



ATRESMEDIA

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This report was approved by the Board of Directors of
Atresmedia Corporación de Medios de Comunicación, S.A.
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definition of the Annual and Corporate Responsibility Report:

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LETTER FROM THE CHAIRMAN



A stylized, handwritten signature in black ink, consisting of a long vertical line followed by a series of loops and a horizontal stroke.

José Creuheras

In 2017 **Atresmedia** navigated a highly complex environment. Once again, our ability to adapt to constantly shifting scenarios has been put to the test. Given the difficulties that we have faced, we come before you with a sense of pride in our achievement: a set of figures for the year that can only be described as excellent. The **Group's** performance reflects the efforts of our strong team of professionals, the unflagging and valuable support of the Board and, of course, our shareholders' confidence in the management team. For yet another year, **Atresmedia** has proved that it is a strong and successful company.

The Group's strong performance is a reflection of our superb team of professionals, the unflagging and valuable support of the Board and, of course, the confidence placed in the management team by our shareholders

The fact that we are Spain's largest **Communication Group** is no mere accident. It is the outcome of the way we do business. For a number of years, we have pursued, vigorously and with conviction, a strategy predicated on quality content, professionalism, a diversity of viewpoints and support for the industry. Our focus on these vectors of action, which cut across all our areas of activity, is the key to our success. What defines us and places us in a leading position in the eyes of the general public, which values and rewards our efforts to avoid the easy way out and, instead, achieve excellence.

We have undeniably proved that our model brings together sustainable leadership with an attractive return on investment; our strong business performance is wedded to the recognition and confidence of our viewers, listeners and advertisers. The worth of our business philosophy is borne out by the facts and by our performance.

The figures achieved in 2017 reflect these values, which are common to the entire Company, and are also the outcome of our willingness to understand and rise to challenges as they emerge in our surroundings. We are not scared of change. Rather, change is what drives us forward and enables us to become our best selves. And 2017 was certainly a year

of change. The internationalisation of our content, the founding of **Atresmedia Studios**, the acquisition of **SmartClip** and the enhancement of our diversification policy all clearly exemplify our refusal to conform or rest on our laurels, and our ability to adapt and consistently improve.

2017 also saw our **Group** become finally and firmly established as Spain's leading news organisation. And this, again, is no mere coincidence or short-term trick. It is the outcome of a long-term commitment to a diversity of viewpoints, and quality news and reporting. Our coverage of the Catalan independence process via Antena 3 Noticias, laSexta Noticias and the Onda Cero news unit was the go-to option for millions of people, and strengthened our bond to the real concerns of the wider community. This success shows that our strategy was the right one, even though the fruits were not borne immediately.

As a result, **Atresmedia** has moved to the forefront, and we can now say that we are the most influential **Group**. And not just through our news and current affairs programming. We also lead the pack with our entertainment and fiction content. Because influence also consists of people talking about your series or game shows in their day-to-day lives. To be influential and address the concerns closest to wider society is all part of what we want to be. This is an attribute that becomes especially significant in a changing and highly competitive environment. Our influence places us in a stronger position facing new entrants and sets us apart from more conventionally-minded operators; it will bring us quantifiable benefits in many respects. Our willingness to provide service and our commitment to the public make us part of the backbone of wider society.

The **television division** has again proved its robustness through a model that is recognised for its news programming, its entertainment and its fiction, which is endorsed by audience ratings and best able to withstand a scenario of increasing fragmentation. Among other achievements, **Antena 3** ended 2017 as the unrivalled leader in the morning and weekend timeslots, while **laSexta** again outstripped its main competitor for the fifth year running. Our special-interest channels, **Neox**, **Nova**, **Mega** and **Atreseries**, rounded out **Atresmedia Televisión's** successful offering. The television division is capable of generating prestigious and widely recognised brands; it is a veritable factory of quality content that is distributed around the world and of which we are very proud. This high quality is enabling us to prove that our strategy as a content factory is effective. In this sense, the last step in this direction has been Atresmedia Studios, a pioneer production venture for the creation, design and production of content to third parties, which already has a wide range of both Spanish and international customers.

Our coverage of the Catalan independence process via Antena 3 Noticias, laSexta Noticias and the Onda Cero news unit was the go-to option for millions of people, and strengthened our bond to the real concerns of the wider community

Atresmedia Radio is still going strong, based as it is on credibility, diversity of viewpoints, entertainment and closeness to people's real concerns. The past few years have been complex for our radio division, but we are beginning to see positive results. We have the best offer on the market, even though our smaller number of broadcasting bases means that we are not competing on an equal footing. **Onda Cero** proved its immense strength: it was the only general-interest radio station to grow in the last two consecutive waves of the EGM audience survey, and ended 2017 with 3% growth, doubling the market average. Our superb team of professionals are determined to remain at the forefront and even surpass their own achievements: this has lent still greater strength to our radio presence. We have now been joined by Jaime Cantizano, who will work alongside leading journalists like Carlos Alsina, Juan Ramón Lucas, Julia Otero, Héctor Fernández and Javier Ruiz Taboada or Jose Ramón de la Morena among other superb journalists.

Atresmedia Publicidad effectively leveraged all the **Group's** resources, and again in 2017 led the advertising market, being the advertising exclusivist with the highest share in the market, of around 20% and the highest power ratios in its chosen areas. In addition, in line with the Group's overarching search for innovation, the Advertising division opened up new market niches. In this sense I would like to highlight the acquisition of **Smartclip Latam**, which makes **Atresmedia** the leading Spanish operator in the online advertising market and bolsters its strategy in that field.

Atresmedia Digital retained our position as the leading audiovisual group on the Internet and placed among the top ten most visited websites in Spain, according to Comscore; it raised its monthly average unique visitors to 27 million, and moved forward towards tighter integration at a time when the online world is becoming increasingly important.

We are the most influential Group with our news and current affairs programming, and with our entertainment and fiction content. To be influential is part of what we want to be. This is an attribute that becomes especially significant in a changing and highly competitive environment

Atresmedia Diversificación, which brings together the **Group's** businesses not tied to conventional advertising, had great success in increasing the number of homes that subscribe to its three international channels, comfortably topping 50 million worldwide: this places us as the European private operator with the largest number of channels and subscribers overseas.

Atresmedia Cine produced nine feature films in 2017, which accounted for 29.3% of box office takings by Spanish productions. Five of those films were produced by our Film Division – a mandatory investment which we have been able to leverage – and made it into the box office top ten.

In addition to the annual challenges we face as a **Company** and the circumstances of the given time in the economy, **Atresmedia** must address key issues in the regulatory domain. For many years, we have called upon lawmakers to support stronger stability and security in the industry. We asked for a friendlier regulatory stance towards the second digital dividend, and a specific timetable for the switchover to digital that will benefit users and industry alike. This issue

will, after all, shape the future development of television in Spain. We have of course urged government bodies to deal with the regulatory challenges posed by the development of the audiovisual sector. Against a background of rapid change in the media, our **Group** wants to see open competition on an equal footing; the legal rules should apply to all operators equally. It is our hope that the regulatory symmetry that we are asking for – and which is surely reasonable – will enable us to serve the wider community to the best of our ability. We also ask that regulators not resign themselves to defeat in the face of difficulty. The audiovisual world evolves at breakneck speed every day, and calls into being new realities that must be regulated. An example here is child protection: we are required – and rightly so – to stay alert so as not to harm a highly vulnerable sector of the population, and yet in other media there is no oversight at all.

The key milestone in corporate responsibility this year was the design and adoption of **Atresmedia's** second corporate responsibility Master Plan, which will bring together all sustainability actions for the next three years. This new strategy is the outcome of a process of introspection through which **Atresmedia's** management team identified all the non-financial aspects that create value for our business and our main stakeholders. The mainstreaming of corporate responsibility is a path we took some time ago, but this new plan is a key turning point for the **Group**, because it establishes strong underpinnings for integrating responsible management with our business in a more consistent and universal way, with a focus on creating value internally and externally. In addition, the plan will enable us to respond more effectively to the new requirements and demands of the society in which we live.

