99.2	129.1
Distributed economic value (millions of €)	657.9	698.1	738.7
Financial support received from Public Administrations (millions of €)	7.4	6.4	7.8
Ratio of advertising efficiency (adults)	1.51	1.54	1.52
Ratio of advertising efficiency (individuals)	1.55	1.58	1.55
Number of advertisers TV	824	858	858
Number of producers	22	30	30
Number of suppliers of goods and services	1,088	1,164	1,245
Average audience share of <b>Antena 3 Televisión</b> (%)	13.6	13.5	12.8
Average audience share of <b>laSexta</b> (%)	7.2	7.4	7.1
Average audience share of <b>Neox</b> (%)	2.6	2.6	2.5
Average audience share of <b>Nova</b> (%)	2.5	2.4	2.2
Average audience share of <b>Mega</b> (%)		0.9	1.8
Average audience share of <b>Atreseries</b> (%)		0.01	0.8
Number of listeners of <b>Onda Cero</b>	2,650,000	2,368,000	1,920,000
Number of listeners of <b>Europa FM</b>	2,078,000	1,954,000	1,947,000

<b>Economic dimension</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Number of listeners of <b>Melodía FM</b>	255,000	230,000	286,000
Number of unique users of <b>Atresmedia</b> websites (million)*	7.9	9.6	12.2
Number of members of the Board of Directors	13	12	13
Number of independent directors of the Board of Directors	3	3	4
Number of female members of the Board of Directors	2	3	4
Compliance with the Code on Good Governance recommendations**	-	48	56

\*Source: ComsCore

\*\* The new Code on Good Governance entered into force in 2015. Therefore, no data are included for 2014

<b>Social dimension</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Hours of children's programming broadcast	1,690	1,696	1,692
Cumulative hours of subtitling	21,327	26,055	36,159
Number of employees	1,806	1,917	2,022
% of women in the workforce	49.9%	49.5%	49.5%
Investment in training (€)	348,661	406,095	727,308
Hours of training per employee	22	26	22
Hours of corporate volunteering donated to the community	1,772	2,102	2,533
Foundation income contributed by Atresmedia (€)	300,000	500,000	500,000
Donations to NGOs through Atresmedia programmes	171,809	206,726	164,453
Complaints under the Self-regulation Code	8	2	3
Number of copyadvice requests to Self-control	772	876	1,028
Opportunity cost of broadcasting advertising slots on TV for NLEs* (€)	3,044,000	3,478,976	9,325,630
Opportunity cost of broadcasting advertising slots on radio for NLEs* (€)	3,494,228	2,543,913	2,643,127

\* NLEs: Non-lucrative Entities.

<b>Environmental dimension</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Consumption of white paper (kg)	26,844	27,566	26,813
Consumption of printer toner and cartridges (kg)	534	522	1,030
Consumption of fluorescent lights (units)	976	1,725	753
Solid urban waste (tonnes)	308	305	337
Gas consumption (m <sup>3</sup> )	15,308	13,646	12,365
Consumption of heating oil (litres)	469,696	489,032	481,056
Electricity consumption (kWh)	27,399,791	29,276,341	29,622,523
Water consumption (m <sup>3</sup> )	56,863	53,755	49,607
Direct GHG emissions (equivalent tonnes of CO <sub>2</sub> )	1,505	1,562	1,552
Environmental investment (€)	89,490	111,481	120,495
Adherence grade to the Carbon Disclosure Project (CDP)	58D	93C	C*

\* In 2016 CDP changed the evaluation method by deleting the numerical grade.

**ATRESMEDIA**

## Financial results

**Atresmedia** reported excellent results in 2016. It achieved its highest ever revenues; higher even than those reported in 2007 when the conventional advertising market was 34 % bigger than it is today. Thanks to the strong performance of all its media and platforms, the Company's net revenues, EBITDA and net profit all increased compared to 2016.

The advertising market in conventional media was worth a total of 5,234.7 million euros, up 4.3 % on the previous year, according to Infoadex.

- Net revenue totalled 1,021.1 million euros, up 5.2 % on the 970.2 million euros reported for 2015.
- EBITDA for the year totalled 201.9 million euros, with a margin on net revenue of 19.8 % compared with 17.0 % in 2015.
- Net profit for the year increased by 30.1 % to 129.2 million euros.
- The distributed economic value in the year amounted to 738.7 million euros.

## Atresmedia Televisión

The revenues generated by **Atresmedia's** Television Division increased markedly in the year; in fact, it reported its highest ever revenues despite operating in a market that has shrunk by 39 % since its peak in 2007. Although it operates one channel fewer than its main competitor, it has succeeded in developing a varied and competitive range of programming with attractive content that has resulted in impressive audience figures.

The division's financial results improved as a result in 2016:

- Net revenue totalled 909.5 million euros, up 6.1 % on the 857.4 million euros reported for 2015.
- EBITDA for the year totalled 169.4 million euros, an increase of 26.9 % on 2015 and with a margin on net revenue of 18.6 %.

## Atresmedia Radio

The Radio Division of the **Company** has released solid results despite the lower growth shown by the advertising radio market. The strength of the grid of the radio channels, renewed in 2015, together with the cost control, make **Atresmedia Radio** the most profitable radio company in Spain, with an EBITDA Margin on sales of 24 %.

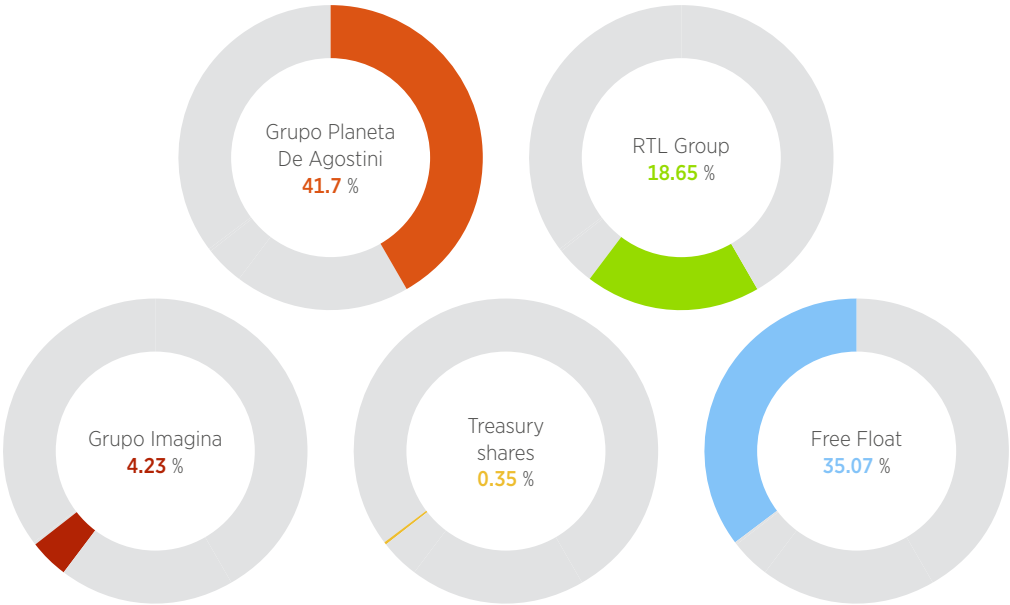
- Net revenue totalled 82.2 million euros, down 8.6 % on the 89.9 million euros reported for 2015.
- As costs were contained to almost the same extent by which revenues fell, EBITDA for the year totalled 19.7 million euros.
- The EBITDA margin on Net Revenues of the Radio Division maintained the same level of 2015: 24 %.

## Distribution of profit

The proposed distribution of the profit for the year 2016 that the Company's directors will submit for approval by the shareholders at the Annual General Meeting is as follows (in thousands of euros):

	2016
Interim dividends paid in 2016 (EUR 0.22/share)	49,487
Maximum final dividend (EUR 0.25/share)	56,433
To voluntary reserves	18,569
<b>Total</b>	<b>124,489</b>

# Shareholders Structure



There were no material changes in the shareholder structure in the year.

## Grupo Planeta De Agostini (41.7 %)

**Grupo Planeta De Agostini** is the result of a strategic alliance between Grupo Planeta and De Agostini. The group's aim is to secure its leading position in the publishing world, in new sectors of the economy and, in particular, in the audiovisual media industry.

**Grupo Planeta** is Spain's largest family-owned publishing and communications group and a leading provider in the areas of

culture, education, information and audiovisual entertainment. Since the foundation of Editorial Planeta in Barcelona in 1949, the Group, currently headed by José Creuheras, has combined sound business sense with a great capacity for innovation and a decidedly multinational approach.

Grupo Planeta leads the publishing market in Spain and Latin America, is second in the market in France and ranks among the top ten publishing enterprises worldwide. It owns

over 100 publishing imprints that encompass all the literary genres and it boasts a catalogue featuring over 15,000 Spanish and foreign authors, both classic and contemporary. It is also the leading education private group in Spain and has more than 100,000 students in 88 countries.

Grupo Planeta's international outlook begins with its strong roots in Europe and Latin America. Its presence in over twenty-five Spanish-, Portuguese- and French-speaking

countries gives it access to a market of nearly eight-hundred million people worldwide.

**Grupo De Agostini** is an Italian multinational group with operations in publishing, the production and distribution of content for television and cinema, and in the financial and insurance sectors. Founded in 1901, Grupo De Agostini has gradually expanded its activities from the historical editorial business, -the company is present in over 30 countries and publishes in 13 languages- to the diversification and international areas, fruit of the strategy implemented in 1997.

In December 2016 Grupo Planeta De Agostini restructured its investment in **Atresmedia**, and the company Grupo Pasa Cartera S.A.U. is now the direct holder of the Company's shares.

### **RTL Group (18.65 %)**

RTL Group S.A. holds its shares in **Atresmedia** via its subsidiary UFA FILM, GmbH. Since July 2001 Bertelsmann has been the majority shareholder of RTL Group.

With 60 television channels and 31 radio stations in 12 countries, RTL Group is Europe's leading company in the entertainment market. The company, whose head office is in Luxembourg, has investments in radio and television companies in Germany, France, Belgium, the Netherlands, Luxembourg, Spain,

Hungary, Croatia and Southeast Asia. Its shares are listed on the stock markets of Frankfurt, Brussels and Luxembourg.

**Television:** The RTL Group is the television company with the greatest number of viewers in Europe. Its channels, which include RTL in Germany, M6 in France, RTL 4 in the Netherlands and RTL-TV1 in Belgium, are viewed by millions of people every day.

The multinational also has investments in markets such as Hungary (RTL Klub, RTL II and six cable channels), Croatia (RTL Televizija, RTL 2 and RTL Kockica), and in Spain via Atresmedia. In August 2013, RTL and CBS Studios International announced a joint venture, RTL CBS Asia Entertainment Network, to launch two pay television channels in Southeast Asia: RTL CBS Entertainment HD and RTL CBS Extreme HD.

**Content:** FremantleMedia, RTL's content production division, is one of the largest international producers outside the United States. With operations in 31 countries, it produces over 10,000 hours of programming a year.

It is also one of the world's largest audiovisual rights distributors, selling more than 20,000 hours in 200 countries.

**Radio:** RTL operates radio stations in 6 countries with millions of listeners every day. It owns leading broadcasters in France (RTL) and has holdings in Germany (104.6 RTL

and Antenne Bayern), Belgium (Bel RTL and Radio Contact), in Spain, via Atresmedia (Onda Cero, Europa FM and Melodía FM) and Luxembourg (RTL Radio Lëtzebuerg, Eldorado).

**Digital:** RTL Group has become the leading European media company in on-line video and is ranked among Europe's top four global players in online video. In June 2015, RTL Group founded the RTL Digital Hub to oversee the investments in the multi-channel networks BroadbandTV and StyleHaul and in SpotX, one of the leading players in programmatic video advertising. RTL Group has also invested in Clypd, a pioneer in programmatic TV, and VideoAmp, a platform for cross-screen data optimisation.

### **Grupo Imagina (4.23 %)**

Grupo Imagina has operations throughout the world and is a leading producer and broadcaster of audiovisual products and sports events, being one of the most important audiovisual groups in Europe.

Grupo Imagina is shareholder of **Atresmedia Corporación** since 31<sup>st</sup> October 2012, year of the merger of **Antena 3** with **laSexta**, through Imagina Media Audiovisual, S.L. AND Media-producción, S.L.U.