One of the first results of that process of introspection is the shift in focus for the Annual and Corporate Responsibility Report which we publish today. **Atresmedia** has reported on its sustainability performance for more than a decade, but this is the first time that our **Group** publishes an **integrated report** setting out the relationships between strategy, governance and financial performance and the social, economic and environmental setting in which the **Organisation** operates. The Report addresses all the issues that bear upon our strategy and are relevant to our shareholders, customers, suppliers and other stakeholders, thus providing a comprehensive vision of everything we do. In addition to the **Group's** traditional community role, this new report enhances the information about key strategic issues, such as risk management and the strengthening of our Corporate Governance, which is now compliant with almost every recommendation in this field, thus making us a stronger and more reliable organisation.

As to our community role, given that we are a medium of communication, a highlight is **Atresmedia's** determination to place the **Group's** whole communicative potential at the service of wider society and its vital concerns. **Compromiso Atresmedia** is the conceptual umbrella that embraces all our corporate responsibility initiatives, as reflected in our media and also internally within the **Company**. Supporting road safety, raising awareness of healthy lifestyle choices, protecting the environment, supporting scientific research, fighting against gender violence and advocating the creation and protection of intellectual property continue to be issues to which we are firmly committed.

Against a background of rapid change in the media, our Group wants to see open competition on an equal footing; the legal rules should apply to all operators equally. It is our hope that the regulatory symmetry that we are asking for – and which is surely reasonable – will enable us to serve the wider community to the best of our ability



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In 2017 we expanded the **Ponle Freno** races to Pontevedra, Palma de Mallorca and Las Palmas de Gran Canaria, while raising awareness of the dangers of mobile phone use while driving. In 2017, the **Ponle Freno** race circuit brought in more than 178,000 euros, which were allocated in full to projects in support of traffic accident victims. Asturias, Madrid and Valencia are now “heart-protected” territories thanks to the campaign on the installation and use of defibrillators carried out by **Constantes y Vitales**. This project also had a research aspect: Harald zur Hausen, who was awarded the Nobel Prize for his research on the influence of the papilloma virus on the onset of cancer, was a guest speaker in Madrid. The **Group** kept up its support for the fight against gender violence by means of its **Tolerancia Cero** (zero tolerance) project, encompassing campaigns on how to isolate domestic violence perpetrators and combat sexist micro-aggressions. **Hazte Eco** took part in a “Save the Climate” campaign by broadcasting ads calling for action against climate change. In 2017, our commitment to raising awareness in the community involved us with a range of NGOs, to which we donated free advertising campaigns to a value of more than 12 million euros. **Crea Cultura** continues to move forward as a leading advocate of the creation and protection of intellectual property. One of its recent projects is **Crea Lectura**, a new TV show on literature broadcast by **laSexta**.

As you can see, our contribution to society is not limited to broadcasting awareness-raising campaigns externally. We also aim to bring about real change internally within our **Group**. Consistency is another of the values that inspire us. Hence, in 2017 we hosted cardiopulmonary resuscitation and defibrillator courses involving more than 200 **Group** employees, and also held our second “Road Safety Week” to train our people in this field. We are also aware that our professionals are one of our best assets, so another of our commitments is to offer them a rewarding and highly motivating workplace. We have accordingly made progress with enhancing our people’s work-life balance by introducing improvements in the collective bargaining agreement signed in 2017. We also support equality: 50.4% of our employees are now women. Moreover, we made further efforts to provide employees with quality training to enable them to rise to the new challenges we now face.

But that’s not all: we want to build an active dialogue and engagement with our professionals and offer them forums for sharing ideas in aid of internal innovation. This is the intention behind **Project Th’nk**, which became firmly established in 2017. The initiative is designed to encourage **Atresmedia** employees to come together in a space of inspiration, communication and teamwork and bring out their intrapreneurial spirit.

Of course, I cannot fail to mention the dedicated engagement of **Group** employees who took part in the **Corporate Volunteering Programme**, which has now been in place for a decade. The programme has involved the donation of

more than 2,300 hours of employees' time to charity work, including helping out at food kitchens for the homeless, providing support to the elderly and the disabled, and helping to train unemployed young people.

That same spirit of improvement and active engagement in these fields of sustainability drove **Atresmedia** to join the Fundación SERES, which supports companies' commitment to playing a role in the community, and the Forética Environment Cluster, a leading corporate responsibility forum, which **Atresmedia** joined last year as the first media member. This is the second focus group we join after the transparency, good governance and integrity cluster. These moves exemplify the significance we attach to the values of community commitment, sustainability and integrity.

Through the **Fundación Atresmedia** we continued to channel charitable aid from the **Group** for child protection, better education, and integration of people with disabilities. Milestones included the "Great Teachers" event, which drew record attendance this year, or the celebration of the Hospitalized Child Day; the campaign undertaken in partnership with the Fundación Randstad to raise awareness of the need to integrate people with disabilities, and support for occupational training.

I should like to mention some of the accolades that the company achieved in 2017. For the second year running, the Rep Trak España 2017 research survey rated us as the audiovisual group with the strongest reputation. The rating is based on consumer opinions on our financial strength, capability for innovation, leadership and offered range of entertainment and news. I should also mention that the 2017 Randstad Employer Branding report placed us as the best place to work in the communication sector.

In addition, one of our latest successes is **Atresmedia Formación**, where we provide quality training to enable the future professionals of the audiovisual and

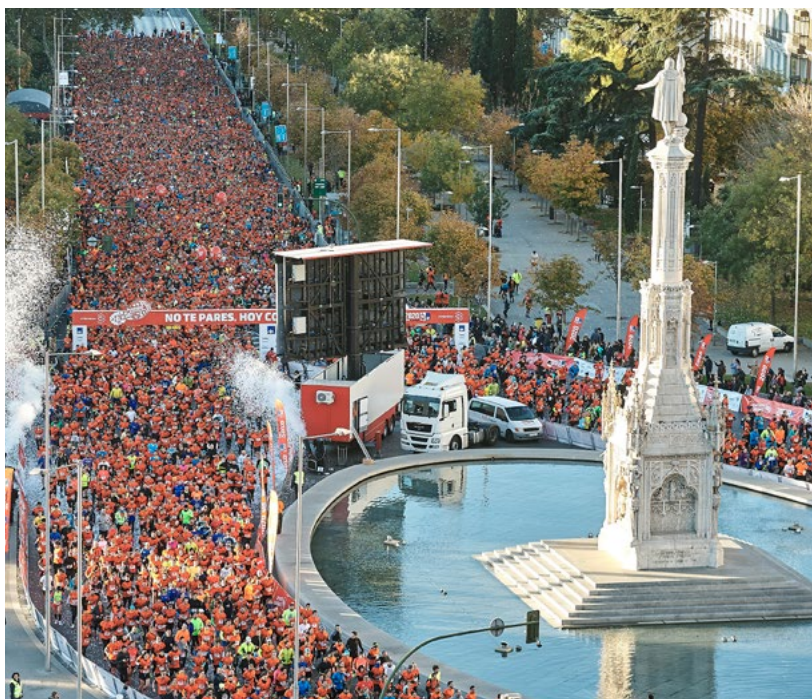
We have supported road safety, raised awareness of healthy lifestyle choices, protected the environment, supported scientific research, fought against gender violence and advocated the creation and protection of intellectual property: these continue to be issues to which we are firmly committed



The Fundación Atresmedia continues to channel the Group's community support for child protection, better education and the integration of people with disabilities, with milestones such as the "Great Teachers" award ceremony, which drew record beating attendance

communications sector to rise to the new challenges we now face. One year after the launch of this new division, which provides training courses on topics relating to television, radio, film, communications and IT, we can confidently say that we are on track to become the leading benchmark in Spain. We have a catalogue of 400 courses and have entered into partnerships with a range of prestigious Spanish and international institutions.

I would like to conclude this message with a reminder that 2017 was by no means an easy year. In fact, it was a tough time, and we have had to bring out the best in us to deliver a strong performance. We are confident that we can perform just as strongly in 2018. At the **Group**, we have a leading model that adapts swiftly to change, and our commitment to quality has proved to be the right call. We face new challenges every day. But I am fully confident that, whatever the challenge may be, we shall rise to it, because it's in our DNA.



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

A stylized, handwritten signature in black ink, consisting of a large, sweeping 'S' followed by a series of smaller, connected loops.