## Composition of the Board of Directors



Mr. José  
Creuheras  
*Chairman*



Mr. Maurizio  
Carlotti  
*Vice-Chairman*



Mr. Silvio  
González  
*Chief Executive Officer*



Ms. Patricia  
Estany  
*Coordinating Director*



Mr. Josep Maria  
Benet  
*Member*



Mr. Mauricio  
Casals  
*Member*



Ms. Aurora  
Catà  
*Member*



Mr. Marco  
Drago  
*Member*



Ms. María  
Entrecanales  
*Member*



Mr. Elmar  
Heggen  
*Member*



Mr. José Manuel  
Lara  
*Member*



Ms. Mónica  
Ribé  
*Member*



Mr. Nicolas  
de Tavernost  
*Member*

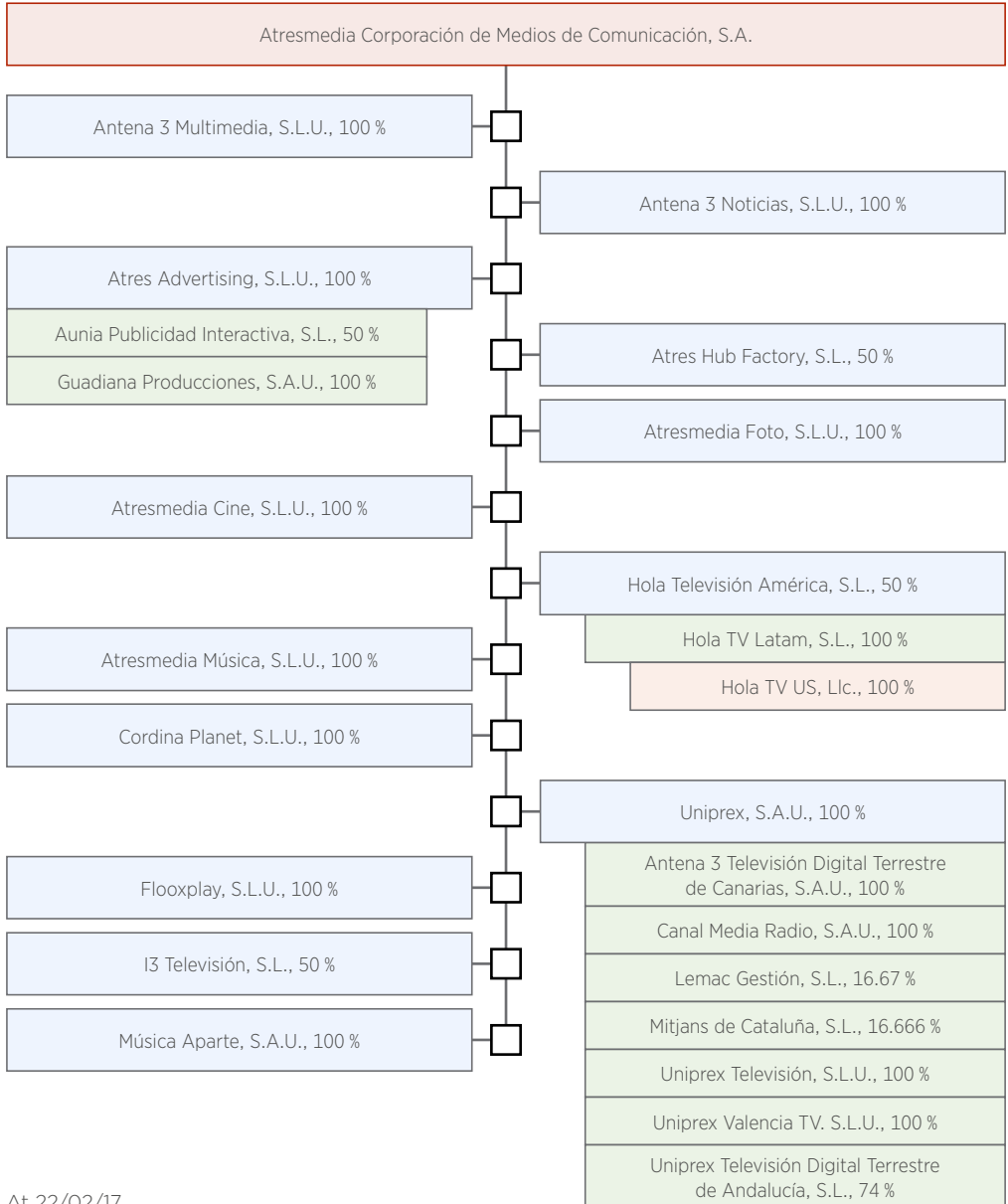


Mr. Manuel  
de la Viuda  
*Secretary*



Ms. Margarita  
González  
*Vice-Secretary*

# Atresmedia Companies: subsidiaries and associates



# Management Structure

## Corporate Organisation of Atresmedia

**Chief Executive Officer**  
Mr. Silvio González Moreno

**Corporate General Manager**  
Ms. Patricia Pérez González

**Chief Financial Officer**  
Mr. Antonio Manso Marcos

**Legal Advice Manager**  
Mr. Manuel de la Viuda Fernández de Heredia

**Regulatory and Institutional  
Relationships General Manager**  
Mr. Miguel Langle Barrasa

**Audit and Process Control Manager**  
Mr. Fernando Costi Pérez

**Director of Communication**  
Mr. Ignacio Mata Maeso

**Director of Strategy**  
Mr. Arturo Larraínzar Garijo

## Atresmedia Televisión

**General Manager**  
Mr. Javier Bardají Hernando

## Atresmedia Radio

**General Manager**  
Mr. Ramón Osorio de Rebellón

## Atresmedia Publicidad

**Chairman**  
Mr. Eduardo Olano Codesido

**General Manager**  
Mr. José Miguel García Gasco

## Atresmedia Digital

**General Manager**  
Ms. Patricia Pérez González

## Atresmedia Diversificación

**General Manager**  
Mr. Javier Nuche Sanz

## Atresmedia Cine

**Chairman**  
Mr. Mikel Lejarza Ortiz

## Fundación Atresmedia

**General Manager**  
Ms. Carmen Bieger Morales

## HIGHLIGHTS OF THE YEAR



### **Atresmedia Televisión reinforces a television model based on quality, innovation and plurality**

The television model of **Atresmedia** becomes more and more solid having quality, innovation and plurality as its main values. **Antena 3** ended 2016 as the leader television in December (13.3 %), and started 2017 leading January with 13.3 %. **laSexta**, that celebrates its 10<sup>th</sup> anniversary beats its direct competitor for fourth consecutive year, with 7.1 % audience share, consolidating the third position among private operators.

**Atresmedia** closed the year being the tv group with the highest growth, reaching 27.1 % in an environment with new free to air and pay operators. **Atresmedia** lead the commercial target in prime time, the most preferred target for brands, with 31.1 % audience share. The complementarity and success of its six channels, made **Atresmedia** the only group capable to grow significantly in this context, and become the preferred offer for the most attractive public in the highest audience slot.



**Atresmedia Televisión continued to set the standard for news.** Atresmedia's television channels once again led coverage of the general election on 26 June (24.3 %), the Galician and Basque elections on 25 September (making a total of seven elections in which **laSexta** was the number one choice nationwide) and the American election (26.6 %). Following on from the precedent set the previous year, in which it made history with **7-D: el debate decisivo**, with the four-person debate on 13 June, **Atresmedia** reached more than 4.6 million followers and had a 25.1 % average audience share.

- **Antena 3** ended the year as the leader television in December (13.3 %). It was also leader of the mornings (13.3 %) and first option on the weekends (12.0 %). The

channel reached 14.3 % audience share in the commercial slot with the highest audience.

**Antena 3** started 2017 leading January with 13.3 %. It was also the best channel in commercial target (13.3 %), in Prime Time (13.7 %), in the mornings (13.8 %) and in the weekends.

- **Antena 3 Noticias** faced a deep renewal with success and leads the weekend. **Antena 3** saw changes in its newscasts beginning in September with the arrival of **Santiago Gonzalez** as General Manager of **Antena 3 Noticias**. The Weekend edition was the undisputed leader on Saturdays and Sundays. To be precise, the first weekend edition led for the fourth consecutive year. **Antena 3 Noticias 1**, which has been presented



by **María Rey** and **Sandra Golpe** since September, ended the year with high records. **Antena 3 Noticias 2**, with **Vicente Vallés** at the helm, also reached excellent numbers growing month after month.

- **Velvet** and **Mar de plástico**, the top two premieres for Spanish fiction programmes in the past ten years, ended their runs with record numbers. **Velvet** said farewell to its viewers with a record high (26.2 %), becoming the most-watched fictional series of the season (3,586,000 viewers). It also made history by airing over fifteen minutes of its final episode live. **Mar de plástico** ended with a season high (20.6 %) and a finale that was the viewers' choice.
- **The penalties of the Champions League final between Real Madrid and Atlético de Madrid** garnered the highest television ratings of

2016, with 11,642,000 viewers. Last year, the Champions League ended its first season after returning to **Atresmedia** with a 34.1 % share and an average of 6,354,000 viewers (+0.5 points compared to 2015).

- **Tu cara me suena** once again revolutionised **Friday night**, ended up its best season ever and was the most watched program of Friday nights, being the absolute leader with 23.4% and 3,263,000 viewers.
- **El hormiguero 3.0** had its strongest year yet. The programme presented by **Pablo Motos** bet its all-time annual high and became the overall leader in its time slot, with an average of 14.9 % for 2016 and more than 2.7 million TV viewers (+0.5 points compared to 2015).





- **Espejo público** achieved its all-time annual high with 17.1 %, ending the year as the leader in its slot, with 16.8 % average audience share. In addition, **Un café con Susanna** grew stronger beginning in September, leading its slot from its premiere, with a 13.8 % share.
- **Karlos Arguiñano** keeps its good reception among viewers. The cooking show achieved a high average audience share, 14.5 % and 517,000 viewers.
- **La ruleta de la suerte** was the unassailable leader yet another year, with a 16.4 % share and almost one million followers.
- **Amar es para siempre** and **El secreto de Puente Viejo** leader fiction series of the afternoon slot. Both series kept solid records with 13.1 % and 1,483,000 viewers and 16.7 % (1,687,000 followers) respectively.



- **laSexta consolidated its third place among commercial TVs in the year of its 10<sup>th</sup> anniversary.** The channel got a 7.1 % audience share, surpassing Cuatro with the largest gap in its history.
- **laSexta Noticias achieved the best year in its history**, reporting its highest numbers, growing and surpassing its competitors. **laSexta Noticias 14 horas**, Monday-Friday, was the most-watched newscast, with a 13.4 % share and almost 1.4 million viewers.
- **Al rojo vivo** again had its best year ever, the most watched in its history with almost 700,000 viewers and a 12.5 % share. The show was the only morning news programme to see growth (0.8 points vs. 2015), leading its rival.
- **El intermedio** the favourite daily program of **laSexta**. It was once again the most-watched daily programme on **laSexta**, with 11.3 % share and more than 2 million followers.



- **Salvados** continued to be the network's most iconic show. It was the most-watched programme on **laSexta** in 2016 and overall leader with more than 2.7 viewers and a 13.9 % share. The "**Salvados: una hora en La Moncloa**" episode – which featured an interview with Prime Minister Mariano Rajoy – airing on 3 April, was the year's most-watched episode for the channel.
- **laSexta Noche** and **El objetivo**, reference programs in information content. The debate program aired on Saturdays and the news program shown on Sundays are the favourite ones to follow current affairs.
- **Más vale tarde** achieved an all-time high with a 7.8 % share and 759,000 followers. The show continued to grow yet another year, in keeping with the trend it has followed since it began airing.
- **Pesadilla en la cocina**, leader in commercial target. The program presented by Alberto Chicote had its second best season, with a 12.2 % share. It was the overall leader in the commercial target with 16.6 %.
- **Enviado especial**, a new successful brand in **laSexta**. Conducted by **Jalis de la Serna**, this program analyses in depth problems such as obesity, weapons and the market changes resulting from imports of Chinese products. **Enviado Especial** achieved 9.1 % audience share.