Silvio González

2017 has been a tough year, but in the end we put in a very strong performance. Admittedly, the advertising market did not behave as expected, and new consumption patterns, coupled with the ongoing influx of new operators, compel us to redouble our efforts to compete from our leadership position for our audiences' leisure time. But it is equally true that **Atresmedia** ended the year with record revenue and higher profits than the previous year.

We have had to face many challenges and uncertainty continues to prevail over certainty: and yet we are aware of our strengths, which are considerable. One of those strengths is our **Organisation's** ability

In 2017 we proved that ours is a highly dynamic Company by opening up new lines of business and strengthening existing ones

to embrace change, rather than remain paralysed by the fear of change. In 2017, our **Company** proved that it is a highly dynamic market player. We successfully opened up new lines of business and reinforced and adapted existing divisions with innovative new measures. Moreover, our way of doing business, which is recognised by and recognisable to our stakeholders, is still the best possible defence in the face of a swiftly changing media landscape.

We were the first to understand – and to understand more accurately than our competitors – that the focus of our business must be our content. We proved able to break resistance to change so as to become Spain's leading content factory. We create quality brands, brought into being by the best professionals and bringing together both prestige and audience ratings. The useful life of our content goes beyond conventional linear broadcasting, and includes third parties in the value chain. The emergence of **Atresmedia Studios**, which was founded to create, design and produce for other operators, is therefore the natural consequence of a horizontal strategy that cuts across the **Company** and places us at the forefront of the industry. That same strategy has enabled us to acquire 50 million subscriber households around the world via our international channels and to become a leading player in the main markets with our fiction series.

And, on the strength of our high-quality offering and our consistent commitment to always provide the best product, even in the awareness that results might not be immediately forthcoming, in 2017 **Atresmedia** tasted success in its news and current affairs programming, and thus enhanced its influence in wider society. To be influential and become a benchmark source of news on the topics that the public is genuinely concerned with is a wonderfully valuable attribute that sets us apart from new operators and buttresses our leadership position. The plural and



diverse nature of our **Group**, our professionalism, our ability to respond swiftly and our consistent willingness to serve the public, unsullied by short-term tactics or gimmicks, clearly shone forth last year, which was a period laden with crucial events. **Atresmedia Radio** and **Atresmedia Televisión** led their respective fields in meeting the needs of society, making our **brand** an undisputed benchmark for news and current affairs.

Another factor in our excellent performance in 2017 was our ongoing commitment to innovation. Innovation runs through each and every one of our activities, and springs directly from our refusal to conform or to rest on our laurels. In addition to **Atresmedia Studios** - which in record time closed crucial deals, soon to be followed by still more - the **Company** set in motion a start-up incubator in partnership with Boomerang to create new entertainment formats. In the **radio** division, despite the maturity and robustly entrenched nature of the market, we continue to tweak our offering to further enhance what we believe is already the best proposal out there. Our offering is at the forefront of 21st-century radio in terms of both content and broadcasting technology. In the online division, we beefed up our position by acquiring **Smartclip Latam**, while we continue to optimise our multiplatform distribution policy with product and functionality improvements.

All these factors enabled us to raise revenue by 3.0% in the year, to 1.05 billion euros. As I said earlier, this is the highest revenue figure in the **Company's** entire history. Our management model seeks out the highest standards of effectiveness and profitability. We achieved EBITDA of 202.1 million euros, with an EBITDA margin of 19.2%, and net profit of 142.1 million euros, 10.0% more than in 2016. A key factors in achieving these figures was the strong performance of our commercial division, **Atresmedia Publicidad**. Our advertising people have shown our clients that we provide the best setting for communications about their products. Their excellent work is reflected in our power ratio - market share to viewership share - which at 1.6 is the highest of any television advertising marketer. Following our philosophy of customer focus, innovation, effectiveness and profitability, Atresmedia was again the leading multimedia advertising marketer in Spain, with a 19% share of the total spend in conventional media.

Atresmedia Televisión has strengthened the lead of its television model. **Atresmedia's** television division is still living proof that quality, innovative and broadly based television is appreciated and rewarded by the general public. High viewership is compatible with prestige: we have become one of the game-changers in Spain's audiovisual industry, as against other operators who merely farm out their licences. **Atresmedia Televisión's** six channels proved the strongest in withstanding the onrush of fragmentation and the shift in consumption trends, thus reaffirming the success of their model and their commercial appeal.

We were the first to understand that the focus of our business must be our content. We proved able to break resistance to change so as to become Spain's leading content factory

Atresmedia Televisión reinforced the leadership of its television model, based on high quality, a diversity of viewpoints and innovation: all six of its channels reaffirmed their success and market strength, and received the applause of the public

I would like to highlight that, propelled by its two flagship channels, **Antena 3** and **laSexta**, **Atresmedia Televisión** ended 2017 with an audience share of 26.6%, and in leading the commercial target audience —we are the most highly valued showcase for advertisers in the two main day parts, prime-time and early fringe. The year has been intense from a news standpoint, the Catalan independence process being an especially hot issue. These events were covered by a major media deployment that was rewarded by growth in news and current affairs programmes. **Antena 3** news programmes were the only private television offering to grow, achieving an average rating of 12.6% across all editions, while **laSexta** news achieved the second best rating result of its history, at 9.9%. **Espejo público** reached a new annual high with a share of 17.7%, while **Al rojo vivo**, with 12.3%, cemented its leadership as the news programme with the biggest following in its time slot. These figures show that our strategic bid to provide high-quality news and current affairs content was the right move.

Antena 3, which finished the year with an average audience share of 12.3%, was the preferred channel for the commercial viewership in prime time (13.9%). It ended the year as the absolute leader in audience share for morning shows (12.9%) and weekend programming (11.4%). In addition, it achieved the year's most-viewed broadcast, most-viewed series, most-viewed film and most-viewed programme. **laSexta**, for its part, ended 2017 in a strengthened position as the third-biggest private TV channel by audience share at 6.8%, and for the fifth year running it again outstripped its direct competitor, this time by the largest difference ever recorded between the two channels (+0.6). **laSexta** also took the lead in commercial target (7.4%), and widened its edge in the prime-time slot (7.1%).

Atresmedia Radio continued to reinforce its range of voices and promoted internal talent, ending 2017 with four million listeners. Onda Cero increased its audience share yet again, achieving two million listeners and proving that we have made the right decisions

Our four new-generation special-interest channels continued to reinforce their successful programming ranges, taking the lead in their respective targets. **Neox**, with 2.5%, retained its 2016 share and its place as the second most widely viewed special-interest channel. **Nova**, with 2.2%, also retained last year's share and was the leading women's special-interest channel in the commercial time slot. The men's special-interest channel **Mega**, for its part, held onto its share of 1.8%. **Atreseries**, our youngest HD channel, has been positioned since its launch as the leading new concession special-interest channel, and increased its average audience share to 1.1% —HD televisions are still not as widespread as conventional devices.

In 2017 **Atresmedia Radio** continued to reinforce its radio programming, based on diversity, professionalism and quality throughout the day. We announced that Jaime Cantizano will be joining the weekend morning show at

Onda Cero. As a result, our radio division attracted four million listeners across our three stations. We continue to work every day to make the most of our potential. This includes internal talent promotion thanks to our amazing team of professionals, who, like Carlos Alsina and Juan Ramón Lucas, attract increased audiences every season, thus proving that we make the right choices. The **Group's** general-interest station, **Onda Cero**, increased its audience to two million listeners and retained its position as the third-largest broadcaster in its segment. The Estudio General de Medios (EGM, Spain's leading audience measurement survey) showed that Onda Cero was the only general-interest radio station to grow in the past two consecutive survey waves and ended 2017 with growth of 3%, twice the rate seen in the wider market. This is the outcome of a firmly established brand name and an attractive programming offer. **Europa FM** and **Melodía FM** held onto their strong positions, the former as a leading pop music station with 1.8 million listeners and the second growing to an audience of 300,000 and equalling its second-best ever figure.

Atresmedia further cemented our position as the leading audiovisual group on the Internet, placing among the top ten most visited properties in Spain, according to Comscore

Atresmedia was again the leading audiovisual group on the Internet in 2017, a place it has held since 2015. The **Group's** online division ended the year with an average of 27 million unique users a month, 12% more than in 2016, and placed among the top 10 most visited properties in Spain according to Comscore. **Atresplayer**, our main non-linear content distribution window, attracted more than 4.2 million users, thus living up to its key role in the **Company's** multiplatform strategy. That role will be reinforced in 2018 with a key update.