- **Zapeando** also had its best year, with a 7.3 % share and over 870,000 followers, up from 2015.
- Also up was **Jugones**, which had the best year in its history, obtaining a 5.6 % share (+0.4 over 2015).
- **laSexta Columna**, the news documentary programme airing on **laSexta**, also set its best annual record with an 8 % share.
- **Mega** and **Atreseries** leaders in 2016. The two new channels which joined **Atresmedia** in 2015 reported good results throughout 2016. **Mega** ended its first full year with a 1.8 % share and as the overall early morning leader with 7.4 %. **Atreseries**, the HD channel that rounded out the group's entertainment offerings, was the top new specialised channel with a 0.8 % share.
- **Neox** and **Nova** consolidate their position in the afternoon. **Neox** ended the year with 2.5 %, leading afternoon specialised offerings with a 2.9 % share and among viewers 18-35 (6 %). **Nova** finished 2016 with 2.2 % and was the top DTTV channel Monday-Friday afternoons, with a 3.1 % share.





## Atresmedia Radio continues its renewal with a solid financial position and the best earnings rates

In 2016, **Atresmedia's** Radio Division continued its bet on quality and plurality. **Onda Cero** added **José Ramón de la Morena**, a leader in night-time radio with **El transistor**, and **Frank Blanco** joined **Europa FM** at the helm of the first after-work show on Spanish radio.

- **The most profitable and solid radios of the sector.** **Atresmedia Radio** ended 2016 with the best revenue per listener and one of the most solid financial positions in the reporting Net Revenues of 82.2 mill €.



- **A radio of reference in Spain.** **Atresmedia Radio** finished the year consolidating its leading position in the radio market and continued to demonstrate its strength and influence. **Atresmedia's** radio division reached an average audience of 4.2 million listeners.
- **Onda Cero increases its audience.** With an average of more than two million listeners, **Onda Cero** held the number three position among general interest radio stations, ending the year as the only station to increase its audience, according to the last survey (Encuesta General de Medios). Moreover, **Onda Cero** had an average audience in the year of almost 2 million listeners.
- **Successful morning show *Más de uno. Más de uno*,** with **Carlos Alsina** and **Juan Ramón Lucas**, earned an audience of more than 1.2 million listeners per day in 2016.
- **Betting for the best sports programming.** **José Ramón de la Morena** debuted on **Onda Cero** with 372,000 listeners, doubling the audience for his time slot.



- **Compromise with the analysis and the information in the highest audience slots.** **Noticias Mediodía** ended the year as the number two news show in its slot, with 204,000 listeners. **Julia Otero** consolidates its program in the second place of the ranking of the evening shows, and each night, 323,000 listeners tune in for **La brújula**.
- **Isabel Gemio** and **Te doy mi palabra** maintained their commitment to listeners and society, with 618,000 and 587,000 listeners on Saturdays and Sundays respectively.
- **Successful formulas of Europa FM and Melodía FM.** **Europa FM**, with almost 2 million listeners, held its position at number three among specialised stations. **Melodía FM**, one of the youngest formulas on Spanish radio, grew to 286,000 listeners as an average in 2016 (269,000 in the last survey).
- **Levántate y Cárdenas: yet another year of growth.** The morning show **Levántate y Cárdenas**, gathered more than 1.1 million dreamers every morning with a successful mixture of entertainment, current affairs, good music and humor with **Javier Cárdenas** at the helm.



## Atresmedia Publicidad

- **Atresmedia Publicidad was the highest ranked exclusive agent for television**, leading in sales service and advertising effectiveness.
- **The audiovisual group with the best reputation.** Studies such as RepTrak España, Personality Media, Media Scope, Superbrands and Randstad Award once again demonstrated that **Atresmedia** is the audiovisual group with the best reputation.
- **Atresmedia's commercial offerings were ranked number two by Comscore**, only surpassed by Google, with over 27 million users, reaching 84 % of the online population.
- **Eduardo Olano was appointed as the new Chairman of Atresmedia Publicidad**, passing the General Manager's baton to **José Miguel García-Gasco**. **Beatriz Medina**, Digital General Manager of **Atresmedia Publicidad**, was named chair of the board of directors for IAB Spain.
- **Atresmedia Publicidad launched Iceberg**, an innovative initiative providing access to **Atresmedia's entire digital advertising portfolio**. This year also saw the launch of **Atresdata**, a new and revolutionary tool for improving affinity and effectiveness in television advertising sales.
- **Consolidation of MABS. Atresmedia Publicidad** made a strong showing with the second edition of the **Management & Business Summit**, a major gathering of global executives and leaders.
- **The importance of television to increase awareness.** **Atresmedia Publicidad** and Tres14Research once again conducted the ROIMAP study, reflecting the continued increase of the importance of television in increasing awareness.
- **Special advertising actions with big companies.** **Atresmedia Publicidad** worked with Twentieth Century Fox, Ikea, DKV, Adeslas, Heineken, Bwin and Gas Natural Fenosa on special actions in 2016.



## Atresmedia maintains its position as the leading online audiovisual group

As a group, **Atresmedia's** websites ended 2016 with a monthly average of more than 24 million unique users, up 14 % on 2015, maintaining the corporation's position as the leading audiovisual group on the Internet.

- Throughout 2016, the **Antena 3** website received an average of 8 million unique users per month.
- **This year, the Antena 3 news portal was again a key element of Atresmedia's digital growth**, topping its 2015 figures by 16 % and attracting 3.6 million monthly users interested in the intense Spanish and international political agenda. The latter included such issues as the American presidential election and the Brexit vote, among others.
- **laSexta Noticias website tripled its 2015 numbers.** **laSexta Noticias** website was responsible for one of **Atresmedia's** milestones in the digital arena. It succeeded in tripling its 2015 numbers, to more than 2.8 million users, becoming the television

website with the highest growth in 2016 and consolidating its position as the number three television website in Spain.

- **One year after its launch, Flooxer consolidated its position as a creators' platform, with more than one million users per month enjoying its content**, which included over 15,000 videos on its first anniversary. In addition, the series **Paquita Salas**, released on **Flooxer**, caught the eye of a large audience of viewers and critics, and was recognised with several awards.
- **Atresplayer was the leading platform, with over 4.8 million monthly users** and more than 600 million video plays per year. It ended the year with over 4.5 million registered users, 1 million more than at the close of 2015.
- **Over 6.8 million users visited Atresmedia's Thematic & Partners websites, 30% more than the previous year.** This was the result of the addition of new titles, seeking to diversify and search out new user niches.

## Atresmedia Diversificación: the expansion model consolidates its position

This Division groups together the **Atresmedia** businesses not linked to advertising and is made up of four areas: **International**, **Media for Equity**, **New Businesses** and **Music Rights Management**.

- **Atresmedia is the group with the highest number of subscribers only after the big American majors.** This shows the high capacity of penetration in the pay TV market.
- **Atresmedia Group's three international channels – Antena 3 Internacional, Atreseries and iHOLA! TV – reached 45 million subscriber homes, up 40 % from 2015.**
- **Antena 3 Internacional celebrated its twentieth anniversary in 2016,** debuting in Canada, the United Kingdom, Australia and Equatorial Guinea. This increased its subscribers by 20 % over the previous financial year.
- **Atresmedia Diversificación's Media for Equity model established itself as a key player in the Spanish venture capital sector.** At year end, the **Atresmedia** portfolio included ten companies in which it has shareholdings, notably, some of the most promising Spanish start-ups.



## Atresmedia Cine: another year of box office growth

- **Atresmedia Cine premiered twelve films in 2016, which accounted for 38.4 % of the total Spanish box office, up nine points on 2015.** All of the new films ranked among the top twenty five money-makers, and five were in the top ten.
- **Atresmedia Cine won two Goya Awards with *El hombre de las mil caras* for Best Screenplay and Best Leading Actor, Eduard Fernández.** This film also won other prizes: Premio Feroz, Gaudí, and San Sebastian.
- ***Palmeras en la nieve* continued its successful run, bringing in a total of 16.8 million euros at the box office in 2016.**
- **The two biggest Spanish comedy box-office hits of the year, *Cuerpo de élite* and *Villaviciosa de al lado*, were Atresmedia Cine productions.**



## Corporate Responsibility: Atresmedia's commitment to sustainability

### Economic and corporate dimension

Atresmedia is recognised by the RepTrak España 2016 study as the Audiovisual Group with the best reputation

**Atresmedia** is the audiovisual company with the best reputation among Spanish consumers in terms of financial results, products and services offered, integrity, good citizenship, leadership, innovation and working environment, according to data from the study RepTrak España 2016.