Atresmedia Diversificación continued to seek new avenues for growth that are not dependent on the conventional advertising market. With our three international channels – **Antena 3 Internacional**, **Atreseries** and **iHOLA! TV**, joined in 2018 by **AtresCine** – we have retained our foothold as the private



Atresmedia's four international channels – Antena 3 Internacional, '¡HOLA! TV, Atreseries and Atrescine – buttressed our position as the European private operator with the most channels and the largest number of subscribers: 50 million connected households

European operator with the most channels and subscribers overseas: over 50 million households subscribe to us. Moreover, in 2017 we continued to support entrepreneurship through our “Media for Equity” model for investing in start-ups, which we financed to a value of more than 80 million euros. With 10 investee companies, **Atresmedia** is already a relevant player in the venture capital sector in Spain.

Our film division, **Atresmedia Cine**, became Spain's leading film production firm. We released nine titles in 2017, and accounted for 30% of box office takings by Spanish films over the year. The law places us under a duty to take part in Spanish film production by means of a minimum “investment share”. Although we are uncomfortable with the fact that this duty is an imposition, we also view it as an opportunity to open up a new business pathway that cleaves to the standards of quality which the **Group** practises across all its divisions.

One of the **Group's** business activities, **Atresmedia Formación**, created to train the future professionals of audiovisual media, has successfully integrated its concern for education with financial viability, by means of a training catalogue of more than 400 courses that are recognised both in Spain and overseas.

For yet another year, **Atresmedia** has delivered on its commitment to responsible business practices and support for positive change in wider society. In 2017, therefore, the **Company** adopted its second corporate responsibility master plan, which will provide a structure for all actions in this domain for the next three years, enabling us to continue to mainstream corporate responsibility activities throughout all the **Company's** strategic areas and corporate culture.



One of the factors identified in the Master Plan is our **Company's** contribution to and impact on the wider community, as part of our **Organisation's** commitment of the past decade. Throughout 2017 we reinforced the **Compromiso Atresmedia**, the initiative that brings together all the **Group's** corporate responsibility campaigns (**Ponle Freno, Objetivo Bienestar, Constantes y Vitales, Hazte Eco, Crea Cultura** and **Tolerancia Cero**): our range of actions go beyond merely raising awareness and achieve real changes in society.

Our outward-facing efforts are reflected internally among **Atresmedia's** employees, through our initiatives to train our people in road safety and healthy lifestyle choices. In addition, our professionals have dedicated some of their time to working with charities and NGOs through the **Corporate Volunteering Programme**, which in 2017 completed its first decade, and to **Project Th'nk**, which supports **Group** employees' entrepreneurial ideas: its first year of activity involved a number of initiatives to encourage innovation within the firm.

Fundación Atresmedia continued to provide support to hospitalised children, help teach people with disabilities about the audiovisual industry so they can find work, and champion major initiatives for better education, such as 'Great Teachers' and 'Discover Vocational Training'. In 2017, for the sixth year in a row, it led the corporate foundation transparency ranking.

Alongside its work for the broader community, the **Group** has focused on the environment and sustainability, increasing investment in this respect and cutting down on the emissions from our premises. The Group also joined the Environment Cluster hosted by Forética, the leading corporate responsibility forum in Spain.

I would also like to highlight the #companies4SDG campaign, which raises awareness of and calls for action on the United Nations Sustainable Development Goals, to which **Atresmedia** is strongly committed.

So 2017, despite difficulties and challenges, was an excellent year for the achievement of our aims. It wasn't easy, but yet again we outperformed the goals we had set ourselves. We are still a leading company in terms of both business and our role in the community, thanks to our strategy and our diverse, high-quality model. Our understanding of the business leads to tangible results, and is perceived positively by the market and society as a whole. We have a clear strategy and are not scared of change. For us, 2017 now lies in the past. Our **Organisation** will continue to be put to the test throughout 2018. But I am confident that, with our professionals and the support of the Board and shareholders, we shall again achieve all our goals.

Our Group is continuously betting for a more responsible business management and for a strong support to a positive change in the society. That is why in 2017 we reinforced all the Organisation's corporate responsibility activities through the initiative Compromiso Atresmedia

THE YEAR AT A GLANCE

FINANCIAL RESULTS

€ 1,052 M

Revenue
Historic high
(+3% vs 2016)

983.97

Advertising
(+2.2% 2016)

68.11

Other revenue
(+16.36% 2016)



€ 202.14 M

Gross Operating Profit
(+0.1% vs 2016)

€ 142.11 M

Net Profit
(+10% vs 2016)

CORPORATE GOVERNANCE



Board of Directors

10 meetings in 2017
30.76% women
30.76% independent directors



Annual General Meeting
AGM: 19/04/2017



Executive Committee
10 meetings
33.33% exec.



Appointments and Remuneration Committee
4 meetings
60% indep.



Audit and Control Committee
6 meetings
60% indep.

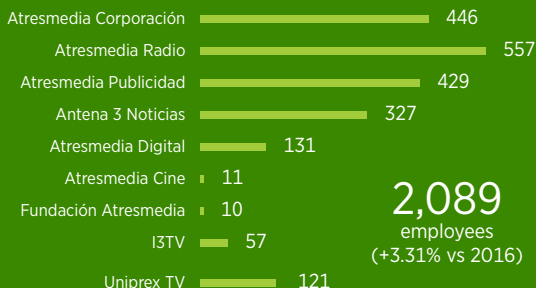
HUMAN TEAM



50.45%
Women



49.55%
Men



STRATEGIC PRIORITIES

ATRESMEDIA



Retain and expand our tv and radio business



Leverage our content generation capability



Build a diversified and comprehensive business



Lead the digital transformation of our industry



2017 Activities

Atresmedia Televisión

Atresmedia TV remained the **first choice** for news coverage in 2017, ending the year with an audience of **26.6%** and leading the way in **prime time** and **afternoon** viewing.

Antena 3 and **laSexta** were, for the fourth straight year, the favourite channels of Spanish viewers and had the best rated hosts: Atresmedia had 11 of the 15 highest rated presenters and opinion leaders, according to the TV Perception Study released by Personality Media. It was also viewed by the public as the most reputable and trustworthy audiovisual media group, according to the RepTrak España 2017 Studio prepared by consulting firm Reputation Institute.

The **Series Atresmedia** brand once again showed its credentials when it comes to Spanish fiction, earning critical praise and proving hugely popular among audiences. Moreover, shored up its international reach, with hits like 'La casa de papel', the most widely acclaimed series abroad in the history of Spanish TV.

Atresmedia TV (19.5%), **Antena 3** (11.6%) and **Nova** (2.9%) were the **group**, the **channel** and the **thematic** channel leaders in non linear audience in 2017.



Antena 3

Antena 3 **leads the commercial target** audience in the mornings and at weekends, reporting the year's **most viewed broadcast, series, premières** and **daily programme**, with an average audience of 12.3% in 2017.

Antena 3 Noticias was the only privately-owned news programme to report gains.

Its **afternoon slot from Monday to Sunday** was the **leading** news programme among the commercial offerings.

laSexta

laSexta again topped the rankings, **6.8% clear** of its nearest **rival** for the fifth straight year and managing to extend the gap between the two by a record +0.6 during the year. It beat its rival in the daytime, **afternoon, evening, prime time** and **commercial audience segments**.

It has cemented its status as a **leading news** and current affairs channel: in **October** it reported its **highest ever monthly share (9.1%)** and its **best daily performance (17.5%)** thanks to its special episode of **Al rojo vivo: El Objetivo**, which earned **28.1%**.



Neox

Youth channel Neox (2.5%) reported its **best ever afternoon** figures (2.5%), while also matching its best ever prime time showing (2.6%).

Nova

Nova (2.2%) was again the **leading female lifestyle** channel in the 09:00-02:30 slot and in prime time (2.1%), matching its performance in 2016.

Mega

Mega was the **leading** channel for **male** audiences in 2017, equalling its best ever yearly result (1.8%). Meanwhile, El chiringuito de Jugones recorded its best year since its first aired (**4.6% and 245,000 viewers**).



Atreseries

Atreseries, with a 1.1% share, reported its best ever performance and was the **leading new specialty** channel.