For all indicators analysed in the study, which is based on 8,084 interviews and 32,000 assessments of 290 companies, **Atresmedia** ranked considerably higher than its main competitors.

In the opinion of consumers, the **Group's** strongest points are its financial soundness, innovation capacity, leadership position among competing companies, and its news and entertainment offerings.

Third Personality Media Image Study places Atresmedia Televisión at the top of the ranking of programmes with the highest quality

According to the latest analysis in the third television Image Study, conducted by Personality Media, **Antena 3** and **laSexta** are the Spanish channels with the highest quality, the favourites among Spaniards, the most entertaining, with the



best news programmes and presentors, and the most varied programming.

The study puts **Atresmedia Televisión** at the head of the ranking of the Top 15 highest quality programmes. For the third year, between them, **Antena 3** and **laSexta** garnered the top position in 10 of the 11 categories that make up this study, which measures the positive attributes of channels.

#### Atresmedia joins Forética, leading CSR forum in Spain, participating in the Transparency, Good Governance and Integrity Cluster

**Atresmedia** has signed a co-operation agreement with Forética, making the audiovisual company the first communications group to become a member of one of the leading CSR and sustainability organisations in Spain and Latin America. With this co-operation agreement, the **Group** seeks to more actively and dynamically promote the **Company's** corporate responsibility strategy, as well as continuing to make a positive contribution to society, individuals and the environment in order to ensure a more sustainable future.

Within Forética, **Atresmedia** will also be part of the Transparency Cluster, through which the top global trends and discussions around trans-

parency, good governance and integrity will be incorporated into the Spanish context.

#### Atresmedia climbs to number 18 in the Reporta 2016 report and is the media company with the best public information

The Reporta 2016 report, published by DEVA, evaluates the quality of the financial and non-financial information of the 113 companies that make up the IGBM stock index (Index of the Madrid Stock Exchange). The study looks at three aspects: transparency, importance and accessibility of the information published. For the fourth consecutive year, with 73.4 points, **Atresmedia** is the media company with the best position in the ranking, climbing 11 places from its 2015 spot, from 29 to 18. Additionally, **Atresmedia** is the media company with the best score in all three assessment criteria.

#### Most attractive employer among communications groups, according to the 2016 Randstad Employer Branding Report

**Atresmedia's** HR policies have earned it the title "most attractive employer in the telecommunications industry" for the fourth consecutive year, according to the 2016 Randstad Employer Branding Report.



This study, which represents the best independent international analysis recognising the most attractive employers, also shows **Atresmedia** to be the third most attractive company in Spain, with 64.26 % of those surveyed choosing it as the **Company** they would like to join as an employee. The **Company** leads the ranking among young people aged 18-24 and is the best positioned in the “interesting job content” and “pleasant working atmosphere” categories, where it ranks number one.

Atresmedia Formación is created to contribute to the advancement of the audiovisual sector

**Atresmedia** took another step forward in its commitment to the audiovisual industry in 2016, creating **Atresmedia Formación**, an initiative aimed at training future audiovisual media professionals, supporting the progress and development of the sector.

Due to the **Group's** experience and considerable technical and professional capacity, **Atresmedia Formación** has developed a comprehensive and specialised range of training offerings suited to the working reality of media and communications companies. The catalogue is made up of 438 practical single-subject courses specialising in subjects relevant to the environment: television, radio, cinema, music, etc., as well as other areas: communication skills, computing, multimedia, etc.

### Social dimension

Atresmedia subtitles almost 100 % of its live broadcasts

Among **Atresmedia's** priorities is increasing and facilitating access to audiovisual content for all people, regardless of their auditory or visual capacity. In 2016, live programming was the most important focus, and with the exception of sporting events, almost 100 % of live broadcasts were subtitled, including all general interest news.





The group provides space valued at almost 12 million euros for NGO advertising campaigns, 49 % more than the previous year

In order to disseminate information about the work of different non-profit-making organisations and increase public awareness of their causes, **Atresmedia** provides free television and radio advertising space valued at 11,968,757 euros, representing a 49 % increase in this type of support over the previous year.

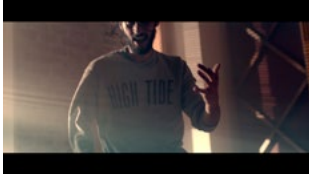
**Ponle Freno** races expand into other areas of Spain, now in Madrid, Vitoria, Tenerife and Vigo

The **Ponle Freno** races are continuing to expand into other areas of Spain. The cities hosting this major road safety event now number four. Madrid continues to draw the largest crowds, with 20,000 runners at its eighth edition. Vigo's first edition was a success, attracting 1,000 runners, and Tene-

rife and Vitoria have reinforced their participation with their second and third editions, respectively. These races enabled **Ponle Freno** to raise more than 200,000 euros, which have been allocated to different projects supporting the victims of traffic accidents.

**Objetivo Bienestar** holds its second wellbeing conference

The **2<sup>nd</sup> Objetivo Bienestar Conference** was held in June 2016 at Ateneo de Madrid. At this second edition, the aim was to approach the concept of wellbeing from a practical perspective which could be applied to everyday life, placing special emphasis on issues such as emotional intelligence, interpersonal relationships, managing change, the search for happiness and self-improvement. The gathering featured such noted speakers as **Luis Rojas Marcos, Silvia Congost, Pedro García Aguado, Mila Cahue, Enrique Rojas, Tomás Navarro, Javier Iriondo** and **Lary León**.



### More than 100,000 people join the **Constantes y Vitales** campaign for the use and installation of defibrillators

In 2016, **Constantes y Vitales** set itself a new and ambitious goal: asking autonomous communities to regulate the use and installation of defibrillators in public spaces. In just one month, more than 50,000 people joined the campaign, totalling over 100,000 by the end of the year. In addition, three autonomous communities have announced that they are taking steps to become cardiac-protected regions: Asturias, Murcia and Madrid. What is more, thanks to the campaign, numerous private companies and organisations have joined the initiative, installing defibrillators in their locations. These include **Atresmedia**, which became a cardiac-protected space in 2016, placing eight defibrillators in its facilities.

### **Crea Cultura** launches its new campaign: "Está en tu mano"

**Crea Cultura** had launched a new campaign with the aim of conveying the importance of culture

and responsible consumption of the same. Under the slogan "Está en tu mano", the campaign seeks to raise awareness of responsibility among digital consumers, getting them involved in content creation. The campaign was launched in collaboration with Google, Fece, Fedicine and Movirecord.

### **Tolerancia Cero** airs over 70 reports and pieces on **Antena 3 Noticias** to raise awareness of gender-based violence

In 2015, **Antena 3 Noticias** and the Mutua Madrileña Foundation created the **Tolerancia Cero** initiative, aimed at raising awareness, encouraging reports to the police and sensitisation through education around this scourge of society. In 2016, spots were aired on all radio stations, and all of the group's websites and social networks spotlighted this initiative. In addition, through its news programmes, **Atresmedia** used all of its communication powers to raise awareness among the population, airing over 70 pieces and reports discussing the problem of gender-based violence.

Fundación Atresmedia's iGrandes Profes! initiative brings together almost 5,000 teachers

One of the **Fundación Atresmedia's** most recognised actions is the **iGrandes Profes!** initiative, which in 2016 brought together more than 1,400 teachers in person, with 3,500 attending via streaming. The goal of the event is to strengthen the figure of the teacher and give them tools for their everyday work in the classroom. On this occasion, it featured highly respected speakers from different fields, including **César Bona**, **Victor Küppers**, Nachi Picas and **Nuria Roca**, who shared experiences and tips to provide inspiration for attendees and give them examples to follow in their daily work with students.