2017 Activities

Atresmedia Radio

With some **4 million listeners**, Atresmedia Radio is widely known for its integrity, pluralistic and down-to-earth approach and entertainment value.



Onda Cero

Only generalist station to have **grown** in the last two phases of the **EGM** survey, with close to two million listeners.

Europa fm

Leading music station with **1.8 million listeners**, Europa FM has now added David Guetta to its roster, one of the world's most influential DJs..



Melodía fm

With its fresh approach to music, the station matched its **second best figures** with over **300,000 listeners**.



Atresmedia Publicidad

Atresmedia Publicidad became once again the advertising **exclusivist** with the highest **share** of the market, **around 20%**, boasting the highest power ratios across all its markets.

The **acquisition** of **Smartclip Latam** has made Atresmedia the leading domestic operator in the **digital advertising** market by strengthening its grip of the market.



Atresmedia Digital

Atresmedia's websites reported a monthly **average of 27.1 million unique visitor users** in 2017 (+12% on 2016).

According to Comscore, Atresmedia ranks within the **top 10 most visited names** in Spain, reflecting its status as a leading online audiovisual group.

Atresplayer reported more than **4.2 million users**, cementing its status as a premium video platform in 2017.

Atresmedia Diversificación

Atresmedia Internacional consolidated its position as the private European operator with the most channels and subscribers outside Spain, with over **50 million paying households** using its three channels.

Atresmedia Cine

Atresmedia became the leading film production company by releasing a number of **new films**, **five** of which ranked within the **top ten** in box office **sales**.

Atresmedia Studios

Atresmedia Studios was created as a pioneering project to leverage the Group's brand name and prestige in fiction, adapting to new consumption patterns among viewers thanks to production for new platforms.



Atresmedia's contribution to stakeholders

In 2017, Atresmedia showed its commitment to corporate social responsibility by approving its new 2018-2020 Master Plan, which will tie in closely with how the Company is managed and run and shape its relations with stakeholders.

Atresmedia offers its **shareholders** a **healthy return and unrivalled transparency**



€ 0.63
earnings per share
(€ 0.57 in 2016)



€ 0.92
dividend/share
(€ 0.47 in 2016)



800
contacts with the
financial community
(700 in 2016)

Atresmedia offers **advertisers** a **healthy return, plus unrivalled innovation and impact**



1.56
advertising cost-to-income ratio
(1.52 in 2016)



52.2%
of advertisers rely on
multi-channel advertising
(51.9% in 2016)

Atresmedia's supports its **employees** by offering **quality employment, diversity, equal opportunities and professional development**



79.22%
permanent contracts
(76.5% in 2016)



50.45%
women
(49.5% in 2016)



41 h
of training per employee
(22.1 h in 2016)

Atresmedia's contributes to **society** by **supporting and raising awareness of social issues, child protection and accessibility**



€ 12,821,875

opportunity cost in advertising for non-profit entities (11,968,757 in 2016)



211

employees involved in corporate volunteering (209 in 2016)



37,286 h

subtitled (36,156 in 2016)



0 breaches

of the Self-Regulation Code of Child-Oriented Television Content by Atresmedia

COMPROMISO ATRESMEDIA

8

campaigns

13,033

showings (9,952 in 2016)

72 h

(66 in 2016)

FUNDACIÓN
ATRESMEDIA

€ 1.31 M

budget (1.27 in 2016)

Atresmedia's commitment to the **environment** focuses on **raising awareness while minimising the environmental impact of its business**



€ 140,082

in environmental investment (€ 120,495 in 2016)



25,275 kg

of plain paper consumed (26,813 in 2016)



7,322 tCO₂

total equivalent GHG emissions (9,134 in 2016)

Atresmedia offers its **suppliers equal treatment, non-discrimination, diversity and inclusion**



54%

of the 215 service and product proposals related to Spanish companies (49% of 200 in 2016)



€ 60.85 M

in purchasing (€ 59.49 M in 2016)

ATRESMEDIA

Shareholders Structure



Planeta DeAgostini Group ⁽¹⁾

The group emerged from a strategic alliance between the Planeta Group and De Agostini. Its goal is to entrench its leadership in publishing, explore new economic sectors and, in particular, to become a major player in audiovisual media. Grupo Planeta leads the editorial market in Spain and Latin America, is the second player in the French market and is among the top ten players in the world. Is also leader in private training in the Spanish market with more than 100,000 pupils in more than hundred countries. DeAgostini develops its activities in the editorial market, in the production and distribution of audiovisual content, as well as the financial and lottery and game sectors. DeAgostini counts with a solid internationalization and diversification strategy.

Board presence: Marco Drago, Mauricio Casals Aldama and José Manuel Lara García ⁽²⁾.

RTL Group ⁽³⁾

Boasting 16 television channels and 31 radio stations in 12 countries, RTL is the European leader in the entertainment market. Headquartered in Luxembourg, the company has radio and television interests in Germany, France, Belgium, the Netherlands, Luxembourg, Spain, Hungary, Croatia and Southeast Asia. The company's shares are listed on the Frankfurt, Brussels and Luxembourg exchanges.

Board presence: Elmar Heggen and Nicolas de Tavernost.

Imagina Group ⁽⁴⁾

The Imagina Group, has a worldwide presence and leads the market in audiovisual content and sports event production and distribution.

Board presence: Josep María Benet Ferrán.

(1) Grupo Planeta de Agostini, S.L. has an ownership interest through its wholly owned subsidiary GRUPO PASA CARTERA, S.A.U.

(2) The chairman, José Creuheras Margenat, is a proprietary executive director appointed at the proposal of the Planeta De Agostini Group. Pursuant to Article 529 duodecies (1) of the Spanish Companies Act, he qualifies as an executive director.

(3) RTL Group, S.A. (controlled by Bertelsmann, A.G.) has an ownership interest through UFA FILM UND FERNSEH GMBH, which is the direct shareholder of Atresmedia Corporación.

(4) Imagina Media Audiovisual, S.L. holds stakes in Atresmedia Corporación both directly and indirectly through its subsidiary Mediaproducción, S.L.U.

Composition of the Board of Directors



José Creuheras
Chairman
Executive/Proprietary



Maurizio Carlotti
Vice-Chairman
Other non-executive



Silvio González
Chief Executive Officer
Executive



Patricia Estany
Coordinating Director
Independent



Josép María Benet
Member
Proprietary



Mauricio Casals
Member
Proprietary



Aurora Catà
Member
Independent



Marco Drago
Member
Proprietary



María Entrecanales
Member
Independent



Elmar Heggen
Member
Proprietary



José Manuel Lara
Member
Proprietary



Mónica Ribé
Member
Independent



Nicolas de Tavernost
Member
Proprietary



Manuel de la Viuda
Secretary



Margarita González
Vice-Secretary

Management team



Silvio González
*Chief Executive
Officer*



Patricia Pérez
*Corporate General
Manager*
Atresmedia Digital
General Manager



Antonio Manso
*Chief Financial
Officer*



Manuel de la Viuda
Head of Legal Affairs



Miguel Langle
*Head of Regulatory
Affairs and Institutional
Relations*



Fernando Costi
*Head of Audit
and Process
Control*



Ignacio Mata
*Head of
Communication*



Arturo Larraínzar
*Head of
Strategy*



**Atresmedia
Televisión**
Javier Bardají
General Manager



**Atresmedia
Radio**
Ramón Osorio
General Manager



**Atresmedia
Publicidad**
Eduardo Olano
Chairman



**Atresmedia
Publicidad**
José Miguel García
General Manager



**Atresmedia
Diversificación**
Javier Nuche
General Manager



**Atresmedia
Cine**
Mikel Lejarza
Chairman



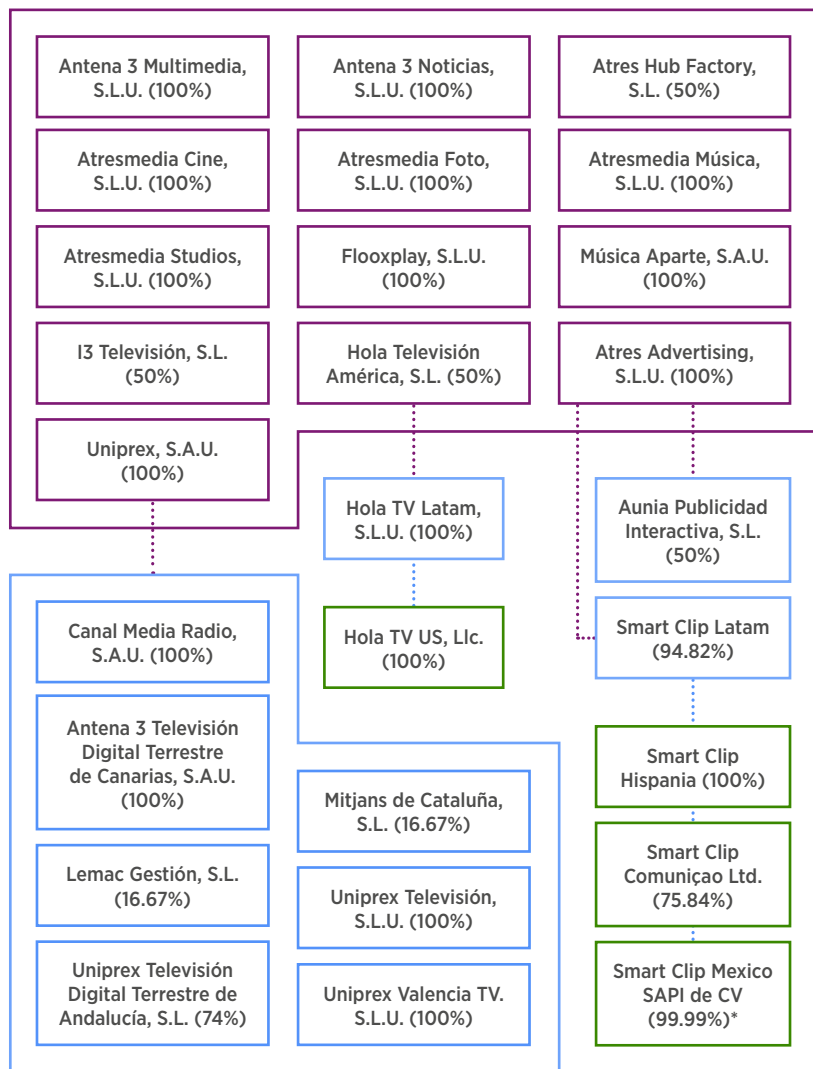
**Fundación
Atresmedia**
Carmen Bieger
General Manager



**Atresmedia
Studios**
Ignacio Corrales
General Manager

Atresmedia Companies: subsidiaries and associates

Atresmedia Corporación de Medios de Comunicación, S.A.



* Atres Advertising, S.L.U. holds a stake of 0.0005% in Smartclip México.

FINANCIAL STATEMENTS

Balance Sheet of Atresmedia Corporación de Medios de Comunicación, S.A. at 31 December 2017 (Thousands of euros)

| ASSETS | 2017 | 2016 |
|--|------------------|------------------|
| NON-CURRENT ASSETS | 568,277 | 575,462 |
| Intangible assets | 71,196 | 78,421 |
| Licences and trademarks | 60,199 | 67,057 |
| Computer software | 10,129 | 10,037 |
| Other intangible assets | 868 | 1,327 |
| Property, plant and equipment | 35,926 | 36,599 |
| Land and buildings | 20,800 | 21,836 |
| Plant and other items of property, plant and equipment | 15,006 | 14,762 |
| Property, plant and equipment in the course of construction | 120 | 1 |
| Non-current investments in Group companies and associates | 203,221 | 205,034 |
| Equity instruments | 119,642 | 117,661 |
| Loans to companies | 83,579 | 87,373 |
| Non-current financial assets | 19,378 | 17,252 |
| Other financial assets | 19,378 | 17,252 |
| Deferred tax assets | 238,556 | 238,156 |
| CURRENT ASSETS | 657,327 | 660,539 |
| Inventories | 373,883 | 383,011 |
| Programme rights | 365,931 | 376,460 |
| Raw and other materials | 4,057 | 3,785 |
| Advances to suppliers | 3,895 | 2,766 |
| Trade and other receivables | 210,813 | 194,429 |
| Trade receivables for sales and services | 20,396 | 10,273 |
| Trade receivables from Group companies and associates | 181,006 | 176,485 |
| Sundry accounts receivable | 1,889 | 2,246 |
| Employee receivables | 62 | 94 |
| Current tax assets | 7,288 | 5,167 |
| Other accounts receivable from public authorities | 172 | 164 |
| Current investments in Group companies and associates | 38,382 | 49,801 |
| Loans to companies | 38,382 | 49,801 |
| Current financial assets | 4,959 | 28,899 |
| Derivatives | 23 | 8,767 |
| Financial assets | 1,948 | 101 |
| Other financial assets | 2,988 | 20,031 |
| Current prepayments and accrued income | 7,614 | 3,675 |
| Cash and cash equivalents | 21,676 | 724 |
| Cash | 21,676 | 724 |
| TOTAL ASSETS | 1,225,604 | 1,236,001 |

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

| EQUITY AND LIABILITIES | 2017 | 2016 |
|--|------------------|------------------|
| EQUITY | 389,954 | 463,267 |
| SHAREHOLDERS' EQUITY- | | |
| Share capital | 207,604 | 207,604 |
| Registered share capital | 169,300 | 169,300 |
| Share premium | 38,304 | 38,304 |
| Reserves | 101,613 | 184,070 |
| Legal and bylaw reserves | 42,474 | 42,474 |
| Other reserves | 59,139 | 141,596 |
| Treasury shares | (8,810) | (8,810) |
| Other equity instruments | 2,298 | 798 |
| Profit for the year | 137,292 | 124,489 |
| Interim dividend | (49,487) | (49,487) |
| VALUATION ADJUSTMENTS- | | |
| Hedges | (556) | 4,603 |
| NON-CURRENT LIABILITIES | 209,186 | 129,396 |
| Non-current payables | 194,134 | 112,630 |
| Bank borrowings | 190,229 | 103,478 |
| Derivatives | 3,861 | 1,963 |
| Other non-current payables | 44 | 7,189 |
| Non-current payables to Group companies and associates | 2 | 2 |
| Deferred tax liabilities | 15,050 | 16,764 |
| CURRENT LIABILITIES | 626,464 | 643,338 |
| Short-term provisions | 26,651 | 27,443 |
| Bank borrowings | 74,328 | 76,499 |
| Financial derivatives | 5,367 | 3 |
| Current payables to Group companies and associates | 76,642 | 91,832 |
| Trade and other payables | 443,424 | 447,509 |
| Payable to suppliers | 353,001 | 359,004 |
| Payable to suppliers - Group companies and associates | 55,520 | 64,591 |
| Sundry accounts payable | 31 | 29 |
| Remuneration payable | 9,011 | 12,488 |
| Current tax liabilities | - | 838 |
| Other accounts payable to public authorities | 24,764 | 10,194 |
| Customer advances | 1,098 | 365 |
| Current accruals and deferred income | 52 | 52 |
| TOTAL EQUITY AND LIABILITIES | 1,225,604 | 1,236,001 |