209 Atresmedia employees participate in the Voluntariado Corporativo Programme, donating more than 2,500 volunteer hours to social welfare organisations

**Atresmedia** has a comprehensive corporate volunteerism programme which attracts more and more employee participation with each passing year. In 2016, **Atresmedia** offered 15 volunteer activities, helping 13 different social welfare organisations. 209 volunteers took part, donating 2,533 hours of their time to soup kitchens, providing companionship for the elderly and disabled, and training workshops for unemployed youth.





## Environmental dimension

Atresmedia and National Geographic Channel join forces against climate change with the premiere of *Before the Flood*

**Atresmedia** programming includes a wide variety of content on environmental protection, with very specific messages to help build a society that is more respectful of its environment. In 2016, National Geographic Channel and **Atresmedia Televisión** joined forces against climate change with the premiere of *Before the Flood*, produced by **Leonardo DiCaprio** and **Martin Scorsese**, and directed by **Fisher Stevens**. The goal was to send out a warning to the world on the state of the environment and the fight against climate change.

Hazte Eco joins forces with Intermon Oxfam for the Marrakech Climate Change Conference

**Hazte Eco**, the **Atresmedia** initiative supporting the protection and defence of the environment and promoting community involvement in this area, joined forces with Oxfam Intermon in 2016 to send out a message of awareness-raising and action against climate change through the campaign "El cambio climático afecta más a quienes tienen menos", on the occasion of the Marrakech Climate Change Conference. The awareness-raising campaign consisted of airing a spot on **Neox**, as well as coverage of the conference on **laSexta** news shows. For its part, the website [hazteeco.es](http://hazteeco.es) created a specific section for this cause and the **Neox** programme **Hazte Eco** devoted a special programme to it.

# FINANCIAL STATEMENTS

## Balance Sheet of Atresmedia Corporación de Medios de Comunicación, S.A. at 31 December 2016 (Thousands of euros)

ASSETS	2016	2015
<b>NON-CURRENT ASSETS</b>	<b>575,462</b>	<b>598,269</b>
<b>Intangible assets</b>	<b>78,421</b>	<b>83,725</b>
Licences and trademarks	67,057	73,914
Computer software	10,037	8,025
Other intangible assets	1,327	1,786
<b>Property, plant and equipment</b>	<b>36,599</b>	<b>39,060</b>
Land and buildings	21,836	22,693
Plant and other items of property, plant and equipment	14,762	16,263
Property, plant and equipment in the course of construction	1	104
<b>Non-current investments in Group companies and associates</b>	<b>205,034</b>	<b>204,839</b>
Equity instruments	117,661	97,648
Loans to companies	87,373	107,191
<b>Non-current financial assets</b>	<b>17,252</b>	<b>14,419</b>
Other financial assets	17,252	14,419
<b>Deferred tax assets</b>	<b>238,156</b>	<b>256,226</b>
<b>CURRENT ASSETS</b>	<b>660,539</b>	<b>596,019</b>
Inventories	383,011	350,005
Programme rights	376,460	340,794
Raw and other materials	3,785	3,379
Advances to suppliers	2,766	5,832
Trade and other receivables	194,429	189,818
Trade receivables for sales and services	10,273	7,921
Trade receivables from Group companies and associates	176,485	172,346
Sundry accounts receivable	2,246	2,454
Employee receivables	94	139
Current tax assets	5,167	6,793
Other accounts receivable from public authorities	164	165
Current investments in Group companies and associates	49,801	40,961
Loans to companies	49,801	40,961
Current financial assets	28,899	14,303
Derivatives	8,767	13,112
Financial assets	101	260
Other financial assets	20,031	931
Current prepayments and accrued income	3,675	-
Cash and cash equivalents	724	932
Cash	724	932
<b>TOTAL ASSETS</b>	<b>1,236,001</b>	<b>1,194,288</b>

This financial information derives from **Antena 3 Group's** Financial Statements which are available in their entirety on Atresmedia web page: [www.atresmediacorporacion.com](http://www.atresmediacorporacion.com).

<b>EQUITY AND LIABILITIES</b>	<b>2016</b>	<b>2015</b>
<b>EQUITY</b>	<b>463,267</b>	<b>434,826</b>
<b>SHAREHOLDERS' EQUITY-</b>		
<b>Share capital</b>	<b>207,604</b>	<b>207,604</b>
Registered share capital	169,300	169,300
Share premium	38,304	38,304
<b>Reserves</b>	<b>184,070</b>	<b>182,061</b>
Legal and bylaw reserves	42,474	42,474
Other reserves	141,596	139,587
<b>Treasury shares</b>	<b>(8,810)</b>	<b>(8,666)</b>
<b>Other equity instruments</b>	<b>798</b>	<b>2,129</b>
<b>Profit for the year</b>	<b>124,489</b>	<b>89,503</b>
<b>Interim dividend</b>	<b>(49,487)</b>	<b>(40,490)</b>
<b>VALUATION ADJUSTMENTS-</b>		
<b>Hedges</b>	<b>4,603</b>	<b>2,685</b>
<b>NON-CURRENT LIABILITIES</b>	<b>129,396</b>	<b>194,829</b>
<b>Non-current payables</b>	<b>112,630</b>	<b>176,348</b>
Bank borrowings	103,478	127,437
Derivatives	1,963	2,757
Other non-current payables	7,189	46,154
<b>Non-current payables to Group companies and associates</b>	<b>2</b>	<b>2</b>
<b>Deferred tax liabilities</b>	<b>16,764</b>	<b>18,479</b>
<b>CURRENT LIABILITIES</b>	<b>643,338</b>	<b>564,633</b>
<b>Short-term provisions</b>	<b>27,443</b>	<b>22,906</b>
<b>Bank borrowings</b>	<b>76,499</b>	<b>31,838</b>
<b>Financial derivatives</b>	<b>3</b>	<b>145</b>
<b>Current payables to Group companies and associates</b>	<b>91,832</b>	<b>95,531</b>
<b>Trade and other payables</b>	<b>447,509</b>	<b>411,346</b>
Payable to suppliers	359,004	326,511
Payable to suppliers - Group companies and associates	64,591	62,402
Sundry accounts payable	29	29
Remuneration payable	12,488	11,513
Current tax liabilities	838	
Other accounts payable to public authorities	10,194	10,709
Customer advances	365	182
<b>Current accruals and deferred income</b>	<b>52</b>	<b>2,867</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,236,001</b>	<b>1,194,288</b>

## Statement of Profit or Loss of Atresmedia Corporación de Medios de Comunicación, S.A. for 2016 (Thousands of euros)

	2016	2015
<b>CONTINUING OPERATIONS</b>		
<b>Revenue</b>	<b>802,882</b>	<b>764,232</b>
Advertising revenue	802,882	764,232
<b>Procurements</b>	<b>(455,826)</b>	<b>(452,708)</b>
Programme amortisation and other	(682,234)	(686,099)
Cost of raw materials and other consumables used	(2,001)	(2,345)
Inventories	228,409	235,736
<b>Other operating income</b>	<b>49,417</b>	<b>37,567</b>
Non-core and other current operating income/Other services	49,417	37,567
<b>Staff costs</b>	<b>(50,026)</b>	<b>(44,973)</b>
Wages, salaries and similar expenses	(43,503)	(38,407)
Employee benefit costs	(6,523)	(6,566)
<b>Other operating expenses</b>	<b>(214,312)</b>	<b>(205,943)</b>
Outside services	(212,701)	(202,876)
Taxes other than income tax	(968)	(953)
Losses on and write-down of trade receivables and changes in provisions for commercial transactions	(643)	(2,114)
<b>Depreciation and amortisation charge</b>	<b>(21,254)</b>	<b>(14,654)</b>
<b>Excessive provisions</b>	<b>2,878</b>	<b>6,602</b>
<b>Impairment and gains or losses on disposals of non-current assets</b>	<b>8</b>	<b>(46)</b>
Gains or losses on disposals and other	8	(46)
<b>PROFIT FROM OPERATIONS</b>	<b>113,767</b>	<b>90,077</b>
<b>Finance income</b>	<b>36,739</b>	<b>29,489</b>
From investments in equity instruments	32,400	23,220
- Group companies and associates	32,400	23,220
From marketable securities and other financial instruments	4,339	6,269
- Group companies and associates	3,798	5,518
- Third parties	541	751
<b>Finance costs</b>	<b>(6,205)</b>	<b>(11,435)</b>
On debts to Group companies and associates	(588)	(1,060)
On debts to third parties	(5,617)	(10,375)
<b>Changes in fair value of financial instruments</b>	<b>(6,919)</b>	<b>(8,002)</b>
Held-for-trading financial assets/liabilities and other	(6,919)	(8,002)
<b>Exchange differences</b>	<b>7,908</b>	<b>4,961</b>
<b>Impairment and gains or losses on disposals of financial instruments</b>	<b>11,116</b>	<b>2,559</b>
Impairment and other losses	9,902	54
Gains or losses on disposals and other	1,214	2,505
<b>FINANCIAL PROFIT</b>	<b>42,639</b>	<b>17,572</b>
<b>PROFIT BEFORE TAX</b>	<b>156,406</b>	<b>107,649</b>
Income tax	(31,917)	(18,146)
<b>PROFIT FOR THE YEAR</b>	<b>124,489</b>	<b>89,503</b>