Statement of Profit or Loss of Atresmedia Corporación de Medios de Comunicación, S.A. for 2017 (Thousands of euros)

| | 2017 | 2016 |
|---|------------------|------------------|
| CONTINUING OPERATIONS | | |
| Revenue | 799,712 | 802,882 |
| Advertising revenue | 799,712 | 802,882 |
| Procurements | (457,470) | (455,826) |
| Programme amortisation and other | (695,387) | (682,234) |
| Cost of raw materials and other consumables used | (2,118) | (2,001) |
| Inventories | 240,035 | 228,409 |
| Other operating income | 59,004 | 49,417 |
| Non-core and other current operating income/Other services | 59,004 | 49,417 |
| Staff costs | (45,716) | (50,026) |
| Wages, salaries and similar expenses | (38,861) | (43,503) |
| Employee benefit costs | (6,855) | (6,523) |
| Other operating expenses | (218,366) | (214,312) |
| Outside services | (217,297) | (212,701) |
| Taxes other than income tax | (966) | (968) |
| Losses on and write-down of trade receivables and changes in provisions for commercial transactions | (103) | (643) |
| Depreciation and amortisation charge | (20,799) | (21,254) |
| Excessive provisions | 2,597 | 2,878 |
| Impairment and gains or losses on disposals of non-current assets | 23 | 8 |
| Gains or losses on disposals and other | 23 | 8 |
| PROFIT FROM OPERATIONS | 118,985 | 113,767 |
| Finance income | 51,528 | 36,739 |
| From investments in equity instruments | 47,639 | 32,400 |
| - Group companies and associates | 47,639 | 32,400 |
| From marketable securities and other financial instruments | 3,889 | 4,339 |
| - Group companies and associates | 3,214 | 3,798 |
| - Third parties | 675 | 541 |
| Finance costs | (7,365) | (6,205) |
| On debts to Group companies and associates | (513) | (588) |
| On debts to third parties | (6,852) | (5,617) |
| Changes in fair value of financial instruments | (13,877) | (6,919) |
| Held-for-trading financial assets/liabilities and other | (13,877) | (6,919) |
| Exchange differences | 16,831 | 7,908 |
| Impairment and gains or losses on disposals of financial instruments | (8,044) | 11,116 |
| Impairment and other losses | (5,934) | 9,902 |
| Gains or losses on disposals and other | (2,110) | 1,214 |
| FINANCIAL PROFIT | 39,073 | 42,639 |
| PROFIT BEFORE TAX | 158,058 | 156,406 |
| Income tax | (20,766) | (31,917) |
| PROFIT FOR THE YEAR | 137,292 | 124,489 |

Statement of Changes in Equity of Atresmedia Corporación de Medios de Comunicación, S.A. for 2017 (Thousands of euros)

A) Statements of Recognised Income and Expense

| | 2017 | 2016 |
|--|----------------|----------------|
| PROFIT PER STATEMENT OF PROFIT OR LOSS (I) | 137,292 | 124,489 |
| Income and expense recognised directly in equity: | | |
| - Arising from cash flow hedges | (7,432) | 3,306 |
| - Tax effect | 2,042 | (826) |
| TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY (II) | (5,390) | 2,480 |
| Transfers to profit or loss: | | |
| - Arising from cash flow hedges | 318 | (749) |
| - Tax effect | (87) | 187 |
| TOTAL TRANSFERS TO PROFIT OR LOSS (III) | 231 | (562) |
| TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III) | 132,133 | 126,407 |

Statement of Changes in Equity of Atresmedia Corporación de Medios de Comunicación, S.A. for 2017 (Thousands of euros)

B) Statement of Changes in Total Equity

| | Share capital | Share premium | Reserves |
|--|----------------|---------------|----------------|
| BEGINNING BALANCE AT 1/1/16 | 169,300 | 38,304 | 182,061 |
| Total recognised income and expense | - | - | - |
| Transactions with equity holders or owners | - | - | (6,658) |
| Distribution of profit | | | |
| Distribution of interim dividends | - | - | - |
| Distribution of prior year dividends | - | - | (40,347) |
| Treasury share transactions | | | |
| Treasury share transactions (net) | - | - | - |
| Other transactions | - | - | - |
| Other changes in equity | | | |
| Transfers between equity items | - | - | 49,013 |
| ENDING BALANCE AT 31/12/16 | 169,300 | 38,304 | 184,070 |
| Total recognised income and expense | - | - | - |
| Transactions with equity holders or owners | - | - | - |
| Distribution of profit | | | |
| Distribution of interim dividends | - | - | - |
| Distribution of prior year dividends | - | - | (56,235) |
| Special dividend | - | - | (101,223) |
| Treasury share transactions | | | |
| Treasury share transactions (net) | - | - | - |
| Other transactions | - | - | - |
| Other changes in equity | | | |
| Transfers between equity items | - | - | 75,002 |
| ENDING BALANCE AT 31/12/17 | 169,300 | 38,304 | 101,613 |

| | Interim dividend | Treasury shares | Profit for the year | Other equity instruments | Valuation adjustments | Total equity |
|--|------------------|-----------------|---------------------|--------------------------|-----------------------|--------------|
| | (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 |
| | - | - | 137,292 | - | (5,159) | 132,133 |
| | - | - | - | - | - | - |
| | (49,487) | - | - | - | - | (49,487) |
| | 49,487 | - | (49,487) | - | - | (56,235) |
| | - | - | - | - | - | (101,223) |
| | - | - | - | - | - | - |
| | - | - | - | 1,500 | - | 1,500 |
| | - | - | (75,002) | - | - | - |
| | (49,487) | (8,810) | 137,292 | 2,298 | (556) | 389,954 |

Statement of Cash Flows of Atresmedia Corporación de Medios de Comunicación, S.A. for 2017 (Thousands of euros)

| | 2017 | 2016 |
|--|------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES (I) | 169,903 | 84,042 |
| Profit for the year before tax | 158,058 | 156,406 |
| Adjustments for: | (20,244) | (23,566) |
| - Depreciation and amortisation charge | 20,799 | 21,254 |
| - Impairment losses | 8,044 | (11,116) |
| - Changes in provisions | (1,947) | (2,173) |
| - Gains on derecognition and disposal of non-current assets | (23) | (8) |
| - Finance income | (51,528) | (36,739) |
| - Finance costs | 7,365 | 6,205 |
| - Exchange differences | (16,831) | (7,908) |
| - Changes in fair value of financial instruments | 13,877 | 6,919 |
| Changes in working capital | 18,546 | (54,550) |
| - Inventories | 10,203 | (30,813) |
| - Trade and other receivables | (11,180) | (2,936) |
| - Trade and other payables | (5,413) | (1,452) |
| - Other current assets and liabilities | 24,936 | (19,349) |
| Other cash flows from operating activities | 13,543 | 5,752 |
| - Interest paid | (8,909) | (3,876) |
| - Dividends received | 47,639 | 32,400 |
| - Income tax recovered (paid) | (25,187) | (22,772) |
| CASH FLOWS FROM INVESTING ACTIVITIES (II) | (29,569) | (23,706) |
| Payments due to investment | (29,624) | (26,949) |
| - Group companies and associates | (16,870) | (13,491) |
| - Property, plant and equipment and intangible assets | (12,754) | (13,458) |
| Proceeds from disposal | 55 | 3,243 |
| - Group companies and associates | 55 | 3,243 |
| CASH FLOWS FROM FINANCING ACTIVITIES (III) | (119,382) | (60,544) |
| Proceeds and payments relating to equity instruments | - | (8,931) |
| - Disposal of treasury shares | - | (8,931) |
| Proceeds and payments relating to financial liability instruments | 87,563 | 38,221 |
| - Repayment of bank borrowings | 84,580 | 20,702 |
| - Proceeds from issue of borrowings from Group companies and associates | 2,983 | 17,519 |
| Dividends and returns on other equity instruments paid | (206,945) | (89,834) |
| - Dividends | (206,945) | (89,834) |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES (IV) | - | - |
| NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV) | 20,952 | (208) |
| Cash and cash equivalents at beginning of year | 724 | 932 |
| Cash and cash equivalents at end of year | 21,676 | 724 |

Consolidated Balance Sheet of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries at 31 December 2017 (Thousands of euros)