## Statement of Changes in Equity of Atresmedia Corporación de Medios de Comunicación, S.A. for 2016 (Thousands of euros)

### A) Statements of Recognised Income and Expense

	2016	2015
<b>PROFIT PER STATEMENT OF PROFIT OR LOSS (I)</b>	<b>124,489</b>	<b>89,503</b>
<b>Income and expense recognised directly in equity:</b>		
- Arising from cash flow hedges	3,306	1,175
- Tax effect	(826)	(329)
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II)</b>	<b>2,480</b>	<b>846</b>
<b>Transfers to profit or loss:</b>		
- Arising from cash flow hedges	(749)	(466)
- Tax effect	187	130
<b>TOTAL TRANSFERS TO PROFIT OR LOSS (III)</b>	<b>(562)</b>	<b>(336)</b>
<b>TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)</b>	<b>126,407</b>	<b>90,013</b>

## Statement of Changes in Equity of Atresmedia Corporación de Medios de Comunicación, S.A. for 2016 (Thousands of euros)

### B) Statement of Changes in Total Equity

	Share capital	Share premium	Reserves
<b>BEGINNING BALANCE AT 01/01/15</b>	<b>169,300</b>	<b>38,304</b>	<b>179,481</b>
<b>Total recognised income/(expense)</b>	-	-	-
<b>Distribution of profit</b>			
Interim dividends paid	-	-	-
Prior year's dividends paid	-	-	(22,423)
<b>Treasury share transactions</b>			
Treasury share transactions (net)	-	-	-
Other transactions with shareholders	-	-	2,111
<b>Other changes in equity</b>			
Transfers between equity items	-	-	22,892
<b>ENDING BALANCE AT 31/12/15</b>	<b>169,300</b>	<b>38,304</b>	<b>182,061</b>
<b>Total recognised income/(expense)</b>	-	-	-
<b>Transactions with shareholders</b>	-	-	<b>(6,658)</b>
<b>Distribution of profit</b>			
Interim dividends paid	-	-	-
Prior year's dividends paid	-	-	(40,347)
<b>Treasury share transactions</b>			
Treasury share transactions (net)	-	-	-
Other transactions	-	-	-
<b>Other changes in equity</b>			
Transfers between equity items	-	-	49,013
<b>ENDING BALANCE AT 31/12/16</b>	<b>169,300</b>	<b>38,304</b>	<b>184,070</b>

	Interim dividend	Treasury shares	Profit for the year	Other equity instruments	Valuation adjustments	Total equity
	(22,341)	(7,202)	45,233	3,088	2,175	408,038
	-	-	89,503	-	510	90,013
	(40,490)	-	-	-	-	(40,490)
	22,341	-	(22,341)	-	-	(22,423)
	-	-	-	-	-	-
	-	(7,215)	-	-	-	(7,215)
	-	5,751	-	(959)	-	6,903
	-	-	(22,892)	-	-	-
	(40,490)	(8,666)	89,503	2,129	2,685	434,826
	-	-	124,489	-	1,918	126,407
	-	8,787	-	(2,129)	-	-
	(49,487)	-	-	-	-	(49,487)
	40,490	-	(40,490)	-	-	(40,347)
	-	(8,931)	-	-	-	(8,931)
	-	-	-	798	-	798
	-	-	(49,013)	-	-	-
	(49,487)	(8,810)	124,489	798	4,603	463,267

## Statement of Cash Flows of Atresmedia Corporación de Medios de Comunicación, S.A. for 2016 (Thousands of euros)

	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES (I)</b>	<b>84,042</b>	<b>33,203</b>
Profit for the year before tax	156,406	107,649
Adjustments for:	(23,566)	4,669
- Depreciation and amortisation charge	21,254	14,654
- Impairment losses	(11,116)	(2,559)
- Changes in provisions	(2,173)	7,541
- Gains on derecognition and disposal of non-current assets	(8)	46
- Finance income	(36,739)	(29,489)
- Finance costs	6,205	11,435
- Exchange differences	(7,908)	(4,961)
- Changes in fair value of financial instruments	6,919	8,002
<b>Changes in working capital</b>	<b>(54,550)</b>	<b>(70,333)</b>
- Inventories	(30,813)	(63,585)
- Trade and other receivables	(2,936)	(4,829)
- Trade and other payables	(1,452)	(9,760)
- Other current assets and liabilities	(19,349)	7,841
<b>Other cash flows from operating activities</b>	<b>5,752</b>	<b>(8,782)</b>
- Interest paid	(3,876)	(9,514)
- Dividends received	32,400	23,263
- Income tax recovered (paid)	(22,772)	(22,531)
<b>CASH FLOWS FROM INVESTING ACTIVITIES (II)</b>	<b>(23,706)</b>	<b>(17,158)</b>
Payments due to investment	(26,949)	(23,321)
- Group companies and associates	(13,491)	(9,452)
- Property, plant and equipment and intangible assets	(13,458)	(13,869)
Proceeds from disposal	3,243	6,163
- Group companies and associates	3,243	6,163
<b>CASH FLOWS FROM FINANCING ACTIVITIES (III)</b>	<b>(60,544)</b>	<b>(46,113)</b>
Proceeds and payments relating to equity instruments	(8,931)	(7,215)
- Disposal of treasury shares	(8,931)	(7,215)
Proceeds and payments relating to financial liability instruments	38,221	24,015
- Repayment of bank borrowings	20,702	(5,915)
- Proceeds from issue of borrowings from Group companies and associates	17,519	29,930
Dividends and returns on other equity instruments paid	(89,834)	(62,913)
- Dividends	(89,834)	(62,913)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)</b>	<b>(208)</b>	<b>(30,068)</b>
Cash and cash equivalents at beginning of year	932	31,000
Cash and cash equivalents at end of year	724	932

## Consolidated Balance Sheet of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries at 31 December 2016

(Thousands of euros)

	31-12-16	31-12-15
<b>ASSETS</b>		
Goodwill	150,012	150,012
Other intangible assets	135,616	140,298
Property, plant and equipment	44,658	46,338
Investments accounted for using the equity method	233	235
Non-current financial assets	14,436	11,858
Derivative financial instruments	3,149	2,770
Deferred tax assets	272,431	289,328
<b>NON-CURRENT ASSETS</b>	<b>620,535</b>	<b>640,839</b>
Programme rights	392,450	348,668
Inventories	3,788	3,382
Trade receivables for sales and services	244,891	230,842
Other receivables	3,305	3,744
Current tax assets	5,167	6,793
Derivative financial instruments	8,767	13,112
Other current financial assets	25,654	7,223
Other current assets	3,752	205
Cash and cash equivalents	1,562	1,017
<b>CURRENT ASSETS</b>	<b>689,336</b>	<b>614,986</b>
<b>TOTAL ASSETS</b>	<b>1,309,871</b>	<b>1,255,825</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	169,300	169,300
Share premium	38,304	38,304
Restricted reserves	42,475	42,475
Retained earnings	320,493	279,923
Treasury shares	(8,810)	(8,666)
Interim dividends	(49,487)	(40,490)
Other equity instruments	798	2,129
Valuation adjustments	4,603	2,685
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>517,676</b>	<b>485,660</b>
Non-controlling interests	(117)	(78)
<b>EQUITY</b>	<b>517,559</b>	<b>485,582</b>
Bank borrowings	103,478	127,437
Derivative financial instruments	1,963	2,757
Other non-current financial liabilities	315	346
Deferred tax liabilities	27,140	26,180
Other non-current liabilities	7,759	46,611
<b>NON-CURRENT LIABILITIES</b>	<b>140,659</b>	<b>203,331</b>
Provisions	99,489	92,997
Bank borrowings	76,655	32,044
Derivative financial instruments	3	145
Other current financial liabilities	2,160	1,561
Payable to suppliers	432,128	399,194
Other payables	36,505	37,110
Current tax liabilities	838	-
Other current liabilities	3,875	3,861
<b>CURRENT LIABILITIES</b>	<b>651,653</b>	<b>566,912</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,309,871</b>	<b>1,255,825</b>