| | 31-12-17 | 31-12-16 |
|--|------------------|------------------|
| ASSETS | | |
| Goodwill | 163,223 | 150,012 |
| Other intangible assets | 135,524 | 135,616 |
| Property, plant and equipment | 44,544 | 44,658 |
| Investments accounted for using the equity method | 332 | 233 |
| Non-current financial assets | 20,303 | 14,436 |
| Derivative financial instruments | - | 3,149 |
| Deferred tax assets | 267,493 | 272,431 |
| NON-CURRENT ASSETS | 631,419 | 620,535 |
| Programme rights | 386,880 | 392,450 |
| Inventories | 4,057 | 3,788 |
| Trade receivables | 272,476 | 244,891 |
| Other receivables | 3,918 | 3,305 |
| Current tax assets | 7,288 | 5,167 |
| Derivative financial instruments | 23 | 8,767 |
| Other current financial assets | 10,560 | 25,654 |
| Other current assets | 7,800 | 3,752 |
| Cash and cash equivalents | 25,026 | 1,562 |
| CURRENT ASSETS | 718,028 | 689,336 |
| TOTAL ASSETS | 1,349,447 | 1,309,871 |
| EQUITY AND LIABILITIES | | |
| Share capital | 169,300 | 169,300 |
| Share premium | 38,304 | 38,304 |
| Legal and bylaw reserves | 42,475 | 42,475 |
| Retained earnings | 252,730 | 320,493 |
| Treasury shares | (8,810) | (8,810) |
| Interim dividends | (49,487) | (49,487) |
| Other equity instruments | 2,298 | 798 |
| Valuation adjustments | (556) | 4,603 |
| EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | 446,254 | 517,676 |
| Non-controlling interests | (20) | (117) |
| EQUITY | 446,234 | 517,559 |
| Provisions | 766 | - |
| Bank borrowings | 190,229 | 103,478 |
| Derivative financial instruments | 3,861 | 1,963 |
| Other non-current financial liabilities | 2,207 | 319 |
| Deferred tax liabilities | 28,554 | 27,140 |
| Other non-current liabilities | 429 | 7,759 |
| NON-CURRENT LIABILITIES | 226,046 | 140,659 |
| Provisions | 106,952 | 99,489 |
| Bank borrowings | 74,355 | 76,655 |
| Derivative financial instruments | 5,367 | 3 |
| Other current financial liabilities | 2,764 | 2,160 |
| Payable to suppliers | 422,147 | 432,128 |
| Other payables | 54,973 | 36,505 |
| Current tax liabilities | - | 838 |
| Other current liabilities | 10,609 | 3,875 |
| CURRENT LIABILITIES | 677,167 | 651,653 |
| TOTAL EQUITY AND LIABILITIES | 1,349,447 | 1,309,871 |

Consolidated Statement of Profit or Loss of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries for the year ended 31 December 2017 (Thousands of euros)

| | 2017 | 2016 |
|--|----------------|----------------|
| Revenue | 983,969 | 962,583 |
| Other operating income | 68,109 | 58,531 |
| Programme amortisation and other procurements | (475,619) | (462,926) |
| Staff costs | (133,281) | (131,169) |
| Other operating expenses | (241,035) | (225,029) |
| Depreciation and amortisation | (17,780) | (17,759) |
| Impairment and gains/(losses) on disposal of non-current assets | 129 | 208 |
| PROFIT FROM OPERATIONS | 184,492 | 184,439 |
| Net gain/(loss) on changes in value of financial instruments at fair value | (13,877) | (6,919) |
| Exchange differences | 16,811 | 7,906 |
| Financial loss | (4,907) | (3,604) |
| Impairment and gains/(losses) on disposals of financial assets | (4,781) | (5,366) |
| Share of profit/(loss) of associates | (1,165) | (1,738) |
| PROFIT BEFORE TAX FROM CONTINUING OPERATIONS | 176,573 | 174,718 |
| Income tax expense | (34,465) | (45,605) |
| PROFIT FOR THE YEAR | 142,108 | 129,113 |
| Loss attributable to non-controlling interests | - | 39 |
| PROFIT ATTRIBUTABLE TO THE PARENT | 142,108 | 129,152 |
| Earnings per share: | 2017 | 2016 |
| From continuing operations | | |
| Basic | 0.63 | 0.572 |
| Diluted | 0.63 | 0.572 |

Consolidated Statement of Comprehensive Income of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries for the year ended 31 December 2017 (Thousands of euros)

| | 2017 | 2016 |
|--|----------------|----------------|
| CONSOLIDATED PROFIT FOR THE YEAR | 142,108 | 129,113 |
| ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS: | (5,159) | 1,918 |
| Cash flow hedges: | | |
| Amounts recognised directly in equity | (7,432) | 3,306 |
| Amounts transferred to profit or loss | 318 | (749) |
| Tax effect | 1,955 | (639) |
| TOTAL COMPREHENSIVE INCOME | 136,949 | 131,031 |
| Loss attributable to non-controlling interests | - | 39 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT | 136,949 | 131,070 |

Consolidated Statement of Changes in Equity of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries for the year ended 31 December 2017 (Thousands of euros)

| | Share capital | Share premium | Restricted reserves | Treasury shares |
|---|------------------|------------------|------------------------|--------------------|
| Balance at 31 December 2015 | 169,300 | 38,304 | 42,475 | (8,666) |
| Total comprehensive income | - | - | - | - |
| Treasury share transactions: | | | | |
| Acquisition of treasury shares | - | - | - | (8,931) |
| Transactions with shareholders | - | - | - | 8,787 |
| Distribution of profit: | | | | |
| 2015 interim dividend paid in 2015 | - | - | - | - |
| Dividend out of 2015 profit paid in 2016 | - | - | - | - |
| 2016 interim dividend paid in 2016 | - | - | - | - |
| Changes in the scope of consolidation and other: | | | | |
| Shared-based payments | - | - | - | - |
| Other changes | - | - | - | - |
| Balance at 31 December 2016 | 169,300 | 38,304 | 42,475 | (8,810) |
| Total comprehensive income | - | - | - | - |
| Distribution of profit: | | | | |
| 2016 interim dividend paid in 2016 | - | - | - | - |
| 2016 final dividend paid in 2017 | - | - | - | - |
| 2017 interim dividend paid in 2017 | - | - | - | - |
| 2017 special dividend paid in 2017 | - | - | - | - |
| Changes in the scope of consolidation and other: | | | | |
| Shared-based payments (Note 26) | - | - | - | - |
| Other changes | - | - | - | - |
| Balance at 31 December 2017 | 169,300 | 38,304 | 42,475 | (8,810) |

| | Retained earnings | Interim dividend | Other equity instruments | Valuation adjustments | Equity attributable to the Parent | Non-controlling interests | Equity |
|--|-------------------|------------------|--------------------------|-----------------------|-----------------------------------|---------------------------|-----------|
| | 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 |
| | 142,108 | - | - | (5,159) | 136,949 | - | 136,949 |
| | (49,487) | 49,487 | - | - | - | - | - |
| | (56,235) | - | - | - | (56,235) | - | (56,235) |
| | - | (49,487) | - | - | (49,487) | - | (49,487) |
| | (101,223) | - | - | - | (101,223) | - | (101,223) |
| | - | - | 1,500 | - | 1,500 | - | 1,500 |
| | (2,926) | - | - | - | (2,926) | 97 | (2,829) |
| | 252,730 | (49,487) | 2,298 | (556) | 446,254 | (20) | 446,234 |

Consolidated Statement of Cash Flows of Atresmedia Corporación de Medios de Comunicación, S.A. and Subsidiaries for the year ended 31 December 2017 (Thousands of euros)

| | 2017 | 2016 |
|---|------------------|-----------------|
| 1.- CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Consolidated profit for the year before tax | 176,573 | 174,718 |
| Adjustments for: | 22,080 | 28,075 |
| - Depreciation and amortisation | 17,780 | 17,759 |
| - Provisions and other: | 2,327 | 7,699 |
| - Provisions | (3,490) | 803 |
| - Net impairment losses (+/-) | 4,652 | 5,158 |
| - Share of profit/(loss) of associates | 1,165 | 1,738 |
| - Financial profit | 1,973 | 2,617 |
| Changes in working capital | 36,315 | (52,614) |
| Cash flows from operating activities | 234,968 | 150,179 |
| Income tax paid | (25,187) | (22,772) |
| Net cash flows from operating activities | 209,781 | 127,407 |
| 2.- CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investments | (62,123) | (50,648) |
| Subsidiaries, joint ventures and associates | (30,588) | (13,068) |
| Property, plant and equipment and intangible assets | (31,535) | (37,580) |
| Disposals | 55 | 3,243 |
| Subsidiaries, joint ventures and associates | 55 | 3,243 |
| Net cash flows used in investing activities | (62,068) | (47,405) |
| 3.- CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Finance costs paid | (7,827) | (1,294) |
| Financing - Associates and related parties | (5) | (50) |
| Net bank borrowings | 84,451 | 20,652 |
| Dividends paid | (206,946) | (89,834) |
| Acquisition of treasury shares | - | (8,931) |
| Net cash flows used in financing activities | (130,327) | (79,457) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 17,386 | 545 |
| Cash and cash equivalents at beginning of year | 1,562 | 1,017 |
| Changes in the scope of consolidation | 6,078 | - |
| Cash and cash equivalents at end of year | 25,026 | 1,562 |



ATRESMEDIA

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