**Consolidated Statement of Profit or Loss of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries for the year ended 31 December 2016** (Thousands of euros)

	2016	2015
Revenue	962,583	924,569
Other operating income	58,531	45,637
Programme amortisation and other procurements	(462,926)	(467,121)
Staff costs	(131,169)	(122,115)
Other operating expenses	(225,029)	(215,272)
Depreciation and amortisation charge	(17,759)	(17,431)
Impairment and gains or losses on disposals of non-current assets	208	(3,691)
<b>PROFIT FROM OPERATIONS</b>	<b>184,439</b>	<b>144,576</b>
Net losses on changes in value of financial instruments at fair value	(6,919)	(8,002)
Exchange differences	7,906	4,955
Financial loss	(3,604)	(8,985)
Impairment and gains or losses on disposals of financial assets	(5,366)	1,323
Result of companies accounted for using the equity method	(1,738)	(2,320)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>174,718</b>	<b>131,547</b>
Income tax	(45,605)	(32,340)
<b>PROFIT FOR THE YEAR</b>	<b>129,113</b>	<b>99,207</b>
Loss attributable to non-controlling interests	39	27
<b>PROFIT ATTRIBUTABLE TO THE PARENT</b>	<b>129,152</b>	<b>99,234</b>
<b>Earnings per share:</b>	<b>2016</b>	<b>2015</b>
From continuing operations		
Basic	0.572	0.440
Diluted	0.572	0.440

**Consolidated Statement of Comprehensive Income of Atresmedia  
Corporación de Medios de Comunicación, S.A. and Subsidiaries for the  
year ended 31 December 2016** (Thousands of euros)

	2016	2015
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>129,113</b>	<b>99,207</b>
<b>ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS:</b>	<b>1,918</b>	<b>510</b>
<b>Cash flow hedges:</b>		
Amounts recognised directly in equity	3,306	1,175
Amounts transferred to profit or loss	(749)	(466)
Tax effect	(639)	(199)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>131,031</b>	<b>99,717</b>
Loss attributable to non-controlling interests	39	27
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PARENT</b>	<b>131,070</b>	<b>99,744</b>

**Consolidated Statement of Changes in Equity of Atresmedia  
Corporación de Medios de Comunicación, S.A. and Subsidiaries for the  
year ended 31 December 2016** (Thousands of euros)

	Share capital	Share premium	Restricted reserves	Treasury shares
<b>Balance at 31 December 2014</b>	<b>169,300</b>	<b>38,304</b>	<b>42,475</b>	<b>(7,202)</b>
<b>Total comprehensive income</b>	-	-	-	-
<b>Treasury share transactions:</b>				
Acquisition of treasury shares	-	-	-	(7,215)
<b>Transactions with shareholders</b>	-	-	-	<b>5,751</b>
<b>Distribution of profit:</b>				
2014 interim dividend paid in 2014	-	-	-	-
Dividend out of profit for 2014 paid in 2015	-	-	-	-
2015 interim dividend paid in 2015	-	-	-	-
<b>Changes in the scope of consolidation and other:</b>				
Other changes	-	-	-	-
<b>Balance at 31 December 2015</b>	<b>169,300</b>	<b>38,304</b>	<b>42,475</b>	<b>(8,666)</b>
<b>Total comprehensive income</b>	-	-	-	-
<b>Treasury share transactions:</b>				
Acquisition of treasury shares	-	-	-	(8,931)
<b>Transactions with shareholders</b>	-	-	-	<b>8,787</b>
<b>Distribution of profit:</b>				
2015 interim dividend paid in 2015	-	-	-	-
Dividend out of profit for 2015 paid in 2016	-	-	-	-
2016 interim dividend paid in 2016	-	-	-	-
<b>Changes in the scope of consolidation and other:</b>				
Payments relating to equity instruments	-	-	-	-
Other changes	-	-	-	-
<b>Balance at 31 December 2016</b>	<b>169,300</b>	<b>38,304</b>	<b>42,475</b>	<b>(8,810)</b>

	Retained earnings	Interim dividend	Other equity instruments	Valuation adjustments	Equity attributable to the Parent	Non-controlling interests	Equity
	223,537	(22,341)	3,088	2,175	449,336	(51)	449,285
	99,234	-	-	510	99,744	(27)	99,717
	-	-	-	-	(7,215)	-	(7,215)
	2,111	-	(959)	-	6,903	-	6,903
	(22,341)	22,341	-	-	-	-	-
	(22,423)	-	-	-	(22,423)	-	(22,423)
	-	(40,490)	-	-	(40,490)	-	(40,490)
	(195)	-	-	-	(195)	-	(195)
	279,923	(40,490)	2,129	2,685	485,660	(78)	485,582
	129,152	-	-	1,918	131,070	(39)	131,031
	-	-	-	-	(8,931)	-	(8,931)
	(6,658)	-	(2,129)	-	-	-	-
	(40,490)	40,490	-	-	-	-	-
	(40,347)	-	-	-	(40,347)	-	(40,347)
	-	(49,487)	-	-	(49,487)	-	(49,487)
	-	-	798	-	798	-	798
	(1,087)	-	-	-	(1,087)	-	(1,087)
	320,493	(49,487)	798	4,603	517,676	(117)	517,559

**Consolidated Statement of Cash Flows of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries for the year ended 31 December 2016** (Thousands of euros)

	2016	2015
<b>1.- CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated profit for the year before tax	174,718	131,547
<b>Adjustments for:</b>	<b>28,075</b>	<b>42,285</b>
- Depreciation and amortisation charge	17,759	17,431
- Provisions and other:	7,699	12,822
- Provisions	803	8,134
- Net impairment losses (+/-)	5,158	2,368
- Result of companies accounted for using the equity method	1,738	2,320
- Financial profit	2,617	12,032
<b>Changes in working capital</b>	<b>(52,614)</b>	<b>(57,275)</b>
<b>Cash flows from operating activities</b>	<b>150,179</b>	<b>116,557</b>
Income tax paid	(22,772)	(22,531)
<b>Net cash flows from operating activities</b>	<b>127,407</b>	<b>94,026</b>
<b>2.- CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Investments</b>	<b>(50,648)</b>	<b>(41,310)</b>
Subsidiaries, joint ventures and associates	(13,068)	(9,447)
Property, plant and equipment and intangible assets	(37,580)	(31,863)
<b>Disposals</b>	<b>3,243</b>	<b>3,472</b>
Subsidiaries, joint ventures and associates	3,243	3,472
<b>Net cash flows from investing activities</b>	<b>(47,405)</b>	<b>(37,838)</b>
<b>3.- CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finance costs paid	(1,294)	(9,984)
Financing - Associates and related companies	(50)	(326)
Net bank borrowings	20,652	(5,857)
Dividends received	-	43
Dividends paid	(89,834)	(62,913)
Acquisition of treasury shares	(8,931)	(7,215)
<b>Net cash flows from financing activities</b>	<b>(79,457)</b>	<b>(86,252)</b>
<b>NET INCREASE/DECREASE IN CASH</b>	<b>545</b>	<b>(30,064)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,017</b>	<b>31,081</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,562</b>	<b>1,017</b>





**ATRESMEDIA**

**Atresmedia**

